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ANNEX

of the Commission Implementing Decision on the financing of the multiannual Operational Programme on Digital Economy and Society in favour of the Republic of Albania for 2024 - 2027

MULTIANNUAL OPERATIONAL PROGRAMME

This document constitutes the multiannual work programme in the sense of Article 110(2) of the Financial Regulation, and multiannual action plan in the sense of Article 9 of IPA III Regulation and Article 23 of NDICI-Global Europe Regulation

1. Programme synopsis

1.1. Programme Summary Table

Title	Multiannual Operational Programme on Digital Economy and Society in favour of Republic of Albania for 2024 - 2027			
OPSYS	ACT-62477 JAD.1421641 – allocation 2024-2027			
ABAC	ABAC Commitment level 1 number: JAD.1421641			
Basic Act	Financed under the Instrument for Pre-accession Assistance (IPA III)			
Team Europe	No			
IPA III beneficiaries	Albania			
Programming document	IPA III Programming Framework			
PRIORITY AREAS AND SECTOR(S) INFORMATION				
Window and thematic priority	Window 3: Green Agenda and Sustainable Connectivity Thematic Priority 2: Transport Digital Economy and Society			
Sustainable Development Goals (SDGs)	Main SDG: SDG 9 Other significant SDGs: SDG 4: Education SGD 3: Good Health			
DAC code(s)	Main DAC code – 22040 - ITC – 50 % Sub-code 1 – 430 - Other Multisector – 50%			
Main Delivery Channel	Central Government – 12000			
Targets	☐ Climate X Gender ☐ Biodiversity			
Markers (from DAC form)	**General policy objective**	**Not targeted**	**Significant objective**	**Principal objective**
	Participation development/good governance	☐	X	☐
	Aid to environment	X	☐	☐
	Gender equality and women's and girl's empowerment	☐	X	☐
	Reproductive, maternal, new-born and child health	☐	X	☐
	Disaster Risk Reduction	X	☐	☐

	Inclusion of persons with Disabilities	☐	X	☐
	Nutrition	X	☐	☐
	RIO Convention markers	**Not targeted**	**Significant objective**	**Principal objective**
	Biological diversity	X	☐	☐
	Combat desertification	X	☐	☐
	Climate change mitigation	X	☐	☐
	Climate change adaptation	X	☐	☐
Internal markers and Tags	**Policy objectives**	**Not targeted**	**Significant objective**	**Principal objective**
	Digitalisation	☐	☐	X
	Tags digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES X X ☐ X X	NO ☐ ☐ X ☐ ☐	
	Connectivity	☐	☐	X
	Tags digital connectivity energy transport health education and research	YES X ☐ ☐ X X	NO ☐ X X ☐ ☐	
	Migration	X	☐	☐
	Reduction of Inequalities	☐	X	☐
	COVID-19	X	☐	☐
BUDGET INFORMATION				
Amounts concerned	Budget line: 15 02 02 01 Total estimated cost for 2024 - 2027: EUR 44 000 000 Total amount of EU budget contribution for 2024 - 2027: EUR 30 000 000 The contribution from the general budget of the European Union is split per year as follows: • For 2024 - EUR 6 000 000 • For 2025 - EUR 5 850 000 • For 2026 - EUR 7 150 000 • For 2027 – EUR 11 000 000 The contribution from the general budget of the European Union for the subsequent years is subject to the availability of appropriations for the respective financial years following the adoption of the relevant annual budget, or as provided for in the system of provisional twelfths.			
MANAGEMENT AND IMPLEMENTATION				
Implementation modalities (management mode and delivery methods)	**Indirect management with Republic of Albania**			

Relevant priorities and flagships from Economic and Investment Plan for the Western Balkans [only for the Western Balkans]	Priority "Digital transition" Flagship: "VIII Digital Infrastructure"
Final Date for conclusion of Financing Agreement	At the latest by 31 December 2025
Decommitment deadline for each budgetary commitment	Budgetary commitment 2024 : by 31/12/2029 Budgetary commitment 2025: by 31/12/2030 Budgetary commitment 2026: by 31/12/2031 Budgetary commitment 2027: by 31/12/2033
Indicative eligibility period	31/12/2033
Final date for implementing the Financing Agreement	12 years following the conclusion of the Financing Agreement

1.2. Summary of the Programme

Digital transformation is placed at the top of the Albanian government's political agenda. The new Digital Agenda of Albania 2022-2026, approved in June 2022, is based on four main pillars: 1) Enabling Digital Policies, Smart Processes and Advanced Solutions on Secure Platforms; 2) Digital Business: Accessible, Proactive Services and Business Ready Operations; 3) Digital Education and Digital Skills, Transforming Learning and Education; and 4) Digital Citizens: Citizens and Privacy, Data Transparency and Citizen Services.

The Operational Programme Digital Economy and Society aims to advance the country's efforts to further proceed with the digitalisation process in three out of the above four pillars, and in parallel will support sectoral reforms and alignment of national legislation with the EU *acquis*.

The Operational Programme is consistent with the main EU policies on the Digital Agenda, the Digital Agenda for the Western Balkans and the Window 3 objectives and priorities[1] of the IPA III Programming Framework. This Operational Programme consists of two sectoral Areas of Support and one Area of Support (Other Support) focused on support to Programme management and control, and communication and awareness raising.

The DESI (Digital Economy Society Index) Report 2022 identifies Albania as the top digital performer in the Western Balkans area, mostly on account of the government e-services offered. However, some sub-sets of the digital economy should be improved, including *inter alia* human capital skills (both in quantitative and qualitative terms), connectivity, and big data management. These areas have been prioritised for funding under the Programme. Furthermore, particularly under the Area of Support 1 presented below, the Programme will help to advance the social inclusion of low-income, rural and marginalised communities and the Roma and Egyptian minorities. The Programme will also have a positive effect in ensuring better and fairer access to quality healthcare and education, in the context of the right to privacy, having inter alia a positive impact on People with Disabilities.

Area of Support 1: ICT infrastructure for better services for the society

[1]Green Agenda and Sustainable Connectivity, Thematic Priority: Transport, Digital Economy and Society, and Energy.

The Economic and Investment Plan for the Western Balkans recommends that the Western Balkans countries focus on a number of reform priorities, which include to prioritise and mainstream digitalisation in national policy with a focus on, *inter alia*, health and education, by boosting innovative digital transformation through encouraging the deployment of platforms and policies such as e.g. eHealth and digital skills in education.

The lack of high-speed connectivity in rural and remote areas in Albania is recognized as an issue for the effective use of ICT. in this respect, the Western Balkans Investment Framework (WBIF) has financed a Feasibility Study which includes a Cost-Benefit Analysis for the development of broadband communication in Albania to support the preparation of technical documentation required for the deployment of high-speed fixed broadband infrastructure. Furthermore, the National Agency of Information Society, with the WBIF grant, is conducting a feasibility study on the extension of the Government Network in health centres throughout the country and in a selection of schools. This study is expected to pave the way for regional offices of all institutions, including health and education centres (including schools) to have high-speed internet access via dark fibre.

Under the Programme, Area of Support 1 will focus on Digital health and Digital education, respectively, as follows:

Digital health. In line with Directive 2011/24/EU of the European Parliament and of the Council of 9 March 2011 on the application of patients' rights in cross-border healthcare as well as the Commission Recommendation C(2019) 800 final of 6.2.2019 on a European Electronic Health Record exchange format, and Pillar 1 of the Digital Agenda of Albania 2022-2026, the Programme will support the digitalisation of health records, and creation of systems that enable them to be securely accessed by citizens including vulnerable ones and securely shared within and between the different actors in the health system (patients, their clinical teams in the community and hospital facilities) as an important step towards integrating digital technologies into health and care approaches. This integration requires electronic health records to be interoperable across Albania.

Significant parts of the e-health information system are already in place but lacking features such as an Electronic Health Record to enable the electronic version of each patient's medical history and a Radiology Information System for managing medical imagery and associated data. Through online access to patient data records and information, unnecessary tests or treatments will be avoided, and the delivery of rapid/emergency treatment or procedures will speed up. The standards for security and data protection will be ensured in compliance with the General Data Protection Regulation requirements. The Programme will support studies necessary to design the system and roll-out the purchase of hardware (servers, storage) and software (or its upgrade/re-customisation) on the basis of EU standards for e-health services (IHE/HL7/CDA[2], DCOM). Communication and awareness raising activities will also be supported.

Digital Education. Intervention under this Area of Support will contribute to the implementation of the National Education Strategy 2021-2026 by supporting the improvement of the professional development and training of teachers, with a particular focus on pedagogical skills related to the implementation of the competency-based inclusive approach and digitalization at pre-university level and in line with Pillar 3 of the Digital Agenda for Albania 2022-2026. The Programme will support the reform of ICT-oriented curricula developed for the high school cycle - the last three years of pre-university education - as well as training teachers on digital skills and the use of ICT for didactic purposes to ensure the effective and long-term digital transformation of education and providing equipment (laptops) to Secondary School teachers. The Programme will also ensure access to digital education to schools for vulnerable children including the provision of laptops and appointment of skilled teachers. Communication and awareness raising activities will also be supported.

This will require changes to existing instructional standards, tools, and profiles, which will be supported under the Programme. Indirectly, the interventions will improve students' access to the labour market. All the above will contribute to a more advanced digitalisation of the national education system, improving students' learning outcomes at the pre-university level, and opening up more employment opportunities for them, in line with, among others, the recommendation of the Commission's DESI Report 2022: Better human capital for more advanced digitalisation of the Albanian economy. The Programme will also enable institutional capacity building for users

[2] Clinical Document Architecture

of the improved system with the aim of more effective digital collaboration between teachers, students and their families. As previously mentioned, this initiative within the framework of digital education targets the high school cycle. In regard to inclusion, it is a priority of Ministry of Education and Sports (MES) as enshrined in its "Strategy on education". In relation to digital inclusion, the MES is dedicating particular attention to education in collective schools and schools with low number of students, all of which are located in rural and disadvantaged communities, in several projects that are being implemented, For instance, NAIS and MES, through the support of the WBIF and CEB, are developing an intervention in schools as regards equipment with SmartLabs. The project addresses 25 collective schools and 35 high schools with less than 81 students. Another intervention is the GovTech Programme, which will be funded by the World Bank aiming various areas, such as improving the provision of public services, tackling digital skills and GovTech enablers. The GovTech programme aims to establish 216 SmartLabs, with particular attention paid to rural schools and schools in disadvantaged communities.

Since 2023, Albania has also been participating as an observer in pilot for enlargement countries under the Technical Support Instrument [3] Albania observes a multi-country project implemented for Portugal, the Netherlands and Spain on civic participation and emergent technologies. The aim of the pilot is to accelerate enlargement countries' EU accession by establishing connections between enlargement countries and EU Member States and introducing enlargement countries to the types of reforms and projects done by EU Member States post-accession.

Area of Support 2: Integration with EU information technology systems, cybersecurity and digital connectivity

Under Pillar 1 of the Digital Agenda of Albania 2022-2026, intervention under the Area of Support 2 will implement important measures to fight against corruption, as well as to enhance cybersecurity capacity and the fight against cybercrime. This intervention will ensure synergies in prevention, preparedness and response to cyberattacks, in line with the regional cybersecurity initiative (DG NEAR D1, 2023-2026). EU support will address the following priorities:

Taxation. EU support will drive digitisation in the taxation sector under Pillar 1 of the Digital Agenda for Albania 2022-2026. The main focus is on the integration and interoperability of the national tax system with VIES /VIDA implementing the Council Directive 2006/112/EC of 28 November 2006 that establishes the common system of Value Added Tax (VAT) within the European Union, and Country-by-Country Reporting (OECD standard) to comply with the Council Directive 2016/881/EU of 25 May 2016 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (DAC4 - not yet aligned). The planned Programme action will help monitor budget revenues better and support fiscal decentralisation in the future by reducing the VAT gap, addressing undeclared work and investigating unexplained wealth or asset acquisition thus contributing to fighting corruption, combatting the avoidance of tax declarations/payments, better public debt management, addressing informality, etc. The Programme will support the enactment of relevant laws/regulations, the provision of appropriate software solutions, capacity building of end-users in various forms, communication with key stakeholders, and awareness raising among the general public.

Cybersecurity. This is a crucial EU policy area, as reflected in the Commission proposal dated 18 April 2023 to amend the EU Cybersecurity Act[4], and is also a priority reform area under the Economic Investment Plan for the Western Balkans. The specific objective of support in this area is to improve the ability of Albanian authorities to defend against cyber threats by strengthening cyber awareness, preventive analysis capability, and the cyber resilience and responsiveness of public sector organisations participating in the cybersecurity governance network of critical information infrastructures. The Programme includes a comprehensive set of measures to protect sensitive and classified information/data. This includes increasing the physical hosting capacity of the NAIS Datacentre and upgrading the associated hardware/software equipment, as well as further contributing to building

[3] https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/technical-support-instrument/technical-support-instrument-tsi_en

[4]Regulation (EU) 2019/881 of the European Parliament and of the Council of 17 April 2019 on ENISA (the European Union Agency for Cybersecurity) and on information and communications technology cybersecurity certification and repealing Regulation (EU) No 526/2013 (Cybersecurity Act).

cybersecurity management capacity through access to Threat Intelligence platforms for proactive detection against sophisticated attacks and Dark Web Monitoring platforms for scanning and monitoring the dark web for sensitive information that may be published in relation to government infrastructures or data.

Digital connectivity with Very High-Capacity Networks (VHCN) gigabit infrastructure with Fiber Optic (FO) and 5G. Under the Programme, Albania will promote digital transformation through improving the legal and regulatory environment for gigabit infrastructure, increasing resilience and trust for better digital connectivity, and promoting innovation and the green agenda in building digital infrastructure and 5G including implementing measures based on the 5G toolbox[5]. The intervention through this Programme will also help to develop and implement measures to have secure and resilient 5G networks based on the recent EU 5G toolbox experience. The intervention is in line with the Economic Investment Plan for the Western Balkans and the Green Agenda emphasising digital infrastructure and connectivity. The Programme will support the preparation of a geographical survey for the broadband network, Very High-Capacity Networks, enacting of legislation for gigabit infrastructure, studies for 5G use in smart communities and 5G pilot projects design. Communication and awareness raising activities will also be supported. The intervention will also support the Albanian institutions to increase their capabilities in implementing the new regulations for gigabit infrastructure in line with EU best practices and to promote trust in the global digital ecosystem by advancing inclusive and affordable connectivity so that all citizens can benefit from the digital economy and the future of Internet.

Area of Support: Other Support. An additional objective of the Programme is to assist the Managing Authority, the Intermediate Body for Financial Management and other structures and authorities including the Programme's Partners, in implementation of the Programme by strengthening their capacities through a wide range of capacity-building activities, as well as additional compensation to the salaries of selected staff to prevent staff turnover and create a stable work environment. To ensure effective management, control, monitoring, and evaluation of the Programme, institutions will receive assistance in preparing the technical documentation necessary for Programme implementation, designing and implementing communication and visibility activities, preparing evaluation reports, monitoring the results of the Programme on an ongoing basis, and supporting administrative controls and technical audits. The scope of Other Support interventions will be aligned with the institutional capacity building and communication operations implemented under Areas of Support 1 and 2.

2. Sector(s) analysis

2.1 National sectoral policies and context

Area of Support 1: ICT infrastructure for better services for the society

Sub-Area of Support 1.1: Digital Health

The National Strategy for Development and European Integration 2022-2030 (NSDEI)[6] envisages a more accessible healthcare system under the social cohesion priority.

Under Policy Goal 5: Digital Health Policy, the **National Health Strategy 2021-2030[7]** targets the modernisation of Health Infrastructure and Technology, aiming to address the user's real needs, by ensuring the system's privacy and security, integration-interaction as well as inclusion and access.

The Digital Agenda of Albania 2022-2026[8] plans to maximise the economic and social potential of information and communication technology, improve the delivery of quality services, anticipate investments in the integration of new technologies into e-government systems, and improve digital skills needed for development. As regards the health sector, under Pillar 1 "Digital Government: Enabling digital policies, smart processes and advanced solutions on secure platforms", the Agenda designates the use of tools to develop a reliable digital environment,

[5] https://digital-strategy.ec.europa.eu/en/library/cybersecurity-5g-networks-eu-toolbox-risk-mitigating-measures
[6] https://qbz.gov.al/share/3VxOqmLUSwOWhi00jsdZUg
[7] https://qbz.gov.al/share/axqVxAbRSZaE1Hs6TBYw4g
[8] https://qbz.gov.al/share/FblnKS3xTgWp1XYi5fzeHw

such as using HL7 standards for storing patient health data, and promotes the use of telemedicine in both the public and private sectors for preliminary diagnosis of patients and remote treatment delivery, with the aim of providing quicker access to healthcare services for patients and implementing social distancing.

Sub-Area of Support 1.2: Digital Education

The "**National Strategy for Development and European Integration 2022-2030 (NSDEI)**"[9] includes education within Pillar III social cohesion. Within this pillar, the following is foreseen: Strategic goal 1: Inclusive education system based on equality and lifelong teaching principle that enable quality formation of all individuals contributing to their personal welfare, in strengthening democracy and in integration of the country in the European Union. Policy aims 1: Qualitative pre-university education that enables for students to create knowledge, skills, stances and values conform the requests for a democratic society; to face constructively life challenges and to contribute to the construction of self and social welfare. Specific Objective 1.2 Creation of chance for quality teachers training and improvement of their career that encourages them to develop higher levels of skills for teaching. Specific Objective 1.3. Full implementation of competence-based curricula through effective teaching and making use of high-level sources. Specific Objective 1.4. Development of digital competencies through better use of ICT and for teaching and learning. Policy goal 2: Effective and efficient management of the education system at all levels based on functional mechanisms for quality assurance, transparency and accountability. Objective 2.1. Increase school performance through direction and professional management and quality assurance.

Regarding the digitalisation of pre-university education, the "**National Education Strategy 2021-2026 (NES)**"[10] foresees under Policy Goal A: Qualitative, inclusive and equal pre-university education system that creates the conditions for all students without distinction to develop skills, knowledge, and opinions that meet the requirements of a democratic society so that they can constructively face life's challenges and contribute to building personal and social well-being, Strategic Objective A5: Development of digital competencies by making best use of information, technology and communication for the following products:. Creation of proper infrastructure for ICT use in schools and its maintenance; Development of digital competence through extended ICT use in all subjects; Offering qualitative ICT services for pre-university education.

The Ministry of Education and Sports and the National Agency for Quality Assurance in Pre-University Education (ASCAP) have approved the ICT curriculum for the 1st and 2nd grades of the pre-university education system[11]. In the curricular framework of pre-university education, digital competence[12] is a cross competence, which is intended to be developed by all relevant subjects and not only by the subject of Information and Communication Technology.[13]

The intersectoral strategy "**Digital Agenda of Albania 2022-2026**"[14] plays an important role for improvement of quality of services towards citizens and business in the country. To enable all Albanians to fully benefit from the welfare brought by the establishment of an inclusive digital society, the performance in terms of digital based skills

[9] http://ips.gov.al/wp-content/uploads/2019/11/NSDI-eng.pdf

[10] National Strategy on Education 2021-2026" https://arsimi.gov.al/vendim-nr-742-date-3-12-2021-per-krijimin-e-bazes-se-te-dhenave-shteterore-te-sistemit-te-menaxhimit-te-informacionit-parauniversitar-smip/

[11] For this purpose, a study was drafted based on international experience in relation to inclusion of ICT in basic education in 18 countries. The study was used as a basis for the process of reviewing ICT curricula at all levels. The Ministry of Education and Sports, with the support of the Albanian American Development Fund, is revising the ICT curricula at all levels. The revision of curricula aims to improve the digital skills required by the current labour market.

[12] Digital competence is the ability to:

- use digital technology and communication tools;
- receive information;
- manage and integrate information;
- evaluate the information;
- adapt the information;
- exchange information so that the individual can function in the knowledge society.

Digital competence means the critical and effective use of ICT at work, during leisure time and during communication. It relies on basic computer skills to find, produce, create, present and share information, as well as to collaborate in online information networks.

[13] Curricula can be found on: https://www.ascap.edu.al/tik-klasa-ii/

[14] "Digital Agenda Strategy 2022-2026". https://akshi.gov.al/axhenda-dixhitale/

is a priority of the Albanian government. The digital agenda of the Albanian government also has a dedicated measure to digitalisation in education. Regarding digital education and digital skills, under goal 4 the strategy expects the following to be achieved: 1. Through training centres and coding courses 10 000 coders will be certified within 2025. 2. The creation of 10 technological youth centres nationwide within 2024. 3. Integration of the subject information technology and communication of coding knowledge within the curricula starting from the first class of basic education within 2022. 4. the Creation of Smart Labs nationwide in all pre-university education institutions within 2023.

The System for the Management of Pre-University Education (SMIP) is a national system of education data for the pre-university education system[15]. The system directly relates to the improvement of the education system by gathering and updating all the information on pre-university education, increasing the level of interaction at digital level of schools and encouraging use of new technology within the system. Moreover, this system enables parents to be informed in real time on the grades and absences of their children, thus increasing transparency and accountability. The SMIP is an important tool to enhance digitalisation use in education. However, in order for the SMIP to be properly implemented, there is a need to enhance the infrastructure related to ICT to enable teachers to continuously upgrade the system and students to have access to it. Currently, users of the SMIP include: 338,965 registered students, 1,409 schools (public+private), 36,266 teachers (public+private) and 18,509 classes.

Area of Support 2: Integration with EU information technology systems, cybersecurity and digital connectivity

Sub-Area of Support 2.1: Taxation

Albania has a relatively low efficiency coefficient (C-coefficient) for VAT. This coefficient in Albania is calculated to be 0.54, which means that 54% of the potential revenue from VAT is collected at the standard rate. Although Albania has a high standard rate (20%) compared to non-EU Balkan neighbours, this ratio remains smaller than countries such as Serbia, Montenegro, Bosnia and Herzegovina, or North Macedonia.
Revenue from the direct taxation of personal income and contributions remains one of the most important sources of income for Albania. Data over the years indicate that the level of revenue collected from these sources corresponds on average to 16% of GDP.

The European Union (EU) has established regulations governing various aspects of taxation, including value-added tax, excise duties, and corporate taxation. These rules also encompass cooperation between tax administrations, including the exchange of information to combat tax evasion. Albania, in accordance with Law No. 35/2019[16], ratified an agreement with the Organisation for Economic Cooperation and Development (OECD) to join the Inclusive Framework on Tax Base Erosion and Profit Shifting (BEPS) in August 2019. Within this Framework, one of the four minimum standards that must be met is Action 13, known as "Country-by-Country Reporting". The implementation of this measure aligns with the EU Directives outlined in Chapter 16, "Taxation" of the European Commission's Enlargement Report. To implement this measure effectively, the necessary legislation will be developed, followed by its integration into computer systems for seamless implementation.

In terms of administrative cooperation and mutual assistance, Albania still needs to finalise double taxation agreements with some EU countries. While the Law on the automatic exchange of information on financial accounts partially aligns with the relevant 2014 EU Directive, further improvements are necessary. Albania has made a commitment to participate in exchanges of financial account information in accordance with the Standard for Automatic Exchange of Financial Account Information in Tax Matters (AEOI Standard) starting in 2020. In 2020, Albania began conducting non-reciprocal exchanges and subsequently underwent an assessment using the methodology for non-reciprocal jurisdictions. The assessment determined that Albania's confidentiality and data safeguards are in line with the AEOI Standard. No concerns were identified that would pose an unacceptable security risk to the exchanged data. As a result, no significant recommendations were made for improvement.

In terms of national policies, the **National Strategy for Development and European Integration 2022-2030 (NSDEI)** sets forth the country's policy goals and sustainable development objectives. It reaffirms the

[15] SMIP, website: https://smip.al/login
[16] Law No.35/2019: https://qbz.gov.al/eli/ligj/2019/06/17/35/6739219d-6930-48d6-bd7d-e844756a07f8

government's commitment to strengthening public finances and ensuring fiscal stability across all sectors. Furthermore, it is built upon the vision of developing a budget revenue system that is efficient, streamlined, transparent, sustainable, and capable. This system aims to support the provision of enhanced public services, foster economic growth, and reinforce the stability of the country's public finances. The vision strives to generate consistent and lasting revenues for the budget by implementing an effective, equitable, and unbiased tax system.

The Ministry of Finance and Economy (MFE) has initiated the preparation of the **new Sectoral Strategy for Public Finance Management 2023-2030,** which will be accompanied by a three-year action plan. The new strategy will continue to emphasise the goal of increasing domestic revenue mobilisation through improvements in the Tax Administration[17]. Specifically, the objective is to enhance revenue collection efficiency, ensuring financial stability at both the central and local levels. Efforts will also be made to reduce informality. Effective, efficient, and transparent management of tax revenues, along with the improved collection of tax obligations, including property tax, are crucial for the future. The Tax Administration will strive to increase the number of taxpayers fulfilling their legal obligation to pay taxes and aim to raise the property tax collection rate. The Ministry of Finance and Economy has also initiated the public consultation process for the **Medium-Term Revenue Strategy 2022-2026 (MTRS),** marking the beginning of significant reforms in tax policy, tax administration, and customs that will be implemented over the next five years. The primary aim of this strategy is to strengthen fiscal policies, enhance tax revenue, and improve the efficiency of tax and customs collection processes.

Sub-Area of Support 2.2: Cybersecurity

Cybersecurity is an emerging policy area in Albania. The cross-sectoral strategy **Digital Agenda of Albania 2022-2026** and its Action Plan includes specific provisions on cybersecurity. Under Goal 4 "Digital Education and Digital Skills," item 6.8 "Cybersecurity," the stated goal is to implement hybrid cloud computing platforms and technologies to improve the resilience of cybersecurity systems in certain key components. According to the strategy:
- The government will use one identity as the core of security within government organisations. There shall be a single identity reference to enhance usability and enable additional security controls such as multi-factor authentication.
- The government will use an approach that defines core data protection. This approach will create a system that means perimeter security will not be able to protect assets wherever they are located and that a data-centric approach to security must be taken. This consists of securing the data itself, rather than networks, servers, applications or devices. For sensitive data, encryption will be used as an additional layer of access control. The government will implement solutions that permanently encrypt documents and help classify and protect content.
- In a world where the threat cannot be fully controlled from the network layer and where employees use devices of their choice, the government sees it as a priority to provide a platform that supports device integrity. Administrators can then customise control policies to allow access to sensitive workloads only from healthy devices.
- The volume of events to be managed dictates that anything that can be automated should be done. To this end, research is being conducted to set up and enable automated risk management, because human experts should focus their attention only on high-value activities and the solutions implemented should help them be more productive.
- Another goal is to deploy a system based on intelligence-led activities. It is understandable that while threat protection remains a best practice, it is impossible to provide perfect protection everywhere and for every asset. Therefore, it is important to quickly detect and respond to threats by using automated intelligence to guide defence activities.

[17] Under the **Sectoral Strategy for Public Finance Management 2019-2022** and the Action Plan 2020-2022, the main objectives under the Taxation component were as follows:

- Approval of a comprehensive medium-term strategy for revenue collection.
- Establishing an automated risk-based procedure for VAT refund management.
- Full automation of key processes in the tax administration.
- Completion of Compliance Risk Management, with a focus on high-risk taxpayer segments regarding revenue compliance.
- Completion and updating of the Taxpayer Registry.
- Reduction of informality.
- Improvement in tax debt management.

The development of the **National Cybersecurity Strategy 2020-2025** is based on the European Union Cybersecurity Strategy. This document considers the obligations stemming from the European integration process, the recommendations made in this regard by the Network and Information System (NIS) Directive and the EU adaptations for European Union Agency for Cybersecurity (ENISA) as EU Computer Emergency Response Team (CERT), and the relevant commitments as a NATO member country.

According to Decision No. 1084/24.12.2020[18] on the adoption of the "National Cybersecurity Strategy and its Action Plan 2020-2025", Policy Objective 1 is to "ensure cybersecurity at the national level through the protection of information infrastructure and the strengthening of technological and legal tools", as detailed in Specific Objectives 3 and 4, respectively: Strengthen and implement security measures in critical and important information infrastructures; and, Improve information infrastructure to counter cybercrime, radicalisation, and violent extremism.

Sub-Area of Support 2.3: Digital Connectivity

The sectoral priorities for broadband development and digital infrastructure are an important part of the country's long-term strategic framework set out in **the National Strategy for Development and European Integration 2022-2030 (NSDEI).**

The NSDEI aims to reflect the development priorities in a relatively longer period of time, considering as priority areas digitalisation and telecommunication including digital gigabit infrastructure development. The Strategic Goal defined in the NSDEI is: **Albania with High Speed and Very High Speed Broadband Digital Infrastructure throughout the country, to lay the foundations for a Gigabit society.** 5G networks are recognised as vital in enabling the next wave of productivity and business innovation across different sectors in the Albania economy.

The Digital Agenda of Albania 2022-2026 includes digital infrastructure and broadband as part of priorities interconnected with different sectors and digitalisation process in education, health, e-government etc.

For the importance of digital infrastructure for the development of the entire economy, especially in the spirit of digital transformation, **the National Plan for the Sustainable Development of Digital Infrastructure, Broadband 2020-2025**[19] (the National Broadband Plan) was approved in June 2020, defining the strategic objectives of broadband development:
Strategic objective 1: Sustainable development of broadband infrastructure
Strategic objective 2: Reducing the digital divide and providing inclusive broadband services
Strategic objective 3: Increasing demand for the development of the digital economy and a Gigabit society.

The National Broadband Plan aims to further advance the development of broadband infrastructure throughout the country and address the digital divide. It also includes measures and actions to develop 5G networks. The four priority pillars that the National Broadband Plan is built on are: 1) Broadband infrastructure builds out; 2) Strengthening of financing and broadening of funding basis; 3) Spectrum management; and 4) Sustainable competition. Developing broadband digital infrastructure and achieving the strategic objectives requires large investments.

The National Broadband Plan is also based on the Green Agenda. Within the National Broadband Plan implementation, the development of broadband networks will include measures to promote environmentally friendly developments, such as the use of alternative technologies for communication systems (e.g. solar heating systems deployed at remote sites and stations), as well as measures to reduce environmental pollution from the use of electronic equipment.

[18] https://cesk.gov.al/wp-content/uploads/2020/07/strategjia_kombetare_sigurise_kibernetike-1.pdf
[19] https://www.infrastruktura.gov.al/wp-content/uploads/2020/07/National-Plan-BBand-EN.pdf

The development of the digital economy and society and the development of digital infrastructure requires the improvement and updating of the legal and regulatory framework for supporting investments in broadband infrastructure, increasing/ strengthening institutional capacities responsible for the development of broadband, both at central level (line ministry, regulatory body) and local level in the municipalities as well as the preparation for investments in white areas. The coordinated and harmonised development of policies for the development of utility infrastructures is also needed to reduce the development costs of digital broadband infrastructure and to promote the green economy.

The development of digital economy and society is closely linked with building confidence through the development of secure and resilience of telecommunication networks at national level including 5G networks towards digital transformation.

Furthermore, digital connectivity is closely related with SDG goals, such as Goal 9 (Industry, Innovation and Infrastructure) and in particular with target 9.c to significantly increase access to information communication technologies (ICTs) and strive to provide universal and affordable access to internet in least development countries. As a candidate country for EU membership, Albania is committed to harmonising its national policies regarding the development of electronic communications, with the strategic objectives of the EU initiative in the year 2010 on the Digital Agenda for Europe as a comprehensive strategy for the development of the information society and the 2016 EU strategy "Towards a Gigabit Society in 2025" and further the Digital Decade Programme where gigabit infrastructure is a critical component.

In practice, the high costs of deployment and complex procedures in building permission, establishing synergy between different existing physical infrastructure and in particular access in buildings continue to be important barriers to the deployment of Very High-Capacity Networks (VHCN).

In 2021, the Economic and Postal Communications Authority (AKEP) prepared a Study/Plan, including an assessment of 5G technology, safety, affordability, and capability aspects. The study was completed and approved by the AKEP Steering Board with its Decision No 7 of 31.03.2022 “On the approval of the document “Study/ analysis on new technologies for mobile broadband in Albania”. This Plan outlines the process for granting usage rights as objective and transparent as possible for the benefit of Albanian consumers and the Albanian economy, the creation of a competitive market in Albania, and the effective use of spectrum and the fulfilment of regulatory objectives. The new electronic communication law based on the EECC includes a specific provision for 5G security. Effective implementation of the new law including those measures based on the EU 5G toolbox is needed.

The spectrum policy document was approved by the Decision of Council of Ministers No 636 of 29.07.2020 “On the approval of the multi-annual programme for spectral policy and action plan”. It is partially aligned with the Decision No 243/2012/EU of the European Parliament and of the Council of 14 March 2012 establishing a multiannual radio spectrum policy programme.

2.2 Legal framework

Area of Support 1: ICT infrastructure for better services for the society

Sub-Area of Support 1.1: Digital Health

Law on Healthcare in the Republic of Albania (No. 10 107/2009) (Amended by Law No. 51/2013, Law No. 76/2015 and Law No. 27/2019) defines the main principles and the legal framework for the regulation, organisation and operation of the health care system in the Republic of Albania. This law applies to all natural or legal persons, Albanian or foreign, who operate in the health care system. Health care is guided by the following principles: a) the right to health care is a fundamental right of the individual; b) guaranteeing equal rights in health care, based on non-discrimination; c) the health care system operates based on the efficiency and quality of service, guaranteeing patient safety and impartiality; ç) the participation of different actors, patients, consumers and citizens; d) accountability to citizens. As well, under article 4 "responsibilities of the state", the Ministry of Health and Social Protection prepares the strategy for the health care system which includes relevant policies and programmes. Policies and programmes related to health care and social protection issues in the Republic of Albania are drawn up in the General Directorate of Policies and Development of Health and Social Protection in the Ministry of Health. Other institutions of health care and social protection in inter-institutional cooperation at the

central and local level, cooperate with the relevant ministry that covers health and social protection issues to draft policies and exchange.

DCM No. 210, dated 6.4.2022 On the Approval of the National Health Strategy 2021-2030 foresees under Strategic Objective 5.2.2 the Creation of the imaging interpretation network (Reading Virtual Centre Imagery) through the development of the National System of Digital Medical Images.

DCM No. 138 dated 22.02.2017 "On the creation of the state database national electronic health registry". The National Electronic Health Register maintains the electronic health records of citizens who have received health services in health care institutions. The administrative institution responsible for the National Electronic Health Register is the Ministry of Health. "Electronic medical documents" are all documents created by health professionals from the use of electronic health systems. The validity of an electronic medical document is ensured through the electronic signature by health professionals, in accordance with the legislation in force on electronic signatures.

DCM No. 503 dated 24.06.2020 "For the administration of electronic health information".

Law 9887/10.03.2008: In June 2022 the Ministry of Justice of the Republic of Albania launched a public consultation process on a draft law "On Personal Data Protection" which is approximated with the GDPR. As of June 2023, this draft law has yet to be approved by the Albanian Parliament.

On 28 January 2022, Albania signed the Protocol amending the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data, which was later ratified by **Law No. 49/2022** On the Ratification of the Protocol Amending the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data.

Law on State database and register (No. 10 325/2010). This law defines the basic rules for the creation, administration of state databases and the interaction between them, to ensure their effective use, for the public interest and services, by any interested entity.

Law on Electronic Documents (No. 10 273/2010, amended). This law regulates the use of electronic documents by natural, legal, public and private persons, whose programmes and electronic devices enable the realisation, production, transmission, reception, storage and security of electronic document information.

Sub-Area of Support 1.2: Digital Education

The legal framework in pre-university education is based on the following laws:

Law For the pre-university education system in the Republic of Albania (**No. 69/2012,** amended). The law on pre-university education was amended in 2015 and 2018 and several bylaws have been approved in this regard. The law recognizes digital competence as a key competence for students under Article 13.
Law For education and vocational training in the Republic of Albania (**No. 15/2017**). The respective law on vocational education and training regulates Vocational Education and Training (VET) aspects and is under the competence of the Ministry responsible for VET.

Law For the Albanian Framework of Qualifications (**No. 10 247/2010,** amended).

Of relevance for this Area of Support are also the following Decision and Agreement:

Decision On the approval of the Memorandum of Understanding between the Council of Ministers of the Republic of Albania and the Albanian American Development Foundation (AADF) on the implementation of the project Element IT (**No. 594 dated 7.9.2022)**.

The License and service agreement between "the Ministry of Education and Sport and the AADF and the National Agency for Information Society (NAIS, in Albanian AKSHI standing for Agjencia Kombëtare e Shoqërisë së Informacionit) and Code Monkey Studios ltd. on provision of the Code monkey platform and service".

Area of Support 2: Integration with EU information technology systems, cybersecurity and digital connectivity

Sub-Area of Support 2.1: Taxation

Albania's administration of taxes (in general) and VAT (in particular) is regulated by two key laws:

Law On tax procedures in the Republic of Albania (**No. 9920/2008,** amended)[20] and the **Law On value added tax in the Republic of Albania** (**No. 92/2014,** amended)[21]. The latter (VAT Law) is partially aligned with the European Union Directive 2006/112/EC "On the Common Value Added Tax System", as amended. Regarding the reform on Fiscalisation (transmission of e-invoices to a centralised invoicing platform in real time), a new regulation was introduced: **Law for invoicing and the system of monitoring of turnover** (**No. 87/2019)**[22].

The Republic of Albania regulates personal data protection pursuant to the **Law On Protection of Personal Data (No. 9887/2008,** amended)[23]("Data Protection Law"). The Data Protection Law was last amended in 2014, thus it is yet to be harmonised with the Regulation (EU) 2016/679 of the European Parliament and of the Council of 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("GDPR"). The complete harmonisation of the current Albanian legislation in force on data protection with the GDPR has been one of the main objectives of the Office of Information and Data Protection Commissioner since 2018, however this objective has yet to be achieved (due in part to the COVID-19 pandemic).

On 28 January 2022, Albania signed the Protocol amending the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data, which was later ratified by **Law On the Ratification of the Protocol Amending the Convention for the Protection of Individuals** (**No. 49/2022)** with regard to Automatic Processing of Personal Data. In June 2022, the Ministry of Justice of the Republic of Albania launched a public consultation process on the draft law "On Personal Data Protection" which is approximated with the GDPR. This draft law has yet to be approved by the Albanian Parliament.

Sub-Area of Support 2.2: Cybersecurity

The main legislation related to cybercrime is as follows:

Law on Criminal Code of the Republic of Albania (**No. 7895/ 1995**, amended). The Criminal Code is based on the Constitution of the Republic of Albania, the general principles of international criminal law and the international treaties ratified by the Albanian state. The Criminal Code is composed of this Code and other laws regulating criminal offenses. The criminal legislation of the Republic of Albania has the task of protecting the dependence of the State and the entirety of its territory, human dignity, human rights and freedoms, constitutional order, property, the environment, the coexistence of Albanians and the understanding of Albanians with national minorities, as well as religious coexistence from criminal acts and preventing the latter.

Law On Cyber Security (**No. 2/2017).** The purpose of this Law is to achieve a high level of cybersecurity by establishing security measures, rights, obligations, and mutual cooperation among entities working in the field of cybersecurity. This Law is applied to communication networks and information systems, the breach or destruction of which would affect the health, safety, prosperity of citizens and the effective functioning of the economy in the Republic of Albania. Excluded from the application of this Law are electronic communication networks and information systems subject to the applicable legislation on electronic signatures, electronic identification and trusted services, electronic communication networks and information systems processing, archiving or transmitting classified information of the State, as well as electronic communication networks and information systems to the extent provided for in the legislation on electronic communications in the Republic of Albania.

[20] https://www.tatime.gov.al/eng/shkarko.php?id=683
[21] https://www.tatime.gov.al/eng/shkarko.php?id=3321
[22] https://www.tatime.gov.al/c/6/452/fiskalizimi
[23] https://www.idp.al/wp-content/uploads/2020/03/Ligj_Nr.9887_dat%C3%AB_10.3.2008_i_ndryshuar.pdf

Law On Electronic Communications in the Republic of Albania (**No. 9918/2014** amended). The purpose of this Law is to promote competition and efficient infrastructure in the field of electronic communications, through the principle of technological neutrality, and to ensure adequate and appropriate services in the territory of the Republic of Albania.

Law On Personal Data Protection (**No. 9887/ 2008** amended). The purpose of this Law is to establish the rules for the legal protection and processing of personal data. According to this Law, the legal processing of personal data shall be carried out with respect for and guarantee of the rights and fundamental freedoms of individuals, and in particular the right to privacy.

Law On Classified Information (**No. 8457/1999** amended). This law defines the rules for the classification, use, preservation and declassification of national security information, which, with this law, will be considered a state secret. This law applies to all state and central institutions or dependencies, for the bodies of justice, prosecution and/or legal/physical persons, persons with immunity, when for the exercise of their duties, they must have access to classified information - "state secrets". Based on the **Law On Classified Information** (**No. 8457/1999)** amended by the **Law On some amendments and changes in the Law No. 8457/1999** (**No. 9541/2006**), the Directorate of Securing Classified Information was established.

Law On the Electronic Signature (No. 9880/2008, amended). The purpose of this law is to create the necessary legal framework for the recognition and use of electronic signatures in the Republic of Albania.

Law On Electronic Identification and Trusted Services (No. 107/2015, amended). In this context, cybersecurity legislation should be harmonised with EU legislation to provide a complete and codified mechanism to adequately address and resolve issues. In addition, international cybersecurity mechanisms should be used, signed, ratified, and implemented where possible, including allocation of sufficient resources based on national priorities, consideration of technological developments, and application of neutral technology principles.

Sub-Area of Support 2.3: Digital Connectivity

The legal framework in the telecommunication sector includes the primary law on electronic communications, the law on the deployment of high-speed electronic communications networks and for ensuring rights of way as well as a number of bylaws for different regulatory issues in the electronic communication market. The legal framework is relevant for both components:

Component 1: Gigabit Infrastructure Act and its implementing measures
Component 2: Implementing 5G use cases for smart community as well as 5G toolbox measures.

Law for electronic communications in Republic of Albania (**No. 9918/2008** amended) is based on the EU electronic communication package of 2002 as amended by directives of 2009. In 2008, the Electronic Communications Law introduced the General Authorisation Regime for all Electronic Communications networks and services in alignment with the 2002 Regulatory Framework [24] as amended in 2009. The Electronic Communications Law, Law 9918, was amended in 2012 and includes all the EU requirements to establish an effective regulatory framework for the development of telecommunications network and services.

Based on this law a number of bylaws have been approved such as:
DCM No. 434 dated 3.06.2020 "On the approval of the National Plan for Sustainable Development of Digital Broadband Infrastructure 2020 – 2025" (NBP).
DCM No. 636 dated 29.7.2020 "On the approval of the multiannual programme for spectral policy and action plan" which has transposed the EU decision no. 243/2012.
DCM No. 1187 dated 24.12.2020 "On the approval of the National Frequency Plan" based on the European Allocation Plan (ECA 2020).

[24]The 2002 Framework consisted principally of Directive 2002/21/EC, Directive 2002/20/EC, Directive 2002/19/EC, Directive 2002/22/EC and 2002/58/EC directive.

Instruction of the Minister no. 7 dated 22.10.2019, "On the definition of general rules for the management of communications traffic and the protection of users' rights", which has partially transposed Regulation (EU) 2015/2120 of the European Parliament and of the Council of 25 November 2015, which defines measures relating to free access to the Internet and which amends the Directive 2002/22 / EC "on universal service and the rights of users in the field of electronic communications networks and services", and also Regulation (EU) No. 531/2012 regarding roaming service in public networks of mobile communications within the European Union.

In addition, AKEP, the National Regulatory Body for electronic communication, has approved a number of regulations linked with regulatory aspects in the sector[25] such as:
Regulation No.47, dated 26.10.2017 "On the implementation of the General Authorisation" in accordance with Directive 2002/20 / EC and Directive 2002/21 / EC.
Regulation No. 30, dated 05.12.2013, "On granting individual authorisation for the use of frequencies".
Regulation No. 33 dated 15.05.2014 "On the conditions of use of frequencies without individual authorisation and technical requirements for radio equipment used in these bands".
Regulation No. 43 dated 22.09.2016 "On the manner of the implementation of number portability" amended.
Regulation No. 35, dated 10.09.2015 "Rules for the shared use of facilities and assets of public electronic communications networks".
Regulation No. 37, dated 19.10.2015 "On technical and organisational measures to guarantee the security and integrity of networks and / or electronic communications services".
Regulation no. 16, dated 16.04.2010 "On service quality indicators".
Regulation No. 9, dated 17.07.2009 "On market analysis", amended by Decision of the Board of Directors No. 2342, dated 31.07.2013, in accordance with Recommendation 2007/879 / EC and the Commission guidelines on market analysis and assessment of the significant market power in the Community regulatory framework for electronic communications networks and services, (2002/C 165 / 03).
Regulation No. 32, dated 26.12.2013, "Rules and Guidelines for the Separation of Accounts and Cost Calculation for Entrepreneurs with Sensitive Market Power (FNT)", fully in line with Recommendation 2005/698 / EC and Recommendation 2009/396 / EC.
Regulation No.19, dated 14.06.2010, "On access and interconnection".
Regulation "on the implementation of the FUP and the sustainability of RLAH with the Western Balkans", approved by Decision No. 9 dated 9.6.2021of the Board of AKEP.
Regulation No. 49 dated 11.3.2021 "On the protection of consumers and subscribers of public electronic communications services".

During 2022, based on the National Plan of European Integration, the Ministry of Infrastructure and Energy, supported from EU through the technical assistance project "Support the Ministry of Infrastructure and Energy to implement the new European Electronic Communications Code & Open Internet", drafted a new electronic communication law in order to transpose the Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code (Recast). The draft law on electronic communication is in final phase of consultations and is planned to be approved within 2023.

The code's provisions include measures to stimulate investment in and take-up of very high capacity networks in the European Union, new spectrum rules for mobile connectivity and 5G, as well as changes to governance, the universal service regime, end-user protection rules, and numbering and emergency communication rules. The new draft law put as a strategic objective the development of very high capacity networks (VHCN).

Law On the deployment of high-speed electronic communications networks and for ensuring rights of way (No. 120/2016). Law No. 120/2016 envisages to facilitate and incentivise the roll-out of high-speed electronic communications networks by promoting the shared use of existing physical infrastructure and by enabling a faster and more efficient deployment of new physical infrastructure. Its objective is to reduce the cost of the procedures as well as to ensure rights of way for the deployment of broadband. This law aims to increase investment, improve broadband penetration, increase the efficiency of the existing infrastructure through infrastructure sharing, as well as increase competition. In addition, there are some social and environmental benefits. Law No. 120/2016 has transposed the EU Directive 2014/61/EU of the European Parliament and of the Council of 15 May 2014 "On measures to reduce the cost of deploying high-speed electronic communications networks".

[25] https://akep.al/vendime-akte/komunikimet-elektronike/

In accordance with **law No. 120/2016** a number of bylaws have been approved and two others are being drafted:
DCM No. 189, dated 30.03.2022 "On defining the rules for internal infrastructure for high-speed electronic communications networks and the management/administration of the access point to buildings".
DCM No. 22, dated 13.1.2022 "On defining the categories of buildings that are excluded from the obligation of having the access point for the infrastructure of electronic communications networks".
DCM No. 155, dated 11.03.2022 "On the approval of the general rules for the procedures of granting the right of way for the construction of high-speed electronic communications networks".
DCM No. 190, dated 30.03.2022 "On the approval of the rules for the distribution of costs related to the coordination of civil works".

In order to facilitate the establishment of digital infrastructure the **DCM No. 457, dated 29.06.2022** "On some amendments to DCM No 408, dated 13.05.2015 "On the approval of the regulation of territory development" was approved in June 2022. The new decision established easier regulations for building permits for small mobile +network antennas as well as for the Internet network. This by-law aims to facilitate the process of granting permits for the deployment of the 5G network. Regulation of building permits for 5G networks is also part of the policy reforms included in the roadmap for reducing roaming prices between the EU and the Western Balkans.

Four bylaws were approved during 2022 based on this law and two other bylaws are pending approval. Based on the consultations with stakeholders, the implementation of Law No. 120/2016 has seen some obstacles mainly related to access to existing physical infrastructure and access to buildings. The reforms and interventions undertaken contribute to digital infrastructure development, but also to further measures and advancement towards the gigabit society needed to achieve the goals.

Law No. 120/2016 needs to be reviewed in light of the new objectives defined in the NSDEI and to foster Gigabit broadband and support 5G deployment. Furthermore, Law No. 120/2016 needs to be harmonised with the new legal framework for electronic communication which is based on the EECC directive with the strategic objective for development of Very High-Capacity Networks (VHCN). The review of Law No. 120/2016 should also take into account the targets and objectives established in the NSDEI, the objectives for gigabit society and 5G in conformity with EU Digital Compass, Digital Decade, and the objectives established in the European Green Deal, to ensure that the legislation is fully in line with sustainability goals.

Based on the National Plan of European Integration, further bylaws are expected to be approved. Furthermore, the measures to harmonise the broadband law with new electronic communication law especially to achieve the strategic objective for VHCN is needed in parallel with the necessity to overcome the obstacles already identified in the implementation of Law No. 120/2016.

Law No. 10463, 22.09.2011 "On Integrated Waste Management" is the key legislation that defines institutional responsibilities in the area of waste management. This law has been detailed through the decision of the Council of Ministers No. 957, dated 19.12.2012 "For waste from electrical and electronic equipment". Currently, a new law "On the extended responsibilities of the producer" is being drafted and will be published for consultation, part of which relates to the management of electronic waste (e-waste management). This draft law aims to enable the implementation of the obligation of producers who generate post-consumer waste, to have additional responsibilities for the post-consumer phase of their products, with a specific target on three categories of waste, one of which is e-waste. This law is expected to be in force from January 2025.

2.3 Institutional setting, leadership, and capacity

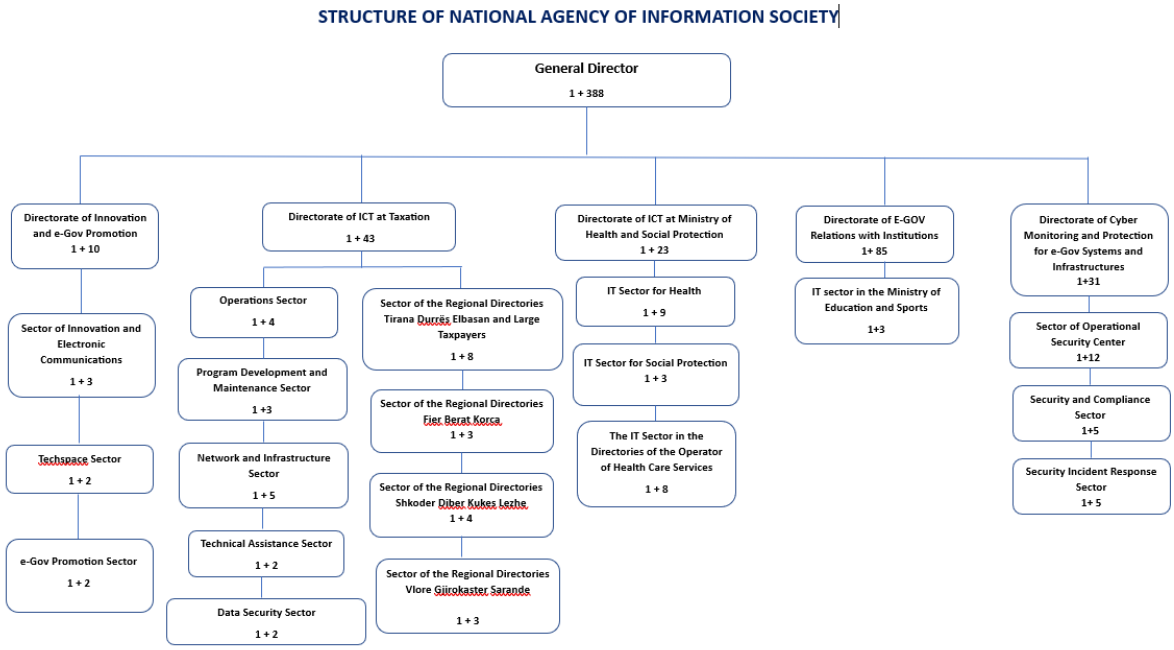
The National Agency for Information Society (NAIS) will be responsible for the overall management of the Operational Programme Digital Economy and Society. The NAIS was established by the Albanian Council of Ministers in 2007. It is the core institution in Albania in terms of digitalisation of government and state services provided to citizens, businesses and public administration employees in Albania. The Agency implements and coordinates policies, programmes and strategies for the development of the information society sector and in particular ICT. It represents the state owner that administers electronic systems, hardware and software infrastructures. Beside coordination activities between line ministries, public institutions, agencies and other stakeholders, the NAIS is responsible for the following: organisation and management of IT structures in public administration, creation and management of ICT systems/solutions, implementation of e-services in the governmental portal, implementation of electronic seal and signature, management of the National e-Gov

Datacentre and the Government Interoperability Platform datacentre, management of the interoperability platform, design and monitoring of the digital agenda, etc. It is responsible for transforming the operation of the Government institutions through the introduction and usage of innovative ICT tools and contributing to the education and promotion of ICT use by the public.

The NAIS assigns staff and manages responsible ICT structures at each public institution under the authority of the Council of Ministers (the IT staff of line ministries and agencies are part of NAIS' organisational chart, but they work physically in the institutions' offices to support them with their daily technical tasks). In this regard, it will ensure full collaboration with the OP beneficiary institutions, through coordination via its IT staff in line ministries and agencies.

The organigramme below presents the total number of NAIS employees in the core office as well as the departments established within line Ministries which will implement the OP as end beneficiaries.

Figure 1. NAIS Employees in core office and other structures (reduced organigram showing the directorates which will operate with the OP)



Area of Support 1: ICT infrastructure for better services for the society

Sub-Area of Support 1.1: Digital Health

The Ministry of Health and Social Protection (MoHSP) has as its mission the exercise of its functions and powers in accordance with the Constitution and other laws of the Republic of Albania for the drafting and implementation of state policies that ensure the realisation of the health policy of the government programme. As an integral part of the Government structure, the Ministry of Health is responsible before the Parliament and the Council of Ministers for health problems.

The structure of the Ministry is organised depending on its political function and its administrative function. The political function is carried out by the Minister, the two Deputy Ministers, the Cabinet Director and the Minister's Advisors. The administrative function is carried out by: the General Secretary, Directors of Directorates, Heads of Sectors, Specialists and other employees of the administration. All these functions operate in accordance with the law "On Civil Servants" and the Labour Code. The total number of employees of MoHSP is 140 employees. The designated directorate responsible for the policies in the ministry is the **Directorate of the Delivery units and Statistics** which has 10 employees. The **General Directora of Health Policies** has around 30 employees. The **ICT Directorate in the Ministry of Health and Social Protection**, which is in the NAIS organigramme, employs

24 specialists. There are 44 **public hospitals** in Republic of Albania and 36 **healthcare directorates** in the deconcentrated structures. Each healthcare directorate has its own ICT and medical devices specialists. Hence, in primary healthcare there are 148 ICT and medical devices specialists. In addition, in the public hospitals there are another 132 ICT and medical devices specialists.

Sub-Area of Support 1.2: Digital Education

The Ministry of Education and Sports is the **Lead Institution** in the field of pre-university education.

In general, the responsibility for quality assurance (QA) in education in Albania is divided in **three levels:** 1) the **Central level** represented by the National Agency for Quality Assurance in Pre-University Education (ASCAP), General Directorate of Pre-University Education (GDPUE), and the Centre for Educational Services (CES); 2) **Regional/local level** represented by the Regional Directorates of Pre-University Education (RDPUEs) and Local Pre-University Education Offices (LPUEOs) subordinated to the General Directorate of Pre-University Education (GDPUE) and 3) **Pre-University Education Institutions** as direct service providers. According to the new organisation of pre-university education governance, the responsibility for school evaluation and inspection lies with the GDPUE, while ASCAP focuses on system performance level and risk-based evaluation of pre-university education providers. Moreover, ASCAP provides technical assistance to the GDPUE in the area of curricula, professional development, as well as school monitoring, evaluation, and inspection. ASCAP and the GDPUE have closely collaborated in drafting inspection/evaluation protocols and building inspection/evaluation capacities.

The introduction of the new administrative structure in pre-university education is considered an achievement, as it brings inspection/evaluation closer to the schools. As part of the restructuring of local education units in 2019, special attention was paid to the coverage of educational institutions where national minority pupils study by the Local Pre-University Education Office (LPUEO) to directly ensure the quality of educational services. Currently, the educational institutions attended by Greek national minority pupils are supported by the LPUEO Finiq-Dropull, the LPUEO Gjirokastra-Libohova and the LPUEO Saranda-Delvina-Konispol, while the pre-university educational institutions attended by the Macedonian national minority pupils are supported by the LPUEO Korça-Pustec.

Principals in Albania are viewed as weak links of the education system. They focus more on performing administrative tasks rather than leading the teaching process, and also lack the proper training to perform such functions. In the majority of cases, the school leader position is viewed as a temporary one, and leader turnover is high. Since 2012, a more transparent Principal recruitment procedure has been in place. The 2018 legislative amendments require principals to obtain a special certificate after completing mandatory training at the Centre for School Leadership. The Centre for School Leadership was established in October 2018 as a result of the support provided by the AADF. The School was initially established as a partnership between the Albanian government and AADF providing a unique form for the organisation of such an institution for Albania and the Western Balkans Region. Currently, the Centre is a public body that functions as part of the education structure. The AADF has undertaken to invest USD 2.9 million over 10 years, while the government has provided the school premises. Following the comprehensive needs analysis conducted by a team of international and local experts, the school drafted the curricula and is nearing training completion for the first group of trainees. Teachers have shown great interest in school principal training. In 2016, performance standards and evaluation criteria for school principals were approved, which were later reviewed in 2019.

Table 1: Institutional setting under Sub-Area of Support 1.2 – Digital Education

Institution	**Structure**	**Main Role**	**Human resources (Number of staff)**	**Need for training**
Ministry of Education and Sports (MES)	General Directorate of Development for Education and Sports.	The Ministry of Education and Sports is responsible for planning, implementing and revising education policies at all levels. Support to the Ministry is provided by a range of advisory bodies and executive institutions.	Approximately 35	The persons involved might need further training regarding ICT use depending on their involvement in the programme.

Institution	Structure	Main Role	Human resources (Number of staff)	Need for training
		The General Directorate of Development for Education and Sports consists of 4 directorates: the Directorate of Pre-university Education, the Directorate of Higher Education, the Directorate of Livelihood of Priorities and Statistics and the Directorate of Sports.		
National Agency for Information Society	IT sector in the Ministry of Education and Sports	Responsible for technical issues in relation to ICT, assists MES on implementation of SMIP and other education platforms.	3 (Head of Unit and 2 Specialists)	Experienced in issues related to education platforms and their management but might need further training concerning project management.
Ministry of Education and Sports	Innovation sector	Formulates policies and guidance for inclusion of innovation in education, identifies priorities and prepares strategic plans.	3 (1 Head of Unit and 2 specialists)	2 out of 3 staff have relevant experience. Staff might need training on management of innovation projects and interventions.
Agency for Quality Assurance in Pre-University Education	Curriculum specialist for ICT curricula of preuniversity education	Follows successful implementation of ICT curricula and coordinates the training of ICT teacher through the "Teacher Network" for ICT Teacher.	22 (1 and 21 ICT teaching networks leaders)	Depending on their involvement in the programme they might need further training on different issues.
General Directorate of Pre-university Education	Sector for curricula	Follows curricula implementation at pre-university education system including ICT	6 (1 Head of Unit and 5 specialists)	
Regional Education Directorates	Sector for Curricula	Curricula specialist	4 (1 Head of Unit and 3 specialists)	The persons involved cover curricula in general and might need further training regarding ICT use depending on their involvement in the programme.
Local Education Offices	Sector for Curricula	Curricula specialist	At least 1 person per office (Local Education Offices are 52)	The involved specialists cover curricula in general and might need further training on ICT related subjects. The number of people per local office might vary depending on the number of schools they have under jurisdiction.
Centre for Educational Services	Support SMIP	Follows successful implementation of SMIP system. Coordinates the work at local level concerning the updates to the system.	3	Might need further training since the structure is recently established.
Pre-University Education Institutions	Direct Service Providers	Responsible for teaching and learning process	Approx. 32000 teachers in public sector.	Further training regarding ICT.

In relation to digitalisation in pre-university education and in terms of the functioning of the SMIP, the National Agency for Information Society is responsible for the technical maintenance of the system and management of

providers. Within the framework of the SMIP, the key institution is the Centre for Educational Services. Its tasks include administering of the system and follow up its regular update by regular correspondence with local education offices and schools and support to the SMIP system functioning. ASCAP has uploaded the curricula in the system and is responsible for its regular update.
In terms of system management, roles are described in the Decision of Council of Ministers for the SMIP establishment. In terms of training needs, there are many projects that address ICT sector needs including the training of teachers. However, training might still be necessary in terms of SMIP working and maintenance.[26]

Area of Support 2: Integration with EU information technology systems, cybersecurity and digital connectivity

Sub-Area of Support 2: Taxation

The Ministry of Finance and Economy has the leadership in the area of developing macroeconomic and fiscal policies and testing them through deep and complete analyses. The directorate in charge of these policies is the General Directorate of Macroeconomic Policies and Fiscal Affairs, and it is composed of three directorates, as below:
Directorate of Macroeconomics and Statistics
Directorate of Fiscal Harmonisation
Directorate of analysis and monitoring of fiscal policies

The specific intervention under this Operational Programme will be implemented by the Legal Department, Business Processes Department and Projects Management Department in the General Directorate of Taxation (GDT) and by NAIS. Training will be necessary for establishing the new system for around 20 employees (from GTD and NAIS).

Table 2: Institutional setting under Sub-Area of Support 2.1 – Taxation

End Beneficiaries	Main role
General Directorate of Taxation subordinated to the Ministry of Finance and Economy	Based on the Law no. 9920/19.05.2008 "On tax procedures in the Republic of Albania", as amended, the Albanian Central Tax Administration is composed of: The General Directorate of Taxation 14 Regional Directorates of Taxation The General Directorate of Taxation (GDT) is a central institution (1,450 staff), subordinated to the Ministry of Finance. The General Directorate of Taxation is the only central tax authority of the Republic of Albania which implements and administers national taxes and collection of contributions. A new organisational structure for the Tax Administration (1450 staff) was approved by Prime Minister's Order, no. 69, dated 26.05.2023 "For the approval of the organisational structure and the total number of personnel of the Central Tax Administration". Regional Directorates of Taxation depend on the Deputy General Territorial Director and are directed by the Regional Director. The Minister of Finance, upon the proposal of the General Director of Taxation, approves the Organigramme of the Central Tax Administration Office. The Central Tax Administration is organised according to the following functions: Serve and guide taxpayers; Tax audit; Collection of taxes and implementation of enforcement measures; Tax investigation; Supporting functions, including finance and statistics and internal controls, legal services, human resources administration and development of technical regulations; Internal investigation;

[26] Decision of Council of Ministers No. 742, dated 3.12.2021 "For the establishment of the state database of management information system in pre-university education (SMIP)".

End Beneficiaries	Main role
	Tax refund. The GDT is responsible for collecting tax revenues through simple procedures and at minimal cost, uniformly applying the tax legislation, for the financing of the Albanian state budget. The GDT supports the government in the drafting of tax policies, preceded by a periodical information process.
National Agency for Information Society	The Service Level agreement (SLA) nr. 7160 dated 05/04/2019 between the GDT and NAIS describes the details of collaboration, SLA levels, change and incident management. A dedicated staff of 44 constitutes the ICT Directorate of Taxes. The staff are employed in the central Directorate of Taxes and 13 Regional directorates. This staff are dedicated to maintenance and development of GDT ICT systems, as well as to facilitate and help the use of the ICT system and infrastructure from the staff of the GDT. One of the main objectives of the ICT Directorate is to present and implement new systems to facilitate the interaction of business and citizens with the Tax administration, and also offer new tools to the GDT staff to fight evasion and fraud.

Sub-Area of Support 2.2: Cybersecurity

The NAIS cyber security department consists of 3 different sectors, the Security Operational Centre (SOC), Security and Compliance and the Cyber Incident Response team. The NAIS cyber security department monitors 24/7 all the governmental cyber space.
The SOC and Cyber Incident Response team are responsible for reacting to and treating cyber incidents while the Security and Compliance sector performs vulnerability scanning and remediates them.
The SOC team is formed by 13 specialists, Security and Compliance by 6 specialists and the Cyber Incident Response Team also has 6 members.

The National Computer Security Agency (ALCIRT) is the central authority for identifying, anticipating and taking measures to protect against computer threats and attacks, in accordance with the applicable law.
This authority has the following competencies in the field of cyber security:

- to determine cybersecurity measures;
- to act as a central point of contact at the national level for the responsible operators in the field of cybersecurity and to coordinate the work to solve cybersecurity issues;
- to manage incident reports in the cybersecurity sector and ensure their storage and registration;
- to provide methodological assistance and support to the responsible operators in the field of cybersecurity;
- to analyse for weaknesses in the field of internet security;
- to perform awareness and education activities in the field of cybersecurity;
- to act in the capacity of the national Computer Security Incident Response Team (CSIRT).

The Authority coordinates its activities with security and defence institutions and cooperates with sectoral CSIRTs (Computer security incident response team) and international authorities in the cybersecurity sector, through joint agreements, in accordance with applicable law.

Sub-Area of Support 2.3: Digital Connectivity

The Ministry of Infrastructure and Energy (MIE) and the Authority for Electronic and Postal Communications (AKEP), which is the regulatory body in charge of the electronic communication market, are the two main actors for implementing the interventions under this Sub-Area of Support in cooperation with other institutions linked with the Digital Agenda implementation.

The MIE is the responsible Ministry for telecommunications and broadband development. The MIE is responsible for implementing the National Broadband Plan and development policies and programmes in the telecommunication/electronic communication sector.

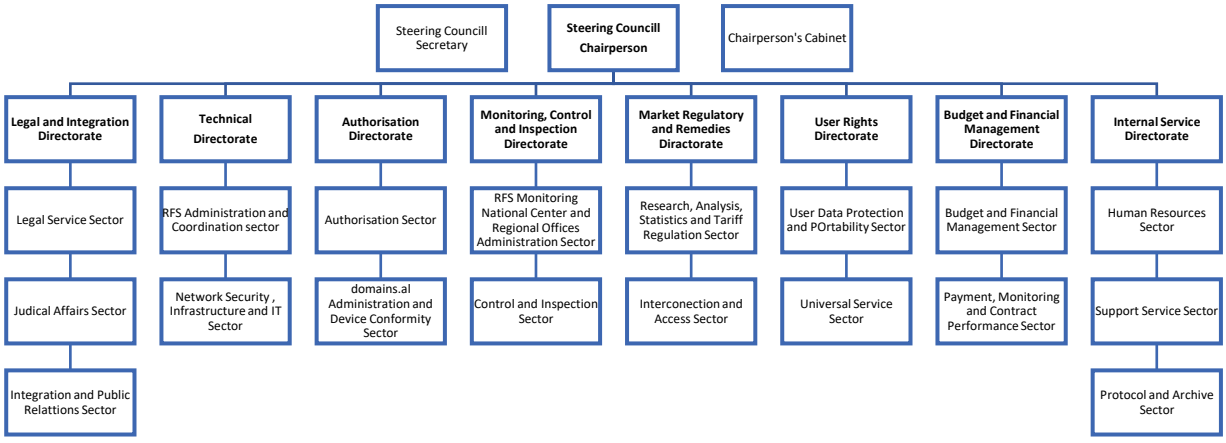
The General Directorate of Policies and Development Strategies for Infrastructure and Territory in the MIE with 63 employees includes the following directorates: the Directorate for Policies and Development Strategies in Transport and Infrastructure, the Directorate for Policies and Development Strategies in Post and Telecommunications, the Directorate for Programme Developments in Infrastructure and Territory, and the Directorate of Feasibility Projects in Transport and Infrastructure. The sectoral Directorate for Policies and Developments Strategies in Post and Telecommunications, has two sectors: the Sector for policies and strategies for telecommunications and post, and the Sector for spectrum policies and broadband.

AKEP is the regulatory body for electronic communications and postal service in Albania aiming at the achievement of a sustainable regulatory framework, fostering business climate for investors and protecting all users of electronic communications and postal services in Albania by affordable prices and quality of services.

AKEP is an independent regulatory body for the electronic communication and postal market, based on the Law On the electronic communication in the Republic of Albania (No. 9918/2008, amended). AKEP is accountable to the Parliament of the Republic of Albania. AKEP coordinates with the Ministry of Infrastructure and Energy in the framework of implementing the policy objectives. AKEP is also part of the Thematic group for telecommunication and broadband which is established and functioning as part of the "Connectivity" Sectorial Steering Committee covering energy, transport and telecommunication and broadband infrastructures under the IPMG mechanism.

The current organisational structure of AKEP was approved by Decision of Parliament No 56/2018, with 8 Directorates with 14 Sectors covering different regulatory issues with 85 employees. The structure of AKEP is published in the webpage of AKEP: https://akep.al/rreth-akep/

Figure 2. AKEP organisational structure



One of the key infrastructure networks serving the public administration and currently in use is the Government Network (GN) which interconnects more than 230 public institutions in Tirana. The Government Network is also the main infrastructure network used by the Government Gateway (GG) platform which serves as the basic architecture that enables the exchange of real-time governmental data so that they can be provided to citizens through e-services in a secure and reliable way.

Sector(s) and donor coordination

Area of Support 1: ICT infrastructure for better services for the society

Sub-Area of Support: Digital Health

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)[27] and Thematic Groups[28]. The IPMG structure is coordinated overall by the State Agency for Strategic Planning and Aid Coordination (SASPAC) that is also responsible for donor coordination. The Integrated Planning System Information System (IPSIS) [29] is established 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 of key policies and financial planning processes.

Considerable momentum has been built around the establishment of a common external assistance coordination architecture. The SASPAC was established in October 20201, and the main duties of the Agency are to coordinate foreign aid for development programmes and projects, coordinate the process of management of national interest projects and provide methodological support in drafting cross-sectorial and sectorial strategies, in order to harmonise them with the NSDEI, as well as to monitor their implementation. This Agency 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 and most of all to reinforce policy dialogue on legal and institutional developments, as part of the EU integration process which takes place between the EU and Albania in the framework of the Stabilisation and Association Agreement between the Republic of Albania and the EU.

The monitoring and reporting system and sector coordination for Education, Employment, Social Protection and inclusion policies, and health is coordinated through the IPMG "Human Capital Development" which includes Thematic Groups on Employment, Skills and Decent Work, Social protection, Health, Education, Children, Youth, Culture and Sport and Marginalised groups.

Sub-Area of Support 1.1: Digital Education

The leading role for implementation of the National Education 2021-2026 lies with the Ministry of Education and Sports as the institution responsible for the field of pre-university education, pursuant to Article 26 of the Law "On Pre-university Education System in the Republic of Albania" (No. 69/2012, amended), and Article 7 of the Law "On Higher Education and Scientific Research in Higher Education Institutions in the Republic of Albania" (No. 80/2015). The responsibility for the implementation of each measure is defined in the action plan included in Annex 1 to the Strategy and is shared between the MES, its subordinate institutions, educational institutions, local government, and other actors.
Main donors in the sector of education in general and in regard to digitalisation of pre-university education in particular include the European Union, UNICEF, the AADF, USAID and the United Kingdom (British Council).

The MES follows and monitors the implementation of the National Education Strategy 2021-2026 (NES) approved with Decision of Council of Ministers' No. 621, dated 22.10.2021 "For the approval of the National Strategy for Education and its Action Plan 2021-2026" with priority and in full coordination with all the actors involved.
For each objective, measures and indicators are provided as part of the NES. The monitoring of the national education strategy is done in 6-month period to demonstrate the feasibility of the planned measures. In order to monitor this strategy 5 (five) working groups have been set up by the Minister of Education and Sports Order no. 337, dated 15.06.2022, amended. These groups are composed of representatives from different institutions, which are involved in the activities for a certain specific objective, and that contribute with the exact information needed for the monitoring of the strategy. There are measures where important budget planning is mandatory, which can guarantee the viability of the implementation of these measures. For example, in relation to digitalisation, the MES has planned activities that require important budget plans. The MES is currently coordinating actions with

[27] Enabling cooperation at political level for the integrated sector/cross-sector approaches in priority areas (Government priorities).
[28] Enabling cooperation at technical level with partners within the specific sectors of the respective priority areas.
[29] Council of Ministers Decision No. 290/11.4.2020, "For the creation of Government Integrated Planning System Information System (IPSIS)".

international partners to guarantee the necessary funds for the implementation of the NES to be sustainable. In addition, the MES focuses on the professional development of different dependent structures, which are the main actors of the implementation of this strategy. The MES holds periodic meetings with the working groups to build their monitoring capacities. Furthermore, the MES has already implemented the Passport of Education Indicators, which will serve as a set of indicators to monitor the strategy. The implementation of the strategy faces financial challenges in covering the planned measures.

At government level, strategies including the "Strategy on Education Development" are coordinated via the IPMG "Human Capital Development" where the Ministry of Education and Sports participates at Deputy Minister level.

Area of Support 2: Integration with EU information technology systems, cybersecurity and digital connectivity

Sub-Area of Support 2.1: Taxation

The former IPMG "Good Governance and Public Administration," led by the State Minister for Standards and Services, now the IPMG "Democracy, Rule of Law and Good Governance" led by the State Minister for Local Governance facilitates political cooperation within the Taxation subsector. Key institutional stakeholders participating in the management, implementation, and oversight of actions within this framework include the Ministry of Finance and Economy, the General Directorate of Taxation, the Department for Good Governance under the Prime Minister's Office (PMO), and other relevant agencies based on the agenda of specific meetings.
To ensure effective monitoring of tax revenues, the tax administration and customs administration regularly report the realised incomes to the Ministry of Finance and Economy. A monthly report is compiled, comparing tax revenues with the collected revenues from the same period of the previous year and revenue planning. This analysis utilizes detailed monthly reports from the fiscal and customs administration, including information on tax items by sectors, new subjects, changes in tax liability, and income from various product groups. This frequent monitoring of tax revenues serves as a basis for assessing the implementation of tax policies and contributes to the preparation of the Ministry of Finance and Economy's Annual Report on Public Financial Management. The General Directorate of Taxation prepares and regularly publishes its annual reports on implementation of the sectorial strategies and its Operational Plan.

As part of the IPA Sectoral Monitoring Committees, the IPMG "Democracy, Rule of Law and Good Governance" plays a crucial role in overseeing the overall implementation of the actions under the Sub-Area of Support. It facilitates policy dialogue and knowledge management between the central and sub-national levels of government by coordinating with participating municipalities and other implementing partners. The thematic working group (i.e. Taxation) includes key development partners such as the European Commission (EC), the International Monetary Fund, and the World Bank, among others.

The Operational Programme is designed to align and complement existing and planned actions under IPA annual action programmes (e.g., IPA 2020 EU for Good Governance) and multi-country programmes (e.g., the Fiscalis Programme). In 2022, Albania signed a participation agreement to join the Fiscalis programme, aligning with Article 5 of the programme's regulation, which allows for the participation of third countries under specific agreements. Specifically, regarding the Fiscalis Programme, the General Directorate of Taxation in Albania has actively engaged in a range of seminars, workshops, and study visits as part of the programme. This programme serves as a platform for participating countries, their tax administrations, and officials to collaborate in combating tax fraud, tax evasion, and aggressive tax planning. Through this engagement, Albania has contributed to knowledge sharing and fostered collaboration with other tax administrations involved in the programme.

Sub-Area of Support 2.2: Cybersecurity

The National Cyber Security Strategy will be monitored through the measurement of the basic indicators defined in the Annex Passport of Indicators. In order to pursue the realisation of specific objectives, translated into a detailed action plan, the basic indicators have been drawn up, which will serve as a guide to monitor the realisation of the Strategy.

Sub-Area of Support 2.3: Digital Connectivity

The IPMG "Connectivity/Networks" is led by the Ministry of Infrastructure and Energy. A special Thematic Group for Telecommunications and Postal Services has been established.

The Thematic Group for Telecommunications and Postal Services is responsible for prioritising and monitoring the National Plan for the Sustainable Development of Digital Infrastructure, Broadband 2020-2025 within the framework of the IPMG. This group enables policy coordination structures, in which key actors are represented, to discuss telecommunication sectoral issues in connection with digital infrastructure, broadband and digital agenda dimensions. The thematic working group, chaired by the Ministry of Infrastructure and Energy, is responsible for ensuring regular meetings with relevant members, including the National Regulatory body for electronic communications AKEP, Ministry of Finance and Economy, Audiovisual Media Authority, National Agency on Information Society etc. These meetings serve as a platform for policy dialogue, discussing main strategies, legal initiatives, budget allocation, and stakeholder coordination at the sectoral level. To ensure inclusivity, consultations with Civil Society Organisations (CSOs) and Associations of Municipalities are also conducted, allowing for diverse voices and stakeholder needs to be considered.

The thematic working group includes key development partners such as the European Commission, World Bank, EBRD, and German Cooperation/GIZ etc. The Operational Programme is designed to align and complement existing and planned actions under IPA annual action programmes, multi-country programmes, Western Balkans Investment Framework (WBIF), and projects funded by other EU Member States or donors. This approach builds upon the accomplishments of previous initiatives.

As part of the IPA Sectoral Monitoring Committees, the IPMG "Connectivity/Networks" plays a crucial role in overseeing the overall implementation of digital connectivity actions. It facilitates policy dialogue and knowledge management between the central and sub-national levels of government by coordinating with participating municipalities and other implementing partners. Under the IPMG mechanism, the Thematic Group on Telecommunications and Postal Services, provides the main mechanism for sectoral coordination, monitoring and reporting. The development of the broadband network is further coordinated with the implementation of the Digital Agenda and of innovation policies and skills under the IPMGs: "Democracy, Rule of Law and Good Governance ", " Economic Development " and "Human Capital Development".

2.5 Mid-term budgetary perspectives

Area of Support 1: ICT infrastructure for better services for the society

Sub-Area of Support 1.1: Digital Health

Table 3: The health sector annual budget (EUR)

Code	Programme	Year 2023	Year 2024	Year 2025
0110	Planning, Administration, Management	368,000	378,000	458,000
07220	Primary Health Care	8,750,000	8,900,000	8,420,900
07330	Hospital Health Care	33,292,020	33,663,020	34,169,020
07450	Public Health Services	3,928,108	3,678,108	3,678,108
07460	National Emergency Service	464,600	525,000	525,000
10430	Social Care	27,280,000	27,680,000	28,180,000
01190	Rehabilitation of the Politically Persecuted	1,035,000	1,050,000	1,050,000
	Total MoHSP	**75,117,728**	**75,874,128**	**76,481,028**

Compared to the total State Budget, the expenditures of the MoHSP budget for the year 2022 (corrected) constitute 14.17% of the State Budget. Compared to the State Budget, the planned expenditures of the MoHSP according to the years (2023-2025) are as follows:
For the year 2023: 14.51% of the total State Budget
For the year 2024: 14.04% of the total State Budget
For the year 2025: 13.54% of the total State Budget

Expenditures for health compared to the Gross Domestic Product have increased from 2.6 percent in 2013 to 3.7 percent in 2022. This increase is marked as a result of continuous improvements in the public health system and the financing of the health system that has also resulted in the reduction of expenditures from the pockets of citizens.

Sub-Area of Support 1.2: Digital Education

According to the OECD[30], investment in education in Albania is comparatively low and does not translate into the education outcomes needed to equip people with relevant skills and optimism. In 2018, the government spent 3.2% of GDP on education, in 2019 the percentage of GDP spent for education was 3.3; in 2020 the GDP share for education was 3.4 percent and in 2021-2022 it has remained at 3.2 percent.

The same spending trend is foreseen also for the period 2024-2026 where, by means of Decision of Council of Ministers No 195 dated 05.04.2023 "On the approval of the preparatory ceiling of expenditure in the mid-term budgetary programme 2024-2026" it is foreseen that expenditures on education for this period would account for 3.1% and 3.2% of the GDP.

Figure 3: Investment on education as % of GDP for the period 2007-2023

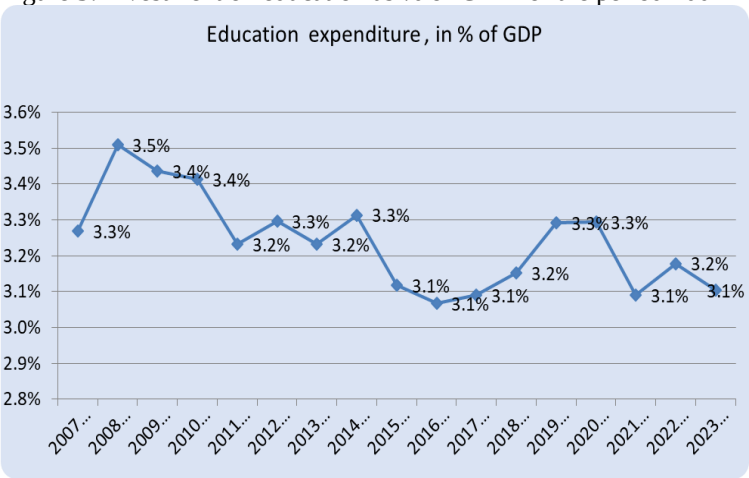
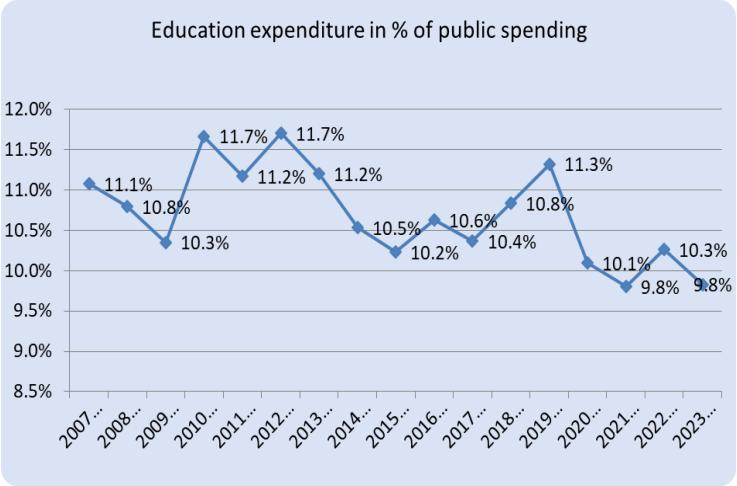


Figure 4: Investment in Education as % of Public Spending 2007-2023



[30] OECD (2021), *Multi-dimensional Review of the Western Balkans: Assessing Opportunities and Constraints*, OECD Development Pathways, OECD Publishing, Paris, *https://doi.org/10.1787/4d5cbc2a-en*.

Area of Support 2: Integration with EU information technology systems, cybersecurity and digital connectivity

Sub-Area of Support 2.1: Taxation

The Government Medium Term Budget Planning (MTBP) in Albania is established by the Management of Budgetary System (MBS) Law, enacted in 2008, which provides clear legislative specifications for programme budgeting, establishes defined budget preparation and monitoring calendar, clarifies budgetary roles and responsibilities, and designates "Authorising Officers" for each budgetary institution. In the MTBP 2023-2025, budget classification requirements are established by Article 11 of the MBS Law and are specified by the Minister of Finance and Economy in compliance with international standards. Budget classifications must at a minimum cover administrative, economic, functional, programme-based, and financing sources. In the current MTBP 2023-2025, MFE developed its budget (related to Taxation policy area) in September /October 2022, consistent with the expenditure ceilings and budget guidance. The MTBP of MFE outlines programmes, sub-programmes, and projects according to the objectives of the government units. The complete MTBP presents the objectives of each programme, the funds allocated to the programme, and the programme's intended outputs. The integration of the Management of Tax Revenues Budget programme into the Medium-Term Budget Programmes ensures a harmonised and unified approach to the taxation policy area.

The aim of the Management of Tax Revenues is to improve the collection and administration of tax revenues, national taxes, and social security contributions, including healthcare, in the Republic of Albania.
The aim of this budget programme is to provide financial support for enhancing the organisational capabilities of the Tax Administration and developing human capacities. This includes implementing new methods and systems, modernizing operations, delivering high-quality services, and reducing the administrative burden associated with tax and social security payments. These efforts contribute to heightened public awareness and the cultivation of a voluntary compliance culture.

The programme also focuses on the effective implementation of tax and social security legislation, with particular attention to investigating cases of tax evasion. It incorporates a comprehensive strategy for risk management fulfilment, further enhancing tax control measures and strengthening the detection of tax fraud. Additionally, the programme emphasizes the importance of efficient and streamlined debt collection processes.

Table 4: The annual budget of GDT for the period 2023-2025 (EUR)

	2023	2024	2025
Operational expenses	11,926,812	12,070,019	12,331,936
Capital expenses	3,449,275	724,638	724,638
Total	15,376,087	12,794,657	13,056,574
IT Systems	1,284,093	168,575	-
% (S.IT/ Total)	8%	1%	-

Regarding the financing of this sub-sector, the Taxation budget allocation under the Medium-Term Budget Programme (MTBP) for the period of 2023-2025 is estimated to be around EUR 41 million. This amount accounts for approximately 3.7% of the total government expenditure. Out of the allocated funds, nearly 87% is planned to cover operational expenses, while the remaining portion is designated for capital expenditure. A significant portion of the capital investment is dedicated to the reconstruction of regional offices of the GDT. In relation to this Operational Programme, the following projects have been identified and documented.

Table 5: Annual Contributions Fiscalis and e-taxation (EUR)

Project/MTBP Output	2203	2024	2025
Annual contribution for Fiscalis Union Programme	24 249	24 855	25 477
Upgrade of SW system e-taxation	915 376.95	175 532.15	

Sub-Area of Support 2.2: Cybersecurity

In the cybersecurity sector, the budget expenditure for the period 2023 – 2025 according to the Medium-Term Budget Programme of the National Agency of Information Society is expected to be EUR 5 million for each year.

Sub-Area of Support 2.3: Digital Connectivity

The budget for 2023 and the following years includes Support for communication networks, which is part of the Government's Medium-Term Budget Programme of the Ministry of Infrastructure and Energy. The aim of the Communication Networks Support Programme is to develop broadband and 5G networks. The development of 5G networks is related to the development of future networks and the implementation of digital applications, innovation for vertical industry (energy, transport), smart cities and innovative developments in economy and society, as well as public services. High and very high-speed digital infrastructure means fibre optic and 5G networks. Currently, 5G networks are not present in Albania. The need for investments for their development is high. In addition, the measures to increase the demand side are important to promote investments. The following figures have been included under the budget:

Table 6: Annual allocations for the Gigabit Infrastructure Act and its implementing measures (EUR)

Project/MTBP Output	**2023**	**2024**	**2025**
Investments in fibre optic in white areas	-	206098.65 state budget	206098.65 state budget
	206098.65 foreign financial funding	206098.65 foreign financial funding	206098.65 foreign financial funding
Piloting the development of broadband in fibre optic	-	262307.37	355988.57
Wifi4AL	430933.53	206098.65	234203.01
Development of 5G networks	252939.25	206098.65	206098.65

Source: Medium-Term Budget Program of the Ministry of Infrastructure and Energy.

2.6 Performance assessment framework

Area of Support 1: ICT infrastructure for better services for the society

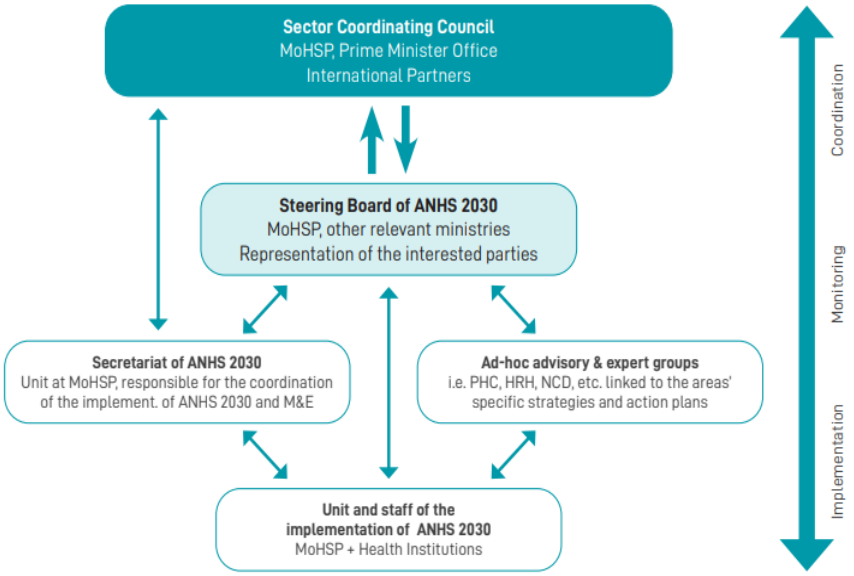
Sub-Area of Support 1.1: Digital Health

The implementation of the National Health Strategy (NHS) 2021-2030 is coordinated by the Inter-Institutional Working Group for the NHS 2030, which will provide more specific coordination and overall management of the strategy. The coordinating function of the Inter-Institutional Working Group focuses on ensuring policy coherence of all national health strategies, action plans and policies at the practical level. This includes ensuring that the specific strategies and action plans of the respective areas are reflected through specific activities in this strategic document. In addition, the indicator framework and budget of the lower-level strategic documents are in line with those of the NHS 2030 and the budget of the health sector will be tracked through the prioritisation of the highest level of the NHS 2030 to the lowest levels, according to the relevant institutions. The Inter-Institutional Working Group for the NHS 2030 is responsible for planning and carrying out the development of more detailed national health strategies, in those areas where these needs are indicated in the NHS 2030, for example, in the field of human resources for health, etc.

The strategy management board is the body responsible for reviewing the implementation progress (both activities and budget), for the progress and achievement of objectives, indicators, and for developing corrective actions for the implementation of the strategy as needed. Based on the legal obligation, the implementation of the NHS 2021-2030 is reviewed by the authority responsible for monitoring and coordination of the NHS. The reports are drafted by the MoHSP/NHS technical teams, inter-ministerial groups, and discussed for further recommendations open to the civil society. A sustainable public consultation mechanism on the implementation of the NHS with citizens will be established and implemented to ensure their continued contribution.

Annual and medium-term monitoring and evaluation reports are submitted for recommendations to the Technical Groups set up by health institutions. Each year, the monitoring reports are reviewed by the Albanian Parliament, the Parliamentary Group and the Health Commission.

Figure 5: Strategic framework coordination process of the Albanian National Health Strategy 2021-2030



Source: Albanian National Health Strategy, 2021

Sub-Area of Support 1.2: Digital Education

The MES follows and monitors the implementation of the National Education Strategy 2021-2026 (NES) approved with Decision of Council of Ministers No. 621, dated 22.10.2021 "For the approval of the National Strategy for Education and its Action Plan 2021-2026" with priority and in full coordination with all the actors involved.
For each objective, measures and indicators are provided as part of the NES. The monitoring of the national education strategy is done in 6-month period to demonstrate the feasibility of the planned measures. In order to monitor the strategy, 5 working groups have been set up by the Minister of Education and Sports through Order no. 337, dated 15.06.2022, amended. These groups are composed of representatives from different institutions, which are involved in the activities for a certain specific objective, and that contribute with exact information needed for the monitoring of the strategy. There are measures where important budget planning is mandatory, which can guarantee the viability of the implementation of these measures. For example, in relation to digitalisation, the MES has planned activities that require important budget plans. The MES is currently coordinating actions with international partners to guarantee the necessary funds for the implementation of the NES to be sustainable.

In the area of education, the MES collects statistics on education regarding the registration and graduation of pupils and students in formal education, data on teaching staff per each academic year, data on the participation of pupils and students in programmes and education levels in public and private institutions and other respective indicators. All information is provided to INSTAT. Data is also gathered from the Survey for education of adults that is conducted every 5 years by INSTAT. Data related to population aged 25 or more and their level of education are gathered through the Labour Force Survey (LFS). Administrative data on official education conducted by INSTAT are gathered through drafted questionnaires that are sent to statistical offices in the Ministry of Education and Sports and Ministry of Finance and Economy. Data and indicators calculated after data processing are a key part of the National Statistics Programme. UNESCO has also statistics related to several features of education. Such statistics are collected in cooperation with Albanian institutions such as Ministry of Education and Sports, Ministry of Finance and Economy and INSTAT. [31]

[31] https://uis.unesco.org/en/country/al

The General Directorate of Development for Education and Sports gathers data continuously and reports data to the MES on curricula implementation, use of ICT equipment (tablets, laptops etc.) in schools, ICT labs situation, internet and broadband at schools and other data related to the teaching process.

Within the framework of Chapter 26 education and culture, the MES coordinates the process of delivering respective statistical data on education. Such data are gathered by different institutions including the Statistics Department within the Ministry, Ministry of Finance and Economy and INSTAT in relation to statistics related to the general population.

Area of Support 2: Integration with EU information technology systems, cybersecurity and digital connectivity

Sub-Area of Support 2.1: Taxation

The Directorate of Public Financial Management (PFM) leads the preparation of the PFM annual monitoring report and requests reporting from all Specific Objective leading institutions responsible for reporting on the Strategy's implementation against the costed action plan, performance against targets, any delays or amendments, identification of materialised risks, new risks, and their mitigating measures. This report follows the monitoring toolkit approved by the 11th Steering Committee (SC) on 7 April 2020, and the Decision of the Council of Ministers No. 290, dated 11 April 2020, which established the state database of the Integrated Planning Information System (SIPI/IPSIS).

The monitoring and reporting system is supported by the IPMG mechanism, with the IPMG "Democracy, Rule of Law and Good Governance" serving as the main coordination mechanism. The Ministry of Finance and Economy, through its Directorate of Reforms Management in the Field of Public Financial Management, takes the lead in reporting the annual progress of policy objectives in the PFM Strategy, gathering information from subordinated agencies, namely the General Directorate of Taxation and the General Directorate of Customs.

The IPA Sector Monitoring Committee oversees the implementation of actions and ensures that sector-level objectives are met. The committee convenes twice a year and includes representatives from the Ministry of Finance and Economy, General Directorate of Taxation, the National IPA Coordinator (NIPAC), and the European Union Delegation.

Sub-Area of Support 2.2: Cybersecurity

The monitoring framework for Digital Agenda is currently in place, with a clear timeline for progress reporting included in the action plan of the Digital Agenda of Albania 2022-2026. Previous cycle strategies were evaluated through Annual Reports, which provided updated information and analysis on projects implementation and challenges encountered. The Cross-cutting Strategy "Digital Agenda of Albania 2015-2020"[32] underwent a mid-term review in 2016[33]. As regards all activities foreseen under the Digital Agenda of Albania 2022-2026 and its action plan, the NAIS with all the ministries and other responsible institutions defined in the strategy and action plan for its implementation, monitored the activities for the first year of implementation (2022). The preparation of the Monitoring Report is carried out once a year based on the information forwarded by the relevant institutions responsible for the implementation of the measures and actions. The NAIS published the first monitoring report in March 2023.

The "National Security Strategy" adopted in 2014 has provided the national framework and pillars to increase security in the country. Being a developing country without the necessary cybersecurity legal infrastructure, this field has only developed in the last two years in Albania, during which time critical and important information infrastructure has been identified in the public and private sectors. Minimum security measures to be implemented for better cybersecurity in this infrastructure have been developed along with the development of a methodological mechanism for sector CSIRT establishment and operation at the national level. The legal framework on electronic communication security is completed with legal provisions on the security and integrity of electronic

[32] https://akshi.gov.al/wp-content/uploads/2018/03/Digital_Agenda_Strategy_2015_-_2020.pdf
[33] https://akshi.gov.al/wp-content/uploads/2018/03/RAPORT-MONITORIMI-VJETOR-2015-2016.pdf

communication networks and telecommunication networks covered by the Law On electronic communication in the Republic of Albania (No. 9918/2008, amended), which has transposed the EU directives on electronic communication.

The cybersecurity legal framework has also designated the National Electronic Certification and Cybersecurity Authority (NAECCS), as the authority responsible for overseeing the implementation of the law.
Considering that the majority of cyber threats and cyberattacks are perpetrated through electronic communication networks, cybersecurity issues in the digital infrastructure and electronic communication networks and/or services are covered and are under the responsibility of the Electronic and Post Communication Authority (AKEP). According to article 122 of the Law On Electronic Communication in the Republic of Albania (No. 9918/2008) and Regulation No. 37 dated 29.10.2015 "On Technical and Organisation Measures to guarantee Electronic Communication Network and/or Services Integrity", AKEP requires adequate technical and organisational measures to be put in place by all electronic communication entities operating under the General Authorisation Regime to guarantee electronic communication networks and/or services security and integrity for all services they provide to their subscribers, including DNS services. AKEP periodically conducts inspections and audits in entities, to verify the establishment and implementation of the relevant technical and organisational security measures, and in cooperation with NAECCS it follows up on security incidents reported by electronic communication businesses. AKEP is the ".al" domain administrator and has authorised 8 businesses as accredited registries to provide domain name registration services under the .al domain (TLD name registries). With the inclusion of this service in the critical and important information infrastructure list, the registries accredited by AKEP to provide .al domain name registration services will also be subject to the provisions of regulation No. 37 "On Technical and Organisation Measures to guarantee Electronic Communication Network and/or Services Integrity".

Sub-Area of Support 2.3: Digital Connectivity

The "Thematic Group on Telecommunications and Postal Services" under the IPMG "Connectivity/Networks" serves as the coordinating unit for monitoring the implementation of all relevant activities. The monitoring and evaluation of progress towards the achievement of the objectives is based on key statistical indicators and reports submitted by all relevant stakeholders. Indicators for monitoring the development of digital infrastructure, broadband in Albania include: Access to networks / broadband services (number of subscribers and users, penetration rate of broadband and penetration growth rate); Broadband coverage area; Competition (HHI in the retail and wholesale sectors); Price levels of broadband services (fixed and mobile broadband tariffs). Annual reports of AKEP shows the progress in digital infrastructure based on these indicators.

Digital Connectivity based on 5G will help to reduce emissions through 5G use cases implanted in different sectors such as in transport through Connected and Automated Mobility by reducing the emissions from cars), the roll-out of smart buildings with less energy use etc.

Furthermore, considering that the vast majority of mobile network operating costs are spent on energy consumption[34], indicators regarding energy consumption in the network, reduction of emissions and consumption will be monitored accordingly. In order to raise awareness on e-waste production, energy consumption etc, the work will be coordinated with the responsible institution in charge for waste management.

The DESI index will be used to monitor the overall development of the economy and digital society. The digital infrastructure, broadband, and 5G are important part of sub indicators of DESI index. The calculation of this index will be done in cooperation with INSTAT, AKEP, NAIS and other institutions related to the sub-indicators included in this composite indicator.

[34] https://data.gsmaintelligence.com/api-web/v2/research-file-download?id=54165956&file=241120-5G-energy.pdf

2.7 Socio-economic analysis (including SWOT analysis)

Area of Support 1: ICT infrastructure for better services for the society

Sub-Area of Support 1.1: Digital Health

The United Nations e-Government Survey 2022 - The Future of Digital Government[35] found that Albania has achieved very high levels in the Online Service Index (OSI) by capitalizing on very high levels of human capital development and moderate to very high levels of infrastructure development. According to the Western Balkans DESI Report 2022[36], although the analysis of the data finds that the Western Balkans region scores below the EU average in all DESI dimensions in 2022, Montenegro, Serbia and Albania have the highest scores for the total WB DESI for 2022.

In the health sector, various e-health systems are already in place as evidenced by the use of e-Visit, e-Prescription, e-Reports, e-Referral, the blood bank system, e-Vaccine, e-Warehouse, e-Drugs, the Public Health Information System (SISP) and the Albanian Health Information System (AHIS).

The healthcare service has been improved thanks to the online scheduling of doctor visits and the issuing of electronic prescriptions. Better handling of the pandemic situation was achieved by guaranteeing care and reimbursement of medications for COVID-19 patients. Healthcare services such as basic health check-up results, scheduling doctor visits, changing appointments for medical recommendations, reimbursable prescriptions, the "Request for Covid-19 Vaccination" and "Vaccination, Testing and Recovery Certification for COVID-19", as well as the process of online application, processing, and approval for social housing and shelter requests are all offered online. These services have particularly benefited citizens with economic difficulties. e-Albania was able to manage the pandemic emergency through the uninterrupted movement and provision of all other online services. In 2021, the "Request for COVID-19 Vaccination" and "COVID-19 Vaccination, Testing and Recovery Certificate" services were implemented for citizens who wish to be vaccinated and receive the appropriate certificate. The COVID-19 Vaccination, Testing and Recovery Certificate is recognised by the integrated system of the European Union "Green Pass," downloaded in real-time from e-Albania, and electronically validated according to the respective state's rules.

Healthcare services are now closer to citizens. Security has been further increased through the electronic monitoring system of health care providers and pharmaceutical warehouses. Today, a product can easily be tracked from the moment it enters Albania to when it is consumed by the patient, guaranteeing its origin, quality, and price. The Blood Bank system has been established throughout the country to ensure control and management of the entire blood donation process, thus creating a database of donors and blood reserves throughout the country. Any citizen who wishes to donate blood can reserve a time slot through the e-Albania portal.

The emergency service is managed through the EMMA system, which is the emergency management platform that provides all the necessary features to respond to any kind of emergency call, and 127 - the number that receives calls for medical assistance and coordinates with ambulances. The 112 emergency number is also functional within Tirana and soon to be extended throughout the country. The hospital service is managed through the SISP system that manages the data of both outpatients and hospitalised patients. The AHIS is the electronic registry of insured individuals where family doctors manage their patients. All the processes for the import and registration of medicines are recorded in the e-Drugs system.

The Electronic Prescription System enables the processes of description, registration, execution, signature, and reimbursement based on electronic infrastructure and tools, replacing the use of paper prescriptions. The system has enabled:

- Significant reduction in health care costs.
- Elimination of duplicate prescriptions in reimbursement.

[35] https://desapublications.un.org/sites/default/files/publications/2022-11/Web%20version%20E-Government%202022%20November%2010.pdf
[36] https://www.rcc.int/pubs/159/western-balkans-digital-economy-society-index-wb-desi-2022-report

- Information for doctors on cheaper drug alternatives for the same diagnosis.

During 2022, 3.9 million electronic prescriptions were prescribed by doctors.

The system interacts with the National register of civil status system for citizen data, with AHIS for the categories of patients declared in taxes (employed, with economic aid, etc.), with the e-Medicine system for the list of reimbursable drugs and with the Commercial register of National Business Centre, for pharmaceutical entities data.

The e-Warehouse system is a centralised system for the administration of pharmaceutical warehouses. It records the physical inventory of drugs and the list of drugs that are reimbursed in the pharmaceutical warehouse. Data are recorded for each transaction of reimbursable drugs in the pharmaceutical warehouse and pharmaceutical entities. During 2022, through the e-Warehouse system, 1.2 million transactions of reimbursable drugs were generated.
e-warehouse interacts with the Electronic Prescription System for information on pharmacies that have contracts with the National Health Fund, with e-Drugs, for the list of reimbursable drugs, as well as with the commercial register of the National Business Centre, for pharmaceutical warehouses and pharmacies' data.

The e-Visit system enables the online reporting of patient visits to healthcare centres and polyclinics. In this way, the manual registration of visits in paper form is avoided and replaced with electronic registration. The system also stores the patient's medical history and health information (vital signs, allergies, etc.). During 2022, 5.8 million visits were registered in the system. The e-Visit is a system, part of the doctor's portal, where the doctor accesses other systems through a single sign-on (SSO) login: AHIS, e-Referral, e-Prescription, e-Report, and e-Visit.

The Electronic Referral System (e-Referral) is the online reservation and registration system for specialised referrals and examinations using medical equipment, based on the recommendations of family doctors and specialists, taking into account the location, availability of medical equipment, and appropriate medical staff. The system enables online rescheduling of the appointment date and has reduced waiting lines for citizens providing better management of medical staff time and operational status of the medical equipment. During 2022, approximately 1.8 million referrals and examinations were recorded in the system.
This system interacts with the National Register of Civil Status system to retrieve citizen data, with AHIS to retrieve the categories of patients declared in taxes (employed, with economic aid, etc.). The SISP (Information system for public health of the University Hospital Centre "Mother Teresa") retrieves from e-referral system the reservation code, data for the referral doctor and patient diagnosis.

The e-Reports system enables the automation of processes such as creating, describing, signing and executing the medical report issued by the doctor. The system enables the electronic transmission of the medical report to the employer and employee: Via SMS and to his/her e-Albania account, eliminating the need for the patient to deliver this document in hard copy and eliminating the need for paper-based reports storage. It provides real-time information, and it is electronically signed by doctors. During 2022, 167,000 medical reports were issued through the system. The system interacts with the National register of civil status system to retrieve citizen data, with the e-visits system to retrieve data from the visits, with AHIS, to retrieve information about the physician and health institution, with the General Directorate of Taxation system to retrieve the list of employers that need to be notified after the report is issued, with the Commercial Register of National Business Centre, to retrieve information about businesses and with the Human Resource Management Information System (HRMIS) system to send medical reports to the public institutions (in the role of employers) accounts.

The Electronic Vaccine Registry provides real-time information on the vaccination of the population. The citizen will be able to make online reservations for vaccination, be electronically notified of the next vaccination, and download the electronic vaccination booklet with a digital signature. The improvement of the Social Security Register system will increase functionality for intelligent analysis of data and increase efficiency in managing patient records by family doctors.

The establishment of Professional Medical Registers for doctors, nurses, pharmacists, dentists, psychologists, and social workers will create a digital dossier for the history of their education, employment, certifications, and continuous education, providing a consolidated view of information on these professionals. Following the successful implementation of the electronic prescription and fiscalisation systems, the need for fiscalisation of electronic prescriptions has arisen, a process that will begin in 2023.

It is planned that regional hospitals will also have online access to their patients' health information. The process of establishing an information system for four regional hospitals will be extended to seven other hospitals, digitising all processes and medical documents in regional hospitals from epicrisis, discharge sheets, prescriptions, etc., using electronic signature for doctors. The system will provide real time access to the patient's electronic health record and diagnosis history, as well as will improve the efficiency of medical care professionals by enabling analysis of morbidity, deaths, emergencies, geographic areas, age, gender, etc.

Special focus will also be given to improving the National Emergency Medical Centre (NEMC) system, establishing a Business Continuity Centre (BCC) site, and improving the hardware infrastructure for the Compulsory Health Insurance Fund and regional branches to ensure the increased efficiency of services to citizens.

e-Health services on the e-Albania governmental portal

Through the e-Albania unique government portal, which is administered and developed by the National Agency of Information Society, every interested person can access, through the internet, electronic services provided by the Ministry of Health such as:

- The generation of a health card with an electronic seal, which proves that the citizen is insured and can receive health care services for free;
- Online application for registering with the family doctor and changing the family doctor;
- Application to get vaccinated against COVID-19;
- Vaccination/recovery certificate for COVID-19. All citizens who are vaccinated with one, two, or three doses of the vaccine can generate their COVID-19 vaccination certificate online, which is recognised electronically in all European Union countries according to the respective regulations of each country.
- Obtain online information about their history of chronic diseases such as heart diseases, hypertension, kidney, lung, brain, and tumours, diagnosed by their family doctor.
- Online rescheduling of consultations with specialist doctors for advanced examination. When a citizen uses the service, all of their appointments are displayed. For each reserved appointment, the citizen can access the details and can reschedule it by changing the date and time of the reserved appointment.

Apart from the services offered for patients, there are also services offered for third parties operating in the field of healthcare such as:

- Authorisation for the import/export of medicines or medical equipment.
- Application for disposal authorisation for medicines.
- Contracted third-party providers from Compulsory Health Insurance Fund for supply of reimbursable medicines.

All e-health developments have had a positive environmental and social impact:

- The performance of primary healthcare providers related to the number of patients and number of visits recorded on AHIS and e-visits systems.
- The waiting lists for medical services are fair and equal for all patients, and administrative barriers (such as complicated paperwork, long wait times, etc.) have been reduced making it easier for patients to access the care they need.
- Replacement of more than 4 million paper prescriptions, which has led to saving physical archive costs, as well as time for citizens and conservation of energy.
- More rational and efficient use of resources, meaning that these systems help to optimize the allocation of resources such as time, money, and labour, as well as help to reduce waste and increase efficiency in the healthcare system.
- The improvement of quality and speed delivery of medical service.

The Government Interoperability Platform enables the interconnection of electronic records with each other and the exchange of real-time data in a secure and reliable form as a necessary step to simplify services that the state offers to citizens, businesses and public administration, as well as the reduction of the number of documents required from citizens or businesses to obtain public services, ensuring standardisation, uniformity, concentration of information stored and processed, and accuracy of the data stored.

Systems interoperability has also reduced manual labour and the use of paper, as well as human error, providing real-time processing of information for better decision making with reference to reports and indicators. More than 265 million transactions between all government systems and e-services provided on the e-Albania platform were made using the platform during 2022.

The Albanian government prioritises digital connectivity and broadband infrastructure, currently utilising the Government Network to interconnect over 230 public institutions in Tirana. The GovNet enables at the same time the exchange of data through the Government Interoperability Platform. The expansion of the Government Network is needed for faster and more secure communication in healthcare. In this regard, a feasibility study Regional Broadband Infrastructure Development in Albania supported by a WBIF grant, is expected to be completed within mid-2024.
Following the feasibility study and the detailed design, the expansion of GovNet will connect municipality and university hospitals, ensure a redundant fibre optic connection and high bandwidth for health data processing, and provide reliable access to centralised e-health services.
There is a well-defined policy and legal framework in place, with a legal obligation on healthcare providers to implement the digitalisation of healthcare records as well as an obligation for health care professionals to undertake continuous education.

However, some weaknesses affect the development of digital health records. Health data must be accurate and of high quality to be useful, and there is a risk of errors and biases in data collection and analysis. One of the most critical parts of the healthcare industry is accurate data, which are indispensable for trust and establishing accurate analytics. This is still a challenge in the health sector in Albania, although a recent study found that a sample of patients considered that patient data stored by hospitals are reliable and patient data is stored applying the principle of confidentiality[37].

Moreover, Albania is affected by a mass exodus of skilled workers, including a high number of young people. The situation is particularly concerning for doctors and nurses as well as psychotherapists, dentists, and pharmacists, all of which are in demand in Albania. Albania has the lowest number of doctors and nurses per capita in Europe (data from 2020). In 2019, 18% of qualified medical staff worked abroad, of whom 765 Albanian doctors were working in Germany – a 21% increase from the year before. More are believed to have left since then as the number of emigrants from Albania stood at 42,000 in 2021.

The EU sectoral Directives offer significant opportunities for developing Digital Health.
The growth of technologies such as Artificial Intelligence, big data analytics, and the Internet of Things (IoT) offer new opportunities for the Increased usage of health data for better healthcare delivery, research, innovation and policy making. Key threats for the sector are: Growing cybersecurity challenges, and low social willingness to accept e-Health innovations.

Table 7: SWOT analysis for Sub-Area of Support Digital Health

STRENGTHS	**Underpinning evidence**
Policy framework conducive to digitalisation of health information.	Health Strategy and Digital Agenda.
Digital e-health system already in place.	E-visit, e-prescription[38], e-reports, e-referral, the blood bank system, e-vaccine, e-warehouse, e-drugs, SISP, AHIS.
Well defined legal framework in place.	There is a legal obligation on healthcare providers to implement the digitalisation of healthcare records.
Digital literacy of the healthcare provider.	Obligation for health care professionals to undertake continuous education.

[37]"Reliability: Regarding the evaluation of the dimension of reliability, among all the issues related to the evaluation of this dimension, the highest evaluation with 92.1% (very good and good) has the fact that hospitals store patient data without mistakes.
Assurance: This is another important criterion for which patient evaluations are as follows: The highest evaluation among all alternatives is related to security measurement "Patient data is stored applying the principle of confidentiality," which received 92.8% of very well or well".
Quoted under: Patient satisfaction with quality of care in public hospitals in Albania, Rezarta Kalaja and Marsida Krasniqi, 22 December 2022, https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9815606/

[38] https://www.opengovpartnership.org/members/albania/commitments/al0058/

WEAKNESSES	Underpinning evidence
Fragmentation and lack of consolidation of information for the individual.	The current system does not provide complete information for policy decision making, in particular due to a significant share of information managed by private health care providers.
The health system lacks qualified medical staff.	This shortage was felt acutely during the COVID-19 pandemic, with hospital capacities stretched to breaking point. The World Health Organisation has also noted that Albania has one of the lowest rates of doctors-to-patients globally.
Insufficient data accuracy and quality.	Albanian National Health Strategy 2021-2030.
Access to health data is not always equitable, and there are concerns about data monopolies and power imbalances.	Despite existing mechanisms to share health and well-being information, there are still gaps in available data and because of financial and administration constraints, further efforts are required to harmonise, integrate and coordinate health and well-being data from different sources.
OPPORTUNITIES	**Underpinning evidence**
The growth of technologies such as Artificial Intelligence, big data analytics, and the Internet of Things (IoT) offer new opportunities for the use of health data.	Increased usage of health data for better healthcare delivery, research, innovation and policy making.
EU Sectoral Directives provides an incentive to accelerate the general digitalisation process.	Directive No. 2011/24/EU of March 9, 2011, on patients' rights in cross-border healthcare aims to guarantee patient mobility and the free provision of healthcare services. Commission Recommendation C(2019) 800 final of 6.2.2019 on a European Electronic Health Record exchange format and the Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and the free movement of such data repealing Directive 95/46/EC (General Data Protection Regulation - GDPR) (OJ L 119, 4.5.2016, p. 1). Directive (EU) 2016/2102 of the European Parliament and of the Council of 26 October 2016 on the accessibility of the websites and mobile applications of public sector bodies (OJ L 327, 2.12. 2016, pp. 1–15); Directive (EU) 2016/1148 of the European Parliament and of the Council of 6 July 2016 concerning measures for a high common level of security of network and information systems across the Union; Regulation (EU) No 910/2014 of the European Parliament and of the Council on electronic identification and trust services for electronic transactions in the internal market (eIDAS Regulation), adopted on July 23, 2014, defines a regulatory framework to ensure secure and seamless electronic transactions between businesses, citizens, and public authorities; Commission Decision (EU) 2015/1302 of 28 July 2015 on the identification of 'Integrating the Healthcare Enterprise' profiles for referencing in public procurement.
The COVID-19 crisis has had an impact on Albania but also offers the opportunity for strategic focus.	These investments and the potential international support present an opportunity for strategic focus on opportunities and on removing identified constraints. OECD, 2021 (page 117).

THREATS	Underpinning evidence
Low social willingness to accept e-Health innovations.	Low score in Human capital indicators under the DESI 2022 Digital Economy and Society Index[39].
Growing cybersecurity challenges.	The use of health data raises concerns about security and data breaches, which can lead to identity theft and other negative consequences. Albania is experiencing the destructive potential of technological tools, as it increasingly becomes a target for cyberattacks. In 2022, Iranian-linked cyber terrorists brought down government e-services, and an unknown number of businesses fell victim to cyber piracy.
The Albanian healthcare sector suffers from public underfunding.	Albania spent 5.2% of GDP on health expenditure in 2018, less than the majority of comparable economies (World Bank, 2020[15]). OECD 2021

Sub-Area of Support 1.2: Digital Education

Albania has made good progress in overall education, as reflected by the OECD Programme for International Student Assessment (PISA), yet its progress is well below average. Albania struggles with disparities in education opportunities and outcomes by ethnic background and geographical region. Girls outperform boys in most PISA subjects: by 38 points in reading (compared to 30 points, on average, across OECD countries), by 16 points in science (compared to 2 points across the OECD), and similar in mathematics (compared to boys outperforming girls by 5 points across the OECD) (OECD, 2020). Some 66.4% of higher education graduates in 2018/19 were female (INSTAT, 2020). Improving the population's skills to meet labour market needs is a key structural obstacle identified in the Albania's Economic Reform Programmes.

When the COVID-19 pandemic started, approximately 27% of 15-year-old students in Albania did not have a computer at home. The number without an Internet connection at home was also high (14% of 15-year-old students) (OECD, 2020).

Weak job creation is to some degree related to supply-side constraints, in particular weaknesses in education quality and outcomes and the lack of sufficient alignment of education with labour market needs. Companies cannot generate jobs because they cannot find the skilled workforces needed to fill them. In the latest Business Environment and Enterprise Performance Survey (BEEPS), 25% of surveyed firms identified an inadequately educated workforce as a major (the third largest) obstacle to business (World Bank/EBRD/EIB, 2019).

Improving learning outcomes requires further support for teachers. Although the pupil/teacher ratio in primary, secondary and upper secondary education in Albanian is rather favourable, the teaching quality remains inadequate. Improving teacher quality is especially important given the recently adopted competence-based curriculum, which emphasises knowledge, skills and attitudes rather than traditionally defined subject content, the requirements to implement it and the increased availability of ICT equipment in classrooms. Financial support to pre-university education is far behind the strategy's targets and pre- and in-service trainings for teachers are insufficient. The lack of a progressive career structure for teachers that rewards and promotes individuals based on increasing responsibilities and demonstrated teaching competences (for example through teacher appraisal) also affects teacher quality (Maghnouj et al., 2020).

The NAIS is the central authority in charge of school internet, procuring the internet service as per the Ministry of Education and Sport's request. The NAIS makes contracts for the schools with private providers to have internet based on the speed the MES has requested. The MES has the possibility to request higher internet speed in schools anytime by making an official request to the NAIS. As regards rural areas, there might be problems from time to time with regards to internet speed in some of the schools, which are generally solved within the same day.

[39] https://www.rcc.int/pubs/159/western-balkans-digital-economy-society-index-wb-desi-2022-report

Strengths

The political aspect and the strategic framework represent a strength. The digitisation of the educational process is a priority of the government, which is reflected in the strategic documents directly related to education. Digitisation is part of the National Education Strategy, the Development and Integration Strategy, and the Digital Agenda, where the objectives are clear.

There is a unified system for data and information management in pre-university education and distance education. This system, which is also connected to the unique e-Albania governmental platform to provide some e-services to pupils and parents, guarantees integration with various platforms that enable the development of ICT capacities among young people. For the first time, a high level of transparency in data generation in pre-university education will be achieved, and policy-making will be based on data generated in real time. The system enables a collaborative approach to developing the necessary capacity to use digital services.

There is a young population oriented towards the use of technology and the development of the necessary capacities in this direction. The number of study programmes in the ICT field has increased, as well as the number of students attending these programmes. The review of curricula at all levels, aiming to guarantee digital skills oriented towards the demands of the labour market, represents another strength.

During the COVID-19 pandemic and consequent online learning, teachers showed a high level of adaptation with online learning and e-learning platforms during the pandemic and distant learning. Due to the development of a sustainable policy in terms of the professional development of teachers and their engagement in the ESEP community (part of Erasmus+) and other partnerships, teachers have developed some competencies in terms of using ICT tools. These competencies have already created the necessary conditions for an extension of the digitisation process throughout the system. A Master of Teaching ICT has been offered by the University of Tirana since 2019.

Weaknesses

The main investments in the infrastructure of ICT integration in education were made in 2007 with the support of the World Bank "Quality and equality in education" programme; however, this did not include funds for the maintenance of the infrastructure. National budget support for the maintenance and replacement of the ICT infrastructure is insufficient, and further investment in infrastructure requires donor support. Currently, from the assessments made by DPAP, the physical depreciation of this infrastructure is higher than 67%, while its moral depreciation is 100%. As stated in the Digital Agenda in 2017, schools at pre-university level report a share computer-student of 1:25.

Problems arise from time to time with regards to internet speed in some schools mostly in rural areas, as well as the lack of infrastructure including functional computers. At home, students in rural areas access internet from mobile phones rather than from fixed broadband. Internet providers in rural areas do not always offer sufficient services to meet school needs.

The Education Policy Review in the Strategy highlighted weaknesses in the capacities of teachers with regard to the use of ICT and weaknesses in the infrastructure (networks) as well as the limiting to accessing ICT outside of specific laboratories. Despite the inclusion of ICT curricula in education, ICT teachers are not properly trained, especially in terms of maintaining the relevant infrastructure.

Opportunities

Cooperation with donors in the direction of creating the necessary capacities for the digitisation of our education system, starting from the involvement of experts for the review of ICT curricula at all levels and technical assistance included in the cooperation programme with the World Bank which specifically aims to improve the digital skills of young people to better adapt to the demands of the labour market.

The improvement of the ICT curriculum should include education on the use of ICT which will assure children's safety which is threatened by the access to a vast array of information, and include education as regards its sustainable use to raise awareness on e-waste production, energy consumption etc., and the measures on how to minimize these impacts. Attention should also be given to training educators in ICT competencies, ensuring that the right skills are being developed among students.

The labour market needs professional, talented, skilled students to hire in ICT fields. ·In this regard and in order to provide the necessary workforce for the market, improving digital skills in the pre-university system is an opportunity to meet the labour market requests and match the skills learned at school with the requested skills in the labour market.

ICT can play a critical role in data collection and monitoring and evaluation capacity development, as hardware, software, and applications can be used as tools for collecting data, including environmental and climate data, uploading it to a common database, monitoring progress, and disseminating results to policy makers and

stakeholders. This can improve the availability and accessibility of data, its national and local use, and accountability.
Nevertheless, in order for the country to achieve comparable rates with OECD and regional countries in terms of necessary infrastructure to expand ICT use in pre-university education system there is still a need for infrastructure improvement in this regard. Moreover, with further implementation of the SMIP system, teachers will need to work outside schools to input the respective system data on a daily basis. This remains problematic as most computers in use can only be used in school premises which makes it impossible for teachers to work at home and to respond in real time to the need for SMIP updates.
With regard to the digitalisation of education, priority should be given to developing ICT infrastructure in the education system and training educators in how best to use these technologies for didactic purposes and in a sustainable and environmentally-friendly manner. Developing the infrastructure represents an investment in ICT provision, new computers, faster internet download speeds and reducing the number of students per computer. All of this will allow students to have more frequent and productive interaction with ICT. The technology exists to provide tutorials and interactive lessons for students which will help to bridge the knowledge gap in Albania and fully implement ICT in the school curriculum.

Threats
The threats in regard to digitalisation and use of digital platforms in the area of education are similar to those in other areas concerning cybersecurity. In this regard there is a need to further strengthen training and respective investments.

The following table summarises the SWOT analysis for this Area of Support:

Table 8: SWOT for Sub-Area of Support Digital Education

STRENGTHS	**Underpinning evidence**
Policy and legal framework in place.	NES 2021-2026. Law No. 69/2012 "For the pre-university education system in the Republic of Albania" as amended. The law on pre-university education was amended in 2015 and 2018 and several bylaw acts have been approved in this regard. The law recognises digital competence as a key competence for students. The 2018 amendment includes digital competences as part of the curricula.
Increased investment in pre-university education.	Several donors addressing the sector (World Bank, EU/WBIF, Albanian American Development Foundation, Open Society for Albania.
Experience with preparation and use of online teaching materials and dedicated channel for distance teaching.	Albanian Radio and Television (RTSH SHKOLLË), YouTube and SMIP.al
Existence of a unified digital system for pre-university education management and distance education.	SMIP.al
Compulsory annual training of teachers which includes ICT.	Law No. 69/2012 as amended.
Teaching standards which also define the use of digital competencies.	Defined by the Ministry of Education in July 2020.
High rate of fixed broadband penetration in urbanised areas.	According to the results of a survey published by the National Statistical Institute of Albania (INSTAT) on 16/01/2023[40], in 2022 96.5% of Albanian households had access to the internet, compared with 88.3% in the previous year. 90.3% or 665,362 households have fixed broadband internet access (optic fibre or cable network, ADSL[41], etc.); this indicator has shown an

[40] https://www.instat.gov.al/media/11169/ict-2022-english.pdf
[41] ADSL: Asymmetric Digital Subscriber Line.

	increase by around 12 percentage points. 99.2% of households have internet through mobile broadband connection (3G / 4G[42], tablet, etc.) compared with 99.1% in 2021.
1300 pre-university education schools have internet/intranet access through the NAIS.	DCM No. 673 dated 22.11.2017 "On the Reorganisation of the National Agency of the Information Society".
WEAKNESSES	**Underpinning evidence**
Lack of infrastructure including functional computers. The physical depreciation of ICT infrastructure is high.	An assessment made by DPAP (General Directorate for pre-university education) quoted in the Strategy for pre-university education reveals that the ICT infrastructure in pre-university schools is mostly fully depreciated and installed software is outdated.
Capacities of teachers with regard to using ICT and weaknesses in the infrastructure (networks) as well as limits in accessing ICT outside of specific laboratories.	Education Policy Review, Strategy 2021-2026.
Not all ICT teachers have an ICT background (although legally a teacher with maths and physics profile can teach ICT in the pre-university education system).	Vacancies 2021-2022: 80 ICT teachers not in place.
Fixed broadband penetration low in rural areas of Albania.	According to estimates of the Electronic and Postal Communications Authority (AKEP), fixed broadband penetration in rural areas continues to be very low averaging 8% in 2021. Based on regional data in 2021, Durrës is the district with the highest rate of rural penetration around 23%, followed by Tirana, Shkodra and Lezha with 10% each. Occasionally limited internet speed in schools in rural areas.
OPPORTUNITIES	**Underpinning evidence**
Increase the training of teachers focusing on digital skills.	OECD Multi-Dimensional Review of the Western Balkans, Boosting Education and Competencies in Albania (2022), Box 3.1.
High demand of ICT specialists in the labour market.	334 vacancies in ICT – NAES portal which does not reflect the actual number of vacancies.
THREATS	**Underpinning evidence**
Sophisticated cyber-attacks pose a threat to the Albanian government's cybersecurity measures	Cybersecurity and Infrastructure Security Agency (CISA)Federal Bureau of Investigation (FBI) joint advisory-Albania. Microsoft investigates Iranian attacks against the Albanian government.

Area of Support 2: Integration with EU information technology systems, cybersecurity and digital connectivity

Sub-Area of Support 2.1: Taxation

According to the 2021 SIGMA monitoring report, Albania has shown a positive trajectory in Public Finance Management (PFM), with its overall score increasing from 2.8 in 2017 to 3.3 in 2021. This score surpasses the regional average of 3.1. Across most indicators within the PFM domain, Albania's performance is either similar to

[42] 3G: third generation of cellular technology; 4G: fourth generation of wireless cellular technology.

or stronger than the regional average, with the exception of the functioning of internal audit (IA). Notably, Albania has demonstrated strong performance in public procurement, the foundations for the functioning of Financial Management Control (FMC), IA, and external audit. Significant improvements have been achieved in compliance-risk management, information technology systems, organisational structures, and taxpayer transparency. These improvements were made possible through awareness campaigns, user-friendly websites, and call centres.
However, there are still ongoing needs that require attention, including:

- The tax system has been impacted by frequent ad hoc policy changes, potentially compromising its integrity, weakening the tax base, and hindering revenue collection.
- The implementation of contemporary compliance risk management methodologies has taken considerable time and is not yet effective; further efforts are necessary for successful implementation.
- The role of the General Tax Directorate (GTD) needs to be further strengthened in debt collection.
- The Taxpayer Registry requires refinement and updating.

In January 2015, a new Tax Administration Information Technology (IT) System was launched, with revisions completed in 2017. In 2019, the tax administration finalised the design of automated risk-based procedures for VAT refunds. Significant progress has been made in implementing automatic VAT refunds, reaching a 95% completion rate in 2021. The Reimbursement Platform has halved the repayment period for VAT refunds, and the outstanding stock of VAT refunds decreased by 16% in 2020 compared to 2019. Although the PFM Strategy objective for implementing automated risk-based procedures for all VAT refunds and credits carried forward was not fully achieved in 2021, some progress has been made. The upgrade of the e-invoice management module, originally planned for 2019, has also been completed. During 2019, the General Tax Directorate (GDT) established a complete and accurate taxpayer register, which enhanced taxpayer information and encouraged voluntary correction of tax obligations. Timely data transmission for registrations and changes in registrations was achieved through an agreement between the GDT and the National Business Centre. The fiscalisation modules have been fully implemented, while the asset module is currently in "standalone" format, awaiting web services from third parties. However, the integration of the IT system with banking systems and the system managing immovable property was not accomplished as originally targeted.
Nevertheless, some functional needs persist regarding the current e-taxation system, including the addition of a "User Test" for taxpayers to familiarise themselves with the system and its updates, automation of specific work processes, connection with the fiscalisation system for data transfer, and updating the User's Manual to include a history of changes made, benefiting both taxpayers and the tax administration.

Another significant challenge pertains to the Fiscal Cadastre of Properties. The taxation of buildings from the system could not be carried out due to limited engagement from municipalities in registering and updating data, as well as issues with data quality. The IT system has been upgraded and is ready for taxation, with a pilot process initiated in some municipalities. However, the appraisal process for value zones in all municipalities remains incomplete due to operational risks arising from the project of evaluating properties by area prolonged duration and difficulties with data quality and availability. The analysis of data is currently underway.

Table 9: SWOT analysis for Sub-Area of Support Taxation

STRENGTHS	**Underpinning evidence**
The digital taxation system is already interoperable.	Bank records, Customs and Notary registers are already interoperable.
Albania has made commendable advances in strengthening its PFM and taxation capacity.	According to the IMF's country report in 2019, Albania has undertaken substantial measures in recent years to enhance the efficiency of tax administration, enhance the capacity of the tax authority, establish comprehensive databases, and combat corruption. These efforts have yielded positive results and laid a solid foundation for further improvements. Evidence of the positive trajectory in Public Finance Management is the increase in the PFM overall score from 2.8 in 2017 to 3.3 in 2021, under the 2021 SIGMA monitoring report.
Implementation of automated risk-based procedures for VAT refunds, with a 95% completion rate in 2021.	PFM Strategy monitoring report. 2021 &MoFE report on PFM activities in 2022: Data and statistics from the tax administration or relevant reports can support the claim of successful implementation of

	automated risk-based procedures for VAT refunds, such as the 95% completion rate in 2021. As of March 7, 2022, all VAT refund applications are made online through the VAT Refund Digital Platform, in the e-taxation system. This process has simplified the reimbursement procedure by avoiding physical contact, as well as tracking of the application. Currently, the deadline for finalising the refund is from 42 to 45 days.
Enhanced taxpayer information and voluntary correction of tax obligations through the establishment of a complete and accurate taxpayer register.	PFM Strategy monitoring report. 2021 & MoFE report on PFM activities in 2022: Reference to the establishment of a complete and accurate taxpayer register can be supported by documentation or official reports from the General Tax Directorate (GTD) or relevant authorities.
Strong performance in public procurement, Financial Management Control (FMC), internal audit, and external audit.	Specific indicators and data from the SIGMA monitoring report can be cited to highlight strong performance in public procurement, Financial Management Control (FMC), internal audit, and external audit.
Significant improvements in compliance-risk management, information technology systems, organisational structures, and taxpayer transparency.	Examples and case studies showcasing significant improvements in compliance-risk management, information technology systems, organizational structures, and taxpayer transparency can be included.
WEAKNESSES	**Underpinning evidence**
The successful integration and interoperability of national taxation systems is not assisted with sufficient technical capacity and resources.	According to the World Bank, Albania is confronted with challenges in terms of the technical capacity of its tax administration. These challenges stem from limited resources and a shortage of skilled personnel. As a result, fully integrating Albania's taxation system with those of the European Union (EU) may prove to be a difficult task. To address these challenges, additional efforts should be focused on enhancing the overall skills and capacities of the tax administration. This includes improving the proficiency in profiling and risk assessment of taxpayers, as well as expediting reforms that facilitate the transition to entirely electronic filing processes. The exchange of vast amounts of information in a continuous manner requires robust infrastructure and upgraded technology with an increase of hardware and software capacities to enable interaction with other systems and continuous changes in the system.
The integration and interoperability of national taxation systems still lacks a robust legal and institutional framework to enable necessary structure and guidelines for effective cooperation and coordination between different tax administrations.	EC report 2022: Albania has made progress in reforming its legal and institutional framework for taxation, but there is still room for improvement. The EU requires a high level of compliance with tax regulations and may require Albania to make further reforms to its legal and institutional framework.
The integration and interoperability of national taxation systems in Albania face significant obstacles due to the country's economic structural problems. These issues include a high level of informality in the economy and limited economic diversification. As a result, Albania struggles to effectively collect tax revenues and ensure compliance with tax laws.	According to the International Monetary Fund (IMF), the country faces significant challenges related to high public debt, limited fiscal space, and structural weaknesses. Similarly, economic conditions in the EU can impact the integration and interoperability of national taxation systems, particularly in the context of changes to EU tax policies. International Monetary Fund. (2021). Albania: IMF Country Report No. 21/11
Slow and ineffective implementation of contemporary compliance risk management methodologies.	PFM Strategy monitoring report. 2021 & MFE report on PFM activities in 2022: show that the implementation of contemporary compliance risk management methodologies has taken considerable

	time and is not yet effective; further efforts are necessary for successful implementation.
The Taxpayer Registry requires refinement and updating.	PFM Strategy monitoring report. 2021 & MFE report on PFM activities in 2022
Functional needs persist regarding the current e-taxation system, including user testing, automation of work processes, and integration with fiscalisation systems.	PFM Strategy monitoring report. 2021 & MFE report on PFM activities in 2022
OPPORTUNITIES	**Underpinning evidence**
The e-taxation system can be connected to other systems for the purpose of exchanging and transmitting tax data, according to an agreed communication protocol. Integration and interoperability of the national taxation system(s) in Albania with others can result in improved efficiency of tax collection and administration.	According to the European Commission, the integration and interoperability of national taxation systems can lead to reduced administrative costs and increased efficiency in tax collection. The use of modern technology and digital solutions can streamline tax administration and reduce the risk of errors and fraud.
Actual possibility of system improvements.	Easiness of adapting the system to legal changes or the requirements of EU directives, as demonstrated under the Albanian legal framework.
Harmonisation of Taxation Regulations: The integration and interoperability of national taxation systems can lead to the harmonisation of taxation regulations within the EU and reduce the risk of tax arbitrage.	For the systems to function optimally, it is essential to align with EU protocols and standards. This alignment necessitates the transposition of EU regulations into the national legislation.
THREATS	**Underpinning evidence**
Due to the sensitive and confidential nature of tax information, interacting with different systems carries the risk of data leaks.	PFM Strategy monitoring report. 2021 & MFE report on PFM activities in 2022
Political instability in Albania can be a significant threat to the integration and interoperability of national taxation systems with those of the EU.	According to the World Bank, changes in political priorities and fiscal regime can lead to delays in the implementation of reforms, which can impact the integration and interoperability of national taxation systems. World Bank. (2021). Albania Overview.
Operational risks and difficulties with data quality and availability in the appraisal process for value zones in municipalities for the Fiscal Cadastre of Properties.	PFM Strategy monitoring report. 2021 & MFE report on PFM activities in 2022

Sub-Area of Support 2.2.: Cybersecurity

The development of the internet and technology innovation changes over the recent decades have resulted in fundamental changes and challenges in every society worldwide. Our daily lives, human rights, economies, and social interaction are deeply impacted by information and communication technologies. A common and open cyberspace promotes social and political engagement, breaks down communication barriers between countries, communities, and citizens, and ensures transparency, allowing interaction with and exchange of information and ideas in real-time worldwide. All the developments and growing use of information and communication technologies have brought great benefits, but also threats, which makes cyber defence and security critical.
On the one hand, the government is increasingly investing in digital infrastructure to provide digital services to citizens. On the other hand, the public is increasingly using the internet because of the advantages it offers.

As a developing country, Albania relies on information technology as well, intending to improve the quality of life and public services. Alongside the advantages of using new digital technologies, internet use also has its issues

related to cybersecurity. Cyberthreats are on the rise, taking advantage of technological weaknesses or lack of knowledge inadequately using these tools, thus threatening information systems security.

One of the current and ongoing challenges in many countries is the building of a developed digital society, which is cybernetically protected, equipped with the required knowledge and skills to maximise benefits and manage risks.

Like other countries, Albania is often a victim of malicious cyber activity perpetrated by criminal actors, including state and nonstate actors that can use network infrastructure in the country and abroad. Alongside the improvement of internet services, Albania has also experienced the rise of various forms of cybercrime. The most common forms of cybercrime dominating in Albania include fraud-related to internet banking such as phishing and spam. Even when those responsible for cybercrime against the Republic of Albania are identified, it is often difficult for Albanian law enforcement agencies and international organisations to persecute when they are located in restricted jurisdictions. Currently, there is a lack of the necessary tools to obtain general cyber intelligence, using human and logistical resources available for law enforcement activities. For this reason, it is fundamental to increase capacities to address cyber challenges, which in turn requires a change in structures, approach, technical and logistical capacities, etc. An important step forward in legislation development and measures was taken against cybercrime with the National Cyber Security Strategy which defines the methods for combating cybercrime in the cyberspace and provides more adequate tools in this regard.

Table 10: SWOT analysis for Sub-Area of Support Cybersecurity

STRENGTHS	**Underpinning evidence**
Improved data security in place.	Albania has become a good-practice example in terms of the digital transformation of public sector. 95% of public services are provided online-only and their whole cycle, from the application to the provision of the final document, is being made only electronically. The e-Albania governmental platform and all the other government electronic systems aim to provide 24/7 universal access for services to citizens and businesses, with 99.9% availability. As a result, data and information have to be securely stored and protected, to avoid intrusion and loss of critical data.
Increased cybersecurity measures in place	Last year cyber-attacks from Iran on 15-16 July proved that sophisticated nation state group hackers are interested in the NAIS cyber space. The capacities to respond to cyberattacks in the government infrastructures have increased. Significant investments in terms of physical equipment upgrades, latest technology solutions regarding systems security have been made, transitioning of infrastructure to cloud, modernisation, and transformation of operational processes towards “Zero Trust” model.
WEAKNESSES	**Underpinning evidence**
Limited resources: Cybersecurity measures require significant investment in terms of financial and human resources, which may be limited in Albania's government institutions.	Digital Agenda and Cyber Security strategy
Limited resources: Upgrades of old equipment (old firmware’s & End of Life systems), transitioning to Cloud and to Zero Trust model requires significant investment, which may be limited for Albania's government institutions.	Digital Agenda and Cyber Security strategy
OPPORTUNITIES	**Underpinning evidence**
Developing Cybersecurity Capacity	Last year cyber-attack final reports from the FBI, CISA and Microsoft proved that NAIS was resilient to a sophisticated attack. Further development of cyber security response capacities.

Cyber resilience tops the list of objectives for the future in Albania.	As expressed in digital agenda and national cyber security strategy.
THREATS	**Underpinning evidence**
Advanced cyber-attacks: Sophisticated cyber-attacks pose a significant threat to the Albanian government's cybersecurity measures	CISA FBI joint advisory-Albania. Microsoft investigates Iranian attacks against the Albanian government.
Cyberthreat landscape.	Relevant national strategies

Sub-Area of Support 2.3: Digital Connectivity

Digital infrastructure and broadband coverage have improved during the last years. The fixed broadband penetration has increased year by year continuously. The Albanian government has been promoting ICT in various sectors for more than a decade, presenting and implementing various strategies and policies that focus on ICT, information society development, the digital agenda and broadband development along with the circular economy. The telecommunications market has been fully liberalised and competitive since 2008. The regulatory framework for electronic communications, which was adopted in 2008 and subsequently amended, especially in 2012, is based on a general authorisation regime that is in line with the EU acquis of 2002 as amended in 2009.

The Albanian government has invested significantly in digitalising of public infrastructure and the establishment of electronic government systems and services. Albania now offers more than 95% of all public services online, making it the leading country in the Western Balkans in terms of digitalisation of public services. The digital revolution of public services in Albania, which started with only 14 online services on e-Albania, has long started the process of transforming public services and changing citizens' attitudes towards this new, inevitable form of communication with government institutions, so that today there are 1,227 online services, which represents about 95% of all public services. The Albanian government, as a promoter of the transformation from offline to online services, has established the e-Albania platform as a success story and has managed to build a serious image of the state and restore citizens' trust in public institutions. The administration is no longer the same. Citizens and businesses do not collect documents and certificates, as public administration employees collect all government documents needed for the respective services. All government data and documents are used and reused within the administration, so citizens no longer need to collect their paper documents from government counters. The special system (e-Signed Documents Circulation System) allows all institutions to interact with the aim of exchanging all related documents of the citizen file in electronic form, paperless and with electronic signature. This will reduce the burden on citizens and companies in the institutions, and the only documents they will have to upload will be self-declarations and documents received from private entities.

The National Plan for the Sustainable Development of Digital Infrastructure, Broadband 2020-2025 has seen the development and digitalisation of the public services as a driver to increase the demand side for further investments in digital infrastructure.

The broadband market has been one of the most vibrant markets in the telecommunications sector in Albania, with 240 ISPs authorised by AKEP. Until the end of 2022, three mobile network operators provide mobile broadband services based on 4G/LTE. The fixed broadband is supplied through different fixed and mobile technologies including DSL, FTTH/FTTB, FTTx, and Cable Docsis 3.1.

Based on the recent figures, the fixed broadband penetration and mobile broadband increased continuously during last years.

Based on the AKEP annual report[43], by the end of 2022, the total number of fixed broadband subscribers in Albania stood at 582 110 which is a 14% increase from 2020. The penetration rate was about 21% of the population with 80% of the households being covered. Based on last INSTAT survey[44] on ICT usage from individual and households, 88% of households in Albania has Internet access. Digital divide is still present especially between

[43] https://akep.al/en/about-akep/

[44] http://www.instat.gov.al/al/temat/kushtet-sociale/teknologjis%C3%AB-s%C3%AB-informacionit-dhe-komunikimit-tik-n%C3%AB-familje-dhe-nga-individ%C3%ABt/

rural and urban areas: rural fixed coverage continued to be lower than national fixed coverage. According to the EC Report 2022 and AKEP recent data, only 20% of the total number of fixed broadband connections are in rural areas while the rural population is about 40%. Based on the AKEP latest data, by the end of 2022, out of the total number of fixed broadband connections, 114 078 subscribers were connected to fixed broadband in rural areas, which represents 19% of the total.

According to the AKEP report for 2022[45], more than half of users had access on fixed internet broadband over 30 Mbps and 12% of users had access on fixed internet broadband with over 100 Mbps during 2022. Even though that number has doubled compared to 2021, it is at very modest levels compared to some countries in the region like Montenegro and Kosovo* where about 40% of users have such internet speed access. Referring to the DESI report for the Western Balkans[46], the percentage of gigabit connections in Albania is very low compared to other countries in the region and the EU.

According to annual reports of AKEP, the mobile coverage per population of mobile networks with 3G/4G/4G+ technology in 2022 was 99.2 % of the population and broadband users from mobile networks were about 2.1 million by the end of 2022 with a penetration of 77%.

5G[47] networks, which are seen as a huge opportunity for digital transformation and widespread use in vertical industry, smart city development, etc., have not yet been commercially introduced in the country. A 5G test network was done in October 2019. The licensing of 5G networks is planned for 2023-2024.

Table 11: Coverage per population

Coverage per population	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
GSM	99.86%	99.86%	99.86%	99.86%	99.86%	100%
3G	99.20%	99.20%	99.20%	99.20%	99.20%	99%
4G	85.30%	85.50%	95%	98.38%	98.90%	99%

Regarding international connectivity, Albania is well interconnected with all neighbouring countries with fibre optic submarine cable. The capacity of Albania's international Internet connectivity increased from 157 GB in 2017 to over 1,150 GB in 2022.

The demand for data communication has increased rapidly and it is expected to continue in the future. According to statistics provided from AKEP in the last annual report, the volume of data transmitted over internet for mobile networks during 2022 reached around 184 million GB, or 7.3 GB per month per user. These numbers show an increase of about 3 times compared to volumes in 2018.

Over 2022, internet broadband traffic from fixed networks reached around 1 billion GB or around 6% more than in 2021, which shows that users of this service have used this network to access their financial, informative, social and health services. During 2022, Albania reached the symbolic threshold of 4 out of 5 families with fixed broadband access, positioning the country above the average of Western Balkan countries.

Based on Western Balkan DESI Report 2022[48], the analysis of the data finds that WB region scores below the EU average in all DESI dimensions in 2022. Montenegro, Serbia and Albania have the highest scores for the total WB

[45] https://akep.al/en/about-akep/

* *This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.*

[46] https://www.rcc.int/pubs/159/western-balkans-digital-economy-society-index-wb-desi-2022-report

[47] 5G: Fifth generation of wireless cellular technology.

[48] https://www.rcc.int/pubs/159/western-balkans-digital-economy-society-index-wb-desi-2022-report

DESI for 2022. Regarding digital connectivity the report underlined that 'In overall broadband connectivity, the WB region is lagging behind the EU, mainly due to 5G services which were not available in 2021. Montenegro recorded the highest score in the Connectivity dimension, followed by Serbia, Kosovo and Albania.'

Regarding fixed connectivity, the report identifies that: 'In 2021, Albania performed above the WB average in both Fast broadband (NGA) coverage (74% versus 73% in the WB) and Fixed Very High-Capacity Network (VHCN) coverage (60% versus 48% in the WB). VHCN is mainly provided by Fibre to the Premise (FTTP) technology. FTTP increased from 46% in 2020 to 56% in 2021 and with these two indicators Albania surpassed targets stipulated in the National Plan for Sustainable Development of Digital Infrastructure and Broadband 2020-2025. Albania also performed very well in the overall fixed broadband take-up with 77% households using fixed broadband connection. Despite high VHCN coverage, Albania is lagging behind in the take-up of fixed broadband of at least 100 Mbps (7% compared to WB average of 21%), but there was a double-digit growth in penetration for fixed broadband of at least 100 Mbps in 2021 compared to 2020. As in the whole WB region, the take-up of 1Gbps broadband is at a very low level.' The report underlines that the percentage of gigabit connections for all the western Balkan region and for Albania is quite low compared with the EU average.

The Directive 2014/61/EU of the European Parliament and of the Council of 15 May 2014 on measures to reduce the cost of deploying high-speed electronic communications networks is transposed by the Law No 120/2016 of 24.11.2016 "On the development of high–speed electronic communication networks and the provision of the right of way". Based on this law, during 2022 a number of bylaws were approved.

Based on EU Recommendation (EU) 2020/1307 dated 18 September 2020 on a common Union toolbox for reducing the cost of deploying very high capacity networks and ensuring timely and investment-friendly access to 5G radio spectrum, to foster connectivity in support of economic recovery from the COVID-19 crisis, the Decision of Council of Ministers No 457 of 29.06.2022 "On some amendments to Decision of Council of Ministers No 408 of 13.05.2015 "On the approval of the regulation of territory development" was approved in June 2022 in order to introduce lighter rules for building permissions for small antennas of the mobile network as well as for the internet network.

In the framework of the Berlin Process and the Common Regional Market (CRM 2021-2024) for the Western Balkans adopted in the Sofia Summit in November 2020, the Government of Albania is fully committed in achieving the objectives and commitments in the digital area under the Common Regional Market Action Plan 2021-2024 for digital integration in EU.

The Regional Roaming Agreement signed in April 2019 for implementing Roaming Like and Home (RLAH) in the Western Balkans region is successfully implemented and from 1st July 2021 the RLAH is in place in Western Balkans Region. The Roadmap for the reduction of roaming prices between EU and Western Balkans was endorsed during the Western Balkans Digital Summit in October 2021, with clear commitments and policy reform measures of government and regulatory bodies of Western Balkans. The policy reforms measures are designed under four interconnected pillars: 1) Maintained efficient implementation of regional roaming agreement, 2) Increased transparency & monitoring, 3) Alignment with EU acquis; 4) Improving the business environment.

The developments so far and the significant increase of data communication and the volume of data over telecommunication networks in fixed or mobile networks highlight the necessity for future investment and deployment of Very High Capacity Networks till the end user points better quality of internet connection everywhere in rural and remote areas, as well as to support innovative solutions and applications in all sectors is needed. The SWOT for ICT sector in general was the result of the brainstorming session with different stakeholders in the framework of National Workshop on ICT held on 19 May 2023 carried out in the context of the preparation of the Smart Specialisation Strategy[49].

Table 12: SWOT analysis for Sub-Area of Support Digital Connectivity

STRENGTHS	**Underpinning evidence**

[49] https://s3albania.org/

Strategic framework for digital infrastructure, broadband is approved.	National Plan for the Sustainable Development of Digital Infrastructure, Broadband 2020-2025 approved (2020) National Strategy for Development and European Integration 2030 (NSDEI 2030) approved (2023). NSDEI 2030, emphasizes the strategic objective: *Albania with High Speed and Very High Speed Broadband Digital Infrastructure throughout the country, to lay the foundations for a Gigabit society.*
Primary legislation for electronic communication and for broadband cost reduction is in place.	The two main laws are: - The Law No. 9918/2008, "On electronic communication in the Republic of Albania," as amended, largely aligns with EU Directives. Law No. 120/2016, "Law no. 120/2016 "On the deployment of high-speed electronic communications networks and for ensuring rights of way", largely aligns with Directive 2014/61/EU, BCRD.
Considerable progress is made for the preparation of the secondary legislation related to digital infrastructure, broadband.	The following bylaws are approved. DCM No.189, of 30.03.2022 DCM No.22, of 13.1.2022 DCM No.155, of 11.03.2022 DCM No.190, of 30.03.2022 DCM No. 457 of 29.06.2022
Regulatory framework for electronic communication based on EU approach is in place; The Independent regulatory body, AKEP established since 2008.	- The Law No. 9918/2008, "On electronic communication in the Republic of Albania," as amended; - Regulations adopted from AKEP: https://akep.al/vendime-akte/komunikimet-elektronike/; Articles 6,7,8, 114-116 of the Law No. 9918/2008, "On electronic communication in the Republic of Albania," as amended.
Telecommunication market is liberalised and fully opened for competition since 2008.	- The Law No. 9918/2008, "On electronic communication in the Republic of Albania," as amended; - The undertakings authorised to provide electronic communication networks and/or services: https://akep.al/wp-content/uploads/2023/05/REGJISTRI-I-SIPERMARRESVE-TE-AUTORIZIMIT-TE-PERGJITHSHEM-DERI-NE-DATEN-08.05.2023.pdf
Sustainable growth of fixed broadband penetration and advanced technologies are present.	Annual reports of AKEP: https://akep.al/wp-content/uploads/2022/06/AKEP-Raporti-Vjetor-2021.pdf Digital Economy and Society Index Report (WB DESI 2022 Report): https://www.rcc.int/pubs/159/western-balkans-digital-economy-society-index-wb-desi-2022-report
Good coverage with mobile broadband based on 4G/4G+	Annual report of AKEP: https://akep.al/wp-content/uploads/2022/06/AKEP-Raporti-Vjetor-2021.pdf
Digitalisation is a high priority of the GoA.	National Strategy for Development and European Integration 2030 (NSDEI 2030); Digital Agenda Strategy 2022-2026 (approved 2022) advanced in the digitalisation objectives of previous Digital Agenda Strategy (2015-2020); Digitalisation of public services in advance phase: https://e-albania.al/; https://akshi.gov.al/qeverisja-dixhitale-shqiperia-e-para-dhe-e-vetmja-ne-rajon-qe-permbush-cdo-standard/
WEAKNESSES	**Underpinning evidence**
Digital divide is still present especially between rural and urban area: Rural fixed coverage continues to be lower than the national fixed coverage.	According to the EC Report 2022 and also recent data from AKEP only 20% of the total number of fixed broadband connections are in rural areas while the rural population is about 40%. Annual reports of AKEP: https://akep.al/wp-content/uploads/2022/06/AKEP-Raporti-Vjetor-2021.pdf

	National Plan for the Sustainable Development of Digital Infrastructure, Broadband 2020-2025[50].
5G networks not yet introduced.	No license is issued yet for 5G.
The percentage of broadband connections with 100Mbits or more is still very low (12% in 2022).	Annual reports of AKEP: https://akep.al/wp-content/uploads/2022/06/AKEP-Raporti-Vjetor-2021.pdf Digital Economy and Society Index Report (WB DESI 2022 Report): https://www.rcc.int/pubs/159/western-balkans-digital-economy-society-index-wb-desi-2022-report;
Huge investments are needed to achieve: a gigabit society and to develop Very High Capacity Networks (VHCN).	WB19-ALB-DII-01: *Feasibility Study and Cost-Benefit Analysis for Regional Broadband Infrastructure Development in Albania, results:*https://www.eeas.europa.eu/delegations/albania/regional-broadband-infrastructure-development-albania-closing-workshop_en; Economic and Investment Plan for Western Balkan: https://neighbourhood-enlargement.ec.europa.eu/system/files/2020-10/communication_on_wb_economic_and_investment_plan_october_2020_en.pdf
Secondary legislation for broadband still missing.	Law No. 120/2016, "Law no. 120/2016 "On the deployment of high-speed electronic communications networks and for ensuring rights of way".
The institutional responsibilities for access share in building infrastructure for broadband and in public buildings are not always clear.	Based on communications, consultations with telecommunication market players, municipalities, AKEP etc.
The MIE and AKEP capacities need improvement for the further development of VHCN networks, 5G.	New regulations are integrated in the draft law on electronic communication law regarding VHCN, 5G etc.
OPPORTUNITIES	**Underpinning evidence**
The creation of a new momentum thanks to the promulgation of a number of national strategies including on digital transformation and digitalisation.	- NSDEI 2030, emphasizes the strategic objective: *Albania with High Speed and Very High Speed Broadband Digital Infrastructure throughout the country, to lay the foundations for a Gigabit society.* - Digital Agenda 2022-2026 approved (2022) - Inter-Sectorial Strategy on Business Development and Investments (NISSBDI) 2021-2027 approved (2021) - National Plan for the Sustainable Development of Digital Infrastructure, Broadband 2020-2025[51] approved (2020) - Inter-Sectorial National Strategy on Employment and Skills 2023-2030; - National Strategy on Energy 2018-2030 approved including digitalisation/smart metering; etc.
Increased awareness on the importance of digital infrastructure and the benefits from digitalisation.	Results of survey Investment council "Impact of COVID-19 on Business" (2021). Report on the progress of the KI recommendations for the first half of 2021.

[50] https://www.infrastruktura.gov.al/wp-content/uploads/2020/07/National-Plan-BBand-EN.pdf

[51] https://www.infrastruktura.gov.al/wp-content/uploads/2020/07/National-Plan-BBand-EN.pdf

	https://www.investment.com.al/sq/newsletter_ic/keshilli-investimeve-lajmet-kryesore-korrik-shtator-2021/ National Workshop on ICT held on 19 May 2023, for Smart Specialization Strategy (S3): https://s3albania.org/
5G development, IoT, AI, Cloud computing, 5G use cases as an opportunity for all sectors, for innovation.	Fifth Generation (5G) technology for Albania – Study/a Strategic plan AKEP: https://akep.al/wp-content/uploads/2021/11/5G-Strategic-Plan-Public-Consultation-English-Version.pdf; National Plan for the Sustainable Development of Digital Infrastructure, Broadband 2020-2025 approved (2020); Digital Agenda 2022-2026 approved (2022);
Political will to prepare/update the strategic and legal framework based on recent EU Directives.	DCM no 122 of 1.3.2023 National Plan for Europe Integration (NPIE) 2023-2025.
Synergy with other connectivity projects (energy, transport, telecommunication).	An Economic and Investment Plan for the Western Balkans (2020) Green Agenda for the Western Balkans, 2020 CEF2 Programme.
Increased demand for digital connectivity.	Statistics on growth of data communication volume over fixed and mobile networks during the years. National Workshop on ICT held on 19 May 2023, for Smart Specialisation Strategy (S3): https://s3albania.org/
THREATS	**Underpinning evidence**
Delays in implementing the legislation in the broadband/VHCN.	Some legal/sublegal acts are still to be approved.
Lack of financing.	Several sector reports emphasize the needed financing for digital infrastructure.
Trust and security.	5G security is one of critical issues raised in different reports.
Brain Drain/Loss of local capacity.	Based on consultation and communications with different stakeholders.

3. Overall Objective(s) and Specific Objective(s) of the Operational Programme

The **Overall Objective /Impact of the Operational Programme** is to advance with implementation of Albania's Digital Agenda in selected sectors.

Sub-Area of Support 1.1: Digital Health

The **Specific Objective (Outcome)** of this Sub-Area of Support is to improve healthcare delivery by establishing a new national integrated e-health network and the Radiology Information System.

Sub Area of Support 1.2: Digital Education

The **Specific Objective (Outcome)** of this Sub-Area of Support is to improve learning outcomes of pre-university students by using digital tools and systems.

Sub Area of Support 2.1: Taxation

The **Specific Objectives (Outcome)** of this Sub-Area of Support are to achieve interconnection and interoperability of the GDT's IT systems with EU IT systems.

Sub-Area of Support 2.2: Cybersecurity

The **Specific Objective (Outcome)** of this Sub-Area of Support is to increase the capacities to counter cyber intelligence threats against critical information infrastructures.

Sub-Area of Support 2.3: Digital Connectivity

The **Specific Objective (Outcome)** of this Sub-Area of Support is to improve Digital Connectivity based on VHCN with fibre optic and 5G.

3.1 Coherence with the IPA III Programming Framework and with the specific policy instruments of the enlargement process

Sub-Area of Support 1.1: Digital Health

The IPA III **Programming Framework** outlines the overarching objectives of EU funding under Window 3 (Green Agenda and Sustainable Connectivity). As regards health, the IPA III Programming Framework states: strong health systems are of crucial importance for the security of society as a whole. IPA III may contribute to reinforcing the robustness of health systems in the IPA III beneficiaries. IPA III will also support, where appropriate, the alignment with and implementation of EU acquis in the field of public health, including on health security. It should also contribute to health systems reforms regarding raising the coverage and standards of care provided to the population as a whole, while paying attention to the elderly and people belonging to vulnerable groups. In addition, considering lessons learnt from tackling the COVID-19 pandemic, IPA III will support beneficiaries in strengthening their public health systems preparedness and resilience to cross-border health threats.
The **Western Balkans Economic and Investment Plan (EIP) and the Green Agenda** states that strengthening digital connectivity and the digital transformation of businesses and public services can be used for innovations that create wealth for societies and businesses. On e-health, the EIP observes that the digital transformation of public services (with a special focus on e-Government, e-Procurement, and e-Health in coordination with the other windows) has a great impact on growth, productivity, innovation, services, fight against fraud and corruption and ultimately on people lives.
The intervention proposed under the OP reflects the conclusions and recommendations of the **EC Progress Report 2022 Albania**. "The Ministry of Health and Social Protection (MHSP) and the National Agency of Information Society (NAIS) are responsible for e-health. MHSP implements and operates an electronic system for collecting and reporting health information of medical records based on European Core Health Indicators (ECHI), but the system is still not operational. An e-register (available on the e-Albania portal), upgraded with more functions in 2021, is used for the identification of insured persons and the generation of health cards. It enables the registration of patients to healthcare centres and determines their benefit category based on its interaction with other institutional databases. A new hospital information management system, which will include an electronic database of patients' medical records, is being implemented in four regional hospitals. Despite progress in statistical governance, technological health infrastructure/equipment and human resources remain inadequate, especially in rural areas".
The **Economic Reform Programme (ERP) for 2023-2025** emphasises the importance of digitalisation and modernisation of health systems that citizens will benefit from the laboratory examinations, increase of diagnosing capacities. The ERP on e-health services mentions that the digital infrastructure needs to be coordinated in order to benefit from synergies due to the fact that lack of cooperation between different actors involved in this process is one of the difficulties identified in the sector.
The **National Plan for European Integration (NPEI) 2023-2025** states that in terms of innovative welfare, one of the six priorities of the Albanian government for achieving sustainable economic and social development is the transformation of the way services are provided in Albania through a citizen-centred approach. This is embodied in the Intersectoral Strategy of Public Administration Reform (SNRAP) 2018-2022, which constitutes the general framework for the modernisation and transformation of public administration institutions and practices in the country, with the vision of "providing high quality services to citizens and businesses in a transparent, effective and efficient manner, through the use of modern technologies and innovative services, in accordance with the requirements of European integration, through impartial, professional and responsible civil servants, part of efficient structures". The NPEI outlines the following priority relevant to the OP, as stated in Chapter 28, related to Consumer Protection and Health: "One Health" approach as well as health preparedness for all risks and more to be done in general to strengthen the policy framework and ensure that everyone in Albania has quality health care coverage.

Sub-Area of Support 1.2: Digital Education

The **IPA III Programming Framework** states that "Education generates tangible multifaceted benefits for society through learning and acquiring skills, playing an essential role in personal, social and economic development. Human development policies need to be enhanced through the modernisation of education and employment policies, as well as skills enhancement. Access and quality of education need to be improved. This can be supported

by the use of digital strategies supporting all citizens in making the best out of the opportunities created by new technologies and the digitisation of economies. Such developments may be underpinned through novel approaches to innovation in skills development as part of systemic reforms in the IPA III beneficiaries".
The **Western Balkans Economic and Investment Plan (EIP) and the Green Agenda** refers to the Agenda on Innovation, Research, Education, Culture, Youth and Sport for the Western Balkans which outlines a comprehensive, long-term strategy for cooperation with the Western Balkans in these areas.
The intervention proposed under the OP reflect the conclusions and recommendations of the **EC Progress Report 2022 Albania**. "Some progress was made with the adoption of the 2021-2026 National Strategy for Education and the related action plan; the strengthening of the new National Agency for Employment and Skills; the continued restructuring of the National Agency for Education, Vocational Training and Qualifications; and the implementation of the Albanian Qualification Framework and the Vocational Education and Training Law. Further efforts are required to strengthen quality and inclusiveness of education, with a special focus on the proper implementation of the competence-based approach and digitalisation. Appropriate resources should also be allocated to ensure the implementation of the new policy reform. Further efforts are required to finalise the implementing legislation of the Law on Cultural Heritage and Museums. In the coming year, Albania should in particular: a) ensure the optimisation of the VET system to develop services and competences in line with the needs of the labour market; b) improve professional development and training of teachers and trainers, with a specific focus on pedagogical skills related to the implementation of the competence-based inclusive approach and digitalisation from pre-primary to university level, including VET education; c) adopt the 2022-2029 National Youth Strategy."
The **Economic Reform Programme 2023-2025** emphasises that in accordance with the Recommendation of the European Council for blended learning, as well as based on the national education strategy 2021-2026, the creation of suitable infrastructure for the use of ICT in schools and its maintenance, investment for the addition of equipment is foreseen digital.
The **NPEI 2023-2025** states that in terms of innovative welfare, one of the six priorities of the Albanian government for achieving sustainable economic and social development is the transformation of the way services are provided in Albania through a citizen-centred approach. This is embodied in the Inter sectoral Strategy of Public Administration Reform (SNRAP) 2018-2022, which constitutes the general framework for the modernisation and transformation of public administration institutions and practices in the country, with the vision of "providing high quality services to citizens and businesses in a transparent, effective and efficient manner, through the use of modern technologies and innovative services, in accordance with the requirements of European integration, through impartial, professional and responsible civil servants, part of efficient structures". It refers in a general way to the implementation of the national education strategy, as one of the priorities of chapter 26, with a focus on "ensuring comprehensive and quality education".

In addition, the 2022 Berlin Summit conclusions state that economic growth must be inclusive and mainstream reforms linked to the digital agenda should not leave Roma behind. The Summit also underlined the importance of supporting schools with vulnerable children ensuring digital means and skilled teachers. Both these goals are in line with the aims of the strategy on education that relate to inclusion of all students in education (including digital education) and providing education of similar qualities for all students including those from vulnerable groups, and Roma and Egyptian communities.

Sub-Area of Support 2.1: Taxation

The outputs in this Sub-Area of Support align with the **IPA III Programming Framework,** specifically in the field of public financial management. A key priority is to enhance reform strategies to ensure fiscal sustainability and sound management of public finances, in line with EU standards.
The proposed intervention is in line with and will contribute to the **Economic Reform Programme 2023-2025** objective of strengthening fiscal consolidation in the medium term. Achieving interoperability between the tax system and other EU systems will support the implementation of Reform Measure 06 of the ERP, which focuses on strengthening the fight against informality.
Under the **NPEI 2023-2025,** the alignment of Albanian legislation with European Union legislation on chapter 16, Taxation, as well as the improvement of tax administration to increase the taxpayer base, remain a priority. The proposed intervention under the OP will contribute to the NPEI objective to further harmonise tax policies with the EU acquis, therefore also with its operation standard under VIES/VIDA. Furthermore, the proposed support contributes to the NPEI objective of enhancing tax administration management for revenue collection, based on professionalism, integrity, and honesty, as well as creating standards that instil trust among citizens, international partners, and the local and foreign business community.

The **EC Progress Report 2022 Albania** provides clear guideline on future priorities for Albania as regards taxation, including simplifying the taxation system to encourage tax compliance and ensuring effective implementation of automatic tax information exchange with EU Member States in accordance with the OECD Global Standard. Furthermore, the Report states that the effectiveness of anti-corruption measures in the tax administration remains limited, making it a particularly vulnerable area in this regard. The Report recommends development of the necessary capacities and taking appropriate measures to ensure the effective implementation of automatic exchange of tax information with EU Member States in accordance with the OECD Global Standard.
The conclusions of the **10th EU-Albania Public Administration Reform (PAR) Special Group** emphasise the importance of approving and monitoring the implementation of the Medium-Term Revenue Strategy (MTRS). Albania's tax revenue is approximately 10% lower than the Western Balkans average, excluding social contributions. Therefore, actions in digitalisation can facilitate the reduction of informality and improve transparency.
The proposed measures under this Operational Programme align with the overall approach of the "**Economic and Investment Plan for the Western Balkans"** which emphasises inter alia the role of a professional civil service in preventing corruption through increased transparency and the use of e-governance.

Sub-Area of Support 2.2: Cybersecurity

The **IPA III Programming Framework** recognises that emerging security issues at global level need to be addressed, in particular in the area of cybersecurity and building State and societal resilience against hybrid threats. Increased support to capacity-building is envisaged in the area of **cyber-security and fight against cyber-crime**. With growing connectivity, the importance of cybersecurity and resilience will continue growing in the future. It is highlighted that operators of essential services in key sectors such as healthcare, transport, energy, banking, digital infrastructure and water supply should have the necessary capacities to take appropriate security measures based on EU values and principles.
The **EC Progress Report 2022 Albania** observes that while Albania is party to the Budapest Convention on cybercrime, it has yet to sign the Second Additional Protocol to the Convention on enhanced co-operation and disclosure of electronic evidence, which has been opened for signature on 12 May 2022. In relation to negotiations for a United Nations convention on cybercrime based on resolution 74/247 of the United Nations General Assembly, Albania demonstrated voting patterns that are fully convergent with the position taken by the EU and its Member States. On the basis of the National Cyber Security Strategy 2020-2025, new legal and sub-legal acts on cybercrime remain to be adopted. In July 2022, Albania was a victim of a large-scale cyberattack, which led to the temporary disruption of most public online services. The National Authority on Electronic Certification and Cybersecurity has taken some new steps to align further the **Law on cybersecurity** with the EU Directive on the security of network and information systems. Albania has established a list of critical information infrastructures and the necessary implementing legislation. Regarding hybrid threats, Albania completed the EU's hybrid risk survey with the objective of identifying systemic vulnerabilities which should be addressed.
Within the **National Plan for European Integration 2023-2025,** under Chapter 24: Justice, Freedom, Security - Fight against Organised Crime, the fight against cybercrime, human trafficking, and money laundering remains areas where additional results are needed. The State Police is a member of 18 out of 30 Analytical Projects of EUROPOL, which is an information processing system related to combatting organised crime, drug cultivation and trafficking, Islamic terrorism, cybercrime, child abuse through the internet, smuggling of migrants, human trafficking, money laundering, etc. In 2020, Albania adopted a new cybersecurity strategy and a 2020-2025 action plan that prioritise this field. Additionally, the Minister of Interior Order No. 494, dated 30 December 2020, approved the "Strategy for Investigating Computer Crimes and the Action Plan for the period 2021-2025." Legislative changes based on this strategy are currently being worked on. The adoption of new legal acts and regulations on cybercrime based on the National Cybersecurity Strategy 2020-2025 are envisaged.
Under Chapter 10: Information Society and Media, the Law on cybersecurity (No. 2/2017) has partially transposed Directive No. 2016/1148/EU which focuses on measures for achieving a high common level of network and information system security in the EU. In terms of approximation with EU legislation and harmonisation with EU standards in the field of fight against organised crime, the Albania 2022 Report states that the National Authority for Electronic Certification and Cybersecurity has taken several new steps to further harmonise the Cybersecurity Law with the EU Directive on the security of networks and systems information. Enforcement of cybercrime law needs to be strengthened through capacity building for detection, investigation and prosecution.
Regarding the field of cybersecurity, the 2022 Berlin Summit conclusions highlighted the need for more cooperation in the field of cybersecurity and the fight against different forms of hybrid threats across the Western Balkans.

Sub-Area of Support 2.3: Digital Connectivity

The OP objectives are fully in line with the **IPA III Programming Framework** as they address digital infrastructure and fast and very fast networks deployment (Component 1) and Develop and Implement 5G use cases for smart community through secured and resilient 5G networks based on the EU 5G toolbox experiences and green agenda principles (Component 2). On digital connectivity, the IPA III Programming Framework states: "The digital economy is a fast growing sector. Strengthening digital connectivity and the digital transformation of businesses and public services can be used for innovations that create wealth for societies and businesses. Supporting the digital transformation of the economies in the Western Balkans and Turkey is essential not to broaden the digital gap with the EU and is a prerequisite for the competitiveness of industry in the region. Resilient and secure digital connectivity, which mitigate risks in networks and preserves citizens privacy and integrity, is a prerequisite for a human centric digital economy and society. Data and Artificial Intelligence are the ingredients for innovation that help to find sustainable solutions to societal challenges, from climate change, health to farming, from security to manufacturing."

The Western Balkans Economic and Investment Plan (EIP) and the Green Agenda[52] highlight that the development of digital infrastructure with fast and very fast broadband is one of the main directions of investment as identified in flagship 8. Digital infrastructure, the deployment of an ultra-fast broadband, with a view to ensuring universal access, lowering the cost of roaming, developing digital skills and enhancing cybersecurity, are key priorities of the Digital Agenda for the Western Balkans. Furthermore, the European Green Deal appreciates that 'digital technologies are a critical enabler for attaining the sustainability goals of the Green Deal in many different sectors'. 'The Commission will explore measures to ensure that digital technologies such as Artificial Intelligence, 5G, cloud and edge computing and the internet of things can accelerate and maximize the impact of policies to deal with climate change and protect the environment. Digitalisation also presents new opportunities for distance monitoring of air and water pollution, or for monitoring and optimising how energy and natural resources are used'. Even though the Albania 2022 Report also states that separate collection of different waste streams is still insufficient, this has happened due to the lack of enough legal provision on the management of e-waste. Currently, a new law "On the extended responsibilities of the producer" is being drafted and will be published for consultation, part of which relates to the management of electronic waste (e-waste management); This law aims to enable the implementation of the obligation of producers who generate post-consumer waste, to have additional responsibilities for the post-consumer phase of their products, with a specific target on three categories of waste, one of which is e-waste. It is expected that this law will be in force from January 2025. In the meantime, for most of the projects envisioned, due to the fact that there will be no replacement of current equipment.
Referring to different use cases presented in EU[53] in the framework of 5G for smart community and in studies[54] on benefits of 5G digital connectivity, 5G digital connectivity supports the green agenda in many sectors and helps to gain competitive advantages while decreasing greenhouse gas emissions, energy consumption and water and pesticide usage through smart applications such as IoT, M2M, smart metering etc. Furthermore, IoT multi-sensor water and air pollution monitoring systems allow appropriate decisions to be taken swiftly at a localised level to be most effective in terms of human health and environmental protection.

According to the **EC Progress Report 2022 Albania,** digital infrastructure continued to improve and the share of enterprises with faster (>10MB/s) network connection increased from 79.8% in 2020 to 90.5% in 2021, but internet use and websites of enterprises show only small growth. The DESI report includes data regarding the digital integration technology which enables businesses to gain a competitive advantage, improve their services and products and expand their markets. According to the 2022 DESI Report, the percentage of enterprises having medium/high intensity of green action through ICT for 2021 is 66%. Based on the findings of the DESI 2021 report, an indicator has been developed that measures the level of support that adopted ICTs offered to enterprises to

[52] https://neighbourhood-enlargement.ec.europa.eu/system/files/2020-10/communication_on_wb_economic_and_investment_plan_october_2020_en.pdf
[53] https://digital-strategy.ec.europa.eu/en/activities/5g-smart-communities
[54] https://www.qualcomm.com/content/dam/qcomm-martech/dm-assets/documents/5g_and_sustainability-_the_transformative_role_of_5g_-_10.4.2021.pdf

engage in more environmentally-friendly actions. The findings conclude that digital technologies contributed to using fewer materials, equipment or consumables (73%), to produce less waste (72%) or to use less energy (70%). The objectives for broadband development are in line with the EU Digital Agenda, and part of priorities of the MAP-REA of WB6 endorsed in Trieste Summit on 1 July 2017.

The CRM 2021-2024 Plan of Western Balkans, approved in the Sofia Summit in November 2020, aims to integrate the Western Balkans into the pan-European digital area by providing broadband internet access for the vast majority of households, aligning with EU Digital Single Market principles and practices, finalising the process of enabling the WB6 free roaming region, over time significantly reducing the roaming costs between WB6 and the EU, coordinating data protection approaches, introducing mutual recognition of trust services, and embarking on new challenging practices, such as Artificial Intelligence, smart cities, high-performance computing, etc.

The **Economic Reform Programme 2023-2025**, Reform measure #12 "Development of the broadband infrastructure for the digital economy" recognises the need for the further development of broadband infrastructure for economic and social development. Steering ICTs' environmental footprint is considered a relevant lever to achieve the EU's environmental goals including climate neutrality. Digital technologies are identified as a critical enabler for achieving these objectives, promising major reductions of GHG emissions among others in buildings, energy, transport, industry, and agriculture sectors, and helping to build climate resilience.
The Commission in its Green Deal calls for "a digital sector that puts sustainability at its heart" and announced to consider measures "to improve the energy efficiency and circular economy performance of the sector itself, from broadband networks to data centres and ICT devices" and toward "more transparency on the environmental impact of electronic communication services."

In the BEREC Report on Sustainability, it was acknowledged that ICT will have an enabling role in the continuous digitalisation of society, which can lead to significantly lower energy consumption in other sectors. In that respect, it is proposed to focus on the best available infrastructures and technologies in terms of efficiency. It was said that "regulators can help by staying technologically neutral, so that old technology can be replaced, and the most efficient technology can be chosen (e.g. 5G and fibre)"[55]. The measures under this reform regard investments in white areas, rural and remote areas as well as in the Promotion of the Green Agenda in digital by initiating or supporting the green digital project undertaken by the stakeholders e.g. market players. Regarding 5G, the measures under this reform include the development of 5G networks, and release of the 700 MHz frequency band, Digital Dividend 2 (DD2) for the development of 5G. Moreover, the proposed intervention is coherent with and aims to address the following EU policies: The EU 2020 Digital Single Market goals; The EU Green Deal,[56] The 2025 Gigabit Society objectives of EU, EU Rural Broadband Action Plan; Europe 2020 – A strategy for smart, sustainable and inclusive growth with its pillars on the EU Digital Agenda 2020 and Digital Single Market Programme, and the EU Digital Decade Programme. It aims to support Albania in the integration process through implementation of EU relevant recent acquis regarding digital infrastructure and 5G experiences.

4. Operational features of the programme

4.1 Interaction of the programme with IPA III annual action plans or measures and interventions from other donors/International Financial Institutions

Area of Support 1: ICT infrastructure for better services for the society

Sub-Area of Support 1.1: Digital Health

Donor's assistance in the health sector that is relevant for the intervention envisaged under this Area of Support is the World Bank supported Improvement of the Health System" (HSIP). The Regional Hospital Information System (RHIS) implementation is under Law No. 57/2015 "For the Ratification of the Loan Agreement between the Republic of Albania and the International Bank for Reconstruction and Development".
RHIS is in the implementation phase and covers the digitisation of all work processes in a hospital, as well as the digitisation of all medical documents produced from epicrisis, discharge sheets, prescriptions, etc., using electronic

[55] https://www.berec.europa.eu/system/files/2022-07/10282-berec-report-on-sustainability-assessing_0_3.pdf
[56] https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en

signature for specialist doctors. The system will provide real time access to the patient's electronic health record and diagnosis history, as well as will improve the efficiency of medical care professionals by enabling analysis of morbidity, deaths, emergencies, geographic areas, age, gender, etc.

The National Agency for Information Society has been awarded a WBIF grant to prepare a Feasibility study for Expansion of the Government Network (GovNet) to ensure faster, reliable and secure communication between health care service providers. The Government Network interconnects more than 230 public institutions in Tirana and it is also the main infrastructure network used by the Government Gateway (GG) platform which serves as the basic architecture that enables the exchange of real-time governmental data in a secure and reliable way. The project which has already commenced and is expected to be finalised within mid-2024, will cover the Feasibility Study for the Expansion of the Government Network (GovNet) to ensure faster, reliable and secure communication between health care service providers. The scope is to increase the security of health data exchange, to deliver better health services to citizens and to create the necessary coverage of Government Network throughout the country in order to expand the GovNet also to other institutions.
With various investments that have been made in advancing digital health information systems (supported also by international entities like the World Bank and Austrian Government), a faster and more secure access to patient health records is crucial at all levels of health care services: primary level (medical centres), secondary level (polyclinics) and tertiary level (hospitals).

Sub-Area of Support 1.2: Digital Education

Within the framework of IPA II, the Ministry of Education and Sports was involved in the project **EU for teaching** with the value of EUR 2 352 941. The main objective of the project is to enhance inclusive competency-based quality learning in pre-university primary education in Albania that leaves no child behind based on processes that equip teachers with skills and competences of inclusive teaching.

The Albanian government is implementing an innovative programme aimed at digital transformation in the pre-university education system by supporting schools with the necessary infrastructure to increase the digital skills and technological knowledge of students through the placement of **SMART laboratories in schools**, the inclusion of coding concepts and notions in grades 1-3 as well as updating the current ICT teaching curricula in grades IV-XII. In this context, the curriculum of the Information and Communication Technology (ICT) subject for the first grade has been approved, aiming to encourage creative thinking among students. In the new curriculum, knowledge of technology and coding is included from the first grade. A specific platform (CodeMonkey) is being used to teach coding concepts in the first grade, designed for elementary school pupils. It is bringing a completely new way of learning, through interactive games with characters loved by children, to make the technology lesson as attractive as possible for them. In the 2022-2023 school year, the implementation of ICT as a subject has started from the first grade with a focus on coding in 100 pilot schools in 34 cities of the country, where the beneficiaries are 7079 students.

Several donors are supporting the required investment including the Albanian-American Development Foundation, the OSFA foundation, the Government of the United Kingdom/British Council (through the "Schools of the 21st Century" programme), International Bank for Reconstruction and Development (World Bank), Western Balkans Investment Framework (WBIF) and Council of Europe Bank (CEB). Negotiations with the World Bank for the extension of this project to another 200 schools have been closed, thus ensuring the appropriate infrastructure with a unique typology for the creation of suitable environments for the development of sustainable ICT competencies. This typology aims to set up smart labs in these 200 schools, where students starting from the first grade will be able to use the Code Monkey platform. The project foresees the training of ICT teachers and teachers of other subjects in the use of ICT infrastructure and the use of ICT tools that enable teaching and learning, thus stimulating blended learning. The WBIF has approved a grant to support the establishment of smart labs in the rest of pre-university education (684 schools), in collaboration with the financial support of the Council of European Development Bank.

Artificial Intelligence for Young People is an innovative programme that will train Albanian students in the field of technology and AI, business ethics, critical thinking and problem solving. The vision is digital transformation in the pre-university education system by supporting schools with the necessary and sustainable infrastructure to increase digital skills and technological knowledge for Albanian students aged 13-19 years in technology, specifically in the field of Artificial Intelligence. This programme is a collaboration between the AADF and Intel Corporation Inc. to educate Albanian students aged 13-19 in technology, specifically in the field of artificial

intelligence. 9 schools of higher secondary education have become part of the project and 6 Smart laboratories have been built and the beneficiaries are 160 students and 24 trained teachers.
Internet Security

The MES has been part **of the ESEP/eTwinning** (European School Education System) online community since 2014. The project is part of the Erasmus+ programme and its vision is to establish an online community of teachers at international level, who share experiences and develop teaching competencies based on the integration of technology.

The MES, in cooperation with the "Vodafone Albania" Foundation, is implementing the "STEM" project, which is a comprehensive, educational, proactive project that will contribute to the development of the knowledge of teachers and students of selected schools in the field of science and technology enabling a better understanding in terms of finding appropriate digital solutions.

At the initiative of the MES, with funding and support from the AADF, the Clean Score programme, implemented based on the Memorandum of Understanding signed between the parties, as well as the Agreements with partner universities, aims to implement automated exam correction in universities, significantly increasing transparency in student evaluation. Currently, cooperation has been established with 11 public and 2 private universities.

Within the framework of "EU for schools project", a project funded by the EU and implemented by UNDP, the newly constructed schools of this project are reconstructed following European guidelines on energy efficiency and e-waste. ICT equipment established in these schools conforms to respective European standards that relate to e-waste. Within the framework of WBIF, an assessment in 16 schools is being undertaken concerning energy efficiency principles. In this regard, the assessment questionnaire also includes elements that relate to e-waste.

Area of Support 2: Integration with EU information technology systems, cybersecurity and digital connectivity

Sub-Area of Support 2.1: Taxation

The **International Monetary Fund (IMF), in collaboration with the European Commission and the Swiss Secretariat for Economic Affairs (SECO),** is implementing a capacity development programme in support of the fiscal institutions in the Western Balkans, namely in Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia. The programme, known as the Revenue Administration and Public Financial Management (PFM) Reform programme, has undergone two phases already (SEE I and SEE II) and has supported the strengthening of the institutional and human capacities of fiscal institutions in the beneficiary countries. It has also facilitated significant reforms in these areas, including addressing emerging challenges such as those posed by the COVID-19 pandemic.
The ongoing third phase of the programme (2023-2026) seeks to provide crucial technical expertise to support the recovery efforts in the post-pandemic period and mitigate spill over effects. The primary objectives of this phase are to enhance fiscal risk management practices, improve the efficiency of public investments, eliminate unproductive tax incentives to enhance revenue efficiency, address structural issues to ensure equitable revenue generation, strengthen taxpayer compliance, and enhance core functions of the revenue administration.

In addition to the IMF programme, the GDT has initiated a three-year cooperation project (2023-2025) with the Swedish Tax Agency (STA), supported by the **Swedish International Development Cooperation Agency (SIDA)**. The overall goal is to support the GDT in achieving development and progress needed based on the draft MTRS 2022-2026. This cooperation Project will primarily focus on five key components: building a strong integrity culture, improving compliance risk management, enhancing taxpayer service, strengthening the tax audit function, and improving and developing business processes within the GDT. By emphasising good governance, voluntary compliance, and business development, this project aims to strengthen the effectiveness and efficiency of the GDT. Therefore, it is important to note that this technical assistance is not anticipated to have significant interactions with the proposed activities under the Operational Programme Digital Economy and Society.

In the period 2010-2012, the GDT was the beneficiary of an **IPA project, "Support for the General Directorate of Taxes of Albania**". The project was implemented by the Tax Administration of France (components 1, 2) and that of Sweden (components 3, 4).

Sub-Area of Support 2.2: Cybersecurity

The following table summarises the US assistance provided in the cybersecurity sector.

Table 13: **Cybersecurity, US Assistance**

No	Project	Beneficiary
1	Improvement and optimisation of the NAIS firewall architecture at the level of web filters (WAF – Licenses for 3 subscriptions)	NAIS
2	Migration of priority sectors to the Cloud such as: National SOC and sectoral SOCs (Energy/State Police/Government Sector) along with applications/systems interfaced with them	Energy NAIS ASP AKCESK
3	Technical Assistance of Critical Infrastructure (Expertise)	Energy NAIS ASP AKCESK
4	Technical and strategic plan for risk analysis and standards for 52 institutions under the NAIS	NAIS
5	National SOC	AKCESK ASP Energy Finance
6	SOC in Layer 2 & 3	Finance ASP Energy
7	Cyber Hygiene	AKCESK NAIS Finance ASP Energy Transport Other
8	Threat Intelligence Platform	AKCESK/NAIS
9	Training and Capacity Building	AKCESK ASP Energy Finance

The Feasibility study for the establishment of a High Performance Computing Centre for Government Institution's Data and Setting up a secure information exchange network to enable regional interoperability in the Western Balkans region (Western Balkans Investment Framework (WBIF))

The project objective is to cover the Feasibility Study and Cost Benefit Analysis for the implementation of two main components, which will alter digital transformation in Albania with the aim of increasing the quality of life of Albanian citizens:

- Establishment of a High-Performance Computing Centre for Government Institution's Data.
- Setting up a secure information exchange network to enable regional interoperability in the Western Balkans region.

The HPC Centre will be the next step into the Government Digital Transformation journey enabling insights from the data stored in the Government Data Centre due to real-time analysis and processing which will enable the government to be in line with “The Digital Europe Programme”.

The HPC Centre will enable the Government Digital Transformation by bringing digital technology to businesses, citizens and public administration by use of key capacity areas including supercomputing, Big Data and Machine Learning (ML) and Artificial Intelligence, ensuring a wide use of digital technologies across the economy and society, in line with the “The Digital Europe Programme”.

Sub-Area of Support 2.3: Digital Connectivity

When preparing this OP, consideration was given to ongoing projects, the implementation of IPA II programmes and the information given in the sectoral planning documents. More specifically, the results of IPA 2020 Technical Assistance project "Support the Ministry of Infrastructure and Energy to implement the new European Electronic Communications Code & Open Internet" which was completed during 2022 were taken into consideration. The overall objective of this Project was to align the Albanian legislation with the EU acquis in the fields of Electronic Communications and free up 700 MHz band.
Under IPA 2022, further assistance is approved to support the preparation of sub-legal acts and regulations drafted to align the new electronic communication law with the Directive 2018/1972/EU establishing the European Electronic Communications Code.

The Ministry of Infrastructure and Energy initiated the Regional Broadband Project in 2018. The feasibility study and CBA for regional broadband development was completed in July 2020 under the WBIF project: WB19-ALB-DII-0: Feasibility Study and Cost-Benefit Analysis for Regional Broadband Infrastructure Development in Albania. The white and grey areas were identified based on digital diagnosis report prepared by the end of 2019. The Feasibility Study and Cost-Benefit Analysis also provided an estimation for the investment needs to achieve the broadband coverage in white areas. The next steps based on the WB22-ALB-DII-02 Pilot Project for Rural Broadband Development in Shkodra, Tropoja, Kukës and Dibra are: the ESIA, Detailed Design and Tender documents, and WB24-ALB-DII-01 Broadband Development in White Areas in Vlora, Gjirokastra, Fier, Berat and Korçë regions: The Detailed Design, ESIA, and Tender Documents, for Rural and White area Broadband Development have not yet started.

The project WB23-ALB-DII-01 on the Development of the broadband ATLAS, pre-feasibility study was completed during 2022. The goal of this project was to develop the broadband atlas including information on end users as well as provide the methodology for creating four types of maps: infrastructure mapping, service mapping, demand mapping and investment mapping.

4.2 Description of the programme

4.2.1. Intervention Logic

The **Overall Objective /Impact of the Operational Programme** is to advance with the implementation of Albania's Digital Agenda of Albania in selected sectors.

Outcome 1: The **Specific Objective (Outcome)** of the Digital Health Sub-Area of Support is to improve healthcare delivery by establishing a new national integrated e-health network and the Radiology Information System.
This outcome will be achieved by including all the population of Albania in a newly national integrated e-health network. The integrated e-health network will improve the working environment of the healthcare providers and will also ensure access by policy makers and academic institutions to improved health information.

The **Outputs** to be delivered under the Digital Health Sub-Area of Support contributing to the corresponding Specific Objective (Outcome 1) are:
Output 1.1 contributing to Outcome 1: Detailed design of the system established.
Output 1.2 contributing to Outcome 1: Infrastructure and Software Systems for Electronic Health Record System and Radiology Information System established.
Output 1.3 contributing to Outcome 1: Healthcare providers enabled to use the Radiology Information System and Electronic Health Record Systems.
Output 1.4 contributing to Outcome 1: End recipients and healthcare professionals fully informed of the new system's benefits.

The above outputs include a technical study aiming to optimise the technical choices of the envisaged investment in central infrastructure, network/security and software systems and provide a detailed design of the system. The system will then be established, and the intended users trained on change management as well as on the system functionalities. In order to prompt awareness and overcome any potential lack of confidence and privacy concern

by systems' users (i.e., patients and healthcare professionals), an awareness campaign has also been planned under this Sub-Area of Support.

Outcome 2: The **Specific Objective (Outcome)** of the Digital Education Area of Support is to improve learning outcomes of pre-university students by using digital tools and systems.

The **Outputs** to be delivered under this Sub-Area of Support and contributing to the corresponding Specific Objective (Outcome 2) are:
Output 2.1 contributing to Outcome 2; Strengthened ICT-oriented curricula of high schools (last 3 years of pre-university education).
Output 2.2 contributing to Outcome 2: Capacities of teachers built for the new curricula and on the sustainable use of digital tools, circular economy principles and energy efficiency.
Output 2.3 contributing to Outcome 2: Secondary School teachers equipped with laptops,

The **Specific Objectives (Outcomes)** of the Taxation sub-area of support are:

Outcome 3: To achieve interconnection and interoperability of the GDT's IT systems with EU IT systems through the CCN/CSI network/interface and prepare the integration with the EU VIES / VIDA.

Albania's tax administration has to be prepared to have its IT systems interconnected with EU systems. When Albania will become a Member State, it needs to have in place the interconnectivity with the CCN/CSI, which facilitates all communications in the framework of exchanging information with the other Member States' tax administrations under the EU Directives on Administrative Cooperation (DACs), with the VIES/VIDA, etc.
Therefore, the intervention aims to provide the needed capacities and undertake measures to ensure the effective implementation of the automatic exchange of tax information with EU Member States in line with the OECD Global Standard, by achieving interconnection and interoperability with EU IT systems in accordance with the recommendations from the Albania's Progress-Report 2022 of the European Commission. Furthermore, it aims to adopt and integrate the EU standards and practices (VIES/VIDA) according to EU requirements and in accordance with DG TAXUD specifications.

Outcome 4: To comply with OECD and EU's obligation of implementing automatic exchanges of tax information (Country-by-Country Reporting).

The aim is for the General Taxation Directorate (GDT) to implement automatic exchanges of tax information based on the requirements of OECD/Country-by-Country Reporting. This implementation is expected to greatly enhance the efficiency of tax revenues and administration in Albania. By adopting this approach, the GDT will gain comprehensive and detailed insights into the global operations, financials, and tax positions of multinational enterprises (MNEs).

The **Outputs** contributing to the specific objective are as follows:

Contributing to Outcome 3	Output 3.1. Technical recommendations, specifications and guidelines developed. Output 3.2 Legislative and regulatory reform to prepare the ground for implementation prepared. Output 3.3 Existing IT infrastructure upgraded and new hardware established at GDT. Output 3.4 Existing interoperability framework modified. Output 3.5. Capacities built for IT staff at GDT and other public bodies/agencies. Output 3.6. Awareness raising and information campaign for Albanian taxpayers carried out.
Contributing to Outcome 4	Output 4.1. Technical recommendations, specifications and guidelines developed. Output 4.2 Legislative and regulatory reform to prepare the ground for implementation, prepared.

	Output 4.3. CbCR portal built, existing IT infrastructure upgraded and new hardware established at GDT. Output 4.4. Capacities built for IT staff at GDT and other public bodies/agencies. Output 4.5. Awareness raising and information campaign for Albanian enterprises, carried out. Output 4.6 Monitoring and evaluation system for CbCR established.

The above Outputs are directly aligned with the following weaknesses and needs identified in the SWOT analysis outlined in section 2.7: Insufficient technical capacity and resources hinder the successful integration and interoperability of national taxation systems; Integration and interoperability of national taxation systems lack a robust legal and institutional framework; Albania struggles to effectively collect tax revenues and ensure compliance with tax laws; The Taxpayer Registry requires refinement and updating; Compliance risk management methodologies are currently implemented slowly and ineffectively; and The current e-taxation system has functional needs that persist, including the need for user testing, automation of work processes.

Outcome 5 The **Specific Objective (Outcome 5)** of the Cybersecurity Sub-Area of Support is to increase the capacities to counter cyber intelligence threats against critical information infrastructures.

The **Outputs** planned to achieve the desired change under this Sub-Area of Support contributing to the corresponding Specific Objective (Outcome) are:

Output 5.1 contributing to Outcome 5: The physical hosting capacity of the NAIS Data Centre (supplies) increased and related Critical Information Infrastructures hardware/software equipment upgraded
Output 5.2 contributing to Outcome 5: Threat Intelligence platform for proactive detection against sophisticated attacks established
Output 5.3 contributing to Outcome 5: Dark web monitoring platform established
Output 5.4 contributing to Outcome 5: Cyber awareness and preventive analysis capacity, and cyber resilience and response capacities of involved public sector organisations improved.

The **Specific Objective (Outcome 6)** of the Digital Connectivity Sub-Area of Support is to improve Digital Connectivity based on VHCN with fibre optic and 5G.

The **Outputs** to be delivered under this **Sub-Area of Support** are as follows**:**
Output 6.1 contributing to Outcome 6: Geographical Survey for broadband network, VHCN prepared
Output 6.2 contributing to Outcome 6: Gigabit Infrastructure Act drafted
Output 6.3 contributing to Outcome 6: Technical study for 5G use cases in smart communities prepared
Output 6.4 contributing to Outcome 6: 5G use cases pilot project designed
Output 6.5 contributing to Outcome 6: Awareness raised of End users and relevant stakeholders on Gigabit infrastructure/5G use cases benefits.

4.2.2 Detailed description of each area of support

Area of Support 1: ICT infrastructure for better services for the society

Sub-Area of Support 2.1: Digital Health

Rationale

The ability of citizens and healthcare providers to securely access and share electronic health records (‘EHR’s), that is to say collections of longitudinal medical records or similar documentation of an individual, in digital form, within and across borders has a number of benefits: an improvement in the quality of care for citizens, reduction in the cost of health care to households, and it supports the modernisation of health systems that are under pressure from demographic changes, rising expectations and costs of treatment. For example, sharing the results of blood tests in a digital format among clinical teams prevents repeating invasive and costly tests on the same person. Similarly, where patients need to see different health professionals, sharing electronic health records can avoid a

repetition of the same information about their medical history, saving time for all parties involved and improving the quality of care. Health care needs are expected to further increase in the future as a result of population ageing, the rising prevalence of chronic conditions and a rise in demand for long-term care. Evidence from various countries suggests that up to 20% of health care spending is wasteful, for example because patients receive unnecessary tests or treatments, or as a result of avoidable hospital admissions. Digital technologies are powerful solutions to address these issues and adapt health systems to future challenges. For example, digital solutions linked to health apps, or wearable devices, combined with a system that allows a citizen secure access to their own health data, should enable patients with chronic conditions, such as diabetes, or cancer, to monitor their own symptoms at home and share them quickly with their clinical teams. This should reduce the number of visits to a health facility for monitoring. Digital technologies can also help to detect early a need for a change in treatments, resulting in fewer hospitalisations due to complications. Better management of chronic conditions in the community, alongside reducing the duplication of health care actions (such as tests) should not only make systems more sustainable but also improve the overall quality of life, the quality of health care provided to citizens, and reduce the costs associated with health care for individuals and households.

To support the digital transformation of health and care, the Commission adopted the Communication on 'enabling the digital transformation of health and care in the Digital Single Market: empowering citizens and building a healthier society'[57]. That Communication adapts for the health sector the objectives set out in the Communication 'A Digital Single Market Strategy for Europe' adopted on 6 May 2015[58]and the Communication 'EU eGovernment Action Plan - Accelerating the Digital Transformation of Government', adopted on 19 April 2016[59]. Uptake of digital solutions for health and care remains slow and varies significantly across the Member States and regions[60].

Digitising health records and creating systems that enable them to be securely accessed by citizens and securely shared within and between the different actors in the health system (patients, their clinical teams in the community and hospital facilities) is an important step towards integrating digital technologies into health and care approaches. That integration requires electronic health records to be interoperable across Albania.

New technologies for health should support citizens to become active agents of their own health. To this end, citizens' and patients' needs should be taken into account when designing health information systems including making these systems more accessible to users, in particular to persons with disabilities, according to the accessibility requirements laid down by Directive (EU) 2016/2102 of the European Parliament and of the Council[61], where applicable. The aim of interoperability with regard to electronic health records is to allow for the processing of information in a consistent manner between those health information systems, regardless of their technology, application or platform in a way that it can be meaningfully interpreted by the recipient. The lack of interoperability with regard to electronic health records leads to fragmentation and a lower quality of healthcare provision. The European Commission has already identified specific 'Integrating the Healthcare Enterprise' (IHE) profiles listed in the Annex to Commission Decision (EU) 2015/1302[6263]with the potential to increase interoperability of eHealth services and applications to the benefit of citizens and the healthcare professional community and to be eligible for referencing in public procurement. Those profiles provide detailed specifications for different layers of interoperability. Some of those profiles are already used to address specific business requirements in the eHealth Digital Service Infrastructure ('eHDSI').

The highest possible standards for security and data protection are central to developing and exchanging electronic health records. The General Data Protection Regulation requires patient data to be protected and properly secured so that its confidentiality, integrity and availability are ensured. As a consequence, systems must be secure, safe, trustable and integrate data protection by design and by default. The use of secure electronic identification and authentication means provided for in Regulation (EU) No 910/2014 of the European Parliament and of the

[57] COM(2018) 233 final.
[58] COM(2015) 192 final.
[59] COM(2016) 179 final.
[60] COM(2017) 228 final.
[61] Directive (EU) 2016/2102 of the European Parliament and of the Council of 26 October 2016 on the accessibility of the websites and mobile applications of public sector bodies (Web Accessibility Directive) (OJ L 327, 2.12.2016, p.1-15).
[62] Commission Decision (EU) 2015/1302 of 28 July 2015 on the identification of 'Integrating the Healthcare Enterprise' profiles for referencing in public procurement (OJ L 199, 29.7.2015, p. 43).
[63] https://www.ihe.net/ and https://www.ihe-europe.net/

Council[64](eIDAS) should enhance access, security and trust in electronic health record systems. That Regulation lays down the conditions under which recognised electronic identification means, falling under a notified electronic identification scheme of a Member State, may be used by citizens to gain access to online public services from abroad, including access to health services and health data. It also lays down rules for trust services such as electronic signatures, electronic seals and electronic registered delivery services, to securely manage and exchange health data by minimising the risk of possible tampering and misuse. Under Directive (EU) 2016/1148 of the European Parliament and of the Council[65] healthcare providers, that are identified as operators of essential services by Member States and digital service providers falling in its scope are required to take appropriate and proportionate technical and organisational measures to manage the risks posed to the security of network and information systems they use in their operations of provision of service. They are also required to notify security incidents having a significant or substantial impact on the continuity of the services they provide to the competent national authorities or to the national Computer Security Incident Response Teams (CSIRTs). As regards cybersecurity for electronic health record systems in particular, cybersecurity certification may allow the demonstration that cybersecurity requirements are fulfilled, under the relevant Union cybersecurity framework[66].

The major global technological trends influencing ICT development in the health sector[67] and all the above presented background has been taken into consideration when defining the specific objective and the outputs of the action related to this sub-area.

Social willingness to accept e-Health innovations is a decisive parameter for the wide acceptance and success. It is not easy to predict user acceptance, especially when such systems involve continuous monitoring of and interference with human activity at large. Security and privacy issues must be addressed beforehand and user engagement in the design of these systems is mandatory as to address the scepticism and concerns. There is a lack of user (i.e., patients and healthcare professionals) awareness and confidence; most people prefer to see their doctor face to face and do not trust the safety of stored information. Fragmentation within healthcare systems is a major barrier to e-Health deployment on a large scale. There are particular challenges in relation to health and social care informatics. There is still lack of large-scale evidence for potential improvements of healthcare processes; lack of a consolidated and systematic approach to monitor and benchmark the adoption and use of the whole spectrum of e-Health solutions; and lack of agreed metrics for measuring success, including the time period over which to look at costs/benefits and the comparability of different implemented systems. The acceptance by healthcare professionals is still weak. The e-Health system design and implementation processes often fail to win over clinicians. Failure to engage with people in health management roles in charge of implementing new systems is also a significant barrier. Opportunities offered by e-Health should be introduced in a consensual way. It should be clear for whom e-Health is mostly intended and for what kind of activities or services it is not appropriate. In the case of doctors and other health professionals, it should be determined for what kind of duties it will represent a helpful solution. For these reasons, **a technical study, change management training and an awareness campaign have been included in the implementation plan for this Area of Support.**

Applicable EU legislation: The Operational Programme under the e-Health sub-area of Support, will contribute to implementing the Commission Recommendation (2019) 800 final of 6.2.2019 on a European Electronic Health

[64] Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (OJ L 257, 28.8.2014, p. 73).

[65] Directive (EU) 2016/1148 of the European Parliament and of the Council of 6 July 2016 concerning measures for a high common level of security of network and information systems across the Union (OJ L 194, 19.7.2016, p. 1).

[66] See Joint Communication on Resilience, Deterrence and Defence: Building strong cybersecurity for the EU, point 2.2 (JOIN(2017) 450 final).

[67] For example, medical imaging generates demand for more advanced image processing techniques and genome sequencing generates demand for innovations in large-volume data processing and storage. The following major technological trends are identified:

• ICT solutions for improved efficiency and effectiveness of the healthcare systems that already cost too much (e.g., Hospital information systems and ERPs and e-Prescriptions), including better use of limited human resources for remote serving an ever-increasing population of elderly citizens (e.g., telemedicine and homecare)

• Re-use of public health information (e.g., government open data and social medicine) to develop novel applications and business models.

Record exchange format and the Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and the free movement of such data repealing Directive 95/46/EC (General Data Protection Regulation - GDPR) (OJ L 119, 4.5.2016, p. 1).
Other relevant EU legislation: Directive No. 2011/24/EU of March 9, 2011 on patients' rights in cross-border healthcare aims to guarantee patient mobility and the free provision of healthcare services. Directive (EU) 2016/2102 of the European Parliament and of the Council of 26 October 2016 on the accessibility of the websites and mobile applications of public sector bodies (OJ L 327, 2.12. 2016, pp. 1–15); Directive (EU) 2016/1148 of the European Parliament and of the Council of 6 July 2016 concerning measures for a high common level of security of network and information systems across the Union; Regulation (EU) No 910/2014 of the European Parliament and of the Council on electronic identification and trust services for electronic transactions in the internal market (eIDAS Regulation), adopted on July 23, 2014, defines a regulatory framework to ensure secure and seamless electronic transactions between businesses, citizens, and public authorities; Commission Decision (EU) 2015/1302 of 28 July 2015 on the identification of 'Integrating the Healthcare Enterprise' profiles for referencing in public procurement.

Outcomes: The specific objective of the e-Health sub-area of Support is to improve healthcare delivery by establishing a new national integrated e-health network and the Radiology Information System.
The inclusion of the population in the new national integrated e-health network will allow for better diagnostics and a more effective and efficient work environment for the health care provider personnel using the system. In addition, the new national integrated e-health network will provide more comprehensive, accurate and timely health-related information that will enable better policymaking and research in health-related disciplines.

Typologies of outputs: Detailed design for the e-health solution, implementation of the infrastructure and software systems, training, awareness campaign to inform the population on the specific e-health solution.

Table 14: Digital Health, Impact, outcome and output indicators (incl. baselines and targets)

Results	**Objective**	**Indicator**	**Metrics or Unit of Measurement**	**Baseline (2022)**	**Target (2032)**
Impact	Advanced implementation of Albania's Digital Agenda of Albania in selected sectors.	Western Balkans Digital Economy Society Index[68]	Score	30.2	Increase
Outcome 1	Healthcare delivery improved.	Population included in the newly national integrated e-health network.	Persons	0	2 890 000
		Healthcare provider staff using the system, disaggregated by gender.	Number	0	10 000
		Policy makers and academic institutions with access to improved health related information	Number	0	3
Outputs contributing to Outcome 1	Output 1.1 Detailed design for the system established.	Detailed design of the system based on technical study including cost-benefit analysis.	Number	0	1

[68] https://www.rcc.int/pubs/159/western-balkans-digital-economy-society-index-wb-desi-2022-report

Results	Objective	Indicator	Metrics or Unit of Measurement	Baseline (2022)	Target (2032)
	Output 1.2 Infrastructure and Software Systems for Electronic Health Record System and Radiology Information System established.	Hardware connecting the healthcare providers to the systems (workstations, routers, middleware for medical devices) made functional	Number	0	50
		Central infrastructure (servers, storage), networking/ security installed	Number	0	1
		Software systems operational	Number	0	2
	Output 1.3 Healthcare providers enabled to use the Radiology Information System and Electronic Health Record Systems.	Healthcare operators trained on change management and the use of the system, disaggregated by gender.	Number	0	10 000
	Output 1.4 End recipients and healthcare professionals fully informed of the new system's benefits.	Multiannual awareness campaign implemented.	Number	0	1

Type of activities
In general, the activities of the e-Health sub-area of Support will be the following:
Acquis related capacity building, legislative approximation and harmonisation, sector reforms;
CAPACITY BUILDING: training on the Electronic Health Record System and Radiology Information System (system functionalities training/change management/IA and BI capabilities)
INVESTMENT: central infrastructure (servers, storage), networking/security; two software systems: for the Electronic Patient Record and the radiology information system respectively based on international standards compatible with EU standards of electronic health standards (IHE/HL7/CDA, DCOM).
TECHNICAL STUDY: detailed design of the system, including energy efficiency measures and e-waste management scheme.
AWARENESS CAMPAIGN: preparation and delivery of a multiannual awareness campaign addressed to both patients and healthcare professionals.

Table 15: Digital Health, Indication of the main type of activities under this Sub-Area of Support, broken down per year

2024	2025	2026	2027
Technical study	Investment[69]	Investment	Capacity building

[69]Provisional cost estimates are based on:
Number of existing and future e-health systems that need to be interoperable (20 systems: e-prescription, e-referral, e-visit, …)

		Capacity building Awareness campaign	Awareness campaign

Delivery methods
Delivery methods that will be considered for this area of support may include services, twinning, supply and works procurements.
End recipients and target groups: the end recipients include the registered population of Albania holding a Unique National Identification Number; the target groups are physicians (family doctors, specialist doctors, etc.), radiologists, imagery technicians/nurses; public policy makers obtaining statistical/administrative information for better policy making.

Conditions: co-financing of the sub area of support; Order of the Minister on the usage of the proposed system and the validation of the documents produced by the system; maintenance of hardware infrastructure and software solutions ensured by the NAIS.

Sub-Area of Support 1.2: Digital Education

Rationale

The COVID-19 pandemic has further accelerated the existing trend towards online and hybrid learning. It uncovered new and innovative ways for students and educators to organise their teaching and learning activities and to interact in a more personal and flexible manner online.
At the same time, the uptake of digital technologies for education reveals challenges and inequalities between those who have access to digital technologies and those who do not (including individuals from disadvantaged backgrounds); and challenges related to the digital capacities of education and training institutions, teacher training and overall levels of digital skills and competences.
To further contextualise these challenges, according to recent studies and statistics: a) on average less than 40% of educators across the EU felt ready to use digital technologies in teaching, with divergences between EU Member States (OECD, 2018); b) more than one third of 13-14 year olds who participated in the International Computer and Information Literacy Study (ICILS) in 2018 did not possess the most basic proficiency level in digital skills (EC, 2019); c) a quarter of low-income households have no access to computers and broadband, with divergences across the EU affected by household income (Eurostat, 2019); and d) 95% of the respondents of the Open Public Consultation of the Digital Education Action Plan consider that the COVID-19 pandemic marks a turning point for how technology is used in education and training (EU Digital Education Action Plan, Open Public Consultation, 2020).
These figures demonstrates that since the digital transformation has changed society and the economy with an ever-deepening impact on everyday life, and especially on the new generation, highly affected by the pandemic and its implications on learning and teaching, there is a strong need for higher levels of digital capacity of education and training systems and institutions.
At the EU level, this called for a stronger and coordinated effort to support education and training systems, putting forward a long-term vision for the way ahead for European digital education area. In this respect, the **Digital Education Action Plan (2021-2027)** is a renewed policy initiative that sets out a common vision of high-quality, inclusive and accessible digital education in Europe, and aims to support the adaptation of the education and training systems of Member States to the digital age.
At the national level, **high quality education tops the list of aspirations for the future in Albania**[70]. It is an essential element of quality of life for all; young people in school, families, those that want to have opportunities

Number of healthcare providers to be connected to this integrated health network (61 public and non-public hospitals, 43 healthcare centres)
Number of medical devices (angiography, CT, MRI, mammography; Xray, ecography - +300) that produce 500 MB for one image, 50 daily examinations per device = 7 tera bite transmitted and stored daily.
Number of users (physicians, nurses etc. – 10,000)
Roll-out process (training, awareness)

[70] This section is based on: OECD, Multi-dimensional Review of the Western Balkans, From Analysis to Action, February 2022.

for their own children, those that want to have children in the future, and those that depend on the younger generations to shape their societies' future. Beyond innovation and economic opportunity, education also matters for civic engagement and respect for diversity and the rule of law. With impressive unanimity, quality education ranked topmost in all four aspirational foresight workshops held in Tirana as part of the Initial Assessment of the OECD Multi-dimensional review of the Western Balkans in 2021. The workshops gathered a range of participants from various ministries and agencies, the private sector, academia and civil society, who developed vision statements based on narratives of the lives of future citizens.

According to the results of the OECD Multi-dimensional review (OECD, February 2022)[71] over the past decade, Albania has taken important steps to boost the quality and relevance of education across all levels. Learning outcomes, as measured by the OECD's Programme for International Student Assessment (PISA), have improved fast, with Albania being one of the fastest improvers. In science, Albania's mean performance increased particularly fast between 2009 and 2015, by 37 score points (OECD, 2018). As a result, learning outcomes are now similar to the average for all Western Balkans countries. In 2016, Albania adopted the **Pre-University Education Development Strategy for 2014-2020** (Ministry of Education, Sports and Youth 2016). The strategy set out four key policy priorities for education, linking each priority to expected results and planned activities. In recent years, a new VET law has encouraged engagement between vocational schools and the private sector, especially through work-based learning. Albania approved in 2021 the National Education Strategy for 2021-2026, which integrates the pre-university education strategy and the university education strategy (Ministry of Education and UNICEF, 2021). The strategy gives great importance to inclusiveness and equality in education, strengthening the competencies of teachers, mastery of lifelong learning competencies, digitalisation of education, and quality management and assurance.

To sustain the progress in building key competencies of student and adults, Albania must now tackle a set of important outcome-level challenges that remain. Many companies in Albania cannot generate jobs because they cannot find the skilled workforce needed to fill them. 25% of surveyed firms identified an inadequately educated workforce as a major (the third largest) obstacle to business in a recent survey (World Bank/EBRD/EIB, 2019).

Although digital technology offers potential for Albania, both in the ICT sector and more broadly, the lack of digital skill can be an important bottleneck for development. In 2019, 21% of Albanians still had basic or above basic skills, low in comparison to the EU average at 56% (Eurostat, 2021). Although the pupil/teacher ratio in primary, secondary and upper secondary education in Albanian is rather favourable, the teaching quality remains inadequate. Improving teacher quality is especially important given the recently adopted competency-based curriculum.

The peer-learning participants from Albania selected digital transformation of the education system as a key priority to strengthen competencies of the future workforce and to create new opportunities in the emerging sector. Globally, digital tools and their use have become an increasingly important part of schooling. Application of digital technologies implies the use of computers and technologies to access the internet, to obtain and share knowledge among students and teachers, to use learning analytics in order to collect data and measure performance, and to setup collaborative learning networks to solve problems and to foster creativity among students. However, digital technology does not generate outcomes in isolation, but needs to be complemented with skilled teachers (OECD, 2015). Use of digital skills also offers growth opportunities in the emerging ICT sectors and is a key tool that can boost productivity in all economic sectors, highlighting the importance of acquiring relevant digital skills also among adults.

At the level of formal education, developing of teachers' standards on digital skills, promoting and supporting the use teachers' standards on digital skills to improve teaching, and increasing training of teachers were three key peer-learning priority actions.

Therefore, in line with the goal of the intersectoral strategy **"Digital Agenda for Albania 2022-2026"** to improve the quality of services towards citizens and business in the country, including access to digital services in the area of education, the **"National Strategy on Education 2021-2026"** identified under Policy Goal A: Qualitative, inclusive and equal pre-university education system that creates the conditions for all students without distinction to develop skills, knowledge, and stances conform the requests of a democratic society so that they can constructively face the life challenges and contribute to the construction of personal welfare and of societal welfare. More specifically, Strategic Objective A5: Development of digital competencies by making best use of ICTs, identified the following expected results: i. Creation of proper infrastructure for ICT use in schools and its maintenance; ii. Development of digital competence through extended ICT use in all subjects; iii. Offering qualitative ICT services for pre-university education.

[71]OECD Multi-dimensional review of the Western Balkans in 2021 – From Analysis to Action, February 2022.

Applicable EU legislation

Education is an area in which harmonisation by Directives or other compulsory EC acts is excluded.
However, historically, the EU has established a consolidated framework of cooperation policy on education among Member States. This is intended as an adjustment and coherence element in the national education processes and systems in the face of the economic, social and cultural context promoted by the Single Market and by some education competencies assumed by the Community as part of the Treaty on the EU. This idea lies on the development of European citizenship, on offering opportunities to improve quality in education, and on training young people in their transition and integration towards social and working lives, via a framework of key competencies, as an added value to the general goals of education. Its motivation is supplementary, and its orientation is geared towards the peripheral elements of education systems, especially using mobility, exchanges (e.g. ERASMUS), European language learning and other cultural cooperation mechanisms. To some extent, the EU promotes the European Dimension of Education in an almost instrumental manner, pushing the attitudinal facets vis-à-vis Europe into the background of its political action and economic and social integration.
Relevant for this Area of Support is the **Digital Education Action Plan (2021-2027)**,[72] adopted on 30 September 2020, is a call for greater cooperation at European level on digital education to address the challenges and opportunities of the COVID-19 pandemic, and to present opportunities for the education and training community (teachers, students), policy makers, academia and researchers on national, EU and international level. The initiative contributes to the Commission's priority 'A Europe fit for the Digital Age' and to Next Generation EU. It also supports the Recovery and Resilience Facility, which aims to create a greener, more digital and resilient European Union. The Digital Education Action Plan is a key enabler to realising the vision of achieving a **European Education Area by 2025**. It contributes to achieving the goals of the European Skills Agenda,[73] the European Social Pillar Action Plan[74] and the '2030 Digital Compass: the European way for the Digital Decade'.

Outcomes

The Outcome (Specific Objective) of the Digital Education Sub-Area of Support is to improve learning outcomes of pre-university students by using digital tools and systems.
More specifically, the Education component of the Operational Programme – Digital Economy and Society aims to reinforce the digitalisation of the national system of education, with a specific focus on Pre-University Education, by supporting the achievement of the Strategic Objective A5: Development of digital competencies by making best use of ICTs, of the National Education Strategy 2021-2026, in particular Expected result iii. Offering qualitative ICT services for pre-university education, through specific investment and technical assistance in support of the further digitalisation and use of the new System for Management of Pre-University Education (SMIP). The SMIP has an integrated component that enables distance learning and enables the synchronisation of data in real time, creating the possibility of communication with other systems and offering for the first time the possibility of registering students in first grade, general high school and vocational high school through the e-Albania portal. At the same time, the activity will build capacities in the use of the different modules and functionalities, while providing technical assistance to redesign and update the ICT-oriented curricula of the Pre-University education programme and raising awareness on the crucial role of digital skills for enhancing the education performance and entering the job market with success.

Typologies of outputs: Technical assistance for the redesign of the ICT-oriented curricula; Capacity building / training of teachers; Investment in Hardware (PCs, tablet computers, laptops, servers, network equipment, scanners/printers, etc.), and Software (e.g. dedicated computer programmes and operating systems related to the functioning of the SMIP and related digital education needs); and raising awareness campaigns of the population.

[72] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Digital Education Action Plan 2021-2027 Resetting education and training for the digital age, COM/2020/624 final.
[73] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. European Skills Agenda for sustainable competitiveness, social fairness and resilience, COM/2020/274 final.
[74] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. The European Pillar of Social Rights Action Plan.

Table 16: Digital Education, Impact, outcome and output indicators (incl. baselines and targets)

Results	Objective	Indicator	Metrics or Unit of Measurement	Baseline (2022)	Target (2032)
Impact	Advanced implementation of Albania's Digital Agenda of Albania in selected sectors[75].	Western Balkans Digital Economy Society Index[76]	Score	30.2	Increase
Outcome 2	Improved learning outcomes of pre-university students using digital tools and systems.	Pre-university students with improved digital skills. Alternatively: RCR71 - Annual users of new or modernised education facilities[77].	Number	TBD	18 000
Outputs contributing to Outcome 2	Output 2.1 Strengthened ICT-oriented curriculum of high schools (last 3 years of pre-university education).	ICT-oriented curriculum of high schools redesigned and approved.	Number	0	3
	Output 2.2 Capacities of teachers built for the new curricula and on the sustainable use of digital tools, circular economy principles and energy efficiency.	ICT teachers trained through training on digital skills and sustainable use of digital tools.	Number	TBD	5 500
	Output 2.3 Secondary School teachers equipped with laptops.	Workstations and laptops provided/installed)	Number	0	5 500

Type of activities

In general, the activities of the Digital Education Area of Support will be the following:
TECHNICAL ASSISTANCE: Review of the Pre-University Education (High-School) curricula and design of new ICT-oriented Curricula, including all the necessary technical specifications for integrating all the components of the revised curricula into the modules of the System for Management of Pre-University Education (SMIP).
CAPACITY BUILDING: Training on the use and functionalities of the System for Management of Pre-University Education (SMIP) and integration with related systems and databases, as well communication management with students, families and school/government institutions. Training on digital skills and ICT for didactic purposes and the sustainable use of digital tools, circular economy principles and energy efficiency.

[75] Alternatively: Increased Digitalisation of the Pre-University Education system, including modernised ICT-oriented curricula; Human capital dimension of DESI https://www.rcc.int/pubs/159/western-balkans-digital-economy-society-index-wb-desi-2022-report

[76]The human capital dimension of the Digital Economy and Society Index (DESI) has two sub-dimensions covering 'Internet user skills' and 'Advanced skills and development'. The former draws on the European Commission's Digital Skills Indicator, calculated based on the number and complexity of activities involving the use of digital devices and the internet (see https://publications.jrc.ec.europa.eu/repository/handle/JRC130341). The latter includes indicators on ICT specialists, ICT graduates and enterprises providing dedicated ICT training.

[77] See Commission Staff Working Document, Performance, monitoring and evaluation of the European Regional Development Fund, the Cohesion Fund and the Just Transition Fund in 2021-2027, Brussels, 8.7.2021, SWD(2021) 198 final.

INVESTMENT: Deployment of approximately 5500 laptops to teachers and related software, as well as specific servers and other IT equipment required for the network integration, storage and operationalisation / maintenance.
AWARENESS RAISING CAMPAIGN: Promotional campaigns to inform about the benefits (and risks) of digital education and the sustainable use of digital equipment, circularity principles, how to use digital tools for environmental protection etc.

Table 17: Digital Education, Indication of the main type of activities required under this Sub-Area of Support, broken down per year

2024	2025	2026	2027
Technical Assistance	Investment	Investment Capacity building Awareness campaign	Capacity building Awareness campaign

Delivery methods
Delivery methods that will be considered for this area of support may include services and supply procurements.

End recipients and target groups: Ministry of Education, teachers of the Pre-University education system (High-School), students and families, as well as the population at large.

Conditions: Co-financing of the area of support; Order of the Minister on the usage of the proposed system and the validation of the documents produced by the system; maintenance of hardware infrastructure and software solutions ensured by the NAIS.

Sub-Area of Support 2.1: Taxation

Rationale

To ensure Albania's tax administration is prepared for EU membership, it is crucial to establish interconnected IT systems with the European Union. However, the World Bank has noted that Albania faces challenges related to technical capacity, limited resources, and a shortage of qualified personnel. Integrating Albania's tax system with EU systems could be difficult. Efforts should focus on improving the capabilities and capacity of the tax administration, including profiling and risk assessment of taxpayers, and moving to electronic filing processes. The Albania 2022 Report recognises the progress made in reforming Albania's legal and institutional framework but stresses that further improvements are needed to comply with EU tax rules.

In this context, the integration of Albanian tax systems with the systems EU VIES /VIDA is essential for efficient communication and exchange of information with other EU Member States. The General Directorate of Taxation (GDT) should prioritise the implementation of a robust IT infrastructure aligned with EU standards. This includes establishing secure communication channels for seamless data exchange and collaboration. Interconnection and interoperability enable real-time exchange of information related to VAT, improve collaboration and accuracy, and minimize delays in obtaining critical data such as VAT registrations and taxable transactions. Access to the EU VIES /VIDA systems enables the GDT to verify VAT identification numbers, combat fraud, reduce the risk of tax evasion, and improve the integrity of the tax system. It contributes to a harmonised approach to tax compliance within the EU and ensures a consistent approach by the tax administration. Interconnectivity enables better risk assessment, the identification of tax loopholes and improved tax enforcement measures through access to information from other EU Member States.

The EU VIES (VAT Information Exchange System) and VIDA (VIES on Interoperability and Data Sharing Applications) systems play a pivotal role in facilitating the exchange of VAT-related information among EU Member States. These systems are specifically designed to enhance the efficiency and effectiveness of tax administrations by providing a centralised platform for seamless sharing and verification of VAT-related data. The interconnection/interoperability of the General Taxation Directorate's IT systems in Albania with the EU VIES/VIDA systems will assist the specific departments of GDT to increase operational efficiency. Firstly, by embracing these interconnections, the MFE/GDT will anticipate compliance with the EU's administrative cooperation requirements but also enables effective participation in cross-border tax initiatives. It is planned that this output will first enable GDT to align sub legal acts, institutional procedures, and information standards with the EU's administrative cooperation requirements. According to DG TAXUD specifications, the alignment will also guide integration on: Technical Integration specification, Data Exchange Standards, Message Formats,

Authentication and Security, Compliance, Testing and certification processes. This compliance enables seamless information exchange and cooperation of GDT with other EU Member States related tax authorities, enhancing transparency, and fostering trust in the tax administration. The interconnection allows Albania to actively participate in cross-border tax initiatives facilitated by the EU VIES/VIDA systems. This opens doors to enhanced collaboration, information sharing, and joint efforts in combating tax evasion, ultimately contributing to fairer taxation and increased tax revenues. Furthermore, the interconnection enables the General Taxation Directorate to access and verify VAT-related information from other tax authorities of EU Member States, thus helping to identify potential tax evasion or non-compliance transactions, thereby strengthening tax administration efficiency.
Ultimately, the centralised platform provided by the EU VIES/VIDA systems streamlines the exchange of VAT-related data, reducing manual efforts and administrative burdens for the General Taxation Directorate aiming for smoother operations, faster access to information, and more efficient handling of VAT-related processes.

Interconnection promotes data standardisation and harmonisation, streamlining data processing and analysis. It enables automation of administrative procedures related to VAT, reducing errors and accelerating workflow. Interaction with the EU VIES/VIDA systems allow the Tax Authority of Albania to learn from other EU Member States' best practices in VAT administration, contributing to continuous improvement.
Overall, interconnecting the General Taxation Directorate's IT systems with the EU VIES/VIDA will ensure higher operational efficiency, compliance efforts, and cooperation with other EU Member States. It ensures timely access to reliable VAT-related information, improves risk assessment, and facilitates streamlined administrative procedures, leading to a more efficient and effective tax administration in Albania.

Albania committed to undertake exchanges with respect to the AEOI Standard from 2020. Albania commenced exchanges in 2020 non-reciprocally and therefore underwent an assessment under the methodology for non-reciprocal jurisdictions. Albania’s confidentiality and data safeguards have been assessed to be consistent with the AEOI Standard. No issues considered to pose an unacceptable security risk to exchanged data have been identified. No hard recommendations have been made. Since 2021, Albania and its tax authority (GDT) continue to exchange Common Reporting Standard (CRS) information on a reciprocal basis, with over 80 countries.

Exchange of information (Country by Country Reporting) is one of the standards that currently Albania has to comply with, as a Member of the OECD/G20 Inclusive Framework on BEPS and also in the framework of acquis harmonisation (Chapter 16 (Taxation). The availability of accurate and timely information through CbCR fosters greater transparency and accountability. The GDT will leverage this data to verify the consistency between reported profits, taxes paid, and economic activities across jurisdictions. The increased scrutiny and transparency discourage non-compliant behaviour and incentivize transnational transactions and multinational companies to comply with their tax obligations. Therefore, it is expected that improved compliance will contribute to a broader tax base and higher tax revenues for the jurisdiction. CbCR will facilitate the exchange of tax information between tax administrations, promoting international cooperation in combating tax avoidance and base erosion. By sharing information, GDT will leverage the experiences and insights of their counterparts, which can contribute to more efficient use of resources and avoid duplication of efforts. This collaboration reduces the burden on individual tax administrations and enhances overall efficiency in addressing cross-border tax issues. Furthermore, it involves the standardised reporting of financial and tax-related data. This streamlines the reporting processes for both taxpayers and GDT, reducing the administrative overload and associated costs. By automating data collection and processing, tax administrations can free up resources, minimize errors, and improve operational efficiency.

The implementation of CbCR and the exchange of information among tax administrations will potentially create a deterrent effect on potential tax evaders. The increased transparency and the risk of detection can discourage non-compliant behaviour, leading to improved voluntary compliance by taxpayers. As compliance rates rise, GDT will potentially achieve higher levels of efficiency in revenue collection and reduce the need for extensive enforcement measures.

In terms of risk assessments, having access to comprehensive information empowers the GDT to conduct more accurate evaluations. By analysing the financial data reported through CbCR, the GDT will be able to identify potential tax avoidance strategies and areas of non-compliance practices more efficiently and rapidly. This will enable them to allocate their audit and risk assessment resources more effectively, targeting high-risk areas with greater precision.
Moreover, by focusing their audits and investigations on the high-risk areas identified through the analysis of Country-by-Country Reporting data, the GDT units can allocate their resources in a more efficient and targeted manner. This strategic approach ensures that resources are utilised where they are most needed, optimizing the

effectiveness of enforcement actions. To support this initiative, activities will be implemented to address the lack of technical and reporting capacities and the required infrastructure, in addition to aligning with EU standards through the necessary approximation of sub-legal acts.
Furthermore, the detailed information obtained through the CbCR system will enable the GDT to identify specific areas or transactions that require closer scrutiny. By directing their enforcement efforts towards these identified risks, the GDT can significantly enhance their ability to detect non-compliance practices.

Applicable EU legislation

VIES (VAT Information Exchange System) and VAT in the Digital Age (ViDA)
VAT Directive (2006/112/EC),
Council Implementing Regulation (EU 282/2011)
Council Regulation on Administrative Cooperation (EU 904/2010).
Under the Taxation sub-area of Support, the Operational Programme contributes to the implementation of the EU acquis, namely the EU Council Directive 2006/112/EC of 28 November 2006 that establishes the common system of Value Added Tax (VAT) within the European Union. This Directive provides the legal framework and guidelines for the application of VAT in the EU Member States. The Directive outlines the scope of VAT, including the types of transactions and activities that are subject to VAT. It sets rules for determining the taxable amount, VAT rates, exemptions, and deductions. It also establishes the obligations of businesses in terms of VAT registration, invoicing, reporting, and record-keeping.
Outcome 3 contributes to the implementation of the Directive's provisions as it promotes harmonisation of VAT regulations across EU Member States to ensure consistency and facilitate cross-border trade. It includes provisions for the treatment of intra-EU transactions, including the application of the reverse charge mechanism and rules for determining the place of supply. Other applicable EU legislation:
Council Implementing Regulation (EU) No 282/2011 of 15 March 2011 laying down implementing measures for Directive 2006/112/EC on the common system of value added tax; Council Regulation (EU) No 904/2010 of 7 October 2010 on administrative cooperation and combating fraud in the field of value added tax (recast).

Country- by- Country reporting (OECD standard) / EU Council Directive 2016/881/EU of 25 May 2016 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (DAC4) - not yet aligned.
Outcome 4 contributes to the implementation of the EU acquis, namely the EU Council Directive 2011/16/EU, on Mandatory Automatic Exchange of Information in the Field of Taxation, issued by the European Union to enhance tax transparency and combat tax evasion. It establishes rules for the automatic exchange of information among EU Member States regarding various types of financial data.
The Directive mandates EU member states to automatically exchange information related to various financial aspects, including bank account balances, interest income, dividends, and specific types of insurance policies. This information exchange aims to provide tax authorities with a comprehensive overview of their taxpayers' financial activities and assets across national borders. The implementation of the EU Directive on Mandatory Automatic Exchange of Information in the Field of Taxation is intended to enhance tax compliance, discourage tax evasion and aggressive tax planning, and promote transparency in cross-border financial transactions. These objectives align closely with the goals of this Operational Programme. The Directive also aligns with international initiatives such as the CRS developed by the Organisation for Economic Co-operation and Development (OECD). The CRS facilitates the automatic exchange of financial account information on a global scale and was considered during the preparation of this Operational Programme.
Furthermore, this outcome aims to harmonise with Directive EU 2021/2101 of the European Parliament and of the Council of 24 November 2021, which amends Directive 2013/34/EU regarding the disclosure of income tax information by certain undertakings and branches. It emphasises the importance of comprehensive public country-by-country reporting to enhance corporate transparency and increase public scrutiny and strengthen public oversight of the corporate income taxes paid by multinational companies operating within the European Union.

Outcome (Specific objective): The specific objective of this Area of Support is to further integrate/make more interoperable the Albanian Taxation System with the EU VIES/VIDA, as well as to improve the capacity of risk management of national authorities (notably GDT) via faster and automatic exchange of information with other Member States and implementation of CbCR methods as recommended at OECD and EU levels.

Typologies of outputs: Draft legislation, feasibility studies. Information campaign for Albanian enterprises. Support, training and technical assistance to IT staff from GDT, including for the preparation and update of

technical standards, guidelines and specifications. Purchase of hardware, purchase of software from the shelf and/or hiring of qualified manpower for the design and development of new IT applications and/or the modification of existing IT systems and applications.

Table 18: Taxation, Impact, outcome and output indicators (incl. baselines and targets)

Results	**Objective**	**Indicator**	**Metrics or Unit of Measurement**	**Baseline (2022)**	**Target (2032)**
Impact	Advanced implementation of Albania's Digital Agenda of Albania in selected sectors.	Western Balkans Digital Economy Society Index.	Score	30.2	Increase
Outcome 3	Integration/interoperability of the Albanian and EU taxation systems, achieved.	IT systems made interoperable.	Number	0	2
		Albanian enterprises targeted	Number	0	50 000
Outcome 4	CbCR adopted and exchange of information methods established.	Yearly instances of CbCR in the regime year.	Number	0	250
Outputs contributing to Outcome 3	Output 3.1 Technical recommendations, specifications and guidelines developed.	Feasibility study based on as of assessed AS-IS scenario.	Number	0	1
	Output 3.2 Legislative and regulatory reform to prepare the ground for implementation prepared.	Laws/bylaws drafted.	Number	0	4
	Output 3.3 Existing IT infrastructure upgraded and new hardware established at GDT.	System installed.	Number	0	1
	Output 3.4 Existing interoperability framework modified.	Software solutions installed or reconfigured.	Number	0	1
	Output 3.5 Capacities built for IT staff at GDT and other public bodies/agencies.	Participants in training disaggregated by gender/age/employer	Number	0	30
	Output 3.6 Awareness raising and information campaign for Albanian taxpayers carried out.	# Albanian taxpayers reached.	Number	0	50 000
Outputs contributing	Output 4.1 Technical recommendations,	Feasibility study based on as of assessed AS-IS scenario.	Number	0	1

Results	Objective	Indicator	Metrics or Unit of Measurement	Baseline (2022)	Target (2032)
to Outcome 4	specifications and guidelines developed.				
	Output 4.2 Legislative and regulatory reform to prepare the ground for implementation, prepared.	Laws/bylaws drafted.	Number	0	2
	Output 4.3 CbCR portal built, existing IT infrastructure upgraded and new hardware established at GDT.	System installed	Number	0	1
	Output 4.4 IT staff at GDT and other public bodies/agencies, trained.	Trained staff disaggregated by gender/age/employer	Number	0	30
	Output 4.5 Awareness raising and information campaign for Albanian enterprises, carried out.	# Albanian enterprises reached.	Number	0	250
	Output 4.6 Monitoring and evaluation system for CbCR established.	Monitoring and evaluation systems designed and put in place.	Number	0	1

Type of Activities

In general, the activities of the Taxation Area of Support will be the following:
1) ACQUIS related capacity building, legislative approximation and harmonisation, sector reforms;
2) Other activities:
CAPACITY BUILDING: Capacity building for and training the employees of the General Directorate for Taxation to use and maintain the integrated IT systems.
INVESTMENT: Supply and installation of equipment and software (in line with the new draft law that includes the management of e-waste, foreseen to be approved soon and in force from January 2025.
TECHNICAL STUDY: Assessment, feasibility study, technical specifications.
AWARENESS CAMPAIGNS: Information campaigns to businesses on reporting obligations, data requirements, and submission procedures.

Table 19: Taxation, Indication of the main type of activities required under this Sub-Area of Support, broken down per year

2024	2025	2026	2027
Assessment, feasibility study, technical specifications.	EU acquis related legislative approximation and harmonisation.	Supply, installation and testing of equipment and software. Information campaigns to businesses on reporting obligations, data requirements, and submission procedures.	Information campaigns to businesses on reporting obligations, data requirements, and submission procedures. Performing the first Country by Country Reporting.

2024	2025	2026	2027
		Capacity building for and training the employees of the General Directorate for Taxation to use and maintain the integrated IT systems.	

Description of eligible activities

The following activities are indicatively planned to be implemented and contributing to the delivery of outputs under this Area of Support:

Interconnection and interoperability of the GDT's IT systems with EU VIES/VIDA systems

Conduct a comprehensive assessment of the existing IT systems within the General Taxation Directorate and its operability with NAIS to identify gaps and areas requiring improvement or integration with EU systems.
Define and establish data mapping protocols and mapping rules to ensure accurate and consistent data exchange between the General Taxation Directorate's systems and the EU systems. This will involve aligning data fields, formats, and codes to facilitate seamless information sharing.
Prepare the technical standards and specifications mandated by the European Union for interconnection and interoperability, considering also technical requirements, resource allocation, and any necessary infrastructure upgrades.
System Development and Integration - development and modification of the General Taxation Directorate's IT systems to incorporate the necessary functionalities and interfaces for seamless integration with the EU VIES/VIDA systems.
Provide training and capacity-building for the staff of GDT in using and maintaining the integrated IT systems. This will ensure that employees are proficient in utilising the new functionalities and protocols associated with the interconnection and interoperability with EU systems.

Establish mechanisms for continuous monitoring and maintenance of the integrated systems to identify and address any issues or discrepancies. Regular updates and system maintenance will be crucial to ensure the smooth and uninterrupted flow of data between the General Directorate of Taxation and EU systems.
Supply and installation of equipment and software. Purchase the equipment necessary to host the VIES/VIDA applications as specified by DG TAXUD requirements which include but do not limit to: - Server Farm to host application (test, live, Database, application, etc.); - Enterprise Storage Solutions; Software licences (if needed); Off-Shelf software solutions.
Capacity building will be undertaken to train GDT staff understanding data protocols, and effectively managing reporting and data exchange processes. Additionally, short-term technical assistance may be required to assist in developing internal procedures and job descriptions for new roles arising from this activity. Support will be provided as regards the legal alignment with EU Council Directive 2006/112/EC of 28 November 2006, which establishes the common system of value added tax (VAT) within the European Union.

Country-by-Country Reporting

Legislation and Regulatory Framework approximation to incorporate the requirements of CbCR. This involves review, gap assessment and preparation of laws and sub laws aligned with international standards set by the OECD/ EU.
Implement a system for monitoring compliance with CbCR obligations and conducting risk assessments based on the reported information. Develop mechanisms and institutional procedures for addressing non-compliance, including audits, investigations, and penalties.
Preparation of information campaign to businesses by providing clear guidelines and instructions regarding the reporting obligations, data requirements, and submission procedures.

Definition of the scope of CbCR reporting, establish reporting templates, and determine the reporting period. Develop mechanisms and procedures for collecting and validating the required financial and tax-related data.

Prepare the technical standards and specifications for IT systems capable of receiving, processing, and exchanging CbCR data considering also technical requirements, resource allocation, and any necessary infrastructure upgrades. This includes ensuring data security, confidentiality, and integrity during transmission and storage. Align IT systems with the OECD's XML schema and formatting requirements for CbCR data.

Supply and installation of equipment and software:
Purchase the equipment necessary to host the CBC applications as specified by OECD requirements which include but do not limit to:
Server Farm to host application (test, live, DataBase, application, etc.)
Enterprise Storage Solutions
Software licences, if not supported by NAIS
Off-the-Shelf software solutions.

Delivery methods
Twinning, Services and supplies contracts will be considered as possible delivery methods.

End recipients and target groups
General Directorate of Taxation; National Agency for Information Society; taxpayers.

Conditions
Government co-financing has been secured.
The Ministry of Finance and Economy has approved the budget allocation for the Medium-Term Budget Programme, which includes maintenance plans.
The GDT and the NAIS are dedicated to expanding their staff and preventing turnover of trained and specialised employees.
The GDT and the NAIS involve their staff regularly in defining functionalities, conducting user acceptance tests, and ensuring the system's regular usage.
The Medium-Term Revenue Strategy (MTRS) 2022-2026 and the Sectoral Strategy for Public Finance Management 2023-2030 have been approved.

Sub-Area of Support 2.2: Cybersecurity

Rationale

Since 2022, Albania has been targeted from Iranian nation state sponsored continuing cyberattacks, which have severely affected the country's critical public and private infrastructure according to the U.S. Federal Bureau of Investigation (FBI & CISA). Hackers gained access to Albanian government servers, exfiltrating data, using ransomware and on 16 July 2022 launched a destructive "wiper" attack destroying public data using wiping malware. They forced government agencies shutting down their infrastructure, in order to remediate malicious activities which aimed to be disruptive for most online services that affect the lives of Albanian citizens, such as for birth, marriage or death registration.
With the start of Russia's war of aggression against Ukraine, and more generally with the climate of growing instability that characterises international relations, cyberattacks on government institutions have become even more widespread, although very rarely conquer the news headlines, for a variety of reasons. In addition, it is increasingly frequent that critical infrastructure, banking and finance sectors, energy, water, transportation, - even healthcare service providers are hit by severe breaches, as well as large enterprises, small businesses and even individual citizens.
In its tenth report on the EU and global threat landscape, ENISA (2022) identified eight primary threat sources, which include ransomware, malware, social manipulation, data breaches or leakages, denials of service, other Internet threats, supply chain attacks as well as disinformation/misinformation[78].
However, due to the increasing sophistication of malicious actors as well as the growing complexity of modern IT systems and networks, it would be a mistake to adopt a "narrow minded" approach to cybersecurity, based on ever

[78] European Union Agency for Cybersecurity, "Threat Landscape 2022", October/November 2022. Retrieved online at: https://www.enisa.europa.eu/publications/enisa-threat-landscape-2022

increasing investments in IT defence and protection systems, at risk of becoming obsolete before gaining widespread adoption in organisations. In fact, here more than in any other IT environment the "human factor" plays a decisive role, both in terms of individual users - the first and weakest interface to malevolent attacks - who needs to improve their awareness and understanding of potential risks, and as members of a broader cyber security governance system, involving multiple (public and private) stakeholders in a single community of interest.
Albania is in the process of working towards the creation of such a community - centred on NAECCS, the National Authority for Electronic Certification and Cyber Security, with the NAIS as its operational arm, including for the role played as governmental authority for cyber security, offering a national e-services portal for citizens and hosting the government Data centre.

Applicable EU legislation: The Regulation (EU) 2019/881 of the European Parliament and of the Council of 17 April 2019 on ENISA (the European Union Agency for Cybersecurity) and on information and communications technology cybersecurity certification and repealing Regulation (EU) No 526/2013 (Cybersecurity Act)[79]lays down a framework for the establishment of European cybersecurity certification schemes for the purpose of ensuring an adequate level of cybersecurity for ICT products, services and processes in the EU, as well as for the purpose of avoiding the fragmentation of the internal market with regard to cybersecurity certification schemes in the Union. This is without prejudice to the competencies of the Member States regarding activities concerning public security, defence, national security and the activities of the State in areas of criminal law.
On 18 April 2023, the Commission proposed a targeted amendment to the EU Cybersecurity Act. The proposed amendment will enable the future adoption of European certification schemes for 'managed security services' covering areas such as incident response, penetration testing, security audits and consultancy. Certification is key to ensure high level of quality and reliability of these highly critical and sensitive cybersecurity services which assist companies and organisations to prevent, detect, respond to or recover from incidents.

Outcome 5 (Specific Objective): The specific objective of this sub-area of support is to increase the capacities to counter cyber intelligence threats against critical information infrastructures, namely sophisticated attacks which target the Albanian Government digital ecosystem (e-services). Since the hosting capacity of the institution has almost reached the limit of its hosting offer, a large number of government systems are currently not being hosted in the government data centre. This may lead to a lack of measures for their safety or their exposure to external factors, which could pose a threat to the Albanian Government e-ecosystem. For this reason, it is crucial to increase the hosting capacity with supplies in the existing building of the institution so that all government systems are protected in the government data centre, and the same security policies are applied to them. They should also be monitored by the institution's security equipment. The facilities already exist, and there is no need for civil works to construct them. The project involves transforming this existing environment into a proper server room.

Part of the government systems in critical infrastructures currently utilise 'End of Maintenance' or/and 'End of Life' equipment. This has created the need to upgrade to newer infrastructures that are not susceptible to exploits or potential cyber-attacks.

In its eleventh report on the EU and global threat landscape (2023), the European Union Agency for Cybersecurity (ENISA) identified eight primary threat sources, which include ransomware, malware, social engineering, threats against data, threats against availability: Denial of Service, threats against availability: Internet threats; information manipulation; (ENISA, October 2023)

Due to the increasing and ever more sophisticated nature of cyber-attacks, as well as the absence of a platform capable of detecting such attacks, it is necessary to purchase a license for a Threat Intelligence and Dark Web platform. The use of these platforms fulfils the need for early detection of sophisticated cyber-attacks, thereby enabling the necessary measures to prevent and avoid them. Additionally, the use of these platforms helps in proactive defence by identifying potential threats before they manifest. These platforms provide real-time essential data about the nature of threats, their origin, and potential impact. Such information significantly expedites incident response efforts and assists in making informed decisions to effectively mitigate risks. Overall, these platforms offer our organisation valuable insights, early threat detection, and enhanced situational awareness, thereby strengthening the security posture, enabling proactive defence, and improving incident response capabilities.

[79] https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32019R0881
[18] https://www.cisa.gov/news-events/cybersecurity-advisories/aa22-264a

Typologies of outputs: investment in Hardware (added on Data Centre), and Software (e.g., cybersecurity solutions for Threat Intelligence) for the NAIS; technical assistance to and capacity building of IT staff at both the NAIS and the various government bodies/agencies using the NAIS Data centre; awareness raising and training sessions of the service and administrative staff of the associated government bodies/agencies.

Table 20: Cybersecurity, Impact, outcome and output indicators (incl. baselines and targets)

Results	**Objective**	**Indicator**	**Metrics or Unit of Measurement**	**Baseline (2022)**	**Target (2032)**
Impact	Advanced implementation of Albania's Digital Agenda of Albania in selected sectors.	Western Balkans Digital Economy Society Index.	Score	30.2	Increase
Outcome 5	Increased Capacities of the general cyber defence capabilities, against sophisticated attacks which target the Albanian Government digital ecosystem (e-services)	Number of successful cyber-attacks.	Number (Optimal)	1	0
Outputs contributing to Outcome 5	Output 5.1 Physical hosting capacity of NAIS Data Centre (supplies) increased and related Critical Information Infrastructures hardware/software equipment upgraded.	Number of governmental systems and infrastructures hosted in the NAIS Data Centre.	Number	250	300
		Number of Servers upgraded in Critical Information Infrastructure.	Number	0	70
	Output 5.2 Threat Intelligence platform for proactive detection against sophisticated attacks, established.	Number of Firewalls/Switches upgraded in Critical Information Infrastructure.	Number	0	25
		Threat Intelligence Platform established.	Number	0	1

	Output 5.3 Dark Web monitoring platform established.	Dark Web monitoring Platform established	Number	0	1
	Output 5.4 Cyber awareness and preventive analysis capacity, and cyber resilience and response capacities of involved public sector organisations, improved.	Individuals trained on cybersecurity management and awareness from the Albanian public sector (disaggregated by gender, age and employer).	Number	0	400

Type of activities

In general, the activities of the Cybersecurity Sub-Area of Support will be the following:
CAPACITY BUILDING: training on cyber awareness, train the trainers model.
INVESTMENT: central infrastructure (servers, storage), networking/security, cyber intelligence platform.

Table 21. Cybersecurity, Indication of the main type of activities required under this Sub-Area of Support, broken down per year

2024	2025	2026	2027
-	IT investments Capacity Building	Capacity Building, including Training of Trainers	Capacity Building, including Training of Trainers

Delivery methods
Delivery methods that will be considered for this area of support may include services and supply procurements as well as twinning contracts.

End recipients and target groups: the end recipients include the NAECCS and the NAIS, the target groups include all the public sector organisations (e.g., Ministries, Public Agencies, State Police, Civil Court, Army etc.) participating in the Cybersecurity governance network.

Conditions: Co-financing of the area of support; memorandum of understanding drafted and shared by the NAECCS for the creation of the Cybersecurity governance network; public procurement of hardware and software solutions.

Sub-Area of Support 2.3: Digital Connectivity

Rationale

Digital infrastructure and digital connectivity are considered as a precondition for further development of the digital economy. It is crucial to provide access for e-services, e-government, e-health, for the provision of

interoperable services, provision of cross border services etc. As demonstrated during the COVID-19 pandemic crisis, digital connectivity is a vital necessity for citizens and businesses.
Development in the telecommunications networks as part of ICT ecosystem has an impact on different industries and fields of the economy. It is related to digital transformation and includes inter alia Internet of Things (IoT), 5G, Artificial Intelligence, Big Data, cloud computing the so-called 4th Industrial Revolution, smart cities, Intelligent Transport Systems, digital application for vertical industry etc. ICTs have a great potential to accelerate human progress, address the digital divide and develop the digital economy/knowledge-based economy.
The volume of data communications over telecommunication networks fixed and mobile has increased fast due to massive usage of ICT technologies, new applications, services provided through digital technologies[80]. The necessity for more bandwidth and very high-capacity networks based on fixed and wireless, 5G is evident to support digital transformation and green agenda.
Taking into consideration that under digital connectivity component the program includes technical assistance for harmonisation with recent EU acquis and study for 5G use cases, these activities does not seem to be problematic from an environmental perspective. However, the possible environmental risks and the opportunity to integrate environmental and climate concerns related to e-waste management and energy efficiency the development of digital connectivity will be based on relevant policies, legislation on e-waste and energy efficiency.

In Albania, the total number of fixed broadband subscribers in 2022 stood at 582,110 with an increase of 4% compared to the previous year, and about 14% compared to 2020. About 49% of total fixed broadband subscribers have internet access up to 30 Mbps, 39% of them have internet access between 30 to 100 Mbps, while 12% of them have internet access between 100 Mbps to 1 Gbps. According to annual reports of AKEP in Albania the volume of data communication over mobile and fixed internet networks has increased 10-15 times during last ten years and three times during last 3 years.

However, related to the development of broadband, in particular fixed networks, there remains the digital divide between urban and rural areas. According to EC Report 2022 and recent data of AKEP only 20% of total number of fixed broadband connections is in rural areas while the rural population is about 40%.

The European Commission adopted in December 2018 the Directive 2018/1972/EU (the European Electronic Communications Code – EECC). The EECC code defined the very high-capacity networks as a strategic objective. It includes measures to encourage investments in very high-capacity networks, new rules for frequency spectrum and 5G mobile networks, changes in the universal service regime, rules for consumer protection, numbering, and emergency communications. Based on National European Integration Plan 2023-2025, the new electronic communication law drafted based on the EECC is expected to be approved within 2023. The code includes measures to encourage investments in very high-capacity networks, new rules for frequency spectrum and 5G mobile networks, changes in the universal service regime, rules for consumer protection, numbering, and emergency communications. Geographical survey for broadband networks including Very High-Capacity Networks is foreseen is a specific provision of EECC.
The Broadband Cost Reduction Directive (BCRD) is another important piece of EU legislation which is linked with digital infrastructure development. The Albanian Law no 120/2016 "On high-speed electronic communication networks and provision of the right of way", has transposed the BCRD. This law aims to reduce the cost of broadband networks through shared use of existing physical infrastructure and coordination of civil works. The development of broadband and digital gigabit infrastructure asks for large investments and for creating synergy between all infrastructure projects and projects related to digitalisation at central and local level.
The share of households having access to 30 Mbps Internet speeds has increased from 58.1% in 2013 to 90.1% in 2021. However, given the increased need of businesses and people for very high-capacity fixed and mobile connectivity, the availability of only 30 Mbps is no longer future-proof. It is also not aligned with the new objectives set out in **Directive (EU) 2018/1972 (European Electronic Communications Code – 'the Code')** for ensuring connectivity and widespread availability of very high-capacity networks (VHCN). Moreover, the Council, in its Conclusions on Shaping Europe's Digital Future of 9 June 2020 stressed that the COVID-19 pandemic demonstrated the increased need for fast and ubiquitous connectivity. It called for a package of additional measures to support current and emerging network deployment needs, including boosting the measures provided for under the BCRD.

[80] https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/europe-fit-digital-age/european-data-strategy_en

Therefore, in its **Communication '2030 Digital Compass: The European way for the Digital Decade'**, the Commission set updated targets for 2030 that better correspond to the expected connectivity needs of the future. Within the context of the Digital Compass, it is expected that all European households will be covered by a Gigabit network, with all populated areas covered by 5G. This is required since households will increase the take up of next generation (5G/6G) network technologies reflecting their rising needs for very high-capacity connectivity. By the end of this decade, new digital communications features and capabilities such as high-precision, holographic media, and digital-senses over the networks, are expected to provide a whole new perspective to a digitally enabled society underpinning the need for gigabit connectivity. Before the end of the decade, businesses will need dedicated Gigabit connections and data infrastructures for cloud computing and data processing, in the same way as schools and hospitals will need this for eEducation and eHealth. High performance computing (HPC) will require terabit connections to allow real-time data processing.
The overall objective of IPA III is to contribute to the long-term recovery of the Western Balkans - backed by a green and digital transition - leading to sustained economic growth. One of the specific objectives of the IPA III Programme is to strengthen economic and social development including through increased connectivity and regional development, agriculture and rural development and social and employment policies, to reinforce environmental protection, increase resilience to climate change, accelerate the shift towards a low carbon economy and develop the digital economy and society.
Digital infrastructure / broadband development is one of the key priorities in the strategic documents in Albania. National Strategy for Development and Integration, NSDEI 2030, Digital Agenda Strategy and Economic Reform Program.
The Albanian Economic Reform Programme (ERP) 2023-2025, Reform measure #12, recognizes the need for the further development of broadband infrastructure for economic and social development. The ERP 2021-2023 plans the Reform measure #12 'Development of the broadband infrastructure for the digital economy'.
The National Plan for Sustainable Development of Digital Infrastructure, Broadband 2020-2025 (NBP) approved by Decision of the Council of Ministers No 434 dated 3.6.2020. The Plan has defined objectives to increase broadband penetration. The development of broadband and digital gigabit infrastructure asks for large investments and for creating synergy between all infrastructure projects and projects related to digitalisation at central and local level.

In April 2022, Albania joined the Declaration for Future of Internet[81]. The Declaration's principles include commitments to:
protect human rights and fundamental freedoms of all people,
promote a global Internet that advances the free flow of information.
advance inclusive and affordable connectivity so that all people can benefit from the digital economy.
promote trust in the global digital ecosystem, including through protection of privacy; and
protect and strengthen the multi-stakeholder approach to governance that keeps the Internet running for the benefit of all.

Development of the broadband Infrastructure is one of the important goals for social and economic development. Digital infrastructure and digitalisation are part of relevant regional strategic documents. Furthermore, digital Infrastructure, the development and rollout of national broadband infrastructure in the six Western Balkans is one of the flagships of the Economic and Investment Plan for the Western Balkans adopted from the European Commission on 6th of October 2020[82]. This plan has underlined that the need for investments for broadband networks in the Western Balkans is around 3.6 billion Euros. The European Green Deal appreciates that 'digital technologies are a critical enabler for attaining the sustainability goals of the Green Deal in many different sectors'.

The development of broadband infrastructure is going in parallel with a significant development in e-government, e-services, digitalisation of ICT systems in public administration that is an important component for ICT ecosystem and digital economy. This part of investment is related to demand side of broadband. During and after the COVID-

[81] https://digital-strategy.ec.europa.eu/en/library/declaration-future-internet
[82] https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/communication_on_wb_economic_and_investment_plan_october_2020_en.pdf

19 crisis, the needs for digital connectivity for equal treatment/ non-discrimination/ addressing needs – for digital connectivity, digital skills and reliable connections are more important.

The major global trend and developments in digital transformation influencing the ICT sector, particularly the demand for more bandwidth/secured and high-performance connectivity, and all the above presented background has been taken into consideration when defining the specific objective and the outputs of the action for digital connectivity based on Very High-Capacity Networks.

5G networks are the proposed next telecommunications standards beyond the current 4G/LTE standard. 5G networks will not be only an evolution of current generations of mobile networks but is characterised as a revolution in the ICT field that will enable highly efficient, ultra-reliable, secure, and lower-delay critical services.

5G will be a crucial component of Albanian national infrastructure. 5G is not merely an extension of existing telecommunication networks, but rather an integrated network that supports the ever-growing data requirements and enables new consumer experiences based on seamless and ubiquitous connectivity. Apart from the advantages related to new and improved consumer experiences, 5G will also improve the life quality of its users. 5G is considered one of the pillars for achieving the national broadband targets and National Strategy for Development and Integration 2030.

While the first four generations of wireless networks mostly served our communications and digital content needs, 5G networks will serve more diverse needs of the economy, integrating the physical industries with the digital world. The Government considers that 5G networks are vital in enabling the next wave of productivity and business innovation across different sectors in the Albanian economy.

In September 2016, the European Commission published its 5G for Europe Action Plan, to boost the rollout of 5th generation telecommunications networks (5G) across the EU. The Commission stressed the need for a coordinated approach to ensure prompt deployment of the 5G technology throughout the Union.

Albania, being a candidate country for EU membership, is obliged to harmonise its national policies on electronic communications development with EU policies, which will be harmonised with the strategic objectives of the EU 2010 initiative on Digital Agenda for Europe, as an umbrella strategy for information society development, and the EU 2016 strategy Towards a European Gigabit Society for 2025.

The Memorandum of Understanding "on 5G for digital transformation of Western Balkans" was signed during the third Western Balkan Digital Summit on 2 November 2020, in Tirana. Through this Memorandum of Understanding the Western Balkans were committed to:
Work on a best effort basis, adopting new policy, regulatory and technical measures that ease administrative burden, facilitate and support private initiatives, stimulate investments, ensure a sustainable competitive environment, strengthen cooperation in the region, remove unnecessary barriers and promote best practices.
Cooperate with each other to address any interference issue in the radio frequency bands, especially for the implementation of 5G.
Work with the aim to be part of EU 5G corridors and transport paths to support the development of the emerging industries.

A top priority in the development of 5G networks is the safe, secure and reliable use of broadband internet access, which should be free of cyber threats. Development trends in telecommunications, expected developments such as the transition to 5G generation networks, are expected to bring significant changes in communications with the introduction of new applications/communication models related to industry (transportation, energy, health, etc.), with public institutions, communications between devices (internet of things (IoT), mass car communications (mMMC), etc. These developments are being accompanied at a global level by increasing attention to the security issues of communications in 5G networks.

The European Commission[83] has established a dedicated and support action to create a set of good practice 5G use cases which can be re-used as benchmarks for innovative applications. In order to promote good practice 5G use cases, a technical study, training and an awareness campaign have been included in the implementation plan for this sub-Area of Support**.**

Applicable EU legislation:

Broadband Cost Reduction Directive/ Gigabit Infrastructure Act;
Directive (EU) 2018/1972 (European Electronic Communications Code;
EU 5G toolbox;
Communication COM/2021/118: 2030 Digital Compass: The European way for the Digital Decade. final Document;
Commission Recommendation (EU) 2020/1307 of 18 September 2020;

The 2020 Communication on 'Shaping Europe's Digital Future' estimated that, for digital infrastructure and networks alone, the EU has an investment gap of EUR 65 billion a year. In view of this, the Commission announced a revision of the BCRD. A major part of network deployment costs can be attributed to: (i) inefficiencies in the roll-out process related to the use of existing passive infrastructure (such as ducts, cabinets, and antenna installations); (ii) difficulties in the coordination of civil works; (iii) burdensome administrative permit-granting procedures; and (iv) bottlenecks in deploying in-building physical infrastructure. To facilitate and incentivize network roll-out, the Commission proposed the Broadband Cost Reduction Directive in 2013 with harmonised measures to reduce the cost of deploying high-speed electronic communications networks. In the meantime, the digital agenda targets on which the BCRD was based have mostly been met, but they have also become obsolete. The Operational Programme, Digital Connectivity sub-Area of Support, will contribute implementing the recent relevant EU acquis. The **Gigabit Infrastructure Act** proposed in March 2023, aims to address the shortcomings of the 2014 Broadband Cost Reduction Directive and contribute to the cost-efficient and timely deployment of the Very High-Capacity Network (VHCN) necessary to meet the EU's increased connectivity needs. Given the fast advances in digital technologies, significant network investment is required to keep up with increasing bandwidth demands.

Overall Objective (Impact): To promote digital transformation through improving legal and regulatory environment for gigabit infrastructure, increasing resilience and trust for better digital connectivity, promoting innovation and green agenda in building digital infrastructure and 5G.

Specific objective (Outcome): Digital Connectivity based on VHCN with fibre optic and 5G improved

The **Outputs** to be delivered by this **Sub-Area of Support:** Digital Connectivity with Very High Capacity Networks (VHCN)/gigabit infrastructure with FO and 5G, contributing to the corresponding Specific Objective (Outcome) are:
Geographical Survey for broadband network, VHCN.
Gigabit Infrastructure Act drafted.
Technical study for 5G use cases in smart communities, prepared.
5G use cases pilot project designed.

Consequently, for the components: **Component 1**: Gigabit Infrastructure Act and its implementing measures and **Component 2**: Implementing 5G use cases for smart community, the activities envisaged under the Operational Programme aim to:
Improve the legal and regulatory acts, drafting the relevant legal acts and regulations for development of gigabit infrastructure in accordance with relevant EU acquis[84];
Develop further, the digital infrastructure, the networks, and services of the future, based on an open, global, interoperable, reliable, and secured networks of communications where the human rights, democratic values and fairness are respected;

[83] https://digital-strategy.ec.europa.eu/en/activities/5g-smart-communities

[84] https://digital-strategy.ec.europa.eu/en/library/gigabit-infrastructure-act-proposal-and-impact-assessment

Provide capacity building for the respective authorities in charge for implementing the gigabit infrastructure legal and regulatory framework in central and local level to bring broadband connectivity to all citizens, with an emphasis on bridging the digital gap between urban and rural areas and reaching the Gigabit Society objectives.
Design and develop 5G use cases for smart community through secured and resilient 5G networks based on the EU 5G toolbox experiences and green agenda principles.

Typologies of outputs:

Technical assistance will be provided to the MIE to conduct the assessment studies on the broadband, gigabit infrastructure legislation, in order to revise the existing legal and regulatory framework for gigabit infrastructure in order to address the obstacles, harmonise the broadband law[85] with new electronic communication law[86] in order to promote deployment of gigabit infrastructure based on EU practice.

Technical assistance will support the MIE and the AKEP to conduct the geographical survey for the broadband infrastructure including very high capacity networks (VHCN) and to conduct a technical study for 5G use cases in smart communities which includes also the environmental and climate aspects: e-waste management in the area, opportunities for the circular economy, reuse and repair, as well as energy efficiency measures.
Capacity building for relevant stakeholders, MIE and AKEP staff as well as staff in other related institutions linked with implementation of new regulations for gigabit infrastructure is required under this technical assistance.
In addition to technical assistance, engagement and awareness raising activities will be conducted to showcase the findings and encourage relevant stakeholders such as territory planning authorities, municipalities to adopt their efforts to the needs of further development of digital connectivity based on VHCN (at least one National Conference on gigabit infrastructure Act, and 3 workshops).

Table 22: Digital Connectivity, Impact, outcome and output indicators (incl. baselines and targets)

Results	**Objective**	**Indicator**	**Metrics or Unit of Measurement**	**Baseline (2022)**	**Target (2032)**
Impact	Advanced implementation of Albania's Digital Agenda of Albania in selected sectors	Western Balkans Digital Economy Society Index[87]	Score	30.2	Increase
Outcome 6	Digital Connectivity with Very High Capacity Networks (VHCN) /gigabit infrastructure with FO and 5G improved	Population covered with VHCN network %	%	60%	80%
		5G coverage population	%	N/A	50%
		Fixed Broadband connections with > 100 Mbits	%	12%	50%
		Broadband connections with 1Gbits	%	<1%	10%
Outputs contributing to Outcome 6	Output 6.1 Geographical Survey for broadband network, VHCN prepared	Methodology to prepare the periodical geographical survey on broadband, VHCN prepared	Number	0	1
		#Participants trained on geographical survey process, disaggregated	Number	0	100

[85] Law no 120/2016 based on BCRD
[86] Based on EECC directive
[87] https://www.rcc.int/pubs/159/western-balkans-digital-economy-society-index-wb-desi-2022-report

		by gender, age and employer			
		# Workshops held	Number	0	3
		Study on Geographical Survey for broadband network, VHCN prepared	Number	0	1
	Output 6.2 Gigabit Infrastructure Act drafted	Support study, Impact Assessment report (RIA), Study on environmental and climate concerns prepared	Number	0	3
		Legal Act drafted	Number	0	1
		Workshops held	Number	0	3
		Participants trained on revised legal and regulatory framework on gigabit infrastructure act disaggregated by gender, age and employer	Number	0	150
	Output 6.3 Technical study for 5G use cases in smart communities, prepared.	Phase 1 Identification of Use case Phase 2 - design to pave the way for the implementation of the use cases Phase 3 - conceptualise use cases based on demonstrations and simulations, Phase 4 - offer proof of concept, interoperability, and pilot testing.	Number	0	1
	Output 6.4 5G use cases pilot project[88] designed.	Pilot project	Number	0	1
	Output 6.5 End users and relevant stakeholders fully informed of the Gigabit infrastructure/5G use cases benefits.	Multiannual awareness campaign	Number	0	1
		National Conference held	Number	0	1

[88]See Annex 2.

Type of activities

In general, the activities of the Digital Connectivity Sub-Area of Support will be the following:
Acquis related capacity building, legislative approximation and harmonisation, sector reform, capacity building, training, awareness campaign to inform the population on the gigabit infrastructure/5G smart community use cases;
Other activities (technical studies on VHCN and 5G use cases, eligible 5G pilot project implementing 5G use cases for smart community);

CAPACITY BUILDING: training on the Gigabit infrastructure Act, 5G, geographical survey on broadband/VHCN (methodology, atlas system functionalities training/change management/public authorities' capabilities)
TECHNICAL STUDY 1: Prepare study on Geographical Survey for broadband network, VHCN
TECHNICAL STUDY 2: 5G use cases for smart community including the environmental and climate aspects: e-waste management in the area, opportunities for circular economy, reuse and repair, as well as energy efficiency measures;
INVESTMENT: Eligible pilot project for implementing 5G use cases in smart community (e-health, e-education, transport, electronic public services). The proposal is given in Annex of this Area support. The pilot project aims to promote 5G deployment and demand side based on EU model for 5G for smart community[89].

Table 23: Digital Connectivity, Indication of the main type of activities required under this Area of Support, broken down per year

2024	**2025**	**2026**	**2027**
Impact Assessment (RIA) Gigabit Infrastructure Act Technical Study 5G use Cases	Gigabit Infrastructure ACT Capacity building Awareness campaign	Technical Study - Geographical Survey on broadband/VHCN Capacity building Awareness campaign Pilot Project on 5G use cases in smart community	Capacity building Awareness campaign Pilot Project on 5G use cases in smart community

Delivery methods

Delivery methods that will be considered for this area of support may include services and supply procurements as well as twinning.

End recipients and target groups: public policy makers, regulatory body and the end users include businesses and citizens who benefit from the better digital connectivity based on Very High-Capacity Networks in fixed and 5G.

Conditions: co-financing of the area of support.

Area of Support: Other Support

Rationale

The intervention under "Other Support" will support the Managing Authority, the Intermediate Body for Financial Management and other entities in the management and control system for the implementation of the Operational Programme, as well as the OP partners and end recipients, as appropriate. It should be noted that the IPA III multi-annual Operational Programmes 2024-2027 are the first OPs implemented in Albania. In this context, institutional capacity for effective and efficient implementation of Programme activities, monitoring and control is one of the most important factors to be considered. For this reason, technical assistance funds will be used to support designated structures and authorities, as well as partners and end recipients of the OP, in the effective implementation of activities related to the management, monitoring, evaluation and control of the Operational

[89]The project might be implemented in modular way and the investment is estimated about 3-5 million Euro.

Programme, through assistance in the preparation of technical documentation required for Programme implementation, support in the design and implementation of communication and visibility activities, preparation of evaluation reports, ongoing monitoring of the results of OP, and support in administrative reviews and technical audits in the field. This also includes a wide range of capacity-building activities to ensure staff competencies, as well as the introduction of provisions to provide additional compensation to the salaries of selected staff to prevent staff turnover and create a stable work environment that is resistant to change. The percentage envisaged for top ups will be 12.9 % of the total budget under Other Support.

Various entities will be involved in the implementation of the Digital Economy and Society OP and will perform a number of tasks. Support will be provided to the Managing Authority, the Intermediate Body and other structures to ensure their smooth functioning and efficient and effective implementation of the OP programme. This comprehensive support is intended to ensure efficient implementation, close monitoring, effective evaluation, better visibility, clear communication, well-documented processes, and continuous learning.

To assess the efficiency and effectiveness of the Digital Economy and Society OP, the Managing Authority will establish an internal monitoring system. This system will allow for regular monitoring of implementation progress and ensure systematic and timely collection of data on relevant indicators. In addition, the data collected will support the preparation of annual reports and provide valuable insights into the performance of the Programme.

Applicable EU legislation
Interventions under this SO are not part of the EU acquis.

Outcome (Specific objective):

Capacities of Managing Authority, Intermediate Body for Financial Management and Partners and end recipients for efficient implementation of the Operational Programme, strengthened.

Typologies of outputs:
Capacity building activities (training, coaching, on-the-job support, study visits), promotional and communication activities, monitoring and evaluation, preparation of technical documentation for tenders, management verifications, etc.

Table 24: Other Support, Impact, outcome and output indicators (incl. baselines and targets):

Results	**Indicator**	**Metrics or Unit of Measurement**	**Baseline (2022)**	**Target (2032)**
Impact Administrative capacity and EU acquis alignment	Increased readiness of Albania for EU accession negotiations under Chapter 22.	Level of preparation	Moderately prepared (2022)	Chapter 22 closed
Outcome 7 Capacities of MA, IBFM Partners and end recipients for efficient implementation of the OP strengthened.	Budget disbursed against total budget allocation.	Percentage	N/A (2024)	100

Output 7.1 Administrative capacities of MA, IBFM, Partners, recipients and end recipients increased.	Employees of MA, IBPM and end recipients with increased capacities through training and other activities (gender/age disaggregated).	Number	0 (2024)	Min 60
	Employees of MA, IBFM and other eligible structures supported with top-ups of salaries due to increased workload (sex disaggregated).	Number	N/A (2024)	21[90] (2032)
Output 7.2 Capacities of Partners to participate actively in the OP implementation strengthened	Trainings for Partners organised	Number	0 (2024)	10 (2032)
Output 7.3 Effective implementation of OP supported	Tender documentation for service contracts prepared.	Number	0 (2024)	5 (2027)
	Tender documentation for supply contracts prepared.	Number	0 (2024)	5 (2027)
	Twinning/Twinning Light Fiches prepared	Number	0 (2024)	2 (2027)
	Communication and visibility events organised.	Number	0 (2024)	10 (2032)
Output 7.4 Monitoring and evaluation of the OP results effectively implemented	Programme evaluation undertaken.	Number	0 (2024)	2 (2027) – mid-term evaluation for each area of support
	Meetings of the Sectoral Monitoring Committee for the Programme held	Number	0 (2024)	16 (2032)

Type of activities

[90]Subject to negotiations with the European Commission.

Output 7.1. Competences of MA, IBFM and end-recipients staff increased

Support to the capacity building of MA, IBFM and end-recipient employees. For the management and implementation of the OP, new structures will be created within the Managing Authority and the other agencies responsible for the Areas of Support that are the subject of this OP. IBFM already has experience in managing IPA assistance under the IMBC implementation method but has never managed EU funds under a multi-annual Operational Programme. Given the lack of experience of the Albanian administration in the implementation of Operational Programmes, specific capacity building Programmes for employees in the management structures of OP will be developed and implemented, focusing on specific aspects of Programme implementation. Different types of capacity building activities are proposed, such as training (including on-the-job training), coaching, peer exchanges, targeted to the needs of different groups of staff based on assessments of training needs and the scope of their tasks. Capacity building activities will be initiated at the beginning of the Programme and will continue as needed throughout the life of OP.

Delivery method: service contracts and/or twinning

End recipients and target groups:
Target groups are the following:
MA (NAIS)
IBFM (CFCU)
NAO Management Structure, NIPAC Support Office, Audit Authority
Ministry of Health and Social Protection
Ministry of Education and Sports
Ministry of Finances and Economy – General Directorate for Taxation
National Authority for Electronic Certification and Cyber Security
Ministry of Infrastructure and Energy - Directorate of Policies and Strategies for the Development of Telecommunications and Posts.
Other identified during Programme implementation (if applicable).

Output 7.2. **Capacities of Partners to participate actively in the OP implementation strengthened**

Capacity building of Partners. The Partners will be actively involved in the implementation of the Programme through their participation in the Sectoral Monitoring Committee and other activities such as consultation on the results of Programme implementation, communication and visibility activities, etc. To ensure the active and effective participation of Partners, a customised training programme will be developed and implemented covering all aspects of Programme implementation, monitoring and evaluation.

Delivery method: Outputs in this area of support will mainly be achieved through service procurements.

End recipients:
MA

Partners:
Relevant public authorities including regional and national representatives of local authorities
National public authorities responsible for the application of the horizontal principles
Economic and social partners
Bodies representing civil society.

Output 7.3. Effective implementation of the OP supported

Provide programme implementation support to institutions responsible for implementing the OP. This activity will support MA, IBFM and end recipients in the preparation of documents for tenders, in carrying out studies and analyses essential for the implementation of the Programme, and in the design and implementation of activities related to the communication and visibility of the Programme, such as the preparation of promotional materials, the organisation of events to disseminate information on Programme results, etc.

Output 4. Monitoring and evaluation of the OP effectively implemented

Support to OP monitoring and evaluation. The activity will support the institutions involved in Programme implementation in tasks related to establishing a monitoring system for the Programme and collecting and analysing data related to Programme implementation, as well as desk and on-the-spot management verifications of the outputs. The activity also involves preparation of evaluation reports (mid-term evaluation) for the areas of support covered by the Programme. In addition, the MA will be supported in performing the duties of the Secretariat for the Sectoral Monitoring Committee for the Programme: establishment of the SMC, organisation of the SMC meetings (at least twice a year), preparation of reports and documentation for the SMC, etc.

Delivery method: service contract

End recipients: MA, IBFM, Sectoral Monitoring Committee members

Conditions (for all activities)
Adequate staffing of the institutions involved in the implementation of OP must be ensured by a stable work environment.

Indicative timeline for implementation (for all activities)
All activities will be implemented throughout the duration of the Programme, except for those related to evaluation, which will be carried out in 2026 and 2032, when the interim and final evaluation reports will be prepared.

4.2.3 Indicative List of major projects per each area of support

Not Applicable.

4.3 Mainstreaming

4.3.1 Environmental Protection, Climate Change and Biodiversity

The Programme and all its interventions have in principle minor impact on environmental issues, climate change and biodiversity. Therefore, the Programme does not fall under Article 25.5 of the NDICI Regulation. However, environmental concerns will be incorporated into the programme. Specific projects will be designed to incorporate positive measures during the procurement process by using the applicable EU green public procurement criteria for data centres, server rooms and cloud services, as well as computers, monitors, tablets and smartphones. A SEA will be carried out for any relevant areas and sub-areas of support in the programme and if needed, financed using the financial resources foreseen under the area of support "Other Support".

Projects should be designed in sustainable and environment- friendly manner. They should demonstrate their contribution to environmental and climate objectives, the e-waste management schemes with integrated circularity principles, energy efficiency measures, nature-based solution measures when relevant, etc. according to the environmental and climate set of criteria which will be developed by the Managing Authority.

Where possible, comprehensive environmental and climate criteria will be established that take into account more aspects or higher levels of environmental performance. Green public procurement criteria to be considered on a case-by-case basis include selection criteria, technical specifications, award criteria, and contract clauses. In addition, project beneficiaries and final recipients will be informed about the sustainable use of purchased equipment, particularly with regard to energy consumption and end-of-life management. Priority will be given to life cycle costing. Engagement with relevant stakeholders, including local communities, environmental experts and regulatory bodies, to ensure transparency and accountability throughout the project life cycle.

4.3.2 Gender equality and empowerment of women and girls

Gender mainstreaming will be ensured during delivery of the Programme. Overall, the Programme will have an indirect positive effect as regards gender equality. The establishment of the Electronic Patient Record will have positive outcomes for women and girl patients, as it can reduce face-to-face care barriers that women endure more than men: childcare, household chores, inadequate finances, and time. Digital health can empower women through access to their health data and up-to-date health information. As regards education, curricula improvements and training will also help to bridge the digital gender divide.

The bodies involved in the Programme roll-out will undertake the relevant measures to ensure that gender perspective is taken into account during the implementation, monitoring and evaluation of the Programme. The participation rates will be monitored and reported, as appropriate; gender disaggregated data will be collected where possible. Finally, as regards communication and awareness activities, specific attention will be paid to promoting women's perspective and voices and providing positive role models.

4.3.3. Human Rights

The Programme will promote human rights contents in a way that is complementary to the execution of all operations, ensuring accessibility without discrimination of any kind and addressing the digital divide that affects minorities and vulnerable and disadvantaged groups. The Digital Divide itself is a human rights issue; the United Nations General Assembly declared access to the Internet a basic human right in 2016. The intervention to ensure faster connections will help to advance social inclusion of low-income, rural and marginalised communities and the Roma and Egyptian minorities. The Programme will also have a positive effect in ensuring better and fairer access to quality healthcare, education and security (in cyber space). As one example, electronic health records are an equity tool for LGBT+ people. The right to privacy will be considered under Area of Support 1.

4.3.4. Disability

The Programme will have a positive impact on People with Disabilities (PwD). People with disabilities face significant barriers to access, and the need for online access to services is particularly high among people with disabilities. The principle of digital accessibility will be respected through the use of WCAG standards and compliance with Directive (EU) 2019/882 on accessibility requirements for products and services, with a focus on implementing accessible digital logic. Electronic health records will have a positive impact on healthcare for people with disabilities, improving their treatment outcomes and access to quality services. Accessibility will be considered throughout Programme implementation; for example, communication and information sessions will be held in locations that are reasonably accessible to people with disabilities.

4.3.5 Disaster Risk Reduction

The Programme does not aim to address or mitigate the consequences of natural disasters. Therefore, it will not have a direct impact on disaster risk reduction. However, as some measures are by default related to the processing of (and protection of) electronic data, information and records, the Programme will improve Albania's ability to ensure more secure access to personal information and data for all individuals and public entities. All data will be backed up at an off-site location to ensure business continuity (if computers or servers fail due to a natural disaster, equipment failure, or cyber-attack, the lost data will need to be restored from a second location where the data was backed up). Albania has already experienced cyber-attacks from various sources, and the relevant measures will be taken into account during the implementation of the Operational Programme.

4.4 Risks and Assumptions

Albania's experience in the indirect management of EU funds is scarce. Most of the uncertainties regarding the risks and assumptions are associated with this factor.

4.4.1. Risks identified under Sub-Area of Support 1.1: Digital Health

Category	Risk	Likelihood	Impact	Mitigation measures
1- External environment	Lack of ICT infrastructure including universal broadband.	Medium	Medium	Access to e-health records, particularly to the Radiology Information System, requires appropriate ICT infrastructure

Category	Risk	Likelihood	Impact	Mitigation measures
				and fixed broadband. Although the National Agency for Information Society ensures appropriate infrastructure for public hospitals, given the high number of healthcare providers and professionals that are to use the system, this risk cannot be fully mitigated.
5- Communication and information	Limited trust in the security of digital health platforms.	Medium	Medium	This risk will be mitigated through appropriate awareness campaigns addressing both the general public and the healthcare professionals.

4.4.2. Risks identified under Sub-Area of Support 1.1: Digital Education

Category	Risk	Likelihood	Impact	Mitigation measures
3-People and the organisation	Capacities of teachers with regard to using ICT.	Medium	Medium	The Operational Programme will provide tailored ICT training for teachers in pre-university education.
1- External environment	Fixed broadband penetration low in rural areas of Albania.	Low	Low	NAIS provides internet services to 1300 pre-university schools. The development of fixed broadband in rural areas for private users is outside of scope of this Operational Programme.

4.4.3. Risks identified under Sub-Area of Support 2.1: Taxation

Category	Risk	Likelihood	Impact	Mitigation measures
3-People and the organisation	Successful integration and interoperability of national taxation systems is not assisted by sufficient technical capacity and resources.	Low	Low	This risk will be addressed under the Operational Programme with capacity building to enhance the overall skills and capacities of the tax administration. This will include improving the proficiency in profiling and risk assessment of taxpayers, as well as expediting reforms that facilitate the transition to entirely electronic filing processes.

4.4.4. Risks identified under Sub-Area of Support 2.2: Cybersecurity

Category	Risk	Likelihood	Impact	Mitigation measures
1- External environment	Sophisticated cyber-attacks pose a significant threat to the Albanian government's cybersecurity measures.	High	High	The Programme will support strengthening Cyber awareness, preventive analysis capability, and cyber resilience and responsiveness of public sector organisations participating in the Cybersecurity governance network of critical information infrastructures.

4.4.5. Risks identified under Sub-Area of Support 2.2: Digital Connectivity

Category	Risk	Likelihood	Impact	Mitigation measures
4- Legality and regularity aspects	Change in Government priorities.	Low	Low	The Programme will foster good cooperation among digital connectivity stakeholders to drive the necessary reform in a timely manner.

The Programme will foster good collaboration among digital connectivity stakeholders to drive the necessary reform in a timely manner.

4.4.6. Risks under all Areas of Support including Other Support

Category[91]	Risk	Likelihood	Impact	Mitigation measures
3-People and the organisation	Limited absorption capacity, lack of human resources to carry out technical and organisational processes, and frequent staff turnover.	***Medium***	***Medium***	Activities under Other Support will raise capacities and support staff retention. Technical guidelines will be developed to guide new staff that become involved.
2-Planning, processes and systems	Lack of timely and high quality technical and tender documentation.	Low	Medium	Staff appointed from the relevant authorities and project implementation units established promptly. Relevant staff well trained and involved in all the steps during the preparation of the technical and tender documentation. Use of TA for the preparation of documentation with sufficient quality control mechanisms by the Contracting Authority, end recipients and/or other project stakeholders. Delays in tender dossier preparation and contracting minimised through better forecasting, procurement planning and higher institutional capacity in the authorities managing the funds.
1-External environment	Unsuccessful tendering procedures due to insufficient funds / bids over budget.	Medium	High	Estimates of the investment costs based on up-to-date market research. Allocation of the budget with sufficient contingency to account for projected price changes until the expected date of procurement and/or identify in advance the

[91] 1-to the external environment; 2-to planning, processes and systems; 3-to people and the organisation; 4-to legality and regularity aspects; 5-to communication and information

Category[91]	Risk	Likelihood	Impact	Mitigation measures
				options if there is a need for additional funds.
5- Communication and information	Limited outreach to the target group.	Low	Low	Albania has already developed a set of measures to promote EU funding and it will follow suit. In addition, communication under Other Support will be complemented by specific sectoral communication.

The following assumptions must hold true for smooth implementation of the Operational Programme:

- Strong commitment of all institutions to the implementation of the EU integration agenda
- Availability of the relevant resources to manage procurement and disbursement of funds (human resources and national co-financing)
- Sound collaboration between Managing Authority, the relevant line ministries and Intermediate Body for Financial Management
- Effective coordination between the entrusted bodies for this OP and those for other Programmes (novelty for Albania in the rapidly escalating indirect management modality)

Risks and Assumptions will be updated during the preparation of the relevant Operation Identification Sheets and during each procurement process.

5 Overview of the consultation process for the preparation of the Operational Programme

The consultation process for the Operational Programme document encompasses multiple steps aimed at ensuring the active participation of relevant partners and civil society. This Operational Programme has been prepared in compliance with the European Code of Conduct of Partnership [Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds] based on the methodology for the application of the partnership principle and the selection of partners developed for the Operational Programmes 2024-2027 in the Republic of Albania under IPA III.
In accordance with the European Code of Conduct on Partnership, the European Commission played an important role in engaging in discussions and technical consultation sessions throughout the preparation phase.[92]
The partnership for the Operational Programme comprises representatives from the following:

- Relevant public authorities, including representatives of local authorities.
- Representatives of Development Partners in Albania.
- National public authorities responsible for implementing the horizontal principles
- Economic and social partners
- Organisations representing civil society.

The partnership was established by the SASPAC office, under the Prime Minister's Office, which, as the NIPAC, is coordinating the programming process for IPA III. The list of all the partners and actors consulted is included in an **Annex 1** to this Operational Programme. The drafting of the Operational Programme was scheduled to allow for the full participation of the partnership at different stages of drafting, facilitating the co-drafting process.
The first consultation meeting was held on 6 June 2023 with the Donor community. The meeting aimed to discuss key aspects such as expected results, budget allocation, institutional setup, scope of the areas of support, including

[92] https://op.europa.eu/en/publication-detail/-/publication/93c4192d-aa07-43f6-b78e-f1d236b54cb8

objectives and indicators. Valuable feedback and pertinent questions were received from donors such as KfW, EUD, Swiss Cooperation Office, EBRD, WHO, and UN.

The second consultation meeting was held on 12 June 2023, and it included relevant stakeholders such as Civil Society Organisations (CSOs)[93], representatives from central government agencies, local government, business associations, and academia. The discussion in the meeting primarily focused on the expected results and scope of the areas of support, with particular emphasis on activities and target groups. Sectorial experts assisted during the consultation meetings.
Following the consultation meetings, all invited stakeholders were given the opportunity to submit their comments and feedback in written form to the SASPAC office.

6 Implementation arrangements

6.1 Financing Agreement

In order to implement this Programme, it is envisaged to conclude a financing agreement between the Commission and the Republic of Albania.

6.2 Methods of implementation

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the programme with EU restrictive measures.

Indirect Management with an IPA III beneficiary

This Programme will be implemented under indirect management by the Republic of Albania.

The Managing Authority responsible for the execution of the Programme is the National Agency for Information Society (Agjencia Kombëtare e Shoqërisë së Informacionit).

The Managing Authority shall be responsible for legality and regularity of expenditure, sound financial management, programming, implementation, monitoring, evaluation, information, visibility, and reporting of IPA III activities.

No Intermediate Body for Policy Management is envisaged under this Operational Programme.

Budget implementation tasks such as calls for tenders, calls for proposals, contracting, contract management, payments, and revenue operations, shall be entrusted to the following intermediate body for financial management: the Central Finance and Contracting Unit (CFCU). It shall ensure legality and regularity of expenditure.

6.3 Scope of geographical eligibility for procurement and grants

The Operational Programme intends to cover the entire territory of the Republic of Albania.

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

[93] Mainly those active in the promotion of social inclusion, environmental protection, urban planning, and non-discrimination.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this programme impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

7. Financial tables by areas of support and by year (including co-financing rates if applicable)

	2024			2025			2026			2027			TOTAL		
	EU contribution	Albania co-financing	Total expenditure	EU contribution	Albania co-financing	Total expenditure	EU contribution	Albania co-financing	Total expenditure	EU contribution	Albania co-financing	Total expenditure	EU contribution	Albania co-financing	Total expenditure
Area of Support 1				5 850 000	4 650 000	**10 500 000**	7 150 000	4 200 000	**11 350 000**	7 150 000	-	**7 150 000**	20 150 000	8 850 000	**29 000 000**
Area of Support 2	5,425,000	1,575,000	**7 000 000**				-	-	-	3 000 000	2 000 000	**5 000 000**	8 425 000	3 575 000	**12 000 000**
Other Support	575 000	1 425 000	**2 000 000**	-	-	-	-	-	-	850 000	150 000	**1 000 000**	1 425 000	1 575 000	**3 000 000**
TOTAL OP	6 000 000	3 000 000	**9 000 000**	5 580 000	4 650 000	**10 500 000**	7 150 000	4 200 000	**11 350 000**	11 000 000	2 150 000	**13 150 000**	30 000 000	14 000 000	**44 000 000**

Note: The IPA co-financing rate is maximum 85% at the level of each individual Area of Support
Add relevant columns for adding additional budget years or split in single tables for each budget year.

A separate decision will cover the expenditures for Strategic Communication, Public Diplomacy, Audit and Evaluation.

7 Performance Measurement

7.1 Monitoring and reporting

Monitoring the implementation of the Operational Programme will aim at collecting and analysing data to inform on progress towards achievement of planned results, to feed decision-making processes and to report on the use of resources.

The day-to-day technical and financial monitoring of the implementation of this Operational Programme will be a continuous process, and part of the implementing partner's responsibilities. To this end, the Managing Authority shall establish a permanent internal, technical and financial monitoring system for the programme and elaborate regular progress reports (not less than annual) and final reports.
Every report shall provide an accurate account of the implementation of the Operational Programme, any difficulties encountered, the changes introduced, as well as the degree of achievement of its Outputs and contribution to the achievement of its Outcomes, and if possible at the time of reporting, contribution to the achievement of its Impacts, as measured by corresponding indicators.

The Commission may undertake additional monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring

As envisaged under the IPA III Results framework, institutions will report values for all relevant indicators as part of the annual data collection exercise. A variety of tools and methods will be used as sources of information for the indicators, as indicated in Section 4.2.2. Where surveys, tracer studies or similar are required they shall be financed through the Operational Programme.

The collection of data related to achievement of targets is under the responsibility of several ministries/institutions, including the National Agency for Information Society, the Ministry of Health and Social Protection, the Ministry of Education and Sports, the Ministry of Finances and Economy – General Directorate for Taxation, the National Authority for Electronic Certification and Cyber Security and the Ministry of Infrastructure and Energy - Directorate of Policies and Strategies for the Development of Telecommunications and Posts.

Gender equality will be monitored through the collection of disaggregated data as envisaged by national law, as well by ad-hoc data collection for specific indicators.

At the level of the Operational Programme, an internal monitoring system will be established by the Managing Authority which will allow the progress of implementation to be monitored, allow for the systemised and timely collection of data on the indicators and support annual reporting. A Programme implementation dashboard will provide the basis for communicative and results-oriented reporting and allow for implementation progress and achievements to be presented visually. Some information or data related to cybersecurity may be restricted or sensitive and an appropriate monitoring mechanism will be separately elaborated and agreed with the Commission's services.

The Sectoral Monitoring Committee, as foreseen in Article 53 of the Financial Framework Partnership Agreement, plays a key role in monitoring and reporting of the implementation of the Operational Programme. The Sectoral Monitoring Committee will include representatives from the partners in compliance with the European Code of Conduct of Partnership [Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds] on the basis of the methodology for the application of the partnership principle and the selection of partners developed for the Operational Programmes 2024-2027 in Albania under IPA III.

The partnership for the Operational Programme includes representatives from:

- Relevant public authorities including regional and national representatives of local authorities
- National public authorities responsible for the application of the horizontal principles

- Economic and social partners
- Bodies representing civil society.

Where appropriate, umbrella organisations are included in the partnership.

The Managing Authority will act as the Secretariat for the OP Sectoral Monitoring Committee.
The active and meaningful participation of the stakeholders will be ensured through:

- Channels for stakeholder engagement identified by area of support and where applicable formalised.
- Participation of stakeholders in Monitoring Committees.
- Participation of stakeholders in field visits.
- Regular provision of information to stakeholders.
- In case of localised investment, local beneficiaries will be involved.

As regards the **accountability mechanisms,** a Grievance Redress Mechanism shall be established (if not already regularly in place) and provide information on:

- Accessibility of channels to submit grievances.
- Promotion of the grievance mechanism.
- How any grievance shall be handled.
- Monitoring cases and grievance redress mechanism effectiveness.
- Supporting the functioning of grievance redress mechanisms.

Gender equality will be monitored through the collection of disaggregated data as envisaged by national law, as well as by ad-hoc data collection for specific indicators. Since case gender equality is not targeted but has been mainstreamed, a mechanism shall be in place to monitor and report on it. Gender disaggregated statistics will be collected under activities where this is made possible.

On the basis of the reports provided by the Managing Authority prior to the meetings, the Sectoral Monitoring Committee shall in particular:

- Review the effectiveness, efficiency, quality, coordination and compliance of the implementation of the programmes;
- Review the progress towards meeting the objectives, achieving the planned outputs and results, and assessing the impact and sustainability of IPA III assistance, while ensuring coherence with the policy dialogue, the related central and regional sector strategies and multi-country or regional activities in the IPA III beneficiary;
- Review annual implementation reports, including financial execution of the programmes;
- Examine relevant findings and conclusions as well as proposals for remedial follow-up actions stemming from the on-the-spot checks, monitoring, evaluations and audits if available;
- Discuss any relevant aspects of the functioning of the management and control systems;
- Discuss any problematic issues and actions;
- If necessary, consider or make proposals to amend programmes and take any other corrective action to ensure the achievement of the objectives and enhance the efficiency, effectiveness, impact and sustainability of IPA III assistance;
- Review information, publicity, transparency, communication and visibility measures taken.

7.2 Evaluation

Having regard to the importance of the Programme, a mid-term and a final evaluation will be carried out for Areas of Support 1 and 2 under this Operational Programme contracted by the IPA III Beneficiary, included as a part of 'Other support' as indicated in Section 4.2.2. The evaluation will be carried out by experts or bodies, internal or external, functionally independent from the management and control system.

The mid-term evaluation will be carried out for problem solving, learning purposes, in particular with respect to the interventions addressing the general public (e-education, e-health).

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account the overall progress made by Albania with implementation of the Digital Agenda.

The evaluation report shall be shared with all relevant parties. The IPA III beneficiary and the Commission shall analyse the conclusions and recommendations of the evaluation and jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the support.

Indicative timeline for the mid-term and final evaluations:
Mid-term evaluation will be conducted in 2027.
Final evaluation to be conducted in 2030.

7.3 Audit and Verifications

No major project is envisaged under, this Programme, hence technical audits of such operations are not applicable.

Financial provisions related to audit and verifications, including technical audits, if applicable carried out by the IPA III Beneficiary are included in the Area of support "Other support" as indicated in Section 4.2.2.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this Programme, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

9. Strategic communication and public diplomacy

All entities implementing EU-funded external actions have the contractual obligation to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. To that end they must comply with the instructions given in the 2022 guidance document *Communicating and raising EU visibility: Guidance for external actions*(or any successor document).

In particular, the recipients of EU funding shall acknowledge the origin of the EU funding and ensure its proper visibility by:

- providing a statement highlighting the support received from the EU in a visible manner on all documents and communication material relating to the implementation of the funds, including on an official website and social media accounts, where these exist; and
- promoting the actions and their results by providing coherent, effective, and proportionate targeted information to multiple audiences, including the media.

Visibility and communication measures shall be implemented, as relevant, by the national administrations entrusted entities, contractors, and grant beneficiaries. Appropriate contractual obligations shall be included, respectively, in financing agreements, delegation agreements, and procurement and grant contracts.

Visibility and communication measures specific to this programme shall be complementary to the broader communication activities implemented directly by the European Commission services and/or the EU Delegations and Offices. The European Commission and the EU Delegations and Offices should be fully informed of the planning and implementation of the specific visibility and communication activities, notably with respect to the communication narrative and master messages.

An Operational Programme strategic communication plan will be prepared and agreed with the EU Delegation in line with the Commission Guidance for external actions on Communicating and raising EU visibility. This will set out the responsibilities of the Operational Programme implementing bodies and the NIPAC as regards communication.
The Operational Programme strategic communication plan will identify the key messages, the communication objectives, the communication audiences (including multipliers), the approach, envisaged communication activities, RACER key communication indicators and targets, the risks and the envisaged budget. Annual Communication Plans will be drawn up and discussed with the EU Delegation in advance to coordinate activities and maximise reach.
The NIPAC and the Managing Authority will be responsible for press engagement and managing press and media contacts.
In line with the Operational Programme strategic communication plan, a dedicated webpage and social media channels will be set up. Standards for social media use and management and the social media plan will be coordinated between implementing bodies and the NIPAC.

10. Sustainability

The Operational Programme has been designed in order to ensure the sustainability of the benefits/results achieved beyond its implementation. Key factors impacting on sustainability are the level of ownership of the end recipients, their institutional and operational capacities and their financial and human resources for the operation and maintenance of the results. The Managing Authority will put in place a system to monitor the sustainability of the assistance under the Operational Programme during the sustainability period defined as the period between the end of the implementation period of an action and the final date for implementation of the corresponding Financing Agreement. The NIPAC and the Managing Authority will monitor sustainability within their respective scope of responsibility through the Sectoral Monitoring Committee (FFPA Article 53(4)(b)) and jointly with the Commission within the IPA Monitoring Committee (FFPA Article 52(3)). The assessment of OP sustainability will be a standard agenda item in Sectoral/OP Monitoring Committee meetings and will be included in OP evaluations.

End recipients of this Operational Programme are largely public institutions (line ministries, government agencies, hospitals, schools, etc.). The assistance funded by the Programme is to a large extent a continuation of the existing measures, facilities, infrastructure or pilot interventions, and the Programme support is aimed at scaling those up or support novelties within. The institutional capacities are in place. The end recipients have sufficient resources to maintain the assets purchased from the Programme budget and ensure the sustained use.
The national budget and other public funds, as applicable, will support durability of the investments financed by the Programme.

End recipients shall ensure that the contracts are implemented in line with the objectives defined for the projects/contracts and that the results are measured using the indicators applicable to the projects/contracts as defined in the relevant documents. In order to ensure that results generated by projects/contracts financed under the Operational Programme last after the implementation period of projects/contracts has come to an end, the Managing Authority and the Intermediate Body for Financial Management, shall establish the sustainability conditions applicable to tangible and intangible outputs as appropriate.
In the case of directly contracted works and supplies, cooperation mechanisms will be established between the Managing Authority and the end recipients for the planning and implementation of the envisaged actions, and responsibilities of the end recipients to ensure the sustainability of the IPA III assistance. The transfer of ownership shall be established in a formal agreement which shall also provide their commitment to provide the financial and human resources for the operation and maintenance of the results after completion.

The Intermediate Body for Financial Management will carry out sustainability checks on completed operations in line with their procedures. Support through Technical Assistance will be monitored and continued in the next MFF (beyond 2027), as appropriate in line with the updated needs assessment.

Annex 1: Consultation meeting with partners for the Operational Programme on Digital Economy and Society, 12 June 2023

List of invited stakeholders

CSO/Social partners:

United Nations Children's Fund (UNICEF)
Albanian Women Empowerment Network
World Health Organization (WHO)
International Organization for Migration (IOM)
United Nations Resident Coordinator's Office (UN RCO)
UN Environment Programme (UNEP)Communication Progress

Public institutions:

Municipality of Gjirokastra Ministry of Health and Social Inclusion
Ministry of Infrastructure and Energy
Nurse Order of Albania
Municipality of Durres
Municipality of Tirana
Ministry of Education and Sport

Annex 2. Pilot Project Development

The overall objective of this pilot project will be to design a 5G Smart City solution for the Municipality of Tirana by identifying the most relevant use cases.

The proposal is to implement this project along the Boulevard "Deshmoret e Kombit", Boulevard "Zogu I" and the new Boulevard, which is the extension of the existing one, covering a total distance in straight line of 4 km.

In this area are located the most of Government buildings (Ministries, Prime Ministry, Parliament offices, President, Municipality of Tirana etc.) and other public institution (Polytechnic University of Tirana, Academy of Arts, Faculty of Science, Pyramid, which will the main ICT and innovation building, Palace of Congress, new Stadium and Maternity Hospital. All 3 boulevards connect 3 main squares: Scanderbeg square, Mother Tereza square and the new square that will be built at the end of the new boulevard.

This will help to apply many 5G use cases as below:

Smart Lighting: (across the Boulevard "Deshmoret e Kombit**",** boulevard "Zogu I" and new Boulevard)

This case will demonstrate key technical solutions and concepts based on smart 5G light pole infrastructure with integrated/ camouflaged 5G radios, sensors, cameras, information displays and devices, by incorporating different sensors for weather monitoring, air quality, traffic cameras etc. This will serve as a proof of concept which can be extended later with 5G rollout to sub-urban, rural areas and highways.

Smart Parking: (parking slots in boulevard area, underground parking at Scanderbeg square, underground parking at new Boulevard)

Smart cities are using connectivity to source real-time information on the availability of parking spaces.
Mobile apps help drivers find available parking places in congested urban areas. Sensors attached to individual parking spots can be integrated into geographic information systems and provide maps showing available parking spots. That means drivers don't have to circle the block aimlessly trying to find an open space but can go directly to those places, thereby reducing traffic congestion, driving time, and gas emissions associated with drivers looking for parking spots.

Education & Research: (Polytechnic University of Tirana, Academy of Arts, Faculty of Science)

At Mother Tereza square are located, Polytechnic University of Tirana and Academy of Art, while at the end of Boulevard "Zogu I" is located the Faculty of Science.

5G technology will provide extraordinary opportunities in education. It will provide, most fundamentally, access to new types of internet-based content including virtual and augmented reality. Desktop computers, once considered cutting-edge technology, are quickly being replaced by mobile devices like tablets and smartphones. This opens the door to mobile apps and tech that allow students to digitally walk through available contents and high-quality videos for online learning. A successful implementation of this use case will serve to apply in rural areas schools. In meantime Municipality of Tirana is implementing a project which will transform the Pyramid Building in the main ICT and Innovation Centre, and 5G can be used for research, development and testing of new Application and solution that can contribute on improving the life of the Tirana's citizens.

Media and Entertainment (New Stadium, Palace of Congress, Scanderbeg Square, Mother Tereza Square)

In the planned area of pilot project are located the new Stadium, Palace of Congress, Scanderbeg square and Mother Tereza square where big events are held. Here will be tested the new benefits that 5G will bring for media and entertainment.
With 5G, users will experience broadband access in crowded areas like concerts, sporting events and festivals, alleviating issues with capacity, interference and reliability. It's no longer just about catching the big game, but also enjoying unique and fun experiences in and around the venue. In today's mixed-use developments, sports venues provide a hub for year-round entertainment and gathering – even on days when there are no sporting events.

Enabling smart transport in the city (bus stations and local bus routes through boulevards)

Smart transport is one of the most compelling use cases in visions of the smart city. Developing better systems for managing transportation and promoting efficiency is vital for modern economies. Transportation is a major component of urban life and economic development. Without more efficient and effective ways of handling it, countries will not be able to achieve the environmental and economic benefits that they want.
5G technology has the potential to provide increased visibility and control over transportation systems. The low latency, high capacity, and reliability will enhance how goods and people travel.
Applicable for this use case for city of Tirana will be:
- Connected buses and bus station, providing data in real time on bus arrival times
- e-ticket
- use anonymous, aggregated data to inform its wider transport model, helping it understand trends in how and when people travel around the city, and adapt its transport systems and schedules in response. In the future, collecting this data in real-time will help to further reduce congestion.

e-Health (Maternity Hospital in Boulevard "Zogu I")

Thanks to its responsiveness and speed, 5G-enabled technology will power improvements in telecare and telehealth imaging and data collection, aggregation and analysis.

5G connectivity will enable the widescale adoption of high-quality telehealth video conferencing, allowing people to conduct consultations on their smartphones or devices. It will also provide reliable and secure connectivity that will enable the widescale adoption of digital health monitoring devices.
Through special digital healthcare applications in mobile devices will be possible to remotely monitor the health of mother and the child and perform consultations with doctors and specialists. This use case can be used as 5G rollout progress in rural areas, which lack specialised services and are difficult to access, especially during wintertime.

Aims of this pilot project:
- To stimulate market development and deployment of 5G technology and infrastructure in Albania.
- To create new opportunities for businesses, developing capability and skills, and encouraging inward investment

Pilot projects will help to understand the challenges of deploying new technologies according to the developing international standards for future 5G networks. Testing 5G applications will help prove different applications (use cases), bringing ideas closer to commercial viability for future markets.
Project will follow the below phases:
Phase 1 Identification of Use case
Phase 2 - design to pave the way for the implementation of the use cases
Phase 3 - conceptualise use cases based on demonstrations and simulations,
Phase 4 - offer proof of concept, interoperability, and pilot testing.

The purpose of these pilots would be to research, develop and pre-commercialise those 5G networks, aiming to simulate the operations of a live mobile network to the greatest extent. The pilots should provide significant lessons, address technical challenges, facilitate the creation of a 5G ecosystem and ensure the cost-effective and timely deployment of the future nationwide network. Efficiency and productivity of the end users are expected to improve through this exercise, and new applications and services are expected to arise. To that end, all existing ecosystem players will have to play an active role and collaborate during the pilots' implementation and new players will join the value chain. Municipalities and other public sector organisations are expected to be interested in the opportunities that those pilots will reveal.

Annex 3. List of Abbreviations

3G	Third generation of cellular technology
4G	Fourth-generation of wireless cellular technology
5G	Fifth generation of wireless cellular technology
AADF	Albanian American Development Foundation
ADSL	Asymmetric Digital Subscriber Line
AEOI	Automatic Exchange of Financial Account Information
AI	Artificial Intelligence
AKEP	Electronic and Postal Communications Authority
AKSHI	Agjencia Kombëtare e Shoqërisë së Informacionit
ALCIRT	National Computer Security Agency
ALL	Albanian currency
ASCAP	Agency for Quality Assurance in Pre-University Education
BCRD	Broadband Cost Reduction Directive
BEPS	Tax Base Erosion and Profit Shifting
CbCR	Country by Country Reporting
CCN	Common Communication Network
CDA	Clinical Document Architecture
CEB	Council of Europe Bank
CISA	Cybersecurity & Infrastructure Security Agency
COVID-19	Coronavirus disease
CRM	Common Regional Market
CRS	Common Reporting Standard
CSI	Common System Interface
CSIRT	Computer Security Incident Response Team
CSO	Civil Society Organisation
CT	Computed tomography
DAC	Directive on Administrative Cooperation
DCM	Decision of the Council of Ministers
DD	Digital Dividend
DESI	Digital Economy and Society Index
DG TAXUD	Directorate-General Taxation and Customs Union
DICOM	Digital Imaging and Communications in Medicine
DNS	Domain Name System
DSL	Digital Subscriber Line
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECA	European Allocation Plan
ECHI	European Core Health Indicators
EECC	European Electronic Communications Code
eHDSI	eHealth Digital Service Infrastructure
EHR	Electronic Health Records
EIB	European Investment Bank
eIDAS	Electronic Identification, Authentication and Trust Services
EIP	Western Balkans Economic and Investment Plan
ENISA	European Union Agency for Cybersecurity
AKEP	Electronic and Postal Communications Authority
ERP	Economic Reform Programme
ESEP	European School Education Platform
EU	European Union
EU CERT	Computer Emergency Response Team
EUD	European Union Delegation
EUIF	European Union Integration Facility
EUR	Official currency of member states of the European Union.

EUROPOL	European Union Agency for Law Enforcement Cooperation
FBI	Federal Bureau of Investigation
FMC	Financial Management Control
FNT	Sensitive Market Power
FO	Fibre Optic
FTTB	Fibre to the Building
FTTH	Fibre to the home
FTTP	Fibre to the Premise
FTTx	Fibreto the “x”
FUP	Fair Usage Policy
GB	Gigabyte
GDP	Gross Domestic Product
GDPE/DPAP	General Directorate for pre-university education
GDPR	General Data Protection Regulation
GDPUE	General Directorate of Pre-University Education
GDT	General Directorate of Taxation
GIZ	German Corporation for International Cooperation
GoA	Government of Albania
GovNet	Government Network
GSM	Global System for Mobile communication
HEIMS	Higher Education Information Management System
HHI	Herfindahl–Hirschman Index
HL7	Health Level Seven International
HPC	High-Performance Computing
HRMIS	Human Resource Management System
HSIP	Improvement of the Health System
IA	Internal Audit
ICILS	International Computer and Information Literacy Study
ICT	Information and Communication Technology
IHE	Integrating the Healthcare Enterprise
IMF	International Monetary Fund
INSTAT	National Statistical Institute of Albania
IoT	Internet of Things
IPA	Instrument for Pre-accession Assistance
IPMG	Integrated Policy Management Group
IPS	Integrated Planning System
IPSIS	Integrated Planning System Information System
ISO	International Organization for Standardization
ISPAR/SNRAP	Intersectoral Strategy of Public Administration Reform
IT	Information Technology
ITU	International Telecommunication Union
LE	Life Events
LFS	Labor Force Survey
LPUEO	Local Pre-University Education Office
LTE	Long Term Evolution
M&E	Monitoring and Evaluation
MAP REA	Multi-annual Action Plan for a Regional Economic Area
MBS	Management of Budgetary System
MHz	Megahertz
MIE	Ministry of Infrastructure and Energy
ML	Machine Learning
MMF	Albania’s Medium-Term Macroeconomic Framework Document
MNE	Multinational Enterprises
MES	Ministry of Education and Sports
MFE	Ministry of Finance and Economy

MoHSP	Ministry of Health and Social Protection
MRI	Magnetic Resonance Imaging
MTBP	Medium Term Budget Planning
MTDS	Medium Term Debt Management Strategy
MTF	Medium-Term Framework
MTRS	Medium-Term Revenue Strategy
AKCESK	National Authority for Electronic Certification and Cyber Security
NAIS	National Agency for Information Society
NATO	North Atlantic Treaty Organization
NBP	National Plan for Sustainable Development of Digital Broadband Infrastructure
NES	National Strategy on Education
NGA	Next Generation Access Networks
NHS	National Health Strategy
NIPAC	National IPA Coordinator
NIS	Network and Information Systems
NISSBDI	Inter-Sectorial Strategy on Business Development and Investments
NPEI	National Plan for European Integration
NSDEI	National Strategy for Development and European Integration
NSP/PSZ	National Statistics Programme
OECD	Organisation for Economic Cooperation and Development
OJ	Official Journal
OP	Operational Programme
OSFA	Open Society Foundation of Albania
PAF	Performance Assessment Framework
PAR	Public Administration Reform
PAR SG	Public Administration Reform Special Group
PFM	Public Financial Management
PFM SC	Public Financial Management Steering Committee
PforR	Program-for-Results
PISA	Programme for International Student Assessment
PMO	Prime Minister's Office
PUIMS	Pre-University Information Management System
QA	Quality Assurance
R&D	Research and Development
R&I	Research and Innovation
RA	Results Area
RDPUE	Regional Directorate of Pre-University Education
RHIS	Routine health information systems
RIA	Research and Innovation Action
RLAH	Roam Like at Home
SASPAC	State Agency for Strategic Programming and Assistance Coordination
SC	Steering Committee
SCADA	Supervisory Control and Data Acquisition
SDG	Sustainable Development Goals
SECO	European Commission and the Swiss Secretariat for Economic Affairs
SIDA	Swedish International Development Cooperation Agency
SLA	Service Level Agreement
SMEs	Small and medium-sized enterprises
SMIP	Pre-University Information Management System
SOC	Security Operational Centre
SSC	Sectoral Steering Committees
STA	Swedish Tax Agency
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TA	Technical Assistance
TC	Technical Committee

TLD	Top-Level Domain
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations International Children's Emergency Fund
USAID	U.S. Agency for International Development
VAT	Value Added Tax
VET	Vocational Education and Training
VHCN	Very High Capacity Networks
VIDA	VIES on Interoperability and Data Sharing Applications
VIES	VAT Information Exchange System
WB	World Bank
WB	Western Balkans
WBIF	Western Balkans Investment Framework