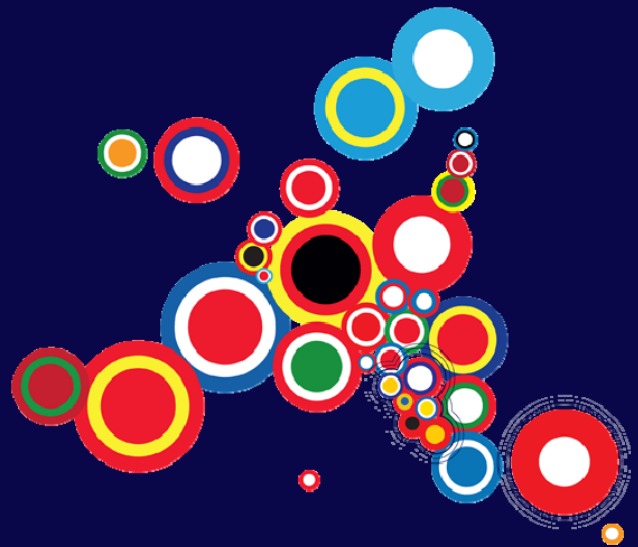




## INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

### ALBANIA

European Union Integration  
Facility



#### **Action summary**

The Action will strengthen the capacity and accountability of the Albanian public administration to guarantee a sustainable role of the Government in the preparation for EU membership. The support will be instrumental in enhancing capacities for alignment and implementation of *acquis* requirements, reforms and strategies.

<b>Action Identification</b>	
<b>Action Programme Title</b>	IPA 2016 Action Programme for Albania
<b>Action Title</b>	European Union Integration Facility
<b>Action ID</b>	IPA 2016/038717.01/AL/ EU Integration Facility
<b>Sector Information</b>	
<b>IPA II Sector</b>	Democracy and Governance
<b>DAC Sector</b>	15110 – Public sector policy and administrative management
<b>Budget</b>	
<b>Total cost</b>	EUR 4,740,000.00
<b>EU contribution</b>	EUR 4,740,000.00
<b>Budget line(s)</b>	22.02.01.01
<b>Management and Implementation</b>	
<b>Management mode</b>	Direct management
<i>Direct management:</i> <b>EU Delegation</b>	EU Delegation to Albania
<b>Implementation responsibilities</b>	Senior Programming Office (SPO): Mr. Sention Zotaj, Ministry of European Integration.
<b>Location</b>	
<b>Zone benefiting from the action</b>	Albania
<b>Specific implementation area(s)</b>	N/A
<b>Timeline</b>	
<b>Final date for concluding Financing Agreement(s) with IPA II beneficiary</b>	At the latest by 31 December 2017
<b>Final date for concluding delegation agreements under indirect management</b>	At the latest by 31 December 2017
<b>Final date for concluding procurement and grant contracts</b>	3 years following the date of conclusion of the Financing Agreement, with the exception of cases listed under Article 189(2) of the Financial Regulation
<b>Final date for operational implementation</b>	6 years following the conclusion of the Financing Agreement
<b>Final date for implementing the Financing Agreement (date by which this programme should be de-committed and closed)</b>	12 years following the conclusion of the Financing Agreement

<b>Policy objectives / Markers (DAC form)</b>			
<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	x
Aid to environment	x	<input type="checkbox"/>	<input type="checkbox"/>
Gender equality (including Women In Development)	x	<input type="checkbox"/>	<input type="checkbox"/>
Trade Development	x	<input type="checkbox"/>	<input type="checkbox"/>
Reproductive, Maternal, New born and child health	x	<input type="checkbox"/>	<input type="checkbox"/>
<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
Biological diversity	x	<input type="checkbox"/>	<input type="checkbox"/>
Combat desertification	x	<input type="checkbox"/>	<input type="checkbox"/>
Climate change mitigation	x	<input type="checkbox"/>	<input type="checkbox"/>
Climate change adaptation	x	<input type="checkbox"/>	<input type="checkbox"/>

## 1. RATIONALE

### PROBLEM AND STAKEHOLDER ANALYSIS

Albania has made steady progress and implemented smoothly its obligations under the Stabilisation and Association Agreement (SAA) and addressed key priorities for the opening of accession negotiations, as well as pursued the necessary reforms to advance the EU integration process.

The **Indicative Strategy Paper for Albania and the last Progress Report 2015** emphasize the need to further strengthen and increase the efficiency of Albania's public administration, both at the central and the local level. A sound and functioning public administration is a prerequisite for progress in many other sectors, and essential for an increase in investments, both foreign and domestic.

The positive response in 2014 to Albania's candidacy for membership in the European Union led the country into a new phase for negotiation preparations, which requires further support for the European Integration process and more efforts towards the establishment of an effective and sustainable public administration.

The **new sector approach**, including sector reform contracts, still requires backing from the line Ministries in preparing national support programmes and sector support programmes. In addition, support is needed in order to prepare mature investment projects with a full set of project documentation in line with EU procedures for programming and EU procurement rules, including capacity building focusing on infrastructure tender procedures and other related complex tenders.

The **2016 EU Integration Facility (EUIF)** will provide *ad hoc* expertise to support EU accession-related reforms, including the fulfilment of the five key priorities for the opening of accession negotiations, and to support the preparation and implementation of actions under IPA, including sector reform contracts.

### OUTLINE OF IPA II ASSISTANCE

Implementation of reforms undertaken by the Government of Albania (GoA) will require **strong cross-ministerial cooperation and expertise for strengthening high-level EU integration capacity**; preparation of EU accession-related documents, studies; assistance for programming under IPA II. Prioritisation of efforts is essential and in this respect, the EU enlargement strategy remains focused on the "fundamentals first" principle. Core issues of the rule of law, fundamental rights, strengthening democratic institutions, including public administration reform, as well as economic governance, development and competitiveness remain key priorities in the enlargement process. As part of the latter, Albania submits on an annual basis an Economic Reform Programme addressing both the medium-term macroeconomic and fiscal policy framework as well as structural reforms.

The **Ministry of European Integration (MEI)** is the main institution benefiting from such support as the leading ministry in implementation of the EU Integration facility. MEI will ensure close cooperation and coordination with other relevant ministries and institutions to implement all planned activities.

### RELEVANCE WITH THE IPA II STRATEGY PAPER AND OTHER KEY REFERENCES

The proposed action is a flexible instrument meant to cover various ad-hoc needs related to EU integration processes set out in the **Indicative Strategy Paper 2014-2020**, focusing on key areas where financial assistance is most useful to meet the accession criteria.

*The progress report 2015 noted that... "Albania has made steady progress in addressing key priorities for the opening of accession negotiations, pursuing a set of reforms necessarily to advance in the EU integration path. Several actions undertaken related to public administration reform and the preparation of a comprehensive judicial reform, as well as other measures to reinforce protection of human rights. In spite of some steps undertaken to improve inter-institutional coordination and working groups in specific sectors have been reorganized to improve monitoring of policy developments and provide strategic advice more*

*effectively, there is a need to substantially strengthening links between policies planning and medium term budget planning".*

**The Indicative Country Strategy Paper (CSP) 2014- 2020** assumes that Albania will remain committed to its EU integration ambitions that it will continue implementing relevant reforms and that the process will continue in the period 2014-2020, including the starting of accession negotiations once the country has achieved the necessary degree of compliance with the membership criteria.

The proposed action supports objectives related to **Democracy and Governance** as a key priority defined in the Indicative Strategy Paper for Albania. More specifically actions will help to meet some key results defined related to: a) democratic institutions conform to legal framework and allowing for consensus building to support EU-related reforms; b) sufficient capacities are in place for managing EU accession processes, including for policy development and preparing and implementing adequate legislation; c) decision making processes follow performance based monitoring, as well as other key priorities defined.

The Government of Albania recently approved the **National Strategy for Development and Integration (NSDI) 2015- 2020**. This action will contribute directly to strengthening Albania's institutional mechanisms, capacities and procedures for strategic and integrated planning at central and sectoral level, to further reinforcing the capacities to properly implement the IPA II actions, as well as contribute to implementation of **the National Plan for European Integration (NPEI) 2016-2020** and NSDI strategy 2015- 2020.

Albania's national plans are envisaged to be aligned with several regional integration initiatives. This includes the commitment to the regional **South East Europe (SEE) 2020** growth targets. Moreover, Albania participates in the new **EU Strategy for the Adriatic and Ionian Region (EUSAIR)** which aims at promoting economic and social prosperity and growth in the region by supporting blue growth, improved connectivity of transport/energy networks, better environmental quality and sustainable tourism actions. The strategy also includes, as cross-cutting aspects: capacity-building, communication, research and innovation and SMEs.

Furthermore, Albania also cooperates in the development of a regional transport network in line with the multi-annual plan of the **South East Europe Transport Observatory (SEETO)**. Albania is a signatory of the Energy Community Treaty. Albania has signed the **Central European Free Trade Agreement (CEFTA)** which prepares the trade policy of the country to meet the standards of EU membership. Finally, Albania participates in the **Environment and Climate Regional Accession Network (ECRAN)** and the **Rural Development Standing Working Group** which enhance regional cooperation in the implementation of environmental and agricultural policies.

Support to EUIF will continue to be provided in consistency with the **EU Enlargement Strategy of Albania**, as well as the **Europe 2020** and **regional strategy SEE 2020**.

## **LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE**

Past and current assistance highlights the need to establish a dedicated network of civil servants that can properly manage the negotiation process and other related EU integration issues. Despite prior and ongoing support, there still exist clear needs in building systems and capacities at the horizontal level in order for the public administration to function better.

In previous programming exercises, it appeared that the programming process was still partly suffering from weak technical capacity and lack of specialised expertise in the beneficiary institutions. This conclusion was reiterated in the study of the readiness of Albania to apply the sector approach<sup>1</sup>. The use of specialised

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<sup>1</sup> Study "Mapping Sector Strategies", Contract 2013/318-972  
[http://ec.europa.eu/enlargement/pdf/financial\\_assistance/phare/evaluation/2014/20140714-mapping-of-sector-strategies-final-report.pdf](http://ec.europa.eu/enlargement/pdf/financial_assistance/phare/evaluation/2014/20140714-mapping-of-sector-strategies-final-report.pdf)

expertise will further improve the country's capacity to develop and implement national sectoral programmes and to prepare mature investment projects in line with EU requirements and best practices.

As regards the link to previous financial assistance, since IPA 2008, the Ministry of European Integration and line Ministries have benefited from the technical expertise mobilised in the framework of the Project Preparation Facility (PPF), implemented through indirect centralised management with the Austrian Development Agency (ADA). Currently, activities are focused on supporting the smooth functioning of so-called Integrated Policy Management Groups (IPMGs) in 4 pilot sectors including a central technical secretariat, the functions of the central and the other IPMG secretariats, and the development of national sector programmes.

**The EU Integration Facility under IPA 2014** is focused on strengthening Albania's institutional mechanisms, capacities and procedures for strategic and integrated planning at central and sector level, further reinforce the capacities to properly manage IPA II actions, but as well continue the above mentioned support to the IPMGs (both existing and new ones to be established), and support the National Investment Committee in order to more easily access grant and loan funding through the WBIF. In addition, it will further support the Ministry of European Integration, target the Parliament and other key institutions in the internal market and energy sector, and last but not least support Civil Society Organisations.

**The EU Integration Facility under IPA 2015** is focused on supporting Albania's civil servants of the Public Administration through capacity building via scholarships for post-graduate masters on policies studies, support to improve regulatory framework and functions of key Albanian Institutions, such as the Bank of Albania and the Competition Authority, support to EU accession processes and preparation of EU accession related documents. Support is provided to CSO's capacity building to increase policy dialogue and awareness on EU integration processes, support to gender mainstreaming to strategies and programmes of the government, and implementation of EU gender equality agenda across EU delegation in Albania and key governmental institutions.

The assistance provided under previous programmes in supporting preparation actions, studies, assessments and technical capacities under direct and indirect management is important to continue in order to ensure institutional sustainability of actions. As implementation of support under IPA 2014/2015 is ongoing, actions under **EUIF 2016 will aim to further support** related to the EUD managed studies, preparatory and capacity building actions, evaluation of EU funded projects and actions, to strengthen high level EU integration capacities and provision of technical assistance and supplies through direct management in view of preparing and implementing IPA activities and actions needed to implement reforms and strategies subject to sector reform contracts.

## 2. INTERVENTION LOGIC

### LOGICAL FRAMEWORK MATRIX

<b>OVERALL OBJECTIVE</b>	<b>OBJECTIVELY VERIFIABLE INDICATORS (OVI)</b>	<b>SOURCES OF VERIFICATION</b>	
To strengthen the capacity and accountability of the Albanian administration to guarantee a sustainable role of Government of Albania in the preparation for EU membership.	<ul style="list-style-type: none"> <li>- Progress made towards meeting accession criteria.</li> <li>- Composite indicator for PAR and governance, notably the average of the index for Government Effectiveness, Burden of Government Regulation and Regulatory Quality</li> </ul>	<ul style="list-style-type: none"> <li>- EC Annual Progress Report</li> <li>- World Bank and World Economic Forum.</li> </ul>	
<b>SPECIFIC OBJECTIVE</b>	<b>OBJECTIVELY VERIFIABLE INDICATORS (OVI)</b>	<b>SOURCES OF VERIFICATION</b>	<b>ASSUMPTIONS</b>
To support alignment and effective implementation of EU acquis actions and improve the planning, implementation and monitoring of national sectors reforms.	- Number of draft laws and by-laws aligned with EU legislation	- EC Annual Country Report;	- Continuous support of MEI and Line Ministries to European Integration process.
<b>RESULTS</b>	<b>OBJECTIVELY VERIFIABLE INDICATORS (OVI)</b>	<b>SOURCES OF VERIFICATION</b>	<b>ASSUMPTIONS</b>
1. National sector programmes/strategies and related actions are developed in key sectors, supporting alignment with, and implementation of, the acquis of the Union, as well as evaluation of EU-funded projects and actions completed.	<ul style="list-style-type: none"> <li>- National sector/inter-sectorial strategies adopted;</li> <li>- Number of evaluations of EU funded projects and actions completed.</li> </ul>	<ul style="list-style-type: none"> <li>- EC Annual Country Report;</li> <li>- IPA II Monitoring Committees;</li> <li>- Implementation review of</li> </ul>	<ul style="list-style-type: none"> <li>- Continuous high-level commitment from the Albanian authorities to the EU accession process;</li> <li>- MEI has sufficient administrative capacity and</li> </ul>

<p>2. Preparatory documents for the use of EU funds are prepared in accordance with EU procedures and sector approaches, enhancing the quality of the programming and implementation of IPA actions, including sector reform contracts</p>	<p>- Number of preparatory documents for the use of EU funds prepared;</p>	<p>the National Strategy for Development and Integration (2015-2020) - IPA II sectorial monitoring; committees;</p>	<p>authority to play a proactive role during facility implementation and speeds up the implementation of actions foreseen in the EU integration facility 2014/2015;</p>
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## **DESCRIPTION OF ACTIVITIES**

The IPA 2016 EU Integration Facility is a continuation of last year's facility with the same name and aims to continue supporting the Albanian public administration in implementing EU integration related reforms, and strengthening administrative capacities in preparation of sector reform programmes and projects.

Technical assistance shall continue to support development of national sector strategies and action plans; acquis-related needs and preparatory studies; increase maturity of action proposals to be presented by the Government for future EU funding through twinning, studies and other capacity development activities.

### **Activities will be as follows:**

1.1 Support to Albanian authorities in order to prepare EU accession-related documents (documentation, analysis, surveys, reviews, assessments, studies), to facilitate alignment with the acquis through capacity-building in line with priorities indicated in the annual report, and to evaluate EU-funded projects and actions.

1.2 Support for the preparation and implementation of IPA actions under direct and indirect management and support to actions needed to implement reforms and strategies related to sector reform contracts, as well as technical support for preparatory studies, and assistance for programming and implementation under IPA II.

## **RISKS**

In meeting the criteria on European standards, Albania generally fulfilled the SAA requirements according to the established deadlines and EU-Albania joint recommendations. Although there is no major risk foreseen to the implementation of this Action Document for 2016, there are still a number of assumptions that should be considered. The Ministry of European Integration and Albanian authorities should maintain high-level commitment to the EU accession process, by undertaking all reforms and commitments agreed. MEI should continue to have sufficient administrative capacity and authority to play a pro-active role during facility implementation and should speed up late implementation of actions foreseen in EUIF 2014/2015.

The EU Delegation will ensure continuous dialogue, regular and open communication, regular monitoring of implementation, to ensure that various potential influencing factors will not hamper actions to further strengthen the EU capacity for EU integration reforms.

## **CONDITIONS FOR IMPLEMENTATION**

There are three main conditions to be fulfilled while the IPA 2016 assistance is provided that will contribute to the efficient implementation of the action:

- Effective communication and active involvement of all stakeholders;
- No fundamental changes in priority setting;
- Sufficient ownership, motivation and support from all stakeholders to effectively and actively implement and monitor sector reform.

## **3. IMPLEMENTATION ARRANGEMENTS**

This action will be implemented via service / framework contract / supply under direct management.

## **ROLES AND RESPONSIBILITIES**

The EU Delegation retains direct management responsibility for both activities. The EU Delegation will however ensure appropriate coordination with the Albanian authorities, notably via meetings of the IPA Monitoring Committee.

## **IMPLEMENTATION METHOD(S) AND TYPE(S) OF FINANCING**

The different activities of this Action will be implemented as follows:

Activity 1.1: direct management by EUD, through indicatively 10 service and / or framework contracts

Activity 1.2: direct management by EUD, through indicatively 5 services / framework and/or supply contracts.

## **4. PERFORMANCE MEASUREMENT**

### **METHODOLOGY FOR MONITORING (AND EVALUATION)**

The responsible structures for monitoring will be the following: (i) at Programme level: Ministry of European Integration/Directorate for Monitoring of EU Assistance Projects; (ii) at Action level: the SPOs at the beneficiary institutions; (iii) at Contract level: the EU Delegation.

According to the IPA II regulation and the Manual for monitoring and evaluation, the terms of reference for the evaluators will be prepared by the Directorate for Monitoring of EU Assistance Projects.

The European Commission may carry out a mid-term, a final or an ex-post evaluation for this Action or its components via independent consultants, through a joint mission or via an implementing partner. In case a mid-term or final evaluation is not foreseen, the European Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner. The evaluations will be carried out as prescribed by the DG NEAR guidelines for evaluations. In addition, the Action might be subject to external monitoring in line with the European Commission rules and procedures set in the Financing Agreement.

**INDICATOR MEASUREMENT**

<b>Indicator</b>	<b>Baseline</b>	<b>Target 2020 (4)</b>	<b>Final Target (year) (5)</b>	<b>Source of information</b>
<b><i>CSP Indicator</i></b> Advancement in the IPA II Country Strategy Paper composite indicator for governance and PAR, notably the average of the index for Government Effectiveness, Burden of Government Regulation and Regulatory Quality	75.37 (2010)	89.54		Index for Government Effectiveness (World Bank), Burden of Government Regulation (World Economic Forum) and Regulatory Quality (World Bank)
Number of draft laws and by-laws aligned with EU legislation	0 (2016)	+ 10	+ 10 (2022)	- EC Annual Country Report;
National sector/inter-sectorial strategies adopted;	22 (2016)	+ 5	+ 5 (2022)	EC Annual Country Report; IPA II Monitoring Committees; Implementation review of the National Strategy for Development and Integration (2015-2020)
Number of evaluations of EU funded projects and actions completed;	0 (2016)	+ 5	+ 5 (2022)	IPA II Monitoring Committees
Number of preparatory documents for the use of EU funds prepared.	0 (2016)	+ 30	+ 30 (2022)	- IPA II sectorial monitoring committees

## **5. SECTOR APPROACH ASSESSMENT**

The GoA approved in May 2016, the National Strategy for Development and Integration (NSDI) for the period 2015-2020. The NSDI provides the strategic framework for all sector and cross-sector strategies and is the backbone of the Integrated Planning System (IPS), which is a set of operating principles to ensure that government policy planning, budgeting and monitoring are linked and operate efficiently. The NSDI guides the Medium-Term Budget Programme (MTBP) and subsequently annual budget allocations by providing policy objectives which are included in the Ministry of Finance's instructions for the budget preparation by the various institutions. The GoA has defined its policy priorities, and subsequently additional sector strategies, most of which are finalised and approved together with the NSDI and some few more remaining will be approved within 2016.

Efforts to ensure co-operation and an appropriate division of labour among donors have been directed by the provisions of the Paris Declaration on Aid Effectiveness, and are performed on the basis of the NSDI and the underlying national strategies.

Due to the need for an integrated, comprehensive and streamlined system to manage the overall policy cycle in key sectors, the GoA has recently adopted the establishment of the Integrated Policy Management Groups (IPMG), a new nexus or system to guide policy development, implementation, monitoring and evaluation and to strengthen sector and donor coordination. The IPMGs will provide a formal structure that brings together senior representatives of the relevant ministries, agencies and development partners in priority sectors – particularly those requiring cross-ministerial cooperation - and allowing them to oversee the entire policy cycle and decide eventual adjustments.

The IPMG system aims to provide the Strategic Planning Committee (SPC) and other high-level government committees (e.g. the Inter Ministerial Committee on European Integration Coordination) with the necessary recommendations for key policy decisions affecting those sectors deemed a priority and which require cross-ministerial cooperation. IPMGs are officially established in four priority sectors: Integrated Water Management; Good Governance and PAR; Employment and Social Policy, Competitiveness and Social Innovation.

## **6. CROSS-CUTTING ISSUES**

### **GENDER MAINSTREAMING**

This action will support the preparation of sectors programmes and strategies with a view to increasing alignment with the Union acquis, which in itself precludes any discrimination based on gender. Throughout the implementation of this Action, attention will be given to ensuring proper gender mainstreaming across various documents, such as programs, policies, assessments or evaluations, etc.

### **EQUAL OPPORTUNITIES**

Equal participation of women and men will be secured through appropriate information and publicity material in the design of Actions and access to the opportunities they offer. An appropriate men/women balance will be sought on all the managing bodies and activities of the programme and its Actions. Special attention will be paid to the linkages between gender-responsive sector priorities and the MTBP.

## **MINORITIES AND VULNERABLE GROUPS**

This action will support the preparation of sectors programmes and strategies with a view to increasing alignment with the Union acquis, which in itself precludes any discrimination based on minorities and vulnerable groups. Throughout the implementation of this Action, attention will be given to ensuring proper attention to the rights of minorities and vulnerable groups across various documents, such as programs, policies, assessments or evaluations, etc.

## **ENGAGEMENT WITH CIVIL SOCIETY (AND IF RELEVANT OTHER NON-STATE STAKEHOLDERS)**

In line with the Civil Society Guidelines 2014-2020, based on Results Framework that sets out objectives, results and indicators for the EU support to civil society, Government Program 2013-2017, new National Plan for European Integration and other sectoral strategies in place or to be developed, MEI will continue to support civil society, and ensure cooperation of line ministries and other central institutions with SCOs in Albania under support to EUIF 2015.

## **ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)**

The planned Action activities do not require any specific environmental considerations. However, due consideration will be given to preparing Environmental Impact Assessments (EIA) for potential future investments in the transport, social, environment and agriculture//rural development sectors.

## **7. SUSTAINABILITY**

The Action will increase the ownership of the Ministry of European Integration regarding the EU integration policy dialogue.

The Action is likely to result in better performance of the Government and Governmental institutions in the fulfilment of its functions, and in better inter-institutional cooperation.

The foreseen impact of the Facility is also better planning, programming and enhanced ownership and sustainability of future IPA Action Programmes for Albania.

The new Civil Service Law, which became effective in February 2015, should guarantee that civil servants trained/coached/mentored with EU funds should stay in the public administration after government changes.

## **8. COMMUNICATION AND VISIBILITY**

Communication and visibility will be given high importance during the implementation of the Action. The implementation of the communication activities shall be funded from the amounts allocated to the Action.

All necessary measures will be taken to publicise the fact that the Action has received funding from the EU in line with the Communication and Visibility Manual for EU External Actions. Additional Visibility Guidelines developed by the European Commission (DG NEAR) will have to be followed.

Visibility and communication actions shall demonstrate how the intervention contributes to the agreed programme objectives and the accession process. Actions shall be aimed at strengthening general public awareness and support of interventions financed and the objectives pursued. The actions shall aim at highlighting to the relevant target audiences the added value and impact of the EU's interventions and will promote transparency and accountability on the use of funds.

It is the responsibility of the beneficiary to keep the EU Delegation and the Commission fully informed of the planning and implementation of the specific visibility and communication activities.

The beneficiary shall report on its visibility and communication actions in the report submitted to the IPA Monitoring Committee and the sectoral monitoring committees.

Beneficiaries and contractors shall respect the EU's visibility guidelines in all communication activities undertaken under this action ( briefings, presentations, press conferences, training and other events) and in the production of all visual communication tools (publications, fax headers, business cards, advertising material etc.).

Also the web-site of the Ministry of European Integration ([www.integrimi.gov.al](http://www.integrimi.gov.al)) will be used as a platform to share relevant information about the activities.