

AMENDED CARDS ACTION PROGRAMME 2004 FOR ALBANIA

1. IDENTIFICATION

Form of programme	Amended CARDS National Action Programme for Albania 2004
Beneficiary country	Albania
Budget year	2004
Budget Line	19 07 01 (CARDS)
Financial allocation	€ 63.5 million (including € 1.5 million for Tempus to be implemented by DG Education and Culture)
Legal basis	Council Regulation 2006/2000 as amended by Council Regulation (EC) No. 2666/2001 (CARDS)
Contracting	All contracts must be concluded after the signature of the Financing Agreement and within 36 months following the date of the budgetary commitment.
Implementation	The implementation of projects under this proposal must be concluded by 31.12.2009 . Therefore, all technical activities provided for under this programme and all contracts must end by 31.12.2009 .
Annual programming	Commission Delegation and AIDCO Headquarter
Related CSP and MIP	Country Strategy Paper 2002-2006 for Albania, Multi-Annual Indicative Programme 2002-2004 for Albania
Remarks	No administrative expenditure will be financed under this programme

2. SUMMARY OF THE PROGRAMME

In line with the 2002-2006 Country Strategy Paper (CSP) for Albania, and the Multi-annual Indicative Programme 2002-2004 (MIP), the **overall objective** of the 2004 CARDS National Programme for Albania is to support the participation of Albania in the stabilisation and association process (SAp), including through contributing to overall socio-economic development.

Following from this, the **specific objectives** of the Programme are:

- to ensure public order and the rule of law, notably through strengthening the judiciary and fighting organized crime, fraud and corruption;
- to enhance the functioning of the state and ensure adequate implementation of the legal framework, with a view to increasing legal security for individuals, and public and private bodies in Albania;
- to support the establishment of a functioning market economy and promote private sector growth and job creation, all in order to facilitate sustainable economic growth, trade and employment, and ensure the integration of the Albanian economy into that of the EU and those of the wider international community;
- to ensure adequate implementation by Albania of a future stabilisation and association agreement with the EU, as well as the gradual approximation of Albanian legislation and structures with those of the EU;
- to protect the environment; and

- to strengthen civil society and further improve the Albanian electoral system/process.

In view of these specific objectives, of assistance provided earlier in the MIP, and of the need to fund, out of the CARDS Programme, Specific Action-Oriented Measures against Organised Crime in the Balkans (as proposed at the Thessaloniki Council and agreed at the Justice and Home Affairs Ministerial Meeting in Brussels on 28th November 2003), the 2004 Programme for Albania will therefore cover the following priority sectors:

Priority sectors	Proposed budget (€m)
Justice and Home Affairs	35.0
Administrative capacity-building	4.0
Social and economic development	12.0
Environment and natural resources	10.0
Democratic stabilisation	2.5
Total	63.5

3. COUNTRY UPDATE

Reform in Albania since the MIP was drafted has in general been insufficient to address the many challenges facing the country. Only a limited number of the recommendations included in the 2003 SAP report and emanating from Consultative Task Force meetings over the past two years have been properly addressed. Of particular concern in Albania are issues that are central for the consolidation of rule of law, such as the fight against corruption and organised crime, and the functioning of the judicial system. Whilst Albania can be credited with its generally constructive role in the region, the reduction of trafficking over the Adriatic, and the initialling of a Community Readmission Agreement, results in key areas such as the fight against corruption and organised crime, and the reform of the judicial system and public administration have fallen short of expectations.

The political climate has not allowed for sound reform implementation. The fragile political stability achieved in 2002 has been progressively replaced by strong tensions not only between the main political parties, but also within the ruling Socialist Party (SP) itself. The fight for SP leadership has adversely affected Government stability. With Government attention increasingly focused on these internal difficulties, the reform programme has continued to suffer delays. As a consequence, many shortcomings identified in the 2001 High Level Steering Group Report, in 2002 and 2003 SAP reports, and in subsequent political dialogue with the Albanian authorities, remain unresolved. For example, specific recommendations in relation to the electoral process have been left unheeded, as clearly demonstrated by the difficulties experienced during the local elections of 12th October 2003. The general capacity of the public administration to implement Albanian commitments in respect of a Stabilisation and Association Agreement (SAA) remains an issue of concern.

In the economic field, there has been real GDP growth of 6% in the context of low inflation. Some progress has also been made as regards the privatisation of the state-owned companies (notably the privatisation of the Savings Bank) and preliminary steps have been taken to address land issues. However, political uncertainty, the lack of focus on reforms, as well as failure to push through much-needed infrastructure investments, has jeopardised sustainable economic growth and the country's ability to alleviate poverty. The Albanian economy remains informal to a considerable extent.

The business environment is still insufficiently improved to encourage investment. The interference of corruption, organized crime, and an inefficient administration continue to place barriers against business establishment and promotion. Legal security remains insufficient and commercial laws inadequate for the purpose of fostering business development. Despite its achievement in establishing Free Trade Agreements (FTAs) with the countries of the region, Albania has also shown its limitations in fully implementing its WTO schedule.

4. PAST EC ASSISTANCE AND LESSONS LEARNT

	Committed (Meur)	Contracted (Meur)	Disbursed (Meur)
CARDS 2001	37.50	25.48	12.90
CARDS 2002	44.90	9.13	4.80
CARDS 2003	46.50	5.04	1.31

The delivery rate of EC assistance to Albania, both under the PHARE and CARDS programme, has significantly improved in 2003. This has been for a number of reasons, the most important being that the Commission has taken over responsibility for the tendering and contracting of some of the remaining PHARE programmes, and the completion of the deconcentration process, by which responsibility for project tendering, contracting and management of the CARDS Programme has been devolved to the Delegation from AIDCO in Brussels. These developments have permitted the contracting of most of the remaining PHARE projects as well as of a large amount of the CARDS 2001 programme. In 2003, the Delegation has also been able to complete the appraisal phase of a significant number of CARDS 2002 projects, which will make possible their tendering and contracting in 2004.

The European Commission has learned that in order to ensure commitment and long-term sustainability, despite the switch from the Albanian-managed PHARE Programme to the EC-managed CARDS Programme, it is necessary to make every effort to help develop a sense of ownership on the Government side. The Ministry of European Integration – the principal Albanian interlocutor – and the line ministries must be fully involved in all phases of the project cycle, including in the programming and identification, so that they feel have a stake in the Programme. In this respect, significant progress was made in the context of the preparation of the present Action Programme, in that the Ministry of European Integration played fully its co-ordinating role in the Albanian contribution to this exercise.

Finally, the new CARDS orientation towards Justice and Home Affairs/capacity building is too recent (implementation of the 2001 programme is under way) to enable lessons to be learnt from previous projects in that area.

5. PROGRAMME COMPONENTS

5.1. Priority Sector No. 1 – Justice and home affairs

Background

Supporting judicial reform, the police, the fight against organised crime, and Albania's capacity to manage its borders in an integrated manner – including as far as concerns migration and asylum – all are noted as priorities in the CSP and MIP. All projects identified are coherent with the SAp Report and CTF recommendations, as

well as with the JHA Assessment Report for the Western Balkans. A further two border management projects are intended to facilitate trade at the borders, and respond in particular to the priorities enumerated at Annex VI of the MIP.

5.1.1 Judicial Reform

Background

Despite some limited improvements, the Albanian judicial system remains weak. The professional capacities of judicial personnel at all levels are generally insufficient, and infrastructure and equipment inadequate. This is particularly true in the case of penitentiary facilities, where the conditions in which inmates are kept are often appalling, and of a number of other Ministry of Justice-dependent institutions.

A number of amendments to existing laws have addressed issues like magistrate salaries and court organisation, including the High Council of Justice, which is the authority responsible for the protection, nomination, transferring, discharge, education, professional evaluation, career and the inspection of the activity of judges. Unfortunately, however, the capacity of the HCJ to effectively inspect the judges' activities is rather limited.

Two particular areas of the Albanian justice system also need to be strengthened as a priority: juvenile and commercial matters. The inexistence of adequate legal frameworks in these two areas as well as the lack of specialised legal systems to deal with children in conflict with the law, and with commercial disputes, have a negative impact on the enjoyment of children's rights and on general economic development.

Identified projects

(1) Upgrade of Ministry of Justice-dependent Institutions

This project will have two components: completion of the construction of Korça Prison (Phase II)¹, and renovation of the Centre for Official Publications. The overall objective is therefore twofold: to improve the conditions of Albanian prisoners and to enhance general legal awareness of legislative matters in Albania.

The specific objectives are to increase the capacity and quality of the functioning of the Albanian prison system, including the pre-trial detention system, in accordance with EU and international standards, as well as to improve access to legal publications.

These objectives will be pursued through the following activities: (1) completion of construction works initiated under the project 'Construction of Korça prison - phase I', (2) provision of the furniture and equipment to make the prison fully operational, (3) support to the Prisons' Training School through Training Needs Analysis, development of a training plan, courses, seminars, workshops and study visits, twinning activities with EU penitentiary institutions, (4) design and construction/renovation works as well as supply of equipment for the proper functioning of the Centre of Official Publications, and (5) design and renovation/construction of at least one pre-trial detention centre.

¹ Phase I is funded under the CARDS 2002 Programme

(2) Strengthening Capacities for the Investigation of Organised Crime and its Prosecution

The overall objective in this project is one of the so-called Specific Action-oriented Measures against Organised Crime as well as a natural follow up to the recent establishment of a Serious Crimes Court².

The specific objective of the project is the strengthening of key areas of organised crime investigative and prosecution capacity in Albania.

Project activities will consist of (1) amendments to the criminal procedural code and criminal code and (2) review of the criminal code and of the legislative framework in accordance with the UN Convention on Transnational Organised Crime.

(3) Support to the High Council of Justice and its Inspectorate

The overall objective of the project is to increase the independence of the judiciary in Albania.

The specific objective is to enhance the authority, increase the capacity and improve the functioning of the HCJ and its Inspectorate.

The main activities will be (1) twinning between the HCJ and a similar EU Member State Institution, (2) organisation of training courses, workshops and seminars, study visits and activities with EU institutions and (3) provision of vehicles (for inspections throughout the country) and of adequate IT equipment and office furniture.

(4) Establishment of Judicial Systems in Juvenile and Commercial Matters

The overall objective of the project is to improve the administration of juvenile and commercial justice in Albania in accordance with EU standards and best practices.

The specific objectives of the project are to (1) support the implementation of a functioning juvenile justice system in accordance with EU standards and international human/children rights instrument, (2) harmonise the national legislation on commercial issues in line with EU standards and best practices and (3) strengthen the functioning of specialised commercial sections of the courts of Albania.

The main activities will be to (1) upgrade the legal framework, (2) support the establishment of specialised Juvenile Justice Sections at District and Appeal Courts, (3) develop and implement a system of alternative measures to imprisonment, (4) support the newly created Department of Juvenile Justice within the Ministry of Justice and (5) develop a Training Needs Analysis, organise seminars, workshops, study visits and twinning initiatives with EU institutions dealing with juvenile justice issues.

5.1.2. Police and Organised Crime

Background

Over the past twelve months, the police have made progress in some fields, in particular with the implementation of the law on ranks and careers. Nonetheless, the police remain generally poorly trained and lack essential equipment. Most police premises are also inadequate to purpose or in bad condition. Police training, organisation and management needs also to be substantially enhanced, as well as

² The construction of new premises for this Court will be funded under the CARDS 2003 programme

cooperation between police and prosecutors. The level of trust between these bodies remains low, hindering the effectiveness of the fight against organised crime such as drug and weapons trafficking, trafficking in human beings, smuggling, etc.

As a consequence, the police are not able to satisfactorily guarantee consistent enforcement of the law, in accordance with international standards. Investor and public confidence will grow in Albania only if the police can demonstrate professionalism, ethical behaviour, increased investigative capacities, and a willingness to investigate serious crime and its perpetrators.

Other key law enforcement agencies, such as the financial intelligence unit (FIU) of the Ministry of Finance, which should play a leading role in the fight against money laundering and other organised crime activities, are also seriously underperforming. In addition to meeting their need for technical and material support, cooperation among all agencies involved in the fight against economic crimes needs to be enhanced.

Identified Projects

(5) General Logistical & Technical Support to the Albanian State Police (ASP)

This overall objective is to contribute to the eradication of organised crime in Albania -notably illegal trafficking (in drugs, weapons, stolen vehicles, human beings), smuggling, and money laundering activities.

The specific objective is to enhance the overall capacity of the ASP, including the improvement of the physical conditions for its daily operation, the strengthening of the detection, investigation and denunciation capacity of its Organised Crime Sub-directorate and the enhancement of the operational capacity of its regional anti-trafficking units.

The main activities will be to (1) renovate the police academy (phase II) and develop the training curriculum, (2) rehabilitate the new headquarters of the ASP, (3) upgrade the infrastructure of the central garage and maintain workshops of the police, (4) supply specialized equipment, training and technical assistance to the Organised Crime Sub-Directorate of the ASP and (5) to the regional anti-trafficking units.

(6) Inter-agency cooperation in the fight against money laundering

The overall objective of this project is to contribute to the eradication of money laundering activities in Albania.

The specific objectives are to upgrade the Albanian legal and regulatory framework in order to allow more aggressive strategies against money laundering, enhance the operational capacities of the different bodies in charge of combating money laundering and strengthen the inter-agency cooperation in the fight against money laundering.

The main activities will be to (1) redefine the competences, organisation and working methods of the different bodies in charge of money laundering, (2) provide them with the necessary training and specialised technical assistance and (3) establish and implement common guidelines and working procedures, including the development of an information and communication system, in order to ensure smooth progress of investigations and case handling.

(7) Police Assistance Mission of the European Community to Albania (PAMECA)

The overall objective is to contribute to law enforcement in Albania and to the restoration of people's confidence in the police.

The specific objectives are to enhance the institutional and operational capacity of the Albanian State Police in the fight against crime and in the maintenance of public order; to strengthen cooperation between the Albanian State Police and the Prosecutor/ Judiciary in order to ensure that cases are properly handled.

The activities will focus on capacity building, with components such as strategic advice, training, in areas such as organisation, legislative framework, implementation of IT strategy, etc.

The current PAMECA mission was established at the end of 2002 for a period of two years, which will expire at the end of 2004. This model of a resident advisory mission has proved adequate and has been well received. The Commission therefore believes that this kind of support should continue, in order to maximise its impact. To that purpose, a new call for proposals for the continuation of PAMECA will be launched. The call will be launched for a three year project, the first year being funded from the present AP04, with the subsequent two years subject to the availability of 2005 funds, yet to be approved. This opportunity will also be seized to fine-tune the mission's mandate, with a view to strengthening the operational aspects of the assistance, and with providing additional expertise in some areas such anti-terrorism.

5.1.3 Integrated Border Management (IBM)

Background

In February 2003, the Albanian Government approved the National Strategy for Border Control and its Integrated Management, which had been drafted with the assistance of the international community. This strategy received the political endorsement of the EU at the Ohrid Conference on Border Management. Given the dimension of illegal migration and cross-border crime in Albania, the complex physical characteristics of its border, the scarce available resources, and the precarious condition of its border control system (inappropriate or inexistent facilities, lack of basic equipment – even telephones – insufficiently-trained and badly-paid personnel, poor inter-agency cooperation, etc.), the effective implementation of the national strategy requires extensive support from the international community.

Some of these problems, notably the supply of essential equipment, the provision of expert technical assistance and the definition of a blue border management system, are currently being addressed with funding from previous IBM and Customs projects under the CARDS programme as well as from other donors. Still the assistance effort needs to be maintained in order to achieve an effective impact.

Identified Projects

(8) Support to Border Police and Customs Authorities at the Border

The overall objective is to contribute to the prevention of illegal migration and the eradication of cross border crime as well as to the facilitation of bona fide cross border movements of people and goods.

The specific objectives are to enhance the performance of the border police and customs agents operating at the border in the prevention of illegal migration and the eradication of cross border crime as well as in the facilitation of bona fide cross border movements of people and goods.

The main activities will consist in (1) renovation of border police and customs facilities, (2) supply of border control equipment, (3) training and (4) establishment of operational inter-agency cooperation systems between the border police and the customs authorities at the border.

(9) Assistance to the Ministry of Transport and Telecommunications

The overall objective of the project is to contribute to the economic development of Albania, the regional integration, and to improving the standard of the road system in Albania.

The specific objective of the project is to strengthen the capacity of the Ministry of Transport and Telecommunications.

The activities will mainly focus on technical assistance in matters such as coordination and management capacities of the Ministry, supervision of works, standardisation of design parameters, quality standards for roads, legal framework.

(10) Assistance to the Ministry of Transport and Telecommunications and the Port of Durres Authority

The overall objective is to facilitate trade and at the same time create proper conditions for ensuring efficient border control at the port of Durres.

The specific objective is the modernisation of port facilities.

The activities will be to (1) supervise the Ferry Terminal building and yard infrastructure projects, (2) support an increase in the port's operational capacity, efficiency and safety, (3) provide an up-to-date port terminal and yard infrastructure for efficient port operations and security customs controls, (4) provide a master plan consistent with current and forecasted traffic growth for the medium-long term, (5) provide a plan for economically viable investments, (6) provide an up-to-date land use plan, (7) support a comprehensive investment strategy for the port and (8) develop port reception facilities (for emptying of septic tanks, reception of tank cleaning water etc.).

When relevant, Environmental Impact Assessments (EIA) should be carried out.

5.1.4. Asylum and Migration

Background

In 2003, the EC concluded a Readmission Agreement with the Government of Albania that includes the obligation for Albania to readmit third-country nationals³. The same year, the Albanian Government adopted the National Action Plan on Asylum, prepared in collaboration with UNHCR, and started the definition of a National Strategy and Action Plan on Migration with the assistance of IOM and funding from the CARDS 2001 programme.

³ This obligation will enter into force two years later than the Agreement itself

The Government is currently running the Linza and Babrru Reception Centres dealing respectively with irregular migrants and asylum seekers/refugees with the support of IOM and UNHCR, but still does not have the institutional capacity to take independent responsibility. In view of the need to implement the National Strategy on Migration and meet obligations deriving from the Readmission Agreement, Albanian capacity needs to be developed, and the reception centres strengthened. Furthermore, closed reception facility for repatriated third country nationals in transit will also need to be established.

Identified Projects

(11) Support for the Implementation of Re-admission Agreement and the National Migration Strategy

The overall objective of this project is to support the Albanian Government in the process of establishing and implementing an effective re-admission, migration, asylum system in compliance with EU and international standards.

The specific objective is to create the proper environment and mechanisms needed for the smooth implementation of the Re-admission Agreement with EC and the implementation of the National Strategy for Migration and Action Plan; to strengthen Albania's reception capacities in order to enable the country to cope with the flow of irregular migrants and asylum seekers/refugees; to improve conditions for migrants, victims of trafficking and asylum seekers and to assist the trafficked children and women.

The main activities will be to (1) support the implementation of the Re-admission Agreement with EC, (2) implement the National Migration Strategy/Action Plan, (3) strengthen the Reception Centre in Linza and (4) in Babrru.

5.2. Priority Sector No. 2 – Administrative capacity-building

Background

The present-day Government of Albania has inherited a severely disadvantaged civil service. Salary levels are low, and in general insufficient to maintain a family. This makes it difficult to recruit, motivate and retain good officials. Despite recent attempts at reform, recruitment, appointment and promotion procedures are not transparent. Corruption and nepotism are therefore still problems. The idea that the civil service exists to serve the public as well as the state, or that the civil service should be independent of political parties, has not yet taken firm hold. The civil service needs arguably to be bigger, and in any case civil servants require significant training input, both general and specialised. Offices are generally extremely basic, and in general ill-equipped.

Albania requires administrative capacity-building across every Government function, central, regional and local. Evolutionary changes in administrative culture need to occur over a sustained period.

The CSP recommends that support for Albania in the area of administrative capacity-building should be provided to the public administration in general, as well as in specific areas of particular relevance for the Stabilisation and Association Process, such as public procurement, customs, taxation and statistics.

Though the latter are well covered by currently ongoing 2002 and 2003 programmes, little emphasis is placed by the Government on the efficiency of spending. This is one of the reasons why it is proposed to renew the support to the Supreme Audit Institution, which was last provided under the 1999 programme, aiming thereby at putting the Institution on to a sustainable footing.

On the other hand, the support to the public administration in general, though currently under way, needs to be enhanced. This Action Programme will therefore continue to support the Department for Public Administration and the associated Training Institute for Public Administration, seizing the opportunity to tackle, in addition and for the first time, the question of licensing, which has important implications for both the fight against corruption and the relationship between the administration and the general public.

Identified projects

(12) Public administration reform

The overall objective of the project is to reform the Albanian public administration so that it becomes more effective, efficient and transparent.

The specific objectives of the project are to improve the accessibility, delivery and quality of government services, enhance the training capacity of the Training Institute for Public Administration and improve the intra-governmental information sharing.

The activities will include training, technical assistance, renovation and refurbishment, as well as provision of IT equipment.

(13) Development of external audit

The overall objective of the project is to increase the efficiency of public expenditures and reduce corruption.

The specific objective of the project is to reinforce the ability of the Supreme Audit Institution (SAI) to provide the Albanian Parliament, other public stakeholders and the general public with quality information on the financial performance of the Albanian public sector.

The activities will consist in delivering the appropriate technical assistance, training and equipment in relation to EU standards, quality management, quality assurance, legal framework, planning, management capacity (including Human Resources) and organisational structure of SAI, and to the establishment and strengthening of relations of the SAI with other actors in the financial management control/audit system.

(14) Upgrading of Ministry of Finance District Offices

The overall objective of the project is to improve Public Finance Management (and hence increase the efficiency and monitoring of expenditure and reduce corruption).

The specific objective of the project is to reinforce the functioning of the Treasury Department within the Ministry of Finance.

The activities will include the renovation and refurbishment of 36 Treasury District Offices, the supply of office and other equipment, as well as the supply of IT hardware to these Treasury District Offices.

5.3. Priority Sector No. 3 – Economic and social development

Background

Despite a recent, slight increase in GDP per capita, Albania remains a country affected by widespread poverty, particularly in the rural areas, with a substantial part of the population living on less than €2 per day. Albania has a high rate of population growth largely due to its high birth rate (the highest in Europe). While remittances from abroad help to prop up the Albanian economy, the downside is the drain of educated and skilled workers (even if emigration is now on the wane). Almost half the population is between the ages of 5-29, placing much pressure on the demand for education and employment. Migration from the rural to the urban areas of Albania continues, with one third of the electorate now living in the Tirana region.

Such sudden urbanisation has brought with it significant problems of social exclusion, and appears not to have been adequately reflected in social investment planning. Education expenditures as a proportion of the state budget are not rising fast enough to meet increased demand. The quality of education is not picking up, while vocational education and training no longer play a significant role. Parallel private provision is attracting students from the state sector, especially in Tirana, but remains largely unregulated. The health sector is struggling to cope with a past legacy of lack of investment, the poor remuneration of doctors and nurses and poorly-equipped, decrepit hospitals and clinics.

Based on the CSP recommendations, this year's Programme seeks to improve living conditions in the poorer, mostly rural areas by making investments in local infrastructures, partly as an attempt to dissuade rural-urban migration. The Programme also continues previous CARDS support to the vocational education and training sector, and to the university sector. In both cases the accent is on institutional reform.

Identified projects

(15) Local Community Development Programme

The overall objective is to improve the living conditions of the targeted rural population of Albania. It is envisaged that the north-eastern part of Albania be granted preferential treatment, in accordance with the CSP.

The specific objectives of the project are to assist in developing coherent regional strategies, aiming at promoting employment, rehabilitating or building local infrastructure and ensuring the sustainability of existing and future public investments.

The activities will consist of capacity building at local government level, regional studies, civil works, design and works supervision, establishment of a sub-project maintenance fund and collection of 10% local contribution towards total project cost⁴.

(16) Creating a decentralised system of VET and lifelong learning

The overall objective of the project is to support the delivery of a single high quality VET system that is able to contribute to the economic and social stability of the region.

⁴ Each beneficiary municipality, commune, village, is obliged to contribute 10% in order to get a project realised

The specific objectives are to decentralise the VET system, develop a new quality assurance system and reinforce the VET reform

Activities such as technical advice, training, equipment and works will be provided to this end.

(17) Tempus

The overall objective of the programme is to promote the development of Albania's higher education system (in accordance with the Bologna Declaration), which in turn is expected to curb the brain drain and contribute to the development of local expertise necessary for economic and social progress.

The specific objectives are to support the modernisation of the methodology and content of higher education courses, to support the structure and management of higher education institutions and to strengthen the regional co-operation and networking between higher education institutions in South-East Europe.

In terms of activities, the programme operates by means of Joint European Projects (JEP), Structural and Complementary Measures (SCM) and Individual Mobility Grants (IMG). All the countries concerned by this AP are working on reorganisation of education, in particular Higher Education and Vocational Education and Training.

5.4. Priority Sector No. 4 – Environment and natural resources

Background

The central institution is the Ministry of Environment, but the five national institutions currently responsible for environmental matters continue to have problems of coordination and monitoring. Albania's National Environment Action Plan (NEAP) includes gradual alignment with the Community's acquis. Methodological standards for data collection, management, and scientific analysis do not exist, and no central electronic database has been created. The country lacks the capacity to monitor and effectively act on environmental data, which is essential for sound decision-making. Monitoring and inspection systems should be streamlined and the enforcement of environment laws strengthened.

Water resources in Albania are threatened with contamination by urban sewage and industrial spillage. Pollutants have been identified in cement, hides, ceramic, textiles, mines, oil and gas, and timber processing industries. The monitoring of drinking water is carried out regularly but it is not being done for pesticides, heavy metals, persistent organic residues and hydrocarbons. Albania's urban areas have high levels of air pollution due to uncontrolled development.

A lack of adequate urban and regional planning prevents optimal physical investment. The large amount of illegal construction hampers future development plans and provokes environmental problems. Lack of land planning has also had a perverse social impact.

Projects to be funded under the environment and natural resources sector priority have been assessed to ensure that they are in line with the MIP.

Identified projects

(18) Hazardous waste management system (Phase II – construction of landfill)

The overall objective of this project is to improve hazardous waste management in Albania and therefore significantly reduce the negative health impacts associated with identified hazardous waste 'hot spots' and to improve environmental quality.

The specific objective is the construction of a secure hazardous waste, landfill thus completing the second phase of the overall hazardous waste project.

The activities will consist of (1) supervision and acceptance of Phase II landfill works, (2) supervision of Phase II landfill management system and (3) construction of landfill following Phase I design.

(19) Strengthening of Environmental Monitoring System

The overall objective of the project is the improvement of environmental quality.

The specific objectives of the project are to increase the capacity to monitor, analyse and design suitable measures regarding the environmental quality in the country, and to enable Albania to comply with European Environment Agency (EEA) standards.

The main activities will be to provide all expertise, training and equipment needed to, in a first phase, prepare a National Programme on Environmental Quality Monitoring (NPEQM) and, in a second phase, implement it.

(20) Sustainable and Integrated Development of the Tirana-Durres Region

The overall objective of the project is the promotion of sustainable and integrated growth in the Tirana-Durres region.

The specific objective is to provide the principles and guidelines for a sound land use management and to strengthen the planning capacities of local government towards sustainable economic growth compatible with environment protection practices.

The activities will include a site analysis, the production of a Master Plan, on-the-job training and an economic and financial feasibility study.

(21) Construction of waste water treatment stabilisation ponds at Vlore

The overall objective is to improve the environment and public health in the Vlore region, thereby increasing the potential for economic development and investment, including in tourism

The specific objectives are the reduction of pollution of the Bay of Vlore, the effective and efficient wastewater management system in Vlore and the improvement of the living conditions of the population of Vlore.

The activities will comprise works for the construction of waste water stabilisation ponds, as well as engineering supervision of these works.

5.5. Priority Sector No. 5 – Democratic stabilisation

Background

While compared to 1997/98 Albania is rather stable, the consolidation of a more consensual democratic culture remains necessary in order to bring about an important number of challenging reforms.

Elections in 2001 and local elections in 2003 were followed by long periods of wrangling about the outcome, due to a great extent to controversies surrounding the voter lists. Certainly the conduct of the local elections in October 2003 did not meet Commission expectations.

More generally, respect for and implementation of the rule of law in Albania remains deficient. In part at least responsibility for this state of affairs can be attributed to the poor state of development of civil society.

Both the CSP and MIP concentrate on the role of the latter in democratic stabilisation, and – given the weakness of this sector in Albania - on the importance of supporting the country's NGO/civil society sector. However, the Commission has found that the NGO sector in Albania can absorb financial support only slowly; there remains €1m still to be allocated out of the CARDS 2002 Programme to civil society. This will be distributed to civil society organisations working in those fields – democracy, human and civil rights, minorities, reintegration of victims of trafficking, etc. – indicated in the MIP.

Therefore, the CARDS 2004 Programme concentrates on the electoral process. It attempts to complete the reform of the civil registry, using 2003 funding also, so that accurate voter lists can be compiled for the 2005 general elections and beyond.

Identified project

(22) Support to civil status registry system

The overall objective of this project is to support public administration reform and democratic stabilisation in Albania.

The specific objective is the full modernization of the Albanian Civil Registry system.

The project provides a necessary condition for the holding of transparent elections, and thus has clear implications for the consolidation of democracy in Albania. Since also by the time this project is complete, the Government of Albania should be in a position to issue ID cards to its citizens, it may well assist in the consolidation of the rule of law (given in particular that ID cards can play a role in the fight against crime and fraud of all sorts).

The activities will consist of technical assistance, training (plus data entry) and supply of equipment.

6. COMPLEMENTARY EC ASSISTANCE OUTSIDE THIS ACTION PROGRAMME

The National Action Programme for Albania is complemented by and will be coordinated with the annual **CARDS Regional Programmes**.

Account will be taken of **INTERREG** projects between Albania/Italy and Albania/Greece respectively, at the appraisal and implementation stages of a number of projects under this Action Programme. This is particularly the case for justice and home affairs actions. For example, the priorities of the €126m INTERREG programme of 2002 between the Greek prefectures of Florina, Kastoria, Ioannina, Thesprotia and Corfu, and the Albania prefectures of Argyrokastro, Permeti, Korytsa, Devol and Vlore, include economic development and employment, and cross-border infrastructures, the latter priority being an area of particular focus under this Action Programme. The latter should also be coordinated carefully with the INTERREG

project for the Puglia region, also dating from 2002 and worth a total of €72.8m, also, which touches upon, amongst other areas, transport, communication and security, the environment, and economic development and employment. Potential complementarities between the CARDS Action Programme and INTERREG should be fully explored at the appraisal stage of the CARDS projects concerned.

In addition, a Council decision on a Commission proposal aiming at providing **macro-financial assistance** to Albania is expected in the second quarter of 2004. This assistance, amounting to up to €25 million, would include a €16 million grant part and a €9 million loan part.

While no more support is planned for Albania under the EIDHR, small amounts of funding from **thematic budget lines** (NGO co-financing facility, LIFE programme, Migration Management in Third Countries, etc.) will continue to be available through calls for proposals.

Albania also benefits from the **6th EC framework programme**.

7. CO-ORDINATION WITH OTHER DONORS

With the Commission having largely moved out of the financing of economic infrastructure with the ending of the old PHARE programme, Albania has had to find such investments from elsewhere. Italy and Greece both provide significant investments in national transport infrastructure (mostly roads), while Italy and the World Bank have made crucial investments in the energy sector. A number of other donors, such as Germany and Austria, have provided substantial assistance to other infrastructure sectors, such as water/waste water. The role of the EIB and the EBRD in infrastructure lending – and of the EBRD in the provision of equity – has also been significant.

Donor coordination in Albania has not been exemplary over the past two years. The donors have been frustrated by the Government's apparent lack of interest in the integration of the various donor programmes into a coherent socio-economic programme reflected in the MTEF. However, donors have taken some time to establish mechanisms to ensure coordination amongst themselves. Efforts in this regard are now coming together. A dialogue on coordination issues has been opened with the Government through the donors' Technical Secretariat (EC, UNDP, World Bank and OSCE), with the UK, the European Commission, the UNDP and the World Bank all providing coordinated support to the economic management function of the Government.

8. PROGRAMME IMPLEMENTATION

8.1 Time-limit for signing the financing agreement

The financing agreement must be concluded at the latest by 31 December of the year following that in which the corresponding global financial commitment was adopted. Failing this, the funds assigned to it will be cancelled.

8.2 Performance period

- (a) The implementation period of the financing agreement starts with the entry into force of the financing agreement and ends 31.12.2011

- (b) This performance period falls into two separate phases:
 - (i) Operational implementation of the main activities. This phase starts with the entry into force of the financing agreement and ends 31.12.2009
 - (ii) A closure phase during which the final audits and evaluation are carried out along with technical and financial closure of the contracts implementing the financing agreement. This phase starts with the end of the operational implementation phase and closes at the end of the performance period.
- (c) Expenditure arising from the main activities is not eligible for Community financing unless it is incurred during the operational implementation phase. Expenditure arising from final audits and evaluation and from closure activities is eligible until the end of the closure phase.
- (d) Any remaining balance of the Community contribution will be cancelled automatically six months after the end of the performance period.
- (e) An indicative schedule for (tendering and) contracting is attached as Annex A at the end of this Action Programme. This schedule is no more than indicative since tendering cannot start until:
 - (i) first, any activities necessary for the implementation of actions financed under the 2004 Action Programme but funded under previous Action Programmes, are sufficiently advanced on the ground (this we must assume at this stage will be the case);
 - (ii) second, the Government of Albania adopts the financing agreement that will govern the present Action Programme, by end-2004;
 - (iii) third, project conditionalities, where appropriate, have been met; and
 - (iv) fourth, the project has been fully appraised.

8.3 Procedures for the award of contracts and of granting of subsidies

All projects should be implemented in line with EU competition (including State aid) principles. All contracts implementing the financing agreement must be awarded using the standard Commission procedures and documents for implementing external operations in force at the time the procedure is initiated.

8.4 Contracts implementing the agreement

- (a) The contracts which implement the financing agreement have to be signed by the two parties within three years of the Commission's adoption of the financial commitment. This deadline may not be extended. At that date any non-contracted funds will be cancelled.
- (b) Any contract that has not given rise to any payment within three years of its signing will be terminated automatically and the funds cancelled.

8.5 Monitoring, evaluations and audits

Appropriate planning and regular monitoring throughout implementation in the form of regular reports will take place. Evaluation during implementation and at the end of

the programme, plus audit of the programme,) will also take place. Point 8.4(a) does not apply to audit and evaluation contracts, which may be signed later.

9. COST AND FINANCING

The Programme will be financed through a proposed Community grant of €63.5 million, allocated as follows among the different priority sectors and sub-sectors:

SECTOR / SUB-SECTOR	Budget (€million)
Justice and Home Affairs	35.0
<i>Justice Reform</i>	
<i>Police and Organised Crime</i>	
<i>Integrated Border Management</i>	
<i>Asylum and Migration Management</i>	
Administrative capacity-building	4.0
Social and economic development	12.0
<i>Local Community Development</i>	
<i>Education</i>	
Environment and natural resources	10.0
Democratic stabilisation	2.5
TOTAL	63.5

10. GOVERNMENT COMMITMENT AND CONDITIONALITIES

Assistance is provided on the basis of the existence of the necessary elements for the continuation of co-operation through assistance, in particular respect of democratic principles and human rights, as well as the obligations of Albania as set out in the Stabilisation and Association process.

Further, and in particular, the Government of Albania will be expected to demonstrate proof of its commitment to fighting organised crime, smuggling and trafficking of all kinds, with special efforts deployed at ports and airports.

Finally, the implementation of the individual projects will only start once the conditions attached to it, if any, are met.

Annex A: indicative schedule for tendering and contracting

Project/component	Indicative tendering procedure	Indicative tender launch date	Indicative contract signature date
01 Upgrade of Ministry of Justice-dependent Institutions			
Korça Prison (Construction)	Works	Q3 2005	Q1 2006
Korça Prison (Furn./Equip.)	Supply	Q3 2006	Q1 2007
Training of Prison Officers	Grant	Q2 2005	Q4 2005
State Publication Centre (Renovation)	Works	Q1 2006	Q3 2006
State Publication Centre (Equip.)	Supply	Q2 2006	Q3 2007
Construction/renovation of pre-trial detention centre(s)	Works	Q3 2005	Q1 2006
Provision of furniture/equipment	Supply	Q3 2006	Q1 2007
02 Strengthening Capacities for the Investigation of Organised Crime and its Prosecution			
Investigation/Prosecution (techn. ass. & training)	Grant	Q4 2005	Q2 2006
Equipment Serious Crimes Court	Supply	Q4 2005	Q2 2006
03 Support to the High Council of Justice and its Inspectorate			
Technical assistance and Training	Grant	Q2 2005	Q4 2005
Furniture and Equipment	Supply	Q2 2005	Q4 2005
04 Establishment of Judicial Systems in Juvenile and Commercial Matters			
Juvenile Justice System (techn. ass. & training)	Grant	Q3 2005	Q1 2006
Detention Centre for Minors (Renov./Const.)	Works	Q4 2005	Q2 2006
Detention Centre for Minors (Furn./Equip.)	Supply	Q1 2007	Q3 2007
Commercial Justice System (techn. ass. & training)	Grant	Q3 2005	Q1 2006
05 General Logistical and Technical Support to the Albanian State Police			
Police Academy and Central Garage and Maintenance Workshop (Renovation)	Works	Q4 2005	Q2 2006
Police Academy (Technical assistance)	Grant	Q4 2005	Q2 2006
Central Garage and Maintenance Workshop (Furn./Equip.)	Supply	Q4 2006	Q1 2007
New Headquarters ASP (Renovation)	Works	Q1 2005	Q3 2005
New Headquarters ASP and Reg. Anti-trafficking Units (Furn./Equip.)	Supply	Q2 2006	Q4 2006
Organised Crime Directorate (technical assistance and training)	Grant	Q2 2006	Q4 2006
Organised Crime Directorate (Equipment)	<i>Derogation*</i>	Q2 2006	Q4 2006
Reg. Anti-trafficking Units (techn. ass. & training)	Grant	Q2 2006	Q4 2006
06 Inter-agency Cooperation in the Fight Against Money Laundering			
Anti-money Laundering (techn. ass. & training)	Grant	Q2 2005	Q4 2005
FIU facilities (Renovation/Construction)	Works	Q4 2005	Q2 2006
IT System (Design)	Services	Q4 2005	Q2 2006
IT System (Equipment)	Supply	Q1 2007	Q3 2007
07 Police Assistance Mission of EC to Albania (PAMECA-bis)			
PAMECA (techn. assist, training & coaching)	Grant	Q3 2004	Q4 2004
08 Support to Border Police and Customs Authorities at the Border			
Border Control Points (Renovation)	Works	Q2 2006	Q4 2006
Training and Technical assistance	TBD	TBD	TBD
Border Control Equipment	Supply	Q2 2006	Q4 2006
09 Assistance to the Ministry of Transport and Telecommunications			
Technical assistance to the PIU	Services	Q1 2006	Q3 2006
Supervision of construction of Levan -Tepelene road	Services	Q1 2006	Q3 2006
Study on road design and road construction standards	Services	Q3 2005	Q1 2006
10 Assistance to the Port of Durres Authority			
Supervision of ferry terminal	Services	Q4 2005	Q2 2006
Master plan	Services	Q3 2005	Q1 2006

Project/component	Indicative tendering procedure	Indicative tender launch date	Indicative contract signature date
11 Support to the Implementation of the Readmission Agreement and Nat'l Migration Strategy			
Centre for Readmitted 3 rd Country Nat'ls and Centre for Asylum Seekers (Renov./Const.)	Works	Q4 2005	Q2 2006
Centre for Readmitted 3 rd Country Nat'ls and Centre Victims of Trafficking (Furn./Equip.)	Supply	Q1 2007	Q3 2007
Readmission, Asylum and Victims of Trafficking (technical assistance and training)	Grant	Q3 2005	Q1 2006
12 Public administration reform			
TA for improving delivery of public services	Serv./grant	Q4 2005	Q2 2006
Technical assistance for Government of Albania training system	Services/grant	Q1 2006	Q3 2006
IT equipment for communications network	Supply	Q1 2007	Q3 2007
Works for renovation of Training Institute	Works	Q1 2006	Q3 2006
13 Development of external audit			
Technical assistance on audit and legal issues, forward planning, training, HRM, ICT and financial accountability	Services/grant	Q2 2005	Q4 2005
14 Upgrading of Ministry of Finance District Offices			
Design for renovation of Treasury District Offices	Service	Q4 2005	Q2 2006
Renovation of Treasury District Offices	Works	Q3 2006	Q1 2007
Supervision	Service	Q4 2006	Q1 2007
Supply of furniture and other equipment	Supply	Q3 2006	Q4 2006
Supply of IT to Budget District Offices	Supply	Q3 2006	Q4 2006
15 Local Community Development Programme			
Work Programme no.1	Works	Q4 2005	Q2 2006
Work Programme no.2	Works	Q2 2006	Q4 2006
16 Creating a decentralised system of VET and lifelong learning			
Technical assistance for decentralisation issues, system-level training, teacher and centre manager training, development of textbooks and work books	Services	Q1 2006	Q3 2006
Local grant scheme	Grants	Q1 2007	Q3 2007
Works for refurbishment of VET centres	Works	Q1 2007	Q3 2007
Equipment for VET schools/centres	Supply	Q1 2007	Q3 2007
17 Tempus			
Joint projects	Calls for proposals	Q3 2004	Q4 2005
Structural measures		Q3 2004	Q2/05-Q1/06
Individual Mobility Grants		Q3 2004	Q2-3/05-Q1/06
18 Hazardous waste management system (Phase II – Construction of landfill)			
Construction of a secure hazardous waste landfill	Works	Q4 2006	Q2 2007
Supervision of construction	Services	Q4 2006	Q2 2007
19 Strengthening of Environmental Monitoring System			
Design, planning and implementation	Services	Q3 2005	Q1 2006
Equipment	Supplies	Q2 2006	Q4 2006
20 Sustainable and Integrated Development of the Tirana-Durres Region			
See Section 2.4 of project fiche	Services	Q3 2005	Q1 2006
21 Construction of waste water treatment stabilisation ponds at Vlore			
Construction of waste water stabilisation ponds	Works	Q3 2005	Q1 2006
Supervision	Supply	Q3 2005	Q1 2006
22 Support to civil status registry system			
IT hardware and software	Supply	Q1 2007	Q3 2007
Technical assistance for management of National Civil Registry Database, including for procedures/instructions, for training and strategic development, and for data entry	Services/grant	Q1 2006	Q3 2006

* This equipment is basically a mobile-phone interception system, which requires special clearance and controlled delivery. Derogation from current procurement rules is therefore required.

NB: Grants will normally be awarded through calls for proposals either open or restricted ⁵, depending on the nature of the assignment. Direct grants will only be awarded in the case of jointly managed co-financed projects as foreseen in the Financial Regulation and the Practical Guide.

⁵ To International Organisations or to Member States' Institutions (for instance, in the case of twinning assignments)