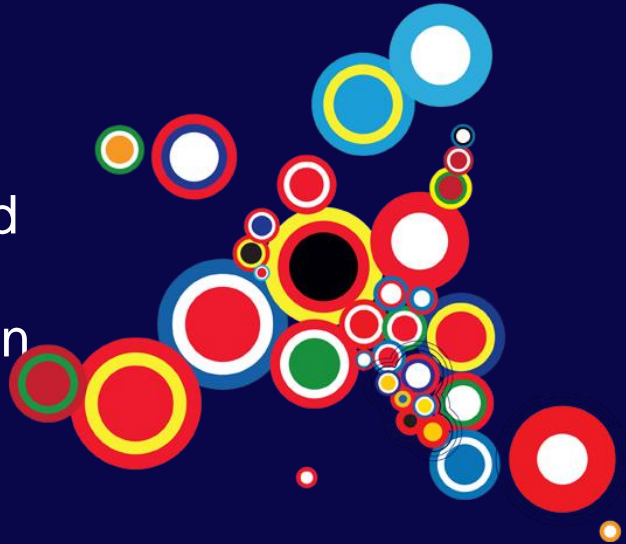




INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

ALBANIA

EU for Economic
Development - Tourism-led
Local Economic
Development, with focus on
Culture Heritage



Action summary

The Action aims at increasing the contribution of sustainable and responsible tourism to Albania's economic growth. It will implement a tourism-led local development model – in coordination with the IPA 2017 action - with focus on cultural heritage. It aims at preserving, conserving and restoring cultural heritage, improving sustainable and responsible tourism in the target area, thus regenerating local economic fabric and urban environment. Additional attractive tourist destinations will increase tourists' spending, the length of the tourist season, provide job opportunities for local population and income in target area. This goes along with a high visibility of EU support.

Action Identification	
Action Programme Title	IPA 2018 Action Programme for Albania
Action Title	EU Economic Development - Tourism-led local economic development, with focus on cultural heritage
Action ID	IPA 2018/ 040-215 /AL/ EU for tourism-led local economic development, with focus on cultural heritage
Sector Information	
IPA II Sector	Competitiveness and Innovation
DAC Sector	33210 – Tourism policy and administrative management
Budget	
Total cost	EUR 6 million
EU contribution	EUR 6 million
Budget line(s)	22.02.01.02
Management and Implementation	
Management mode	Indirect management
<i>Indirect management:</i>	Indirect management by entrusted entity: The European Bank for Reconstruction and Development (EBRD)
Implementation responsibilities	Ministry of Culture
Location	
Zone benefiting from the action	Albania
Specific implementation area(s)	One location amongst Berat, Fier-Mallakstra, Korce, Shkoder
Timeline	
Final date for concluding Financing Agreement(s) with IPA II beneficiary	At the latest by 31 December 2019
Final date for contracting, including the conclusion of contribution/delegation agreements	3 years following the date of conclusion of the Financing Agreement
Final date for concluding procurement and grant contracts	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
Final date for operational implementation	6 years following the conclusion of the Financing Agreement
Final date for implementing the Financing Agreement (date by which this	12 years following the conclusion of the Financing Agreement

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

1. RATIONALE

PROBLEM AND STAKEHOLDER ANALYSIS

With a raising share in world's exports to 7% in 2015, tourism has proven to be an important source of income and job creation in many economies (some estimates point to 10% of the global job market); as it encompasses many different industries and services (both supply and demand) and includes social, cultural and environmental concerns beyond physical development and marketing, tourism has the potential to contribute to sustainable, inclusive growth and competitiveness of Albania. In particular, Albania appears to be ideally situated to meet the shifting demands of an increasingly nature and culture oriented, sustainable tourism market.

The year 2017 was closed with more than EUR 1.5 billion revenues from tourism and over 5 million foreign visitors incoming to Albania. These figures contributed significantly to the country's 4% annual economic growth. Tourism was thus reconfirmed as the main drive of the country's economic growth. The growth trends are even more optimistic, as the World Travel and Tourism Council¹ forecasts indicate an average annual growth of 4.7 % of tourism in direct contribution to gross domestic production. The next decade will be that of tourism, aiming to a total contribution of the sector, by 2028, to be 28.9% of GDP, and 8.8% of total employment. As a result, **tourism is considered a strategic sector** through which Albania can achieve a sustainable long-term growth and competitiveness, thus ensuring effective protection to environment.

With increased public spending on cultural services such as museums and recreational services such as national parks, the Government of Albania (GoA) is committed to the development of tourism in Albania and has made important steps required for strengthening the competitiveness of this sector. During 2016 a number of bylaws pursuant to the law on tourism were adopted. The Economic Reform Programme (ERP) 2017-2019 outlines a set of measures supported by budget allocations to address the need for tourism standardisation.

The new **National Strategy for Culture 2018-2023** (including cultural heritage, art and culture) is under preparation and the first draft has not yet been consolidated

The advanced draft **National Cross-cutting Strategy for Tourism 2018-2022** (including cultural heritage) is under consultation. According to the draft strategy, *"Albania will be recognized as an attractive, authentic and welcoming tourist destination in the Mediterranean and Europe region, based on the sustainable use of natural, cultural and historical resources, for the development of high and diverse quality products and, easily accessible from international markets"*.

Uncertainties over property ownership, lack of formalisation and standardisation in services and poor access to basic infrastructure, energy and waste management remain among the main obstacles to tourism development.

In the area of culture, Albania has an extraordinarily rich and varied resource, but much built heritage is in **need of conservation and better protection** and intangible heritage is also threatened by increasingly rapid change.

Up to now the interventions to revitalise the historical centres have been focused mostly on discoveries and less on the creation of the appropriate infrastructure to allow access to the sites and provide information. However, such opportunities are still hindered by several needs and challenges, including: lack of financial resources for the enhancement of the cultural sector; lack of public and political awareness of the role of cultural heritage; shortage of expertise and technical know-how for the improvement of sector policies; insufficient institutional capacities; lack of relevant data for evidence-based policy making; limited capacity to assess and monitor the impact of policies and measures in the sector. These undermine the country's capacity to face serious threats, such as the deterioration or loss of important elements of its cultural heritage.

¹ <https://www.wttc.org/-/media/files/reports/economic-impact-research/countries-2018/albania2018.pdf>

Similar challenges face the country's superb natural heritage, including Protected Areas, which have weak institutional protection. Addressing all of these areas is a key part of ensuring Albania's future tourism competitiveness.

Although Albania has significant potential for tourism development across the country, it faces challenges associated with **lack of coordination, planning and undisciplined development of the tourism industry**. The competitiveness of the sector is weakened by the lack of well-defined rules and regulations of tourism activities, the absence of any form of classification, licensing, certification and monitoring system enabling higher standards and quality in the sector, and unfair competition due to high level of informality. Having competitive neighbours, high air transport prices, lack of accommodation facilities with large capacities and harmonised standards compared with regional countries, puts more emphasis on the **needs to systematically address the sectorial competitiveness aspects**².

A key competitive challenge faced by the tourism sector is length of tourist seasons. Tourism demand (particularly foreign) is reported to be mainly concentrated in the summer months, with 50% of visitors arriving in July and August. There is a strong need to diversify, expand and integrate tourism by offering a variety of attractions, activities and services including cultural heritage which is an attraction of high interest to enhance opportunities for tourists all year round and increase their spending at the destinations they visit.

Other key constraints from which the tourism sector suffers in Albania include lack of enabling infrastructure, lack of market information, poor customer care, poor promotion and marketing, absence of destination management systems and a touristic product that is often below the expected standards. Even though continuously improving, the overall business climate, including access to finance, hampers small and medium sized enterprises (SMEs) to keep pace with the increasing number of tourists and meeting their requirements.

The other challenges to be addressed regarding tourism competitiveness relate to the **weak capacity** of the Government and the tourism industry **to enhance the attractiveness of the country**, including its rich cultural heritage and under-visited inland regions. There has been limited consensus and cooperation about how to prioritise actions to improve quality and innovation and how to ensure sustainable development.

In addition, there is **limited understanding of responsible tourism**, with the result that environmental damage has occurred through tourism growth (particularly on the coast) and economic and social opportunities have not been always been maximised or fairly balanced.

The Stakeholders

Three ministries and several agencies are responsible for the sector:

- The Ministry of Culture for the establishment of cultural and heritage policies and management of national archaeological parks and museums
- The Ministry of Tourism and Environment for the development, implementation and monitoring of the National Tourism Strategy.
- Ministry of Finance and Economy for the economic development and competitiveness policies.

From a pre-accession perspective, the tourism industry needs to be supported in delivering products, which can compete with the the products of the EU member states. This includes that good governance principles need to be adopted in Ministries, Agencies and municipalities regarding tourism and cultural and natural heritage to contribute to functioning market economy in the sector. Albania is not yet a well known, or a positively regarded tourism destination. There is an opportunity to build on its "undiscovered" reputation and very rich underlying resources in heritage, culture and nature.

Access infrastructure is beginning to be developed and the time is right to put in place cluster /value chain and destination management initiatives which will facilitate tourism product development and diversification, sustainable growth, job creation and a greater sense of pride in heritage amongst Albanian

² Economic Reform Program 2017-2019

citizens. Indeed, Albanians themselves are the main stakeholders for promoting the country's cultural heritage, some of which is enlisted by UNESCO as World Heritage for all mankind.

The tourism sector is complex and is closely connected with other value chains (e.g., transport, agriculture, crafts, creative industries, etc.). This means that any improvements in the tourism sector will have a positive effect also on other interconnected industries and related employment. Therefore, it is important to design interventions for integrated tourism-led local development, with bottom-up, inclusive approaches that are based on priorities and initiatives shaped by local communities.

OUTLINE OF IPA II ASSISTANCE

This Action contributes to the overall objectives outlined in the Indicative Strategy for Albania (2014-2020), and specifically **to enhance the competitiveness of the Albanian economy**.

Focusing on a cultural heritage destination' asset, this action aims at supporting target territory in exploiting their potential to attract visitors, and at raising the quality of tourism offer. This shall ultimately result into an increase in tourists' spending and an extended season beyond the summer months; and it will be of benefit for local population in target areas by generating more job opportunities and income, including changing attitudes of local communities and making EU intervention very visible. By regenerating local economic fabric and urban, rural and natural environment, the action will increase the contribution of sustainable and responsible tourism to Albania's competitiveness and economic growth.

This action further builds on the IPA 2017 EU support to a tourism-led model for Local Economic Development Action, which aims to support local economic development in four territories/regions (Shkodra, Fier, Berat and Korca), tapping under-utilised local/regional potential assets to maximize opportunities for growth and competitiveness. The target of intervention will be selected on the basis of an in-depth analyses of site potential and level of preparedness, based on the selection methodology followed also for the main IPA 2017 Programme.

Main activities under this action would include conservation and restoration works of selected heritage asset(s), infrastructure improvements around the target cultural heritage (CH) site(s), including addressing accessibility, waste management and sanitation requirements at the heritage site(s) as well as developing the site's tourism and economic development potentials. From the exchanges with the Ministry of Culture the following list of potential projects was identified as potential options:

- Fier wider region - Bylis Site –infrastructure and restoration/consolidation works.
- Additional restoration works in monuments located in the four pilot areas of IPA 2017 Programme –such as the consolidation and restoration of fresco in churches (Voskopoje, Vithkuq, Berat and Apollonia).
- Selected locations of the 100 villages Programme of the Government of Albania
- Cultural assets along the route of faith, as examples of peaceful coexistence of the three faiths in Albania.

The detailed activities are described in Section 2 of the Action Document.

RELEVANCE WITH THE IPA II STRATEGY PAPER AND OTHER KEY REFERENCES

The scope of the sector supported by this Action is defined in the EU **Indicative Strategy Paper for Albania (ISP 2014-2020)**: the competitiveness of the economy with a particular focus on **promotion of tourism**, which has a particular potential for growth. This sector is an important element of the EU support to strengthening Albania's economic governance. The ISP also envisages assistance to the preservation of **cultural heritage**³.

The enlargement countries have been asked to prepare annual **Economic Reform Programmes (ERP)** including Competitiveness and Growth Programmes covering key sector reforms underpinning competitiveness; the ERP 2017-19 includes a specific measure on tourism standardization, as well as

³ http://ec.europa.eu/enlargement/pdf/key_documents/2014/20140919-csp-albania.pdf

broader/horizontal measures on the business environment, transport infrastructure (rehabilitation/construction railway line airport-Tirana-Durres) and VET. In Albania, tourism has been identified as a strategic sector that can achieve sustainable long-term growth and contribute to employment as for the National Strategy on Employment and Skills 2014-2020, which aims at promoting quality of jobs and skills opportunities for all Albanian, women and men, throughout the lifecycle, an area where EU is particularly focused with IPA II Budget Support for the Employment & Skills Sector (€27 million plus €3 million for technical assistance)⁴ targeting measures to increase youth and female employment and the reform of the VET system.

The overall objective of the action corresponds to the objective of the **National Strategy for Development and Investment (NSDI) 2015-2020**: to improve competitiveness and economic growth of Albania through high quality and sustainable tourism.

The **draft Tourism Strategy 2018-2023** aims that Albania will be recognized as an attractive, authentic and welcoming tourist destination in the Mediterranean and Europe region, based on the sustainable use of natural, cultural and historical resources, for the development of high and diverse quality products and, easily accessible from international markets. The main policy objectives in the field of tourism will be: Increasing tourism's contribution to the country's total income; Balanced tourism supply and services development; Employment growth in the tourism sector; Improving living standards and alleviating poverty in touristic areas throughout the country; increase of tourism expenditures (public investments); increase of revenues from tourist activities and services; and provision of legal and institutional protection of the rights of passengers and visitors.

The **EC Annual Report 2018 for Albania underlines that** in the area of **enterprise and industry policy instruments**, the Albanian Investment Development Agency has implemented and manages dedicated funding instruments that stimulate entrepreneurship in tourism, handicrafts and innovation and to support inward processing industry and competitiveness.

The **Action of the IPA 2017 EU support to a tourism-led model for Local Economic Development** will improve sustainable and responsible tourism, thus regenerating local economic fabric and urban environment. More and attractive tourist destinations will increase tourists' spending, the length of the tourist season, job opportunities for local population and income in target areas. The model will be extended to other locations, which will be selected based on their needs and potential for local development, in line with the Albanian regional development policy. Municipalities can receive support for the upgrading of municipal and business related infrastructures, improved energy efficiency and increased climate resilience, regional connectivity, and municipal services. Support to growth and competitiveness will also include improving the innovative eco-system and boosting start-ups creation.

This action is a complementary to the IPA 2017 Tourism led support with the aim to reinforce the culture heritage part. The action will take place in one of the locations identified to further enhance and preserve the attractiveness of cultural heritage asset(s).

The Albanian **Strategy for Environment** shall be taken into account at nature protected areas. Any investment aiming at boosting tourism shall respect environment laws and be in accordance with the acquis, particularly with the Environmental Impact Assessment, Natura 2000 and Birds Directives. The national adaptation to Climate Change Strategy on dealing with climate change vulnerability will also be taken into consideration.

The **EU Strategy for the Adriatic and Ionian Region (EUSAIR)**, where Albania is co-responsible for the coordination of the priority area "Sustainable Tourism"⁵, with focus on diversified tourism offers (products and services), and sustainable and responsible tourism management (innovation and quality).

⁴ https://ec.europa.eu/neighbourhood-enlargement/instruments/funding-by-country/albania_en

⁵ <http://www.adriatic-ionian.eu/about/pillars>

During the period 2014-20 Albania will continue to participate in the **Mediterranean Interreg programme**. The Mediterranean programme is based on different thematic areas, which include the protection of natural resources and cultural heritage.

Albania has adopted the National Action Plan for implementing the **Strategy SEE 2020**⁶, which harmonises the sectoral policies with SEE 2020 objectives, in accordance with the dimensions specified in the SEE 2020 Action Plan. Under the EU 2020 Flagship Initiative, "An industrial policy for the globalisation era", the Commission will work at the EU level to enhance the competitiveness of the European tourism sector to which this action is aligned.

IPA II CBC Programme Albania-Kosovo and Montenegro – Albania 2014-2020, with thematic priority on encouraging tourism, culture and natural heritage as a way to promote the economic development of the areas.

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE^{7 8}

The purpose of past EU funded projects was mainly to improve the working and living conditions of the inhabitants of the selected area, to revitalise the entire neighbourhood, and to diversify economic and enhance tourism activities around those historical places. The projects aimed at rehabilitating and renewing the existing infrastructure services and road to improve access to these areas. The new integrated approach includes linking tourism facilities, transport, environmental services, economic opportunities to cultural heritage management and preservation.

Evaluations of IPA assistance 2007-2013 highlighted the need for better indicators and alignment to national priorities. This Action is well in line with major strategy documents as Tourism is recognized as priority sector, while earlier indicators were not always based on reliable data or were not available, in the draft Tourism strategy there is a list of 23 indicators with respective data.

The evaluation report also highlighted the risk that infrastructure projects may encountered implementation problems, mainly due to a lack of coordination among line ministries and between national and local institutions, and lack of national funds for maintenance and operational costs, with implications for the projects' long-term sustainability. The Action will address this issue by looking at investment projects that are already part of approved Local Economic Development Plans / Tourism Master Plans. Key problem for developing effective sequencing was that in some cases follow up projects were implemented before earlier projects had been completed and delivered their outputs and results. To enhance capacities tailored workshops and several visits took place to target areas jointly with relevant Ministries' representatives and attended by municipalities representatives, key donors, active non governmental organisations and private sector operators.

In addition to the EU support, there have been numerous previous actions in the area of tourism in Albania funded by other donors. The country has received technical assistance from the United Nations (UN), Japan International Cooperation Agency (JICA), Germany (GIZ) and from Italy, Sweden, Spain, the Czech Republic, other European countries and the United States. The World Bank has also lent significant funds for tourism development projects. Monitoring activities have been carried out for various projects including those of the World Bank, United Nations and the EU. On-going monitoring mechanisms are also built into these projects. The absence of an overall national tourism strategy to date has resulted in largely fragmented, uncoordinated and unconnected interventions, with limited absorption of lessons learned to date. Donor mapping has been updated to ensure complementarity of EU financing with other actions.

⁶ Through the Decision of the Council of Ministers no. 611, dated 17.09.2014

⁷ Mid-term Meta Evaluation of IPA Assistance (2007-2013), Final Evaluation Report, 2011 (FWC Commission 2007, Lot No 4) - Evaluation mainly covering Component I of IPA whereas IPA Components II-III-IV-V covered only to a limited extent.

⁸ Interim Evaluation of Cross-Border Programmes between Candidate/Potential Candidate Country (Intra-Western Balkan Borders) under the Cross-Border Cooperation Component of IPA, 2010 and 2011

2. INTERVENTION LOGIC

LOGICAL FRAMEWORK MATRIX

OVERALL OBJECTIVE (OO) / IMPACT	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	
<p><i>OO: To enhance the contribution of high quality and sustainable tourism to economic growth and competitiveness of Albanian regions.</i></p> <p><i>(Aligned with Indicative CSP objective: Support for economic, social and territorial development and with NSDI objective: a recognized and attractive tourism industry)</i></p>	<p><i>NSDI indicators:</i></p> <ul style="list-style-type: none"> - Direct contribution of Tourism to GDP (percentage) - Direct contribution of tourism to employment (percentage) 	<p><i>INSTAT,</i></p> <p><i>WTTC</i></p>	
SPECIFIC OBJECTIVES (SO) / EXPECTED OUTCOMES (EO)	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS
<p><i>SO1. To enhance and preserve the attractiveness of cultural heritage assets in one target site</i></p>	<p><i>Number of tourists visiting CH/natural asset(s) in target destination per year</i></p>	<p><i>Municipal statistical data</i></p>	<p>The results/objectives of the National Adaptation to Climate Change Strategy on dealing with climate change vulnerability are taken into consideration</p> <p>-A Interministerial Committee will be established with the involvement of key stakeholders, and the Ministry of Culture will serve as Technical secretariat for the Coordination Body.</p> <p>The mobilisation of key stakeholders in the target territories, including local authorities, civil society and private sector, is effective.</p>
RESULTS / OUTPUTS	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS
<p><i>Result 1.1: Preserved and restored cultural heritage in the target site.</i></p> <p><i>Result 1.2: Improved accessibility and enhanced sustainability of CH in the target site</i></p> <p><i>Result 1.3: Skills on preservation, restoration and management of experts of relevant CH are improved</i></p>	<p><i>Number of additional cultural heritage assets and infrastructure objects conserved and/or restored</i></p> <p><i>Customer satisfaction score on the scale of 0-10 (based on surveys at target area)</i></p> <p><i>Number of experts of relevant public institutions, and CH and natural sites, trained in preservation, restoration and management of CH assets (disaggregated by sex)</i></p>	<p><i>WEF survey</i></p> <p><i>Survey</i></p> <p><i>Project/programme reports</i></p>	<p>CH assets restored by the IPA II interventions, continue to be maintained and preserved by the beneficiaries</p>

(*) All indicators should be formulated as measurement, **without specifying targets in the Logical Framework Matrix**. The targets should be included in the performance measurement table in section 4. More detailed guidance on indicators is provided in Section 4 on performance measurement.

(**) Relevant activities have to be included only in the following sub-section.

DESCRIPTION OF ACTIVITIES

This sub-section provides the details of the planned activities, itemised per expected result.

SO1. To enhance and preserve the attractiveness of cultural heritage asset(s) in a target site

Result 1.1: Preserved and restored cultural heritage in the target site.

Planned (indicative) activities

1. Checking the quality of the existing designs, if existing, and indicate the necessary steps to revise and/or finalise them (timeline and budget);
2. Screening of the existing options through the eligibility criteria and priority criteria (in line with IPA 2017 Programme) and define the targeted site;
3. Based on the initial assessment, if necessary, undertake feasibility studies, Environment Impact Assessment and detailed design for the agreed future interventions
4. Implement and supervise works for conservation and restoration works of selected heritage;

Result 1.2: Improved accessibility and enhanced sustainability of CH in the target site

Planned (indicative) activities

1. Map the existing CH signage, identify needs for improvement, and install new or improved signage/signalling in the targeted CH areas
2. Implement small infrastructure improvements required for better access (including access for people with disabilities, roads, cycle paths, walking routes) to the heritage sites with visitor management facilities in place (visitor reception, parking facilities in accordance with international best practice, sanitary facilities, etc.); where feasible, introduce green transport options to heritage sites with visitor management facilities in place

Result 1.3: Skills on preservation, restoration, and tourism management and management of heritage site of relevant public institutions in CH and natural sites, are improved.

Planned (indicative) activities

1. Provide training to municipality and management staff of heritage and natural attractions in business planning skills, conservation, responsible tourism management, and management of heritage, including visitor management using rights based and a gender sensitive approach.
2. For accessing sensitive heritage sites, introduce international best practice and define the options with local government and community

RISKS

Moderate risk: Weak mechanisms for inter-ministerial coordination and communication related to the Competitiveness and Innovation sector (and specifically, tourism) is an on-going concern for the development and strategic coordination of the sector. The sector coordination mechanism, is yet to become effective. - Mitigation measure: EU will carry out policy dialogue for inter-ministerial and sector reform specific coordination mechanisms.

Moderate risk: Strain on local resources as a result of increased influx of tourism - Mitigation measure: Mitigation measures will be systematically included in environmental impact assessment (EIA) for every intervention that is planned, and their implementation carefully monitored. With continuous policy dialogue with GoA, responsible tourism principles will be fostered in Government, Municipalities and the tourism

industry; robust site management plans and training in site protection measures specific to the sites themselves will be deployed.

CONDITIONS FOR IMPLEMENTATION

The National Tourism Strategy and Culture Strategy are adopted.

3. IMPLEMENTATION ARRANGEMENTS

ROLES AND RESPONSIBILITIES

Since the Action is the extension of the IPA 2017 Programme it will be monitored in coordination with the **Steering Committee** of the IPA 2017 Programme for decision making, implementation and monitoring.

The **Ministry of Finance and Economy (MFE)** is responsible for competitiveness however due to the cultural heritage aspects the implementation of the action shall be coordinated by the **Ministry of Culture**. The **municipality** of the targeted site will be a beneficiary of the Action.

An **Inter-ministrial Committee (IC)** will be established with the involvement of key stakeholders, (i.e. National IPA Coordinator, Ministry of Finance and Economy, Ministry of Culture, Ministry of Tourism and Environment, local actors at the target destinations). The Ministry of Culture will serve as Technical secretariat for the IC. The IC will be the policy and implementation dialogue structure bringing together relevant actors and donors active in the sector. Through this government-donors dialogue structure, the EU will address key policy and implementation related issues..

Other institutions involved in the implementation are the institutions related to Art, Culture and Cultural Heritage under the responsibility of the Ministry of Culture: Institute of Cultural Monuments, the Agency of Archaeological Services, The National Centre of the Cultural Property Inventory, National Centre of Folk Activities, the Regional Directorate of National Culture in targeted areas.

EBRD will be responsible for carrying out all the tasks relating to the implementation of the action. In particular, it shall be responsible for the contracting, implementation, information and visibility, monitoring and reporting of IPA II activities, and the evaluation thereof whenever relevant, in accordance with the principle of sound financial management, and for ensuring the legality and regularity of the expenditure incurred in the implementation of the programme

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

Indirect management with the European Bank for Reconstruction and Development (EBRD). The above entity has been pillar assessed; the choice is in respect of the Financial Regulation applicable to the general budget of the Union.

4. PERFORMANCE MEASUREMENT

METHODOLOGY FOR MONITORING (AND EVALUATION)

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. 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

Indicator	Baseline (value + year) (2)	Target 2020 (3)	Final Target (2022) (4)	Source of information
Doing Business - Distance to frontier (score) 1 (Best) - 100 (Worst)	(63.79 2010)			
⁹ (OO): To enhance the contribution of high quality and sustainable tourism to economic growth and competitiveness of Albanian regions.				
NSDI: - Direct contribution of Tourism to GDP (percentage of GDP)	2017 – 8.5 %	9,4 %	9,8 %	WTTC
NSDI: - Direct contribution of tourism to employment (percentage of total employment, with the option of sex disaggregated data format)	2017 – 7.7 %	8.8 %	9,3 %	WTTC
SO1. To enhance and preserve the attractiveness of cultural heritage asset(s) in a target site				
Number of tourists visiting CH/natural assets in target destination per year	(2016) Berat: 59,327 (Castel) Fier: 38,000 (Apollonia, Bylis and beaches); 182,000 (Divjake National Park) Korca: 30,000 average Shkoder: 200,000 (including Velipoja sun and sand tourism, Shkodra mainly cultural/historical tourism and Thethi natural/adventure	Berat: 65,260 Fier: 242,700 Korca: 33,000 Shkoder: 220,000	TBC Berat: 72.000 Fier: 266,600 Korca: 36,300 Shkoder: 242,000	Municipal statistical data

⁹ Sex disaggregation by women/girls, men/boys. If the indicator is disaggregated by sex, please provide separate values for baseline, milestone and target values for female/male,

Indicator	Baseline (value + year) (2)	Target 2020 (3)	Final Target (2022) (4)	Source of information
	tourism)			
Result 1.1: Preserved and restored cultural heritage, natural and other local assets.				
Number of additional cultural heritage assets and infrastructure objects conserved and/or restored	0	0	1	Project/programme reports
Result 1.2: Improved accessibility and enhanced sustainability of CH, natural and other local assets				
Customer satisfaction score on the scale of 0-10 (based on surveys at target area)	0	8	10	Project/programme survey reports
Result 1.3: Improved skills through training provided to potential local tourism services/product providers in the target areas				
Number of employees trained	M: 0 F: 0	M: 7 F: 7	M: 15 F: 15	Project/programme reports

(1) This is the related indicator as included in the Indicative Strategy Paper (for reference only)

(2) The agreed baseline year is 2010 (to be inserted in brackets in the top row). If for the chosen indicator, there are no available data for 2010, it is advisable to refer to the following years – 2011, 2012. The year of reference may not be the same either for all indicators selected due to a lack of data availability; in this case, the year should then be inserted in each cell in brackets. The baseline value may be "0" (i.e. no reference values are available as the Action represents a novelty for the beneficiary) but cannot be left empty or include references such as "N/A" or "will be determined later".

(3) The target year CANNOT be modified.

(4) This will be a useful reference to continue measuring the outcome of IPA II support beyond the 2014-2020 multi-annual financial period. If the Action is completed before 2020 (year for the performance reward), this value and that in the 2020 target column must be the same.

5. SECTOR APPROACH ASSESSMENT

The Tourism sub-sector in Albania is part of the Competitiveness and Innovation sector. In terms of sector approach assessment criteria, the following observations can be made¹⁰.

Criteria 1 – National sector strategies and budget appropriation

Although there is no single strategy addressing competitiveness and innovation as a mainstreaming policy for the sector, the NSDI is a coherent but broad strategic framework, representing a fairly good synthesis of all sector and cross-cutting strategies in the country, as well as other planning documents for reforms. The strategy is of solid good quality, with clearly defined priorities, covering the identified needs fairly well.

The National Strategy for Culture 2014-2020 (including cultural heritage, art and culture) is under preparation and the first draft has not yet been consolidated

The National Cross-cutting Strategy for Tourism 2018-2022 (including cultural heritage) is not yet adopted, but an advanced draft is under consultation. According to the draft strategy, "Albania will be recognized as an attractive, authentic and welcoming tourist destination in the Mediterranean and Europe region, based on the sustainable use of natural, cultural and historical resources, for the development of high and diverse quality products and, easily accessible from international markets". Uncertainties over property ownership, lack of formalisation and standardisation in services and poor access to basic infrastructure, energy and waste management remain among the main obstacles to tourism development.

In Albania, further improvements are recommended for the quality of strategies and their successful implementation. Both are closely linked to an effective strategic planning process involving stakeholders and groups of interest, proper resources, management capacities, and effective monitoring and reporting systems. In Albania, the elaboration of strategic documents still depends on external financing and the sector allocations are in general low and thus do not cover the identified needs.

Criteria 2 – Institutional setting, leadership, capacity and the performance framework

The lead institution for cultural heritage is the Ministry of Culture with good technical capacities and experience. However, in terms of capacity and performance monitoring framework, more efforts are needed to address: deficient staffing issues, overcrowded and blurred tasks and responsibilities, ad hoc operations, high turnover of personnel, insufficient coordination and slow internal regulatory processes of public administration.

Criteria 3 - Sector and donor coordination

An **Inter-ministrial Committee (IC)** will be established with the involvement of key stakeholders, (i.e. National IPA Coordinator, Ministry of Finance and Economy, Ministry of Culture, Ministry of Tourism and Environment, municipality representatives and local actors at the target destinations). The Ministry of Culture will serve as Technical secretariat for the IC. This is expected to be also the main donor coordination structure of the sector.

6. CROSS-CUTTING ISSUES

GENDER MAINSTREAMING

Gender equality constitutes a basic principle of international and regional human rights instruments that the country has signed and ratified. While no evidence has been collected for different treatment of staff on the ground of the sex, this action will still address this cross-cutting issue in promoting equal opportunities for men and women through all actions supported under the IPA II. In addition, where possible, gender-sensitive

¹⁰ Based on EU IPA Programme Mapping of Sector Strategies, 2014

indicators for measuring the success of the projects will be addressed i.e. Number of women and Number of men, benefiting from the action (absolute number and % of all final beneficiaries).

According to the survey undertaken by the German Technical Cooperation in Tirana on Creative Industries in Albania (2011), 78% of the persons employed in the artisan field are women. Moreover, almost half of all handicraft businesses are owned/managed by women (including self-employed individual artisan women). In terms of individual professions, the division is very gender typical: enterprises managed by women usually produce textiles, carpets, laces, crochet works and embroidery products. Men tend to work in wood carving, stone carving, blacksmithing etc. Out of 108 fashion design businesses operating in Albania, 93% are owned or run by women. In the context of tourism-related crafts production, this is important dynamic that will need to be taken into account (particularly with regard to revival of crafts production in the target regions, and youth entrepreneurship and employment).

In addition, there is a significant gender dimension to small family-run, home-stay businesses which are maintained by women's informal labour and often provide women with the only significant income source. Therefore, the particular impact of standardization measures in the sector of tourism needs to be assessed from a gender perspective. It is important to accompany support measures for training and upgrading in order to provide equal opportunities for women to participate in and complete standardization process.

Another concerning issue related to tourism is the disproportional share of women work in informal and unprotected arrangements and in unskilled, ancillary jobs, limiting professional development and productivity. Respective support measures need to be undertaken to intentionally address such issue and effectively contribute to reduce informality and fostering sustainable tourism. A gender analysis will be undertaken as part of actions in the sector which will further inform mainstreaming across all activities and measures, also ensuring that risks of gender – based violence and different forms of exploitation of children are carefully considered.

The National Women's Entrepreneurship Action Plan (2014-2020) aims to improve the overall business environment for women in Albania.

EQUAL OPPORTUNITIES

During the implementation of the action, equal opportunities will be guaranteed. Human resources, strategic plans and policies will reflect contemporary working practices and take into account equal opportunities and gender issues.

Increased responsiveness of Local Government Units (LGUs) will be supported in order to satisfy the marginalised groups' demand and enable them to exercise their rights of equal access to services. This is consistent with sustained efforts to achieve EU standards and Sustainable Development Goal 11 – Reduced Inequalities.

The design and implementation phases of the Action activities will allow equal opportunities participation of people with disabilities, (forexample, access to Tourism Facilities and Cultural Heritage sites will be adapted to their needs).

All contractors shall be requested to provide monitoring data recording the participation of men and women in terms of expert inputs, as a proof of equal participation of men and women in the different phase. Enforcement of those principles is likewise ensured through specific administrative procedures applied in accordance with the Law on non-discrimination. In the implementation of activities under this action, the same principles shall apply, so that participation in the envisaged activities will be guaranteed on the basis of equal access regardless of sex, ethnic origin, religion or belief, disability, age, etc.

MINORITIES AND VULNERABLE GROUPS

All interventions will follow the principle of "doing no harm" and respect the rights of all individuals, including children, women, people with disabilities, minorities and other vulnerable groups. In alignment with the International Convention for protection of Children from Labour and Sexual Exploitation and national legislation, all interventions will ensure responsible and ethical tourism, where all businesses will sign the Code of Ethics for protection of children from all forms of exploitations.

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

Most of the key decision-making and co-ordination bodies that have, or could play a role in regional development in Albania have little civil society participation. Therefore, this urges for a strategically planned and continuous dialogue among public bodies, economic interest groups, as well as civil society organisations.

The identification and formulation of this intervention was based on participatory approach through organisation of brainstorming workshops in the target areas, and is taking into account the suggestions for priority interventions from a variety of non-state stakeholders, including CSOs, NGOs, private sector organisations and enterprises.

The implementation of IPA 2017 Tourism LED Action as well as this Action do place an emphasis on a broad, multi-level and cross-cutting participation of various stakeholders, including the civil society. The process of strategic planning and decision making on tourism-led territorial development should allow a closer connection among the public, private and civil society in key related areas, e.g.: rural and mountain tourism, local value chains, accessibility services, local employment initiatives, etc. Implementation of actions will ensure engagement at local and national level with civil society active in the area of tourism, business development, and specifically oriented to supporting social enterprises for vulnerable groups.

ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)

The European Union has a longstanding commitment to address environmental concerns in its assistance programmes (as part as a wider commitment to sustainable development). Environmental aspects are always considered in providing EU support and there will be no exception to this rule by ensuring that none of the funded projects will have harmful impact on the environment.

The intervention is strongly focused on preservation and restoration of cultural heritage, as well as natural assets in the target destinations. This will include environmental impact assessment, as well as identification of new risks related to climate change. The possibility of introducing labels for green tourism will be considered, in order to support green activities and ventures.

In addition, this Action will seek to mitigate major risks such as irresponsible exploitation and management of certain natural and cultural heritage assets which are recognized to have strong tourism potential in the target destinations. Respective measures during policy-making, implementation and monitoring stages, will be undertaken to ensure the sustainability of the touristic products, preservation of assets and a responsible tourism development.

Coastal tourism will not be supported in order to avoid the risk of contributing to the over exploitation of those areas.

7. SUSTAINABILITY

Past experience shows that ensuring sustainability of donor-supported tourism projects can be challenging in Albania. Partly this has been due to the lack of consistent policy environment which coordinated donor support and absorbed lessons learned, but there is also a need to invest in sound baseline and feasibility studies, needs analysis and market research to guide interventions. Ensuring the active involvement of the business sector from the outset of projects is very important as success in tourism is primarily dependent on robust and diversified private sector development, with the Government playing the enabling and facilitating role. With private sector ownership and leadership, benefits and results achieved are more likely to be sustained beyond the implementation period. A key aspect of the intervention needs to focus on ensuring a strong product-market match, so that initiatives supported are clearly aimed at addressing the needs of identified market segments, international and domestic.

Investment in heritage attractions, and in preserving natural assets, is in itself sustainable when conducted to a high standard of conservation. Unique assets can be preserved for the next 100 years or more, which would otherwise be lost. Careful investment in these assets will help to ensure that Albania's tourism industry can be sustainable and competitive, and that the assets will be preserved for future generations.

The key factors which can impact on sustainability include the extent to which there is strong local ownership of initiatives; the extent to which the industry and Government are committed to responsible approaches to tourism development (economic, socio-cultural and environmental); the extent to which products developed are linked to and made known to the market; and the extent to which support mechanisms are based on robust feasibility assessments (including realistic consideration of post-Action scenarios). Institutional management capability is acknowledged as an area where strengthening is required in Albania to ensure sustainability; and this is also a key area which the Action seeks to address.

Finally, the integration of the key principles of public administration and the 'Better Regulation' approach into envisaged assistance will also contribute to sustainability of results. In particular, any support on acquis alignment, legislative or policy development shall be done in an inclusive and evidence-based manner; any training, capacity-building and human resources development activities shall be coordinated with the institution that is centrally responsible for human resources management and professional development of civil servants. Any guidelines developed by EU assistance shall be simple enough to allow revision by the beneficiary administrations without further external support; finally any new law or administrative procedures shall not contradict any existing law or procedure or rather ensure their harmonisation

8. COMMUNICATION AND VISIBILITY

Tourism presents particularly strong opportunities for achieving effective visibility, not only in the beneficiary country but also back in the markets from which tourists arrive. In addition, good visibility can be achieved online through tourism and heritage websites that may be supported or developed under the Action. All tourism visibility activities will be delivered in a strategic way because the development of communications strategies will be part of the destination marketing. Visibility in relation to cultural and natural heritage preservation aspects of the Action will be ensured both on site and online.

Communication and visibility will be given high importance during the implementation of the Action, with clear description on how the entrusted entity will carry out visibility activities and what results are expected; on this regard, a significant allocation of resources (possibly of at least 1 % of total budget) shall be negotiated with the entrusted entity and clearly mentioned in the description of 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 EU Communication and Visibility requirements in force. All stakeholders and implementing partners shall ensure the visibility of EU financial assistance provided through IPA II throughout all phases of the programme cycle.

Visibility and communication actions shall demonstrate how the intervention contributes to the agreed programme objectives and the accession process, as well as the benefits of the action for the general public. 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. Visibility and communication aspects shall be complementary to the activities implemented by DG NEAR and the EU Delegations in the field. The European Commission and the EU Delegations should be fully informed of the planning and implementation of the specific visibility and communication activities.