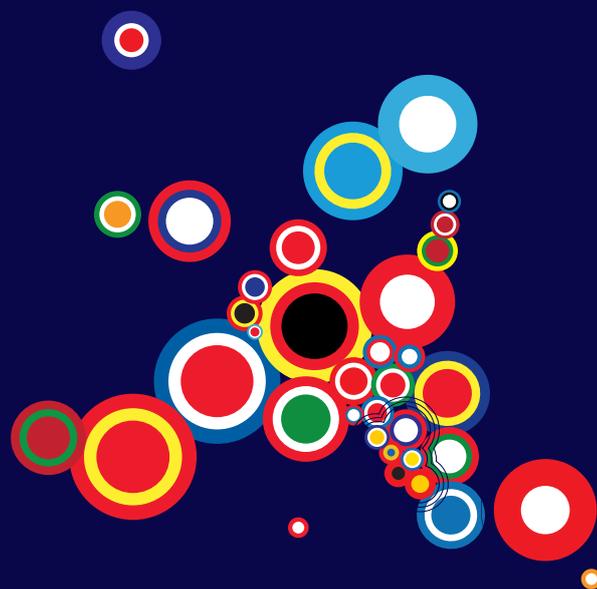




INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

ALBANIA EUROPEAN UNION INTEGRATION FACILITY



Action Summary

The action will strengthen capacity and accountability of the Albanian administration to guarantee a sustainable role of the Government in the preparation for EU membership. It will support effective implementation of EU Acquis actions and improve the planning, implementation and monitoring of national sectors reforms. Activities under this action will also enhance cooperation and policy dialogue with the CSOs and increase awareness on EU Integration process in Albania

Action Identification	
Programme Title	IPA 2014 Action Programme for Albania
Action Title	European Union Integration Facility
Action Reference	IPA 2014/032813.02/AL/Project preparation component of the EU Integration Facility IPA 2014/032813.03/AL/EU Integration Facility
Sector Information	
ELARG Sectors	Democracy and governance
DAC Sector	15110 - Public sector policy and administrative management
Budget	
Total cost (VAT excluded) ¹	EUR 13,746,389
EU contribution	EUR 13,746,389
Management and Implementation	
Method of implementation	Direct and indirect management
EU Delegation in charge	EU Delegation to Albania for the project preparation component - activity 1.4 under direct management
Responsible Unit or National Authority	Ministry of Finance - Central Finance and Contracting Unit (CFCU) - activities 1.1; 1.2; 1.3; 2.1 and 3.1 under indirect management PAO: Mrs. Anila Tanku, Head of CFCU National Public Body
Implementation responsibilities	Senior Programming Officer (SPO): Mr. Sention Zotaj, Ministry of European Integration
Location	
Zone benefiting from the action	Albania
Specific implementation area(s)	N/A
Timeline	
Deadline for conclusion of the Financing Agreement	At the latest by 31 December 2015
Contracting deadline	3 years following the date of conclusion of the Financing Agreement, with the exception of the cases listed under Article 189(2) Financial Regulation
End of operational implementation period	6 years following the date of conclusion of the Financing Agreement.

¹ The total action cost should be net of VAT and/or of other taxes. Should this not be the case, clearly indicate the amount of VAT and the reasons why it is considered eligible.

1. RATIONALE

PROBLEM AND STAKEHOLDER ANALYSIS

At the General Affairs Council meeting of 24th June in Luxembourg, Ministers from the EU Member States have agreed – based on the recommendation by the European Commission - to grant EU candidate status to Albania, which confirmed by EU heads of states at the European Council on Friday 27 June 2014 in Brussels.

This positive response on Albania's candidacy for membership in the European Union will lead the country into a new phase for negotiation preparations, which will require further support for the European integration process.

Therefore further assistance is required to support EU Acquis alignment and further develop mechanisms and tools for improving organisational structure and the efficiency and effectiveness of government authorities through changes and amendments of existing legislation as well as through their implementation.

There will be the need to further increase knowledge of Albania's integration process and its implications in becoming Candidate Status, particularly among key target groups and increase general understanding of the EU policies and programmes among the population at large including the close involvement and dialogue with the Albanian Civil Society.

To ensure the effective implementation of the European Integration agenda, the Sector Working Groups (WG) coordinated by the Albanian Prime Minister Office need to have a crucial role in the process, in planning and monitoring the implementation of the Albanian sector strategies, including coordination of various stakeholders, discussion and assurance of sustainable and harmonised approaches as well as defining national sector programmes in line with the NSDI and MTBP.

There is also a need to streamline the coordination between Sector WG and other key EU and Government structures such as IPA sub-monitoring committees foreseen under IPA II, the sub-committees for the SAA, as well as the Delivery Unit newly established under the lead of the Prime Minister Office.

The action will be also important in view of the proposals by the EU and other donors to consider providing sector budget support to Albania in the future.

Therefore assistance is required for strengthening capacity of the Ministry of European Integration and Line Ministries in planning, implementing and monitoring national sector strategies and needs for support to preparation of national support programmes, sector support programmes and where required infrastructure planning master plan, investment pipeline, etc.

RELEVANCE WITH THE IPA II STRATEGY PAPER AND OTHER KEY REFERENCES

This action will support the priorities set out in the Country Strategy Paper focusing in key areas where financial assistance is most useful to meet the accession criteria.

The progress report 2013 quoted: Overall, the government continued its EU integration and political reform efforts.....The new government will need to focus immediately on strengthening strategic planning and budgeting and on improving coordination at central level and/with local level. Regarding EU-related reforms, monitoring of implementation, follow-up, and corrective action need to be intensified.

SECTOR APPROACH ASSESSMENT

The Government of Albania, notably the Strategic Planning Unit in the Prime Minister Office/ Department of Developing Programming, Financing and Foreign Aid (DDPFFA), is currently preparing a draft National Strategy for Development and Integration (NSDI) for the period 2014-2020. 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 Albanian Government is also in the process to define the Government's policy priorities and subsequently sector strategies will be drafted and are expected to be finalised together with the NSDI before the end of 2014.

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.

A Harmonisation Action Plan (HAP) has been prepared, jointly with the Donor Technical Secretariat, in November 2009 which serves as a monitoring tool of Paris Declaration on Aid Effectiveness implementation. Another co-ordination instrument amongst EU donors in Albania is the so-called FTI-DoL2, officially introduced in May 2010. Even though it stands at a very early stage, both the government and the donor community are committed to this instrument, aiming at a clearer donor mapping, an increased coherence of the EU Funding, and an elimination of overlaps and duplication.

Donor co-ordination at sector level is ensured through sector working groups (SWGs). This mechanism is utilised as forum of discussions on potential joint programming between government and the donor community, and also to jointly address sector challenges and project implementation issues.

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

Some of the institutions have been hampered by lack of appropriate capacities, including high turn over of staff. In this regard the action will provide sufficient support in order to strengthen current capacities in the Ministry of European Integration, Line Ministries and other appropriate bodies both for coordination of legal approximation, drafting/implementation of legislation, as well as for preparation to negotiation.

In previous programming exercises it appeared that the programming process is still partly suffering of weak technical capacity and specialised expertise of the beneficiary institutions of IPA support. This conclusion was reiterated in the study of the readiness of the country for the application of the sector approach³. The availability of specialised expertise will further improve the capacity to develop and implement national sectoral programmes in particular with the move towards more sector approach.

As regards to the link to previous financial Assistance, under IPA 2008 the Ministry of European Integration and Line Ministries have benefited from the technical expertise mobilised in the frame of the Project Preparation Facility (PPF), implemented through indirect centralised management with Austrian Development Agencies (ADA). Currently activities are carried out in support to the Sector Working Group restructure in three pilot sectors for the design of overall WG system and detailed guidelines.

Under IPA 2010, currently technical assistance is provided to the Ministry of European Integration and Line Ministries with the purpose to revise the legal framework and procedures for legal transposition, prepare legal gap analysis for 17 chapters with relevant action plans and ensure active participation of civil society in the EU integration process.

Other PPF funds under IPA 2012 and 2013 are currently managed by EU Delegation to Albania.

² Fast Track Initiative on Division of Labour

³ 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

2. INTERVENTION LOGIC

LOGICAL FRAMEWORK MATRIX EU INTEGRATION FACILITY

OVERALL OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	SOURCES OF VERIFICATION	
Strengthen capacity and accountability of the Albanian administration to guarantee a sustainable role of Government of Albania in the preparation for EU membership	Progress made towards meeting accession criteria	EC Annual Progress Report	
SPECIFIC OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	SOURCES OF VERIFICATION	ASSUMPTIONS
Support effective implementation of EU Acquis actions and improve the planning, implementation and monitoring of national sectors reforms	Progress made towards meeting accession criteria in the area of public administration Advancement in the composite indicator for governance, notably the average of the index for Government Effectiveness, Burden of Government Regulation and Regulatory Quality	EC Annual Progress Report, IPA Monitoring Committee World Bank and World Economic Forum	Continuous support of MEI and Line Ministries to European Integration process
RESULTS	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	SOURCES OF VERIFICATION	ASSUMPTIONS
<p>Result 1: Ensured implementation of EU Acquis related actions in order to meet specific needs identified in the course of the pre- accession and upcoming negotiation processes</p> <p>Result 2: Policy dialogue with the CSOs and awareness on EU Integration enhanced</p> <p>Result 3: National sectors programmes developed in key sectors and Sector Working Groups structures and process established to coordinate full sector reform cycle.</p>	<p>Increased number of draft laws and by-laws aligned with the EU legislation. Increased of EU legal acts transposed into draft laws and by-laws;</p> <p>Number of applications by CSOs submitted to MEI and grants successful completed</p> <p>Number of awareness events</p> <p>% national sector programmes are mature for funding at the time of programming subsequent IPA Programs</p> <p>Number of studies, master plan prepared by LMs</p>	<p>EC Annual Progress Report, IPA II Monitoring Committees</p> <p>IPA II sectoral monitoring committee</p> <p>Monthly meetings between EUD and MEI</p>	<p>Continuous high-level commitment from the Albanian authorities to the EU accession process;</p> <p>MEI has sufficient administrative capacity and authority to play a proactive role during facility implementation;</p> <p>Effective communication and active involvement of all stakeholders;</p> <p>No fundamental changes in priority setting ;</p> <p>Sufficient ownership, motivation and support from all stakeholders to effectively and actively implementing and monitoring sectors reform</p> <p>The active participation of the general public and the target groups</p>

ACTIVITIES	FINANCING METHODS	OVERALL COST	ASSUMPTIONS
Activities related to result 1			
1.1 Capacity building to Ministry of European Integration and LMs for preparation to negotiation process and legal approximation, as well as for participation in Union Programmes	Service contract (indirect management)	2,000,000	MEI has sufficient administrative capacity and authority to play a proactive role during facility implementation
1.2 Capacity Building to improve regulatory framework and functions of Key Albanian Institutions in areas such as internal market and energy	2/3 Twinning and/or service contracts (indirect management)	1,500,000	Sufficient ownership, motivation and support from all stakeholders to effectively and actively implementing and monitoring sectors reform
1.3 Support to Parliament to improve legislative procedures, strengthen the parliamentary oversight capacities and improve the management of Parliamentary budget and human resources and deploy a new audio-visual system for a more transparent lawmaking and oversight functioning of the Parliament.	Twinning + supply contract (indirect management)	500,000 + 500,000	
1.4 Support for preparation of projects documentation, analysis, Acquis-related studies, as well as support measures related to urgent political needs related to the fulfillment of the Key priorities. As a result of a specific request of the Albanian Government, support as well to the organization of an international event gathering religious, spiritual and political leaders, as well as pilgrims and non-believers in view of establishing a high degree of tolerance within the society.	An indicative number of 6 service contracts, 10 specific contracts under existing framework contracts and 3 supply contracts (EUR 2,436,389 direct management) 1-to 2 twinning and/or 1-to 3 twinning light contracts (EUR 800,000 direct management) One direct grant agreement with the Community of Sant'Egidio organizing the international event on inter-religious dialogue (EUR 210,000 direct management)	3,446,389	
Activities related to result 2			
2.1 Support to Civil Society Organisations for the implementation of capacity building actions to increase policy dialogue and awareness on European Integration process.	Call for proposals/10-50 grants (indirect management)	1,000,000	
Activities related to result 3			
3.1 Technical assistance to sector working groups to coordinate full sector reform cycle and to develop national sector programmes, including technical support for preparatory studies and updating of master plans.	Service contract (indirect management)	4,800,000	
		Total: 13,746,389	

ADDITIONAL DESCRIPTION

The Facility aims to support the Albanian administration in implementing EU Aquis related reforms, enhance dialogue with Civil Society on the Albanian accession process and to strengthen administrative capacities to coordinate sectors reforms as well as move towards sector approach.

Activities related to result 1:

1.1 Building up on previous assistance (SMEI II), technical assistance will continue to be provided to the Ministry of European Integration (MEI), line Ministries, relevant government agencies and enforcement authorities to enhance technical and administrative capacity in the EU accession process, including participation in Union Programmes. Activities will continue to focus on implementing the obligations deriving from the SAA; harmonising the Albanian legislation with the EU *acquis* and implement *acquis* related legislation; training concerned officials for the screening and accession negotiation process; preparing Albanian stakeholders (universities, research centre, think tanks, foundations, associations, NGOs, local and central authorities) to properly apply to and benefit from Union Programmes.

1.2 The activity is addressed to improve the regulatory framework and functions of Albanian Institutions in key sectors and improve their management skills and develop *Acquis* related technical knowhow. Assistance is envisaged to the Market Surveillance Inspectorate in carrying out effective market surveillance in line with the requirements of the *acquis*; strengthening the capacities of Consumer Protection Commission and its technical secretariat; development of new state aid legislation. Assistance is also considered in the energy sector to support priority power sector reforms to facilitate the recovery of the power sector and improve the management of the distribution company through provision of technical advisory services.

1.3 Aim of the assistance will be to improve the regulatory and oversight functions of the Parliament in responding to the challenges and obligations deriving from the EU-Albania Stabilisation and Association Agreement; strengthen the capacities of the Assembly for a more efficient approximation of legislation, improve the oversight function, improve the transparency and accessibility of the parliament with a new audio-visual system for plenary sessions and meetings of the committees, as well as the improvement of the financial autonomy of the parliament from the government.

1.4 Based on ad hoc needs, technical support will be provided to LMs and other key institutions for preparation of projects documentation, analysis, survey, review, assessment, *acquis* related studies as well as support measures related to urgent political needs related to the fulfilment of the Key priorities: (i) continue to implement public administration reform with a view to enhancing professionalism and depoliticisation of public administration; (ii) take further action to reinforce the independence, efficiency and accountability of judicial institutions; (iii) make further determined efforts in the fight against corruption; (iv) make further determined efforts in the fight against organised crime; (v) take effective measures to reinforce the protection of human rights, including of Roma, and anti-discrimination policies, as well as implement property rights. As a result of a specific request of the Albanian Government, financial support will be provided for the organization of an international event gathering religious, spiritual and political leaders, as well as pilgrims and non-believers in view of establishing a high degree of tolerance within the society.

Activities related to result 2:

2.1 This activity includes one or more call for proposals with Albanian Civil Society organisations which activities will aim to increase knowledge of EU accession process among all key stakeholders, including schools, universities, academic institutions and citizens in general as well as increase policy dialogue between CSO and Albanian Administration. This activity will also fund awareness raising events organised by the Ministry of European Integration.

Activities related to result 3:

3.1 Technical assistance will be provided for the restructure and functioning of the Sector Working Groups in 4/5 key sectors and strengthening their capacity to coordinate the full sector reform cycle as

well as support to consolidate the overall coordination mechanism between key national institutions. Technical support will be provided to SWG secretariats based in the Lead Line Ministries to drive and coordinate the preparation of Country national sectors programmes and sector support programmes which will be then financially supported by EU and other development partners. Assistance will also include where required short term expertise to support preparation of studies, updating of investment master plan, ect.

MEI has to ensure sufficient administrative capacity and authority to play a pro-active role in coordinating, managing and implementing the Facility and in close cooperation with the PMO and Central Finance and Contracting Unit.

Sufficient ownership, motivation and support from all stakeholders are required to effectively and actively implementing and monitoring EU *acquis* related sectors reform.

3. IMPLEMENTATION ARRANGEMENTS

ROLES AND RESPONSIBILITIES

With except of activity 1.4 which will be implemented through direct management by the EU Delegation to Albania, all other activities will be implemented by indirect management and will be tendered and contracted by the Central Finance and Contracting Unit. Beneficiary institutions will be responsible for the preparation of ToR and twinning fiches.

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

The following activities will be implemented under indirect management with the Central Finance and Contracting Unit (CFCU) within the Ministry of Finance:

Activities 1.1 through a service contract;

Activities 1.2 through 2/3 twinings and/or service contracts;

Activities 1.3 through twinning + supply contract;

Activity 2.1 through grant scheme with civil society organizations – launch of a call for proposals for 10-50 grants;

Activity 3.1 through a service contract.

On the other hand, activity 1.4 will be implemented under direct management by the EU Delegation via procurement (an indicative number of 6 service contracts, 10 specific contracts under existing framework contracts and 3 supply contracts) and grant (1-to 2 twinning and/or 1-to 3 twinning light contracts).

4. PERFORMANCE MEASUREMENT

METHODOLOGY FOR MONITORING (AND EVALUATION)

The responsible structures for monitoring will be the followings: (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 Central Finance and Contracting Unit.

According 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 evaluation of this Action Document will be part of the annual plan for evaluation approved by NIPAC.

With reference to Activity 3.1, SWGs will also be supported in engaging in gender-sensitive monitoring of sector priorities, applying the National Set of Harmonized Gender Indicators (HGI), adopted through Ministerial Order no. 1220 (dated May 27, 2010) as the guiding framework.

INDICATOR MEASUREMENT

Indicator	Description	Baseline (year)	Milestone 2017	Target 2020	Source of information
<i>CSP indicator</i>	<i>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 (distance from EU average = 100)</i>	<i>75.37 (2010)</i>	<i>85.29</i>	<i>89.54</i>	<i>World Bank and World Economic Forum</i>
<i>Action output indicator</i>	<i>Number of integrated policy management groups (IPMGs) to coordinate full sector reform cycle and to develop national sector programmes</i>	<i>0 IPMGs (2014)</i>	<i>5 IPMGs</i>	<i>10 IPMGs</i>	<i>Government Prime Minister Office</i>
<i>Action outcome indicator</i>	<i>Number of Government's strategies and action plans based on cost analysis and effectively reflected in the mid-term budget plan (MTBP)</i>	<i>n/a</i>	<i>5 sector strategies effectively reflected in the MTBP: PFM; Employment; Investment and Business Development; Settlement of Arrears; Border Management</i>	<i>5 additional sector strategies effectively reflected in the MTBP</i>	<i>Government's MTBP</i>
<i>Action output indicator</i>	<i>Number of grants to civil society organizations successfully completed in order to expand knowledge about the EU</i>	<i>n/a</i>	<i>5</i>	<i>20</i>	<i>Final reports approved by the contracting authority</i>

5. CROSS-CUTTING ISSUES

ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)

Envisaged Action activities do not require any environmental considerations.

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 support civil society, and ensure cooperation of line ministries and other central institutions with SCOs in Albania. Activities under result 2 will help civil society organisations to strengthen their capacities and professionalism, allowing them to engage in an effective dialogue with public and private actors and to monitor developments in areas such as the rule of law and respect for fundamental rights.

EQUAL OPPORTUNITIES AND GENDER MAINSTREAMING

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. Some of the Activities under the facility will increase the capacities for gender mainstreaming as per EU quality assurance, and particularly pursuant to CoM Decision no. 465 (2012) on gender mainstreaming in the medium-term budgetary programme. Special attention will be paid to the linkages between gender-responsive sector priorities and the MTB.

MINORITIES AND VULNERABLE GROUPS

The Action will no way harm the rights of any individuals, including minorities and vulnerable groups. There is the possibility to support preparation sectors programmes and documents that will directly deal with minorities and vulnerable groups.

6. 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.

7. COMMUNICATION AND VISIBILITY

Beneficiaries and contractors shall respect the EC'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) will be used as a platform to share relevant information about the activities, particularly those related to CfP with NGO and awareness events.

ANNEX

Indicative Action budget breakdown and planning for contracting procedures (for EC internal use only)

IMPLEMENTATION MODALITIES	BUDGET		TIMELINE ⁴	
	Total EUR	EU contribution EUR	Launch of procedure	Contact signature ⁵
ACTIVITY 1.1 - SUPPORT TO MINISTRY OF EUROPEAN INTEGRATION (INDIRECT MANAGEMENT WITH THE CFCU)				
Procurement: service contract	2,000,000	2,000,000	Q2 2015	Q1 2016
ACTIVITY 1.2 – SUPPORT TO REGULATORY FRAMEWORK (INDIRECT MANAGEMENT WITH THE CFCU)				
Grant: 2/3 twinnings and/or Procurement: service contracts	1,500,000	1,500,000	Q2 2015	Q2 2016
ACTIVITY 1.3 - SUPPORT TO PARLIAMENT (INDIRECT MANAGEMENT WITH THE CFCU)				
Grant: twinning	500,000	500,000	Q2 2015	Q2 2016
Procurement: supply contract (audio-visual system)	500,000	500,000	Q2 2015	Q2 2016

⁴ Timeline: QUARTER (Q1, Q2, Q3, Q4) YEAR

⁵ Contract signature date: for Direct Grants only

ACTIVITY 1.4 – PROJECT PREPARATION (DIRECT MANAGEMENT BY THE EU DELEGATION)				
Procurement (EUR 2,436,389.00): an indicative number of 6 service contracts, 10 specific contracts under existing framework contracts and 3 supply contracts Grant (EUR 800,000.00): 1-to 2 twinning and/or 1-to 3 twinning light contracts Direct grant agreement (EUR 200,000.00): one grant agreement with the Community of Sant'Egidio organizing the international event on inter-religious dialogue	3,446,389	3,446,389	On-going from Q2 2015	On-going from Q3 2015
ACTIVITY 2.1 - SUPPORT TO CIVIL SOCIETY ORGANISATIONS FOR EU AGENDA (INDIRECT MANAGEMENT WITH THE CFCU)				
Grant: call for proposals/10-50 grants with CSOs	1,000,000	1,000,000	Q2 2015	Q2 2016
ACTIVITY 3.1 - TECHNICAL ASSISTANCE TO SECTOR WORKING GROUPS (INDIRECT MANAGEMENT WITH THE CFCU)				
Procurement: service contract	4,800,000	4,800,000	Q2 2015	Q2 2016
TOTAL	13,746,389	13,746,389		