

CARDS Assistance to Albania:
Multi-annual Indicative Programme 2005-6

TABLE OF CONTENTS

Abbreviations.....	2
1. Background.....	3
1.1 Preamble	3
1.2 Introduction	3
1.3 Consultation.....	4
2. Summary of the MIP 2005-2006 with indicative budgets	6
3. Priorities and actions	7
3.1 Democratic Stabilisation.....	7
3.1.1 Civil Society and Media	7
3.2 Good Governance and Institution Building.....	9
3.2.1 Justice and Home Affairs	9
3.2.1.1 Judicial Reform	9
3.2.1.2 Police, organised crime, terrorism.....	11
3.2.1.3 Integrated Border Management	13
3.2.1.4 Asylum and Migration.....	15
3.2.2 Public Administration Reform	16
3.2.2.1 Administrative Capacity.....	16
3.2.2.2 Decentralisation.....	18
3.2.3 Customs and Taxation	21
3.3 Economic and Social Development.....	23
3.3.1 Investment Climate	23
3.3.2 Trade	25
3.3.3 Infrastructure	27
3.3.4 Environment	28
3.3.5 Education and Employment.....	30
3.3.5.1 Education: Tempus	30
3.3.5.2 Employment.....	31
4. Community Programmes	33
5. Reserve	34

Abbreviations

ASP	Albanian State Police
CAM-A	Customs Assistance Mission to Albania
CARDS	Community Assistance for Reconstruction, Development and Stabilisation
CFSP	Common Foreign and Security Policy
DoPA	Department of Public Administration
EBRD	European Bank for Reconstruction and Development
EC	European Community
EIB	European Investment Bank
ESDP	European Security and Defence Policy
EU	European Union
fYRoM	former Yugoslav Republic of Macedonia
GEF	Global Environment Facility
IC	International Community
IFI	International Financing Institution
INSTAT	National Statistic Office
IMF	International Monetary Fund
IOM	International Organisation for Migration
IPRS	Immovable Property Registration System
ISO	International Standard Organisation
GED	Group of Experts on Decentralisation
LIFE	Financial Instrument for the Environment
MEI	Ministry of European integration
MIP	Multi-annual Indicative Programme
MS	(EU) Member States
MTEF	Medium Term Expenditure Framework
OSCE	Organisation for Security and Co-operation in Europe
PIU	Project Implementation Unit
PRSP	Poverty Reduction Strategy Paper
REReP	Regional Environmental Reconstruction Programme
SAA	Stabilisation and Association Agreement
SAP	Stabilisation and Association Process
TALGA	Training Agency for Local Government
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
UNHCR	United Nations High Commissioner for Refugees
VET	Vocational Education and Training
WTO	World Trade Organisation

1. Background

1.1 Preamble

The objective of the CARDS programme as defined by Regulation 2666/2000 is to support the participation of its beneficiary countries in the Stabilisation and Association Process.

The Thessaloniki Agenda, approved by the European Council in June 2003, confirmed that the Stabilisation and Association Process remains the framework for relations between the Balkan countries and the European Union.

The strategic framework of Community assistance therefore remains unchanged; the review of country strategies undertaken in 2003, notably in the light of the annual reports, led to the conclusion that the areas and priorities identified remained relevant. One of the main tasks for future implementation of MIPs shall be the achievement of a higher degree of local ownership of projects and project management.

The Thessaloniki Agenda also provided for the creation of European Partnerships for each country, which set out priority actions on which the countries should act in order to move closer to the European Union

The European Partnerships provide guidance for financial assistance, and the priorities identified therein constitute the basis for CARDS assistance programming.

The European Partnership, based on the 2004 annual SAP report, which examines the political and economic situation in Albania and its progress within the Stabilisation and Association Process, confirmed the validity of the priorities set out in the strategic programming framework.

The present Multi-annual Indicative Programme takes due account of the priorities set out in the European Partnership agreed through decision 2004/519/EC.

1.2 Introduction

This Multi Annual Indicative Programme sets out the priorities for Community assistance for Albania in the period 2005-2006. These priorities will form basis for project identification under annual action programmes. The assistance will be delivered in support of the five main areas identified in Section Six of the Country Strategy Paper now regrouped to three headings:

- Democratic Stabilisation
- Good Governance and Institution Building (including Administrative Capacity and Justice and Home Affairs)
- Economic and Social Development (including Environment)

The **overall objective** of the Multi Annual Indicative Programme is to support the participation of Albania in the Stabilisation and Association Process (SAP).

The **specific objectives** of the assistance are to:

- Help consolidate the state of Albania as a democratic country in which the rule of law and good governance apply thereby enabling it to participate in the SAP;
- Support the development of functioning State institutions capable of acting as reliable counterparts for the international community and representing the entire country's interests effectively;
- Support economic reform and transition to a market economy, in order to facilitate sustainable economic growth, trade and employment, and to facilitate the integration of the Albanian economy into EU structures and those of the wider international community;
- Support the development of an environmental framework in Albania based on the *acquis*;
- Facilitate and encourage cooperation between Albania and the other countries of the region as part of the SAP.

As a SAP tool, the European Partnership identifies priorities for action in order to support Albania's efforts to move closer to the European Union within a coherent framework. In supporting the SAP, the Multi Annual Indicative Programme aims to focus CARDS support on helping Albania take the medium-term priority actions identified in the European Partnership.

The fight against corruption is addressed as an underlying objective within the SAP: a central theme of the European Partnership, and thus of the present MIP which supports Albania in addressing it, is helping Albania improve the transparency, efficiency and effectiveness with which its authorities intervene in the economic and social life of the country. Such progress helps reduce both motive and opportunity for corruption. Planned interventions in the areas of public administration, customs and taxation, judicial and police reform will also be of particular importance in this regard.

1.3 Consultation

With Member States present in Albania

Meetings were held in Tirana during the development of the present MIP to which all Member States present in Albania were invited and at which the priorities of the present MIP were presented in order to ensure complementarity with Member States' bilateral assistance plans.

The elaboration of the present MIP has benefited from the co-ordination which the Commission Delegation undertakes continuously with Member States and other donors.

Consultation regarding individual assistance projects will be conducted subsequently during the preparation of Annual Programmes.

With the Government

Albanian authorities have been active through the Ministry of European integration (MEI) in providing input at a number of stages during the drafting of the present document on its priorities and detailed scope.

With Civil Society

The views of civil society actors in Albania were taken into account through permanent contact the Delegation has with the Albanian NGO Forum.

With other stakeholders

Co-ordination meetings with WB, IMF, UNDP, EBRD, OSCE and USAID, and further co-ordination were made via the Delegation with EIB. Further meetings were held in Brussels with USAID and Stability Pact and a video conference was conducted with both the World Bank and with the United States.

Co-ordination with the World Bank encompassed Albania's Poverty Reduction Strategy Paper and confirmed that the SAP agenda - as reflected in the European Partnership - and the PRSP are complementary and have the potential to be mutually reinforcing. Progress on key elements of the SAP agenda – notably public administration reform and co-ordination of economic policy - are preconditions for progress in the wider areas of economic and social development addressed by the PRSP.

A sectoral co-ordination mechanism was set up in Tirana in the end 2003 headed by EC, WB, OSCE and UNDP according to the sectors concerned. This co-ordination covers most of the donors active in Albania and the Albanian Ministries responsible for co-ordination of the donor activities. Activities under the present programme will benefit from this sectoral co-ordination mechanism.

2. Summary of the MIP 2005-2006 with indicative budgets

<u>PRIORITIES</u>	<u>PROGRAMMES</u>	<u>FINANCIAL ALLOCATIONS (€M)</u>			
		<u>2005</u>	<u>2006</u>	<u>2005-6</u>	
				Min	Max
1. DEMOCRATIC STABILISATION				4.0	4.8
	1.2 Civil Society and Media			4.0	4.8
2. GOOD GOVERNANCE AND INSTITUTION BUILDING				46.8	57.2
	2.1 Justice and home affairs				
	2.1.1 Judicial reform			7.7	9.4
	2.1.2 Police, organised crime, terrorism			9.9	12.1
	2.1.3 Integrated border management			4.1	5.0
	2.1.4 Asylum and migration			3.2	3.9
	2.2 Public administration reform				
	2.2.1 Administrative capacity			4.3	5.3
	2.2.2 Decentralisation			11.3	13.8
	2.2.3 Customs and taxation			6.3	7.7
3. ECONOMIC AND SOCIAL DEVELOPMENT				27.6	33.8
	3.1 Investment climate			4.1	5.1
	3.2 Trade			6.3	7.7
	3.3 Infrastructure			4.5	5.5
	3.4 Environment			6.8	8.3
	3.5 Education and Employment				
	3.5.1 Tempus			1.8	2.2
	3.5.2 Employment			4.1	5.0
4. OPENING OF COMMUNITY PROGRAMMES				3.2	
5. RESERVE				1.0	
TOTAL		45.5	45.5	91.0	

3. Priorities and actions

3.1 Democratic Stabilisation

3.1.1 Civil Society and Media

Background and Past EC assistance:

See items 6.2.5 of the Country Strategy Paper for Albania, and the sections 3.1 and 3.2. of the European Partnership (Democracy and Rule of Law and Human Rights and Protection of Minorities, respectively).

In the past Albanian has benefited from three EC horizontal programmes: Democracy, LIEN and Partnership Programmes, the first one aiming at the development of the civil society and the promotion of human rights and rule of law, the others focusing on social sector activities (LIEN) and local and regional human resources and socio-economic development (Partnership).

The Democracy Programme continued with the European Initiative for Democracy and Human Rights (EIDHR), which funded local NGOs operating in the field of democracy, good governance, the rule of law, and human rights. The same type of activities has been funded under 2001 CARDS National Programme Small Scale Operations (SSO).

2003 and 2004 CARDS National Programmes focused respectively on the improvement of administrative address system and the full modernization of the Albanian Civil Registry system.

In addition Albania has benefited of 142,4 M€ in humanitarian aid from ECHO in response to successive humanitarian crises in 1992, 1997 and 1999.

Objective:

Strengthening the Albanian civil society and the relevant associations. Enhancing the participatory process of the Albanian civil society in policy making, strategic planning - including discussions on the Stabilisation and Association Process and involvement in the European Integration Process and public administration activities, both at central and local level.

Within the objective of improved social dialogue, the Multi-Annual Indicative Programme 2005-2006 will focus on strengthening the capacities of NGO's and improving their involvement as social partners in the formulation and implementation of social and economic policies.

In addition, the Multi-Annual Indicative Programme 2005-2006 will assist Albania in improving the freedom of expression in the media. The programme will strengthen the capacities of journalists and increase awareness of European Standards.

Expected results:

More consistent protection of human rights;

Increased citizen participation to democratisation process at all levels, including an equal participation of men and women;

Promoted rule of law and increased level of accountability of public administration including the improvement of the climate for the fight against corruption;

Increased cooperation among trade unions, professional organisations and government institutions, to foster socio-economic development in the country, with particular emphasis on local communities;

Increased public awareness on the Stabilisation and Association process and at large on the European Integration process;

Improved legislative framework for media, in force and implemented in line with the EC standards. Capacities and professionalism within the different media substantially enhanced.

Programmes to be implemented:

1. Supporting civil society, trade unions, women's' associations and other relevant associations, to enhance their capacity to enter into policy dialogue with the authorities and to strengthen their participation in the decision making processes, both at the central and local level. Assistance will be provided to increase awareness in European Integration process etc. among civil society in order to enable a more proactive participatory process.

2. Provide support for the creation of national networks of local NGOs, associations and media, and facilitate their networking with EU sister organisations.

3. Provide support for bringing Albania's media-related legislation in line with European standards and for ensuring its implementation (legislation on defamation, print and electronic media, media ownership etc.).

4. Provide support to a) ensure the independence of the broadcasting regulatory authority and prevent undue influence/pressure on the media by power circles; b) improve the Albanian media regulatory framework in the light of the European standards; c) Sharing best practices in the development of investigative journalism and in enhancing the independence and professionalism of journalists.

Indicators of achievement:

Increased number of NGOs fee-based and self-financing activities.

Strengthened social dialogue.

Increased number of concrete cases where the civil society has actively participated in the decision making process both at the central and local level.

Clear decrease in the number of cases involving undue interference with the media.

Adoption/amendment of media-related legislation in line with European standards.

Finalisation of the National Plan for Radio and Television Frequencies.

Completion of the transition of the Albania RTV from a state television to a neutral public service broadcaster.

Cross-cutting issues:

The programme is aimed at improving participatory process paying due account to equal opportunities in the society as whole. Progress in terms of democracy will positively affect all the other priority areas and will allow for increased transparency in policy making, and thereby allowing for better understanding of citizens of and increased general trust in the democratic development of the state and its policies.

Link to regional strategy and other EC interventions:

Close coordination of activities will be undertaken with regional CARDS support programmes and other EC intervention and with the programmes for Decentralisation, Infrastructure, Environment and Economic Reform and Development under the present MIP

Risks and assumptions:

Necessary linkages must be ensured with Public Administration both at the central and local level and this must be taken into account in planning the activities for these.

3.2 Good Governance and Institution Building

3.2.1 Justice and Home Affairs

3.2.1.1 Judicial Reform

Background and Past EC Assistance:

See item 6.2.1.1. of the Country Strategy Paper for Albania and the sections 3.1 and 3.2 of the European Partnership (Democracy and Rule of Law, Co-operation in Justice and Home Affairs, Human Rights and Protection of Minorities).

In the past PHARE programme provided some infrastructure upgrade (Rehabilitation of the Lezhë Prison) and some technical assistance under the so-called “joint programmes” with the Council of Europe (support to the School of Magistrates, training on human rights, etc.).

The CARDS programme continues the combined approach, but with greater emphasis on technical assistance. Thus, the last joint programme with the Council of Europe, funded under the CARDS 2002 programme, includes not only the traditional support to the School of Magistrates and further training of human rights, but also support to the organisation and training of other legal professions (lawyers, notaries, bailiffs, court clerks, etc) and to the Law Faculty. The Ministry of Justice is also the beneficiary of the first “twinning” arrangement in Albania, under the CARDS 2001 programme, aiming at developing a plan for remand prisoners’ management. Further technical assistance and training support is also foreseen under the CARDS 2002 (justice assistance mission), CARDS 2003 (training of courts administrators) and CARDS 2004 programmes (training of prison staff, support to the High Council of Justice, establishment of judicial systems in commercial and juvenile matters, etc). Investment under the CARDS programme focuses on upgrading the penitentiary and court infrastructure (prisons of Fushë Kruja and Korça, courts of appeal of Vlora and Korça, court of Serious Crimes).

Objectives:

To increase transparency and improve management in the criminal and civil justice process with due respect of the human rights.

Expected results:

Efficiency and capacities of the judiciary strengthened both at central and local level; more transparent working methodologies applied; decreased corruption within judiciary and appropriate penal suits in cases of criminal behaviour; improved legislation and its implementation on areas such as the witness protection and pre-trial detention; the collaboration between the judiciary and the law enforcement agencies improved; the public confidence in the judiciary increased.

Programmes to be implemented:

The above mentioned results will be achieved through the implementation of the following programmes:

1. Continuation of the **institutional building support** to the Ministry of Justice, High Council of Justice, Constitutional Courts and support to the judicial system in particular to the General Prosecution Office, commercial courts and juvenile court sections at central and local level including development of codes of conducts, simplified procedures, co-operation procedures with law enforcement agencies, and mechanisms for alternative measures such as mediation.
2. Assistance to improving the existing legislation on bribery, pre-trial detention and witness protection and for implementing them. Review and modernise the basis for granting immunity for officials in compliance with international rules and practices.
3. Assistance for improving the functioning of inspectorates of both the High Council of Justice and the General Prosecution Office,
4. Support for the decentralisation of the judicial administration.
5. Vocational training of the judges and prosecutors in relevant fields of European and community law including the field of commercial law as well as new investigation techniques including judicial cooperation in criminal matters (special focus on fighting organised crime and terrorism) through the school of magistrates. Develop a sound medium/long term strategic action plan for the School of Magistrates with the objective of enhancing both its operation and financial sustainability.
6. **Investment support** to complement the institution building activities such as infrastructure upgrade of some courts and penitentiary centres particularly areas holding remand prisoners, women and minors. This should form a minor part of the programme.

Indicators of achievement:

Simplified and more effective procedures in place for increased efficiency and quality of judiciary and its perception in public opinion; increase in the execution rate of court sentences; appropriate co-ordination structures / methodology for inter-institutional co-operation in place; improved legislation duly implemented; inspectorates' functioning improved; corruption decreased within the judicial system; first steps taken towards decentralisation of judicial administration; number of judges and prosecutors trained; School of Magistrates runs in a self sustainable way; investment to complement the institution building activities such as infrastructure upgrade of some courts and penitentiary centres completed.

Cross-cutting issues:

1. A more effective and reliable judiciary is better able to contribute to ensuring a physically and legally secure environment properly thus encouraging economic activity, especially investment;
2. A more effective judiciary is better able to follow up criminal procedures and customs and tax enforcement actions and back up effective property law implementation.
3. A well functioning judiciary and improved penitentiary facilities will foster the respect for human rights, minorities and gender equality.

Link to regional strategy and other EC instruments:

Assistance under the present MIP is complemented by, and further builds upon, interventions under the CARDS 2003 regional programme. This project notably covers, at regional level, issues of independence of the judiciary, reliability and effectiveness of the judicial cooperation, and EC law.

The assistance provided to **Judicial Reform** under the present MIP also reinforces and extends the support being given to **Administrative Capacity** and **Economic and Social Development**.

Risks and assumptions:

Delays in implementing the judicial reform programme as well as potential disagreement and lack of common views between the Judiciary and the Ministry of Justice.

The Government will allocate a sufficient part of the State budget to endure the proper functioning of the judiciary institutions.

Full commitment of the legislative, executive and judicial branches of the State to work towards the achievement of the judicial reform process.

3.2.1.2 Police, organised crime, terrorism

Background and Past EC Assistance:

See item 6.2.1.2. of the Country Strategy Paper for Albania and the sections 3.1 and 3.2. of the European Partnership (Co-operation in Justice and Home Affairs).

PHARE programme (EC assistance to the Albanian State Police) focused mainly on material support, notably equipment (supply of uniforms, vehicles, special equipment, etc.) and infrastructure upgrade (renovation of the Police Academy), with some limited training (police management) and technical assistance (the ECPA mission in 2002).

With the CARDS programme greater emphasis was given to technical assistance and training, particularly through the PAMECA mission (2003-2004), which includes –among other sectors– specific anti-organised crime and border management assistance, and through a recently launched twinning assignment on border police training and management. Under the CARDS 2004 programme, specific assistance to develop an Intelligence Analysis Unit focusing on organised crime has been included as well as a project to support the Financial Intelligence Unit in the Ministry of Finance, which is in charge of combating money laundering and other financial crimes.

Additional equipment and training is also being supplied to a particular police activity of the ASP. Specific surveillance and communication interception equipment is foreseen under the CARDS 2004 programme.

Infrastructure upgrade is also being carried out e.g. the partial rehabilitation of 50-some police sites, the renovation of the new Headquarters of the ASP, the upgrade of the central garage and maintenance workshops of the ASP, additional works at the Police Academy, and the construction of a Serious Crimes Court.

This balanced combination of technical assistance and training on the one hand, and equipment and infrastructure on the other hand, seems to be the most appropriate way the EC can support the Albanian Government in the development of its police service and in the fight against organised crime.

Objectives:

Strengthening the institutional and operational capacities and coordination among law enforcement agencies in order to enable them to more effectively support the rule of law, fight against organised crime, corruption and terrorism with due respect for the human rights.

Expected results:

Law enforcement bodies co-operating efficiently, enhanced capacities of the specialised police forces to fight against organised crime including trafficking in human beings, drugs and arms and to counter acts of terrorism. Staff recruitment, education and career system in line with the modern standards and public image of the police improved. The implementation of the action-oriented measures presented in EU-JHA Western Balkans Ministerial meeting in November 2003.

Programmes to be implemented:

The above mentioned results will be achieved through the implementation of the following programmes:

1. Continued EU advisory assistance to the Police in the areas of fight against organised crime including trafficking of human beings, drugs and arms and counter terrorism.
2. Assistance to further specialisation of the police in enhancing the administrative and specific capacities of the police with special techniques for criminal investigation, and techniques for intelligence analysis and risk assessment with a view to fighting terrorism . Assistance should also be provided to enhance the capacities of the community police.
3. Support for improving the co-ordination mechanisms of relevant law enforcement bodies and enhancing their co-operation both in domestic and in regional setting and with other EU and international partners.
4. Support the strengthening of the capacity of institutions and bodies responsible for fighting money laundering and terrorist financing, including the establishment of an inter-ministerial agency for the seizure of proceed from crime.
5. Provision of investment support to complement the institution building efforts and to ensure sustainability of the previous Cards assistance in line with the needs assessments carried out under the previous Multi-Annual Indicative Programme.

Indicators of achievement:

Modern procedures for selection of staff and management; manual of procedures for criminal police; national strategy on drugs improved and implemented; mechanisms for improving the co-operation between the judges, prosecutors, special structures, state police and judicial police developed; specialised police forces trained for intelligence analysis and investigative capacities accordingly; the number of cases of organised crime brought before Courts and resulting in successful prosecution, strengthened capacity to combat money laundering including the inter-ministerial agency for seizures set up and operating, the amount of assets seized as a result of investigations by FIU and other bodies, the number of UN counter-terrorism conventions ratified and implemented.

Cross-cutting issues:

1. Enhancement of respect of rule of law with appropriate professional standards and successful fight against organised crime including trafficking of human beings improves the respect for human rights, minorities, gender equality and children' rights.
2. More effective police forces would be better able to contribute to ensuring a physically and legally secure environment properly and thus encourage economic activity, especially investment.

Link to regional strategy and other EC instruments:

Interventions under the CARDS regional programme, particularly as regards training and the fostering of regional police co-operation, will complement assistance under the present MIP.

The assistance provided under **Police, Organised Crime and Terrorism** under the present MIP reinforces and extends the support being given to **Judicial Co-operation, Administrative Capacity and Economic and Social Development**.

Risks and assumptions:

In order to have successful impact of the programme the co-operation between judges, prosecutors, state police and judicial police has to work seamlessly.

3.2.1.3 Integrated Border Management

Background and Past EC Assistance:

See item 6.2.1.3. of the Country Strategy Paper for Albania and the sections 3.1 and 3.2. of the European Partnership on Border management (Co-operation in justice and Home Affairs, Regional and International Co-operation).

All the projects listed under the previous priority of Police, organised crime and terrorism include elements of border management such as "IT systems", covered in the framework of the Total Information Management System (TIMS) project partly funded from CARDS 2001 and 2002 and EU/Organised Crime Initiative (EU/OCI) based on producing institution building across the whole the Albanian external frontier.

Objectives:

To ensure more efficient border control, including green and blue borders, in order to reduce cross-border criminal activities and illegal migration, and to facilitate the legitimate movement of people and goods at the borders.

Expected results:

1. Implementation of the measures of border security and management presented in EU-JHA Western Balkans Ministerial meeting in November 2003.
2. Increased collaboration between national law enforcement bodies involved in border management, at the border and in connection with subsequent control activities.
3. Increased inter agency and regional co-operation with joint border patrolling in place at selected borders.
4. Faster and more efficient movement of people and goods.
5. Fight against cross-border criminal activities strengthened, border surveillance improved; operational capacities of border authorities increased.

Programmes to be implemented:

The above mentioned results will be achieved through the implementation of the following programmes:

1. Continued EU advisory and training assistance to strengthen the fight against trafficking of human beings, drugs, weapons and smuggling of human beings and goods through (i) reviewing the existing border management strategy in line with the IBM guidelines and standardising and formulating border control procedures including risk-analysis system with due co-operation with all border agents such as police, customs and veterinary and phytosanitary inspectors; (ii) strengthening border management capacities in all borders in line with EU and international standards (iii) strengthening the regional co-operation between border control authorities and (iv) advising and assisting for setting up structures for joint border patrolling (provided that all the relevant preconditions are met).

2. Continued EU advisory and training support for trade facilitation in line with the IBM guidelines to (i) review and co-ordinate the existing border control procedures to target at the implementation of the “one stop- principle” on the borders.

3. To complement the institution building activities there will be some investment support for selected border crossing points and border posts, such as improvement of communication equipment of border control and surveillance, detection equipment, selected infrastructure upgrade and some de-mining activities. The programme will be delivered based on the needs assessments carried out under the previous Multi-Annual Indicative Programme.

Indicators of achievement:

Border strategy harmonised with the IBM guidelines; simplified and well co-ordinated border control procedures in place; Improved integration and enhanced co-operation of the border agents functions at the borders including police, immigration, phytosanitary, veterinary and customs officials also across the borders; Operation manual for joint operations drafted and joint border patrolling set up; Border controls on the Three Ports operating in line with international standards; “One-stop principle” applied on selected borders.

Cross-cutting issues:

Improved border controls will not only facilitate trade and ensure revenue, but will also enable the State to meet its obligations under international security and policing conventions.

Link to regional strategy and other EC instruments: Interventions under this priority will be developed taking into account the recommendations set out in the Guidelines for the Development of Integrated Border Management Strategies and other recommendations produced through the CARDS regional programme. The regional programme will support a review of the national IBM strategies of Western Balkans countries which will foster their increased coherence and consistency.

This MIP priority is closely connected with the **Economic and Social Development, Asylum and Migration, Police, Organised Crime and Terrorism** and **Judicial Reform** interventions under the present MIP as well as with **Trade** interventions in particular in the areas of veterinary and phyto-sanitary control.

CARDS Customs and Taxation assistance will play a key role in supporting co-ordination aspects of integrated border management, as well as building capacity in customs and taxation itself, as part of the wider IBM picture.

Risks and assumptions:

To have successful outcome of the programme a good cross border co-operation between the bordering countries and entities must take place.

3.2.1.4 Asylum and Migration

Background and Past EC Assistance:

See item 6.2.1.4. of the Country Strategy Paper for Albania and 3.1 and 3.2 of the European Partnership (Co-operation in Justice and Home Affairs).

The previous MIP included specific assistance in the fields of migration and asylum management. These projects are being implemented and co financed by IOM (National Strategy on Migration) and the UNHCR (Extension of the Pre-screening of Asylum Seekers and Migrants). In addition support for the implementation of the National Strategy on Migration and the Readmission Agreement with the EC will be provided.

Additional assistance is also being provided at the regional level through the recently launched project: “Establishment of EU compatible legal, regulatory and institutional frameworks in the fields of asylum, migration and visa matters”, under the CARDS 2002 Regional Programme.

Furthermore, the EC is currently funding three related projects in Albania, all of them implemented by IOM.

Objectives:

To implement asylum and migration policy in line with EU acquis and international standards and best practises and to take the first steps towards modernising the Albanian visa system.

Expected results:

The operational capacities strengthened in the field of visa, asylum and migration. Remaining gaps in Albania’s asylum and migration related legislation addressed. The “pre-screening” system implemented also in border areas. Non-refoulement principle respected. Asylum claims carried out in accordance with the law, and time limits respected.

Programmes to be implemented:

The above mentioned results will be achieved through the implementation of the following programmes:

1. **Institutional building support**, focusing on (i) strengthening of capacities of the national authorities covering the asylum and migration matters (ii) assistance to the Albanian Government for the negotiation and conclusion of readmission agreements with third countries of origin and for the implementation of the EC/Albania readmission agreement; (iii) to address the legislative gaps in the field of asylum and migration (iv) to make a plan for modernising the Albanian visa system inspired by European standards and (iv) the development of an information system for asylum and migration.

2. **Infrastructure and equipment support** aimed at supporting the institutional building measures.

Indicators of achievement:

The relevant staff in the Ministries, departments and law enforcement bodies trained; National Action Plan on Asylum adopted and implemented; legislation drafted and implemented;

readmission agreements properly implemented and new readmission agreements concluded with third countries; plan for modernising Albanian visa system and information system on asylum and migration developed.

Cross-cutting issues:

The appropriate implementation of asylum and migration policy and readmission agreements will ensure appropriate respect for human rights, minorities and gender equality. The development of the legislative framework and modernisation of visa system will take due account to these cross cutting issues.

Link to regional strategy and other EC instruments:

Co-ordination in the areas of asylum and migration will also be ensured with the activities scheduled in the Aeneas programming document

The assistance will be co-ordinated with and build upon regional programmes in support of Asylum/Migration and Visa, Integrated Border Management, the fight against drugs, organised crime and trafficking in persons and with the present MIP programme on judicial reform, police, organised crime and terrorism, and integrated border management.

Risks and assumptions:

Due account is given to data protection issues while developing an information system for asylum and migration management.

Disagreements and lack of common views on asylum and migration policies among all relevant Ministries involved (the Ministries of Labour & Social Affairs, of Foreign Affairs, of Public Order, of Justice, etc.)

Delays in implementing the national migration and asylum strategies.

Persistent weak institutional capacity of the different Albanian counterparts.

3.2.2 Public Administration Reform

3.2.2.1 Administrative Capacity
--

Background and past assistance:

See item 6.2.2. of the Country Strategy Paper for Albania and 3.1 and 3.2 of the European Partnership (Democracy and Rule of law, Management of Public Finances, Internal Market and Trade, Free Market Economy and Structural Reforms, Sectoral Policies).

PHARE has provided assistance in the past to public administration reform and in particular to DoPA. This assistance has been continued under CARDS to ensure sustainability of the actions undertaken in the past. Projects included support to the process of public administration reform by providing capacity building activities and IT support to the Albanian public administration, developing the capacities of the Training Institute, advising DoPA and enhancing its capacities to implement reform.

Objectives:

1. Deepening the Public Administration reform agenda;
2. Strengthening the fight against corruption, in order to enhance the independence of the civil service from vested interests;

3. Ensuring that the action plan for the fulfilment of the Albanian obligations under the future SAA is implemented with the proactive participation of all line ministries and Government agencies involved; supporting the establishment and/or consolidation of institutions necessary for the SAA implementation, and aligning the community assistance with the SAA objectives;
4. Further improving the public finance management;
5. To strengthen the National Statistical Office of Albania (INSTAT) to enable it to better meet the needs of its customers by providing data that is accurate, reliable and timely and compiled to international and/or European standards and methods
6. Enhancing the policy and strategic planning and legislative framework in transport and telecommunications; improving implementation of laws and administrative capacities in the transport policy implementation agencies such as General Directorates.

Expected results:

Individual ministries and Government agencies are able to respond to the specific requirements under the SAP in an effective and timely manner; Albanian legislative framework better corresponding to the needs of SAA implementation and takes into account the EC *acquis*; better planning and utilisation of the EC assistance; Improved capacity in providing good quality data in a number of key areas, such as macro-economic statistics, labour market and social statistics and others; Improved capacities for policy formulation and strategic planning in the different Ministries.

Programmes to be implemented:

The above mentioned results will be achieved through the implementation of the following programmes:

1. Continued assistance for helping the implementation of the Public Administration reform agenda through key bodies of the central public administration; in particular through the improvement and enforcement of the Civil Service Law.
2. Support for (i) implementation of the anti-corruption strategy; (ii) strengthening the public internal financial control and external audit institutions for the support of the public finance management; (iii) Support for improving budget preparation and monitoring and (iv) review of relevant legislative framework such as the law on conflict of interest.
3. Continuation of assistance to the Government for improving capacities for SAA implementation; in particular through improving co-ordination mechanisms between the line Ministries and the Ministry of European Integration and creation of appropriate co-operation mechanisms as what regards civil society. Support for improving capacities for strategy planning, co-ordination and possible future decentralised management of EC financial assistance.
4. Assistance to INSTAT to improve its capacities to produce national accounts, price statistics, business statistics, labour market statistics and social statistics
5. Provision of an institution building programme in the Ministry of Transport and Telecommunications and related implementing agencies in particular in developing legal framework and for its implementation, improving policy formulation and preparing operational strategies in the Transport Directorates and plans for further privatisation of the transport sector. Sharing know-how and best practices for developing modern policy for telecommunications and implementing telecom legislation in line with EC legislation.

Indicators of achievement:

Improved implementation of civil service law
Law on conflict of interest implemented
Levels of/complaints on corruption reduced
Improved strategic planning and monitoring capacities in different Ministries
Increased proactive co-ordination between different Ministries in matters related to SAP and appropriate consultation mechanisms in place with civil society.
Improved planning and implementation of EC assistance.
Increased level and quality of data in key policy areas.
Modernised policy on telecommunication and improved transport legislation and implementation of the Road Code leading to decrease in accidents
Plan prepared and implemented for sustainable planning, execution and maintenance of infrastructure assets improving the safety and maintenance of infrastructure.
Improved operations and organisation of the Road Directorates.
Follow-up and implementation of the Albanian National Transport Plan

Cross-cutting issues:

1. The entire public administration will benefit from the implementation of recommendations following the system review through the improvement of cross-cutting components (public employment, public finances, Information Technology, legislative drafting, administrative procedure and public affairs).
2. The assistance in this sector will take into account the equal opportunities through out the reforms made in the public administration. It also includes elements for enhancing participatory process, and sustainable development linking it with other priorities under the present MIP.
3. The capacity of Albania through the MEI, to effectively co-ordinate EC assistance supporting the SAP will be a key factor in the impact of the assistance, which will itself have a bearing on Albania's SAP progress.

Link to regional strategy and other EC instruments

1. Public administration reform is a horizontal activity and thus intersects with each of the MIP focal areas, reinforcing and extending the assistance being provided to other sectors.
2. The activities are designed to complement the support being provided under the CARDS Regional Institution Building Programme;

Risks assumptions:

Due inclusion of the decentralisation policies will have to be reflected throughout the actions under this priority. Necessary linkages must be ensured with Public Administration both at the central and local level and this must be taken into account in planning the activities. Necessary linkages must also be ensured with institutions and bodies in the field of Environment and civil society to enhance the participatory process. All actions must take into account the gender dimension.

3.2.2.2 Decentralisation

Background and Past EC Assistance:

See items 6.2.2. and 6.2.3.2 of the Country Strategy Paper for Albania and sections 3.1 and 3.2 of the European Partnership (Democracy and Rule of Law, Management of Public Finance, Internal Market and Trade).

In the last five years the Government has pursued a policy of decentralisation, gradually shifting some responsibilities to the local authorities (e.g. municipal and utility service delivery, partial expenditure management on education and health, direct collection of Small Business Tax). The Ministry for Local Government and Decentralisation has been supervising the process, leading to a consolidation of local districts into larger administrative entities. With the assistance of the Ministry of Economy, selected local authorities have started engaging in regional development. In some areas, independent agencies have been established to work on local development programs (including regional, municipal, and communal programmes). Donors have supported these development programmes but more systemically coordinated support is required.

In the past EC assistance has mainly focussed on central government. This would be the first time when decentralisation and enhancing the administrative capacities at local level is supported in a comprehensive manner by EC.

As for what concerns the local infrastructure:

- under previous MIP2002-04, support to infrastructure was included under the items “Integrated Border Management - particular needs of border regions” and “Local Community Development” (LCDP).

Objectives:

The main objectives for decentralisation support will be the same pursued at central government level in the previous Multi-Indicative Programme, i.e.:

1. Bolstering the legislative / administrative framework for financing of local governments.
2. Enhancing the administrative capacity of local governments by introducing public administration management best practice, including implementation of the civil service law;
3. Increasing the administrative capacity of local authorities in areas where they have acquired specific responsibilities and/or are required to improve coordination with the central Government. These specific areas are: (i) decentralisation of fiscal responsibilities (including revenues and expenditures); (ii) procurement; (iii) aid-coordination and management.
4. To improve the living conditions of the rural population of Albania through support for the development of coherent regional strategies and the rehabilitation or construction of local infrastructure. It is the intention that these activities will increase opportunities for local employment and ensure the sustainability of the investment. The northern-eastern part of Albania should be granted preferential treatment, based on the poverty mapping undertaken by KfW.

Expected results:

Local governments better equipped to manage the social, economic and managerial development of their territory; improved co-operation between local institutions and regional offices and central institutions in key areas of reform; best practice in public procurement is extended to the region, resulting in a substantial reduction of irregularities.

Regional studies identifying viable local infrastructure projects coherent to a regional master plan in line with national sector strategies; roads, rehabilitated or constructed; buildings rehabilitated or constructed; rehabilitation of local water networks; protection of the environment.

Promotion of local employment; discouragement from leaving rural areas; increased local participation, in project identification and selection of local infrastructure projects; also upkeep and maintenance, and sustainability of existing and future public investment.

Programmes to be implemented:

The above mentioned results will be achieved through the implementation of the following programmes:

1. EU advice for evaluating the definitions of responsibilities and the assignment of powers and improve where necessary.
2. Assistance for developing and improving the legal and administrative framework on financing local governments; support to budgetary and planning departments of local governments including training in the field of budget preparation and expenditure management.
3. Support for implementation of National Strategy for Training local Governments and for improving operations of the Training Agency for Local Government of Albania (TALGA).
4. Strengthening strategy planning and management capabilities of local authorities to support them in better responding to the social and economic development needs of their communities, in compliance with the decentralisation process; in particular support will be provided to planning departments of local governments and, where existing, their development agencies. This programme will also include specific assistance on decentralised aid coordination and management. Experience and best practice from EU regions in Member States on the use of EC structural funds will be a valuable know-how to be transferred.
5. Assisting local authorities to establish public procurement operations in line with the directives of the national Public Procurement Agency and with the EU practice; this would result in a substantial reduction of irregularities.
6. Investments in local infrastructure, institution building to complement investments, focusing on the (i) preparation of the regional studies, (ii) technical specifications and supervision of works, (iii) training of agency staff responsible for local infrastructure developments and of local government civil servants in charge of project preparation and monitoring the civil works and capacity-building of local government

Indicators of achievement:

- Increased efficiency in the work of the local governments; improved legal framework concerning financing local governments in place and implemented and the expenditure duly reflected in the MTEF; Increased number of local government staff trained on specific fields of the responsibility of the local governments. Local infrastructure constructed in line with the Transport Master plan.
- Local infrastructure rehabilitated and maintenance operations at local level guaranteed.

Cross-cutting issues:

As a vital element of Good Governance, decentralisation will allow for the modernisation of a democratic state by bringing the decision making closer to the citizens who will have more direct control over it.

Link to regional strategy and other EC instruments:

The programme shall be complemented by the Customs and Tax and Public Administration programmes and will be linked to the environment and democratic stabilisation programmes under the present MIP.

Risks and assumptions:

In order for the programme to be successful the Albanian government must take the appropriate decisions concerning definitions and transfer of responsibilities before the programme implementation begins. Financing of the Local Governments must be duly reflected in the MTEF and the Ministries must ensure co-operation with GED. TALGA must be put in place before the programme implementation starts. There must be seamless co-operation between the relevant Ministries such as Ministry of Local Government and Decentralisation, Ministry of European integration, Ministries of Finance and Economy and INSTAT. The Central government must be closely associated and its inputs co-ordinated with the implementation of the programme.

TALGA and TIPA must ensure flawless co-ordination in their activities.

For ensuring sustainability of the investments a contribution of 10% from local authorities towards the establishment of the maintenance fund is a pre-requisite. Projects ought to be linked to the transport master plan. Necessary linkages should also be ensured with institutions and bodies in the field of Environment and civil society to encourage the participatory process.

3.2.3 Customs and Taxation

Background and Past EC Assistance:

See item 6.2.2. of the Country Strategy Paper for Albania and sections 3.1 and 3.2 of the European Partnership (Internal Market and Trade).

In June 1997, the Customs Assistance Mission to Albania (the CAM-A programme) was established. The aim was initially to assist the Albanian Customs Service (ACS) to restore its ability to collect revenue and then to improve the customs revenue yield. Since the end of 1997, and once the main customs houses became re-operational, the CAM-A programme has assisted in the modernisation and development of an efficient and self-sustaining Customs service with specialised advice and assistance based on the EU Customs Blueprints.

EC support for the GDT began through the CARDS 2001 programme in the area of computerisation. CAM-A provided assistance to an in-house development of a computerised system which will integrate all the areas of taxation covered by the GDT, including social contributions, and to extend the computerisation into all Tax Offices.

The entry of Albania into the WTO has brought with it a change of emphasis in the areas of customs and taxation. The importance, in terms of revenue yield, is progressively reducing in the area of customs and increasing in the area of taxation.

Objectives:

Stabilise and improve all aspects of the administrative capacity of the Albanian customs and tax administrations with a view to improving their functioning and to maximising revenue yield and thus reducing budget deficit. Further improve customs legislation and procedures in conformity with EC standards, in particular with regard to the implementation of free trade agreements, including the proper certification of the preferential origin of goods. Achieve an appropriate balance between the need to secure the revenue and the need to protect the Albanian people from the adverse effects of corruption and organised crime including illicit trafficking and terrorism.

Expected results:

1. Increased revenue collection overall.
2. Improved legislative framework in place and implemented in both sectors.
3. Simplified collection procedures in place and both administration functioning in a more transparent way.
4. Improved response by both services in the area of compliance and enforcement seeking:-
 - in the ACS increases in the detection and prosecution of illicit trafficking cases,
 - in the GDT increased effectiveness in the control of taxpayers, notably VAT traders, resulting in the detection of underpayments including those involving fraud.
5. Fiscal collection taking place at local level in accordance with the Albanian plan for decentralisation.

Programmes to be implemented:

1. Continued EU advisory assistance to further align customs legislation and procedures, and their implementation in line with EC standards, such as transit, valuation, origin, customs warehouses, risk assessment and selectivity, enforcement and auditing.
2. Continued EU advisory and training assistance with due account to the Albanian plan on Decentralisation to further improve the taxation legislation and its implementation; to reform tax system, tax inspection and to simplify the procedures in view of increasing transparency and to make it more favourable for starting up companies also at local level.
3. Support for setting up a fiscal training school and development of curricula including the decentralisation dimension.
4. Continued assistance to the ACS and GDT in the area of Human Resource Management notably aimed at improving organisation and management, staff motivation and career development notably with a view to the reduction of corruption.
4. Investment and technical assistance to continue computerisation efforts both for both the ACS and GDAT in support of other institution building measures.

Indicators of achievement:

Improved legislative framework and procedures in place both centrally and locally; an audit strategy developed and implemented for both administrations; decrease in complaints on corruption and discriminatory application of legislation by both administrations; Delivery of the ASYCUDA computerisation in the ACS and the Integrated Taxation Computerisation in the GDT; Plan for setting up the fiscal training school and curricula developed.

Cross-cutting issues:

Efficient customs and taxation services and transparent procedures reduce barriers for doing business and thus help provide an attractive investment environment

The fight against crime and corruption, especially organised crime and terrorism, cuts across policing, judicial, border management and security areas.

Effective customs regimes with economic impact, for example systems for certification of origin, have a direct impact in terms of facilitating trade.

Link to regional strategy and other EC instruments:

Police, Organised Crime and Terrorism services, Judicial Reform, Integrated Border Management and Administrative Capacity under the present MIP are complementary to the assistance planned in the field of customs and taxation.

Risks and assumptions:

Political will to support the fight against corruption and organised crime;
Continuing Government commitment to support the modernisation development process;
Provision of suitable logistical facilities and appointment of suitable senior local counterparts for the duration of programme activities;
Provision of an adequate operational budget for the ACS and GDT;
Availability of necessary human and logistical resources to ensure sustainability of programme reforms;
Ability of the ACS and GDT to ensure that key IT staff are retained within the service;
Premises for the fiscal training school to be provided by the beneficiary.

3.3 Economic and Social Development**3.3.1 Investment Climate****Background and Past EC Assistance:**

See item 6.2.3. of the Country Strategy Paper for Albania and sections 3.1 and 3.2 of the European Partnership (Internal Market and Trade, Free Market Economy and Structural Reforms).

CARDS has provided technical assistance in order to build the capacities of the Independent Competition Authority and of the State Aids Office at the Ministry of Economy, and supported the development of the legal framework.

In addition, Regional 2003 CARDS programme strengthened the Independent Competition Authority's capacity to (a) enforce competition rules pro-actively and effectively, (b) initiate regulatory and structural reform aiming at creating competitive markets, and (c) support each other through international co-operation.

Objectives:

To further improve business environment via enforcing commercial legislation, encouraging fair competition; Strengthening the legal security of physical ownership rights by ensuring due implementation of land restitution law; extending and facilitating the company registration possibilities throughout the country and capacity building for market organisations such as trade associations, trade unions and employers' organisations. Improving the land planning capacities and enforcing the related legislation to enable sustained infrastructure development in Albania.

Expected results:

Improved legislation in place and implemented such as the competition law and law on property restitution. The department dealing with Immovable Property Registration System (IPRS) better equipped to determine the land available for restitution or compensation. Business friendly registration and licensing procedures in place and registration enabled also outside of Tirana. Market organisations able to fully engage in social dialogue. Improved capacities of the institutions dealing with land use, urban and regional planning, and due adherence to the related legislation.

Programmes to be implemented:

Support for implementation of the Action Plan for the removal of administrative barriers to investment and for simplification of administrative procedures in view to maximise transparency;

Support for simplifying the registration and licensing procedures and for implementation plan for enabling the company registration in the regions.

Continued assistance for a) introduction of measures for the enforcement of competition related regulations and strengthening of administrative capacities in this area such as that of the independent competition authority.

b) designing necessary legal framework and implementing state aid regulations according to Community requirements and promotion of public awareness measures on competition and state aid.

Provision of institution building to market organisations, such as support for the creation of national networks of local trade unions, associations, professional organisations etc. and facilitating their networking with EU sister organisations.

Support to land registration by institutional strengthening and technical upgrading of IPRS and assistance for initiating Computer Assisted Mass Appraisal (CAMA).

Support for improving urban, land use and regional planning capacity and practices in order to ensure an efficient allocation of resources and the encouragement of investments aimed at the sustainable economic development of the country, including tourism and the protection of historical and archaeological sites.

Indicators of achievement:

Increased number of companies, foreign and domestic, registered and operating in Albania
Registrations made also in local offices;

The Competition Authority and its regional network are fully operational, able to carry out their mandate; cases of unfair competition are investigated; rulings by the Competition Authorities against monopolies are enforced;

Comprehensive State aid inventory existing and the production of GDP data at NUTS II level;
Social dialogue taking place;

IPRS producing reliable data on land registration;

Necessary improvements in urban land use and regional planning and in interagency co-operation.

Cross-cutting issues:

1. Economic development will both lighten the problems which government seeks to address, and provide more fiscal revenue to help tackle them;
2. Economic development creates jobs, facilitating sustainable return;
3. Economic development raises tax revenue potential helping fund public administration.
4. Increased economic development contributes to the alleviation of poverty.

Link to regional strategy and other EC instruments:

Planned interventions in this sector are complementary to the support in the Justice, Administrative capacity, Decentralisation and customs and taxation priorities under the present MIP.

Risks and assumptions:

Direct or indirect political interference with licensing and registration.

Albanian authorities must ensure adequate working environment in premises dealing with IPRS.

3.3.2 Trade

Background and Past EC Assistance:

See item 6.2.3. of the Country Strategy Paper for Albania and sections 3.1 and 3.2 of the European Partnership (Internal Market and Trade).

Phare 1997-1999: Rehabilitation of veterinary services, Food control, Animal identification and registration, Refurbishment of veterinary and Food Control laboratories, Technical assistance to Food Control directorate

CARDS under the previous MIP has covered the following areas:

Standards and Certification, Trade regulation and promotion, Metrology, Market surveillance system, Monitoring the health of small ruminants, Mollusks production and monitoring, and Strengthening of veterinary and phyto-sanitary inspection.

Objectives:

To facilitate trade through increased harmonisation of technical norms, standards and certification procedures in view of maximising the transparency of these and by improving quality of Albanian products also from the consumer health point of view thus increasing the quality and safety of Albanian products and encouragement of Albanian export possibilities. Improving the legislative framework and its implementation in key SAA areas, such as IPR, and align Albanian policies to EU laws and policies in the field of standardisation, testing certification and inspection.

Results:

Albanian legislative framework better corresponding to the needs of SAA implementation and takes into account the EC *acquis*; fulfilment of conditions for full membership in the European Standards Organizations, CEN and CENELEC; strengthened capacities to perform conformity assessment procedures and gradual implementation of EC directives in this field; increased public awareness and transparency on standards and conformity assessment issues, enhanced product quality and exports capacity of Albania.

Programmes to be implemented:

Some of the main beneficiaries will be the institutions involved in intellectual, commercial and industrial property rights; and General Directorate of Standards, certification bodies, accreditation bodies, General Directorate for Metrology and Calibration, most relevant associated laboratories, and all Ministries dealing with food safety, consumer protection and phytosanitary and veterinary aspects.

- Support for strengthening the administrative capacities to implement legislation on intellectual and industrial property in line with international and EU standards and

WTO obligations in the field of intellectual, commercial and industrial property rights and to, in particular, improve copyright protection.

- Assistance for increasing the awareness of economic operators and training of law enforcement bodies and the judiciary in relation to intellectual, commercial and industrial property rights.
- Support for harmonisation of technical norms, standards and certification procedures and for increasing the public awareness on these.
- Strengthening of food safety and quality control system and improvement in consumer protection;
- Institutional support to the Ministry of Agriculture and Food to design and formulate appropriate Food Safety policy in coordination with other involved ministries or intra-governmental agencies operating in food safety control;
- Assistance to ensure continuity in the approximation of EU acquis in the veterinary and phytosanitary fields and in the food safety and control as redirected in line with the new policy;
- Assistance to build up a European-type Food Authority structure which will function as a separate agency on food safety issues;
- Support for structures enforcing the legislation in the fields of veterinary, phytosanitary and food safety and under the new food safety policy regime including modernisation of laboratories according to a needs assessment. This will include also the training and qualification of inspectors and food analysts.

Indicators of achievement:

Enhanced administrative capacities able to safeguard IPR and enforce related laws and conventions accompanied with improved public awareness and training on these. Department on copyrights functioning effectively.

Substantial increase in the number of EC standards adopted and conclusion of Agreement PECA (European Protocol on conformity assessment);

Increased number of Albanian companies certified as ISO 9000;

Increased public awareness on standards and conformity assessment;

New food safety policy developed and improved legislative framework in veterinary, phytosanitary and food safety areas in line with EU Acquis;

Food Authority structure in place and selected laboratories modernised and staff trained;

Improved co-operation between the related Ministries, agencies and inspectorates.

Cross-cutting issues:

An improved environment for trade should lead to economic growth and increased employment opportunities, which are preconditions for the alleviation of poverty.

Link to regional strategy and other EC interventions

The activities in relation to trade development are also designed to complement the support being provided to Croatia, fYRoM, Serbia and Montenegro and Bosnia and Herzegovina under the trade facilitation component of the Regional Integrated Border Management Programme.

Activities developed under the CARDS regional programme are designed to strengthen the impact that actions programmed at national level produce in terms of the countries' capacity to make full use of autonomous trade preferences granted by the EC, to implement regional

and/or bilateral free trade agreements and to achieve greater regional and multilateral trade liberalisation.

The support under this priority will be complemented by actions taken under Public Administration Reform, Customs and Taxation and Integrated Border Management priorities under this MIP.

Risks and assumptions.

Relevant co-ordination and co-operation has to be ensured between all relevant actors such as the Ministry of Health, Agriculture and other related bodies and agencies.

3.3.3 Infrastructure

Co-operation with IFIs

Background and Past EC Assistance:

See Annex 6 of the Country Strategy Paper for Albania and sections 3.1 and 3.2 of the European Partnership (Sectoral policies).

PHARE Programme to 2000:

Road and port construction and support to Ministry of Transport in designs, studies and technical assistance: €120 million approx.

CARDS 2001 to 2004:

Institutional strengthening of Ministry of Transport; designs, studies and supervision activities in support of EIB and EBRD loans and intervention in the transport sector: €10 million

Objectives:

- To facilitate IFI or other donor funding to construct and improve the core infrastructure in Albania so as to contribute to the increase in trade and economic growth.

Expected results:

- Continued improvement of the core transport network in Albania
- T/A support to improved large-scale infrastructure financed by IFI / other donor funding.

Programmes to be implemented:

The above-mentioned results will be mainly achieved through:

- Assistance for feasibility studies and supervision of infrastructure works to facilitate further funding from IFIs and/or other bilateral funding in continued improvement of the core transport network, especially in border regions and the North-South and East-West axes.

Indicators of achievement:

Studies and designs prepared and works supervised.

Cross-cutting issues:

Cross cutting issues will depend on the nature of the specific IFI project being facilitated; however, a common feature of infrastructure projects is that they are intended to improve

social and economic conditions in the country and to stimulate investment, leading to further improvement in social and economic conditions.

All investments made with the funding from this priority will include the Environmental Impact Assessments (EIAs) in line with the EU directive hence ensuring the due take into account of the environmental aspects.

Link to regional strategy and other EC instruments

Intervention in the transport sector is to synchronise with the regional plan for transport (i.e. Regional Balkans Infrastructure Study [REBIS] and the South East Europe [SEE] Core Regional Transport Network), eventually including Corridor VIII.

Risks and assumptions.

Appropriate funding from IFIs or other donors to ensure the works.

Ministry of Transport and Telecommunications to provide from its own resources operational support to the PIUs and keep them properly staffed and equipped.

3.3.4 Environment

Background and Past EC Assistance:

See item 6.2.4 of the Country Strategy Paper for Albania, and sections 3.1 and 3.2. of the European Partnership (Sectoral policies).

Assistance covers several environmental topics:

Environmental hot spots

Removal, treatment and final disposal of arsenic solution from the Nitrogen Fertiliser Plant, Fier (Phare 2000)

Pollution remediation at Ballshi refinery (CARDS 2002)

Design of a landfill for hazardous waste (CARDS 2002)

Construction of landfill (CARDS 2004)

Institutional and regulatory strengthening

Environmental legislation and planning (CARDS 2002),

Environmental quality monitoring (CARDS 2004)

Territorial planning

Development of Tirana-Durres corridor (CARDS 2004)

Objectives:

The objectives of the Multi-Annual Indicative Programme 2005-2006 will be to build upon (i) the expected results from existing CARDS projects; and (ii) the progress made by the Government of Albania in improving the institutional and legal framework on environment.

Consequently the objectives in this area are:

- (i) Improvement of the planning and management capacity of the Government agencies responsible for environmental protection and sustainable exploitation of natural resources;
- (ii) Continuation of strengthening the enforcement of environmental legislation and monitoring systems.
- (iii) Improvement of public awareness on environmental aspects.
- (iv) Encouragement of cooperation between different Ministries, agencies and NGOs.

Expected results:

Improved implementation of environmental legislation, increased public awareness and public participation in policy formulation and law implementation.

Maintaining momentum in the Government's commitments to improve environment conditions in the country; and improvement of the functions of newly established agencies and networks responsible for pollution monitoring, inspections etc.

Programmes to be implemented:

- Strengthening of the environmental quality monitoring system, formulation and enforcement of specific anti-pollution measures,
- Application of the new National Environment Strategy for the education of public on environment and sustainable development, including improving public access to environment information and the participation of local communities and civil society to the decision making process on environment issues.
- Sustaining of specific actions relating to environmental "hot spots" such as removal, transport, storage and treatment of hazardous waste and or on-site treatment of contaminated areas. In this context support should be given to act as catalysts for further funding from IFIs such as from the EIB, EBRD, WB or other bilateral funding.
- Preparation of a comprehensive convergence strategy for environmental legislation with related cost assessment.
- Addressing specific issues relating to degradation of natural resources (water, land etc).

Indicators of achievement:

Antipollution measures identified and put in place.

Environmental-awareness taught at schools, easier access to environmental information and improved public participation in policy-making.

Strategy prepared for sustainable approximation of environmental legislation.

Clear steps for enabling sustainable development undertaken and put in place.

Cross-cutting issues:

Environmental matters affect all sectors and policies in the country. Programme will also improve the good governance in the field of environment.

Link to regional strategy and other EC instruments:

The assistance provided under the present MIP will be co-ordinated with interventions financed through the LIFE Third Countries Programme and the Regional Environmental Reconstruction Programme (REReP), in collaboration the European Environment Agency (Copenhagen) and the Regional Environmental Centre (Budapest).

Necessary links must be ensured with the education priority, decentralisation and democratic stabilisation to enhance the participatory process.

The assistance provided to the **Environment** sector reinforces and extends the support being given to **Administrative Capacity**.

Risks and assumptions:

To be successful, Public Administration both at the central and local level is to be taken into account in planning the activities. Necessary linkages and responsibility required with the Ministry of Education, and relevant bodies responsible for decentralisation, and for urban and land use and planning and civil society. For enabling the infrastructure works, necessary funding must be obtained from IFIs and/or bilateral donors.

Necessary improvements in urban land use and regional planning and in interagency co-operation.

3.3.5 Education and Employment

3.3.5.1 Education: Tempus

Background and Past EC Assistance:

See item 6.2.3.3 of the Country Strategy Paper for Albania.

The Country Strategy Paper for Albania points to the need for economic reform to be accompanied by measures designed to support the process and mitigate its adverse consequences. In this respect a priority is supporting improvements in the university sector: reform and modernisation in this sector will, in time, lead to a better qualified work force and reduced unemployment.

Past assistance has supported the development of higher education through the TEMPUS Community Programme.

Objectives:

To support the country's efforts to achieve the objectives of the Bologna Declaration which aims at the establishment of a common European higher education space by 2010. The Declaration requires *inter alia* structural reforms of university governance, management and finance, in particular the strengthening of the strategic management capacities of universities through institutional integration, efficient control over standards, and the set up of a system to test compatibility across faculties or universities. To support the development of the higher education system in the country through balanced co-operation between higher education institutions in the country and those of Member States of the European Union.

Expected results:

Increased synergy between higher education legislation and policy and reforms at the institutional level; strengthened strategic management capacities of higher education institutions; modernisation of management and administration of the participating higher education institutions; teaching and learning according to revised curricula and study courses in line with changes social and economic needs; improved skills of non-academic staff relevant for public administration reform and civil society development; increased mobility of students and academic staff; closer co-operation and sharing of resources and experience between higher education institutions at a regional level.

Programme to be implemented:

- To promote the reform of higher education institutions in view of improving the quality of academic teaching and learning in line with changing political, social and economic needs. Increase synergies between higher education institutions at an international level. Strengthen management and administrative capacity of higher education institutions taking part in the programme. Promote the development of curricula which are more and more in tune with the current needs of employment markets at a national and international level. These activities will be implemented through the TEMPUS programme;

Indicators of achievement:

Number of exchange programmes successfully implemented. Number of applications received and increase on annual basis. Number of new and revised university curricula successfully implemented. Number of students having followed new curricula. Time needed by students having followed new curricula to find employment.

Cross-cutting issues:

Improvements in the area of higher education have obvious repercussions on employment generation. In particular the Tempus Programme may be seen as part of a comprehensive strategy aimed at curbing the phenomenon of brain drain which is posing one of the most serious challenges to the country's chances of economic recovery.

Within this MIP clear links exist with the "Employment" programme.

Risks and assumptions:

The programme is based on the assumption that the country's authorities will remain committed to the development of the higher education sector.

3.3.5.2 Employment

Background and Past EC Assistance:

See item 6.2.3.3 of the Country Strategy Paper for Albania, and sections 3.1 and 3.2. of the European Partnership (Free Market Economy and Structural Reforms).

A large programme of support for vocational education and training under the 2002-2004 CARDS involving development of a single modern, coherent and decentralized national VET system through:

reinforcing the newly established National VET Council as a mechanism for actively engaging social partners, industry and other stakeholders within the VET;

setting up a new National Vocational Agency to provide the operational and strategic development of the new VET system;

reforming systems of occupational standards, national vocational qualifications, quality assurance, curricula and teacher training;

setting up six regional VET schools/centres (including two regional teacher training centres) in order to implement the above reforms and improve delivery.

One of the earliest actions of the whole programme is to conduct a labour market analysis.

There has been little support to the social reform agenda under CARDS other than through the VET programme.

However, a study has been undertaken of the administration of the social sector in Albania as part of a wider regional study conducted by the European Commission. The results of this study will inform any future interventions in this broad area.

Objectives:

(i) consolidation of labour promotion policies in Albania in order to contribute to tackle the problem of unemployment and to reducing the burden of social assistance expenditures to the state budget; (ii) integration of labour market needs and the VET; (iii) reforming and improving of the social protection system in Albania. (iv) promoting an effective social dialogue at central and regional level on social policies and their implementation.

Expected Results

Improved legislation and institutional framework to promote employment and social cohesion, with necessary consolidation of social dialogue.

improved integration of present labour market needs and the VET;

Improved quality of social services in place;

Measures taken to improve social protection systems and social standards related to employment / unemployment, and to combat social exclusion and discrimination. Improved respect for core labour standards and their effective enforcement.

Programs to be implemented:

The above mentioned results will be achieved through support to the Ministry of Labour and Social Affairs, Ministry of Education, Institute of Social Insurance and their agencies in selected regions.

1. Support for labour market development by drafting a strategy/action plan on the basis in part at least of the labour market analysis conducted under the earlier VET programme, with short and medium term recommendations for follow-up beyond the area of VET. Such support will also provide recommendations for the institutionalisation and formalisation of the labour market.

2. Basing on the results of the previous pilot project, extension of the Regional training VET schools/centres to other Albanian regions. Basing on the previous experience

3. Support to improving the legal framework related to social protection and labour market development accompanied with a development of strong relations of partnerships with other factors of labour market, especially with social partners.

4. Support to strengthening the capacities at central and local government for the management/monitoring of the social services, to enhance the work of the Institute of Social Security and the local security agencies, as well as computerisation of employment and social services system in the centre and selected regional and local offices.

Indicators of achievement:

Strategy/action plan developed and implementation started. The work of the Institute of Social Security and of the local security agencies enhanced. New curricula developed and implanted. The legal framework improved and social dialogue in place.

Cross-cutting issues:

The adequate formulation of the legislation, action plan, curricula and improvement of social services, will take pay due account to gender, promoting the inclusion and equal opportunities. The programme will also improve the good governance in the areas concerned.

Link to regional strategy and other EC instruments:

Necessary links must be ensured with the decentralisation and democratic stabilisation to enhance the participatory process.

Risks and assumptions:

To be successful Public Administration both at the central and local level must be taken into account in planning the activities. Necessary linkages and responsibility must be ensured with the Ministry of Education, relevant bodies responsible for decentralisation, and civil society.

4. Community Programmes

Background and past assistance:

The EU agreed in the Thessaloniki Agenda to open participation in Community programmes to the Western Balkan countries, following the approach used in the candidate countries. The Commission proposed concrete steps to make this possible in its Communication of 3 December 2003¹, underlining the need for a selective and gradual approach. A framework agreement with the European Community laying down the general conditions for Albania's participation in Community programmes will be concluded and is expected to enter into force early 2005.

As Community programmes are in origin EU internal action programmes based on internal budget headings, partner countries outside the Union must pay a financial contribution ('entry ticket') to cover the expenses of participation of its nationals in such a programme. For a given programme, this entry ticket will be determined in a corresponding Memorandum of Understanding (MoU) between Albania and the Commission.

As participation in Community programmes can represent a large investment for a partner country, CARDS support may be used to co-finance entry tickets. The following principles for co-financing by CARDS were defined in the Communication.

To encourage a gradual and selective approach to participation in Community programmes, CARDS co-financing will be limited to 3-5 new programmes per programming year;

Co-financing of the participation in programmes of a given country will be specified in the corresponding CARDS Annual Programme and must not exceed 5% of the total annual budget. It can take the form of a financial support over up to three years;

To encourage ownership, co-financing may not exceed 75% of the national contribution to any given programme and this proportion must be steadily reduced over a three-year programming period.

A number of Community programmes require the existence of a substantial administrative structure to allow a country's full participation. For this reason, allocations planned in the present MIP to support Albania's participation in Community programmes may be used for accompanying measures such as: building capacity to implement specific Community programmes in the medium term, communication related to Community programmes and to training for potential participants.

Should it not be possible to use allocations under this priority either to co-finance Community programme 'entry ticket' contributions or to build institutions in preparation for Community programme participation, support may be reallocated either to the reserve or directly to other MIP priorities for measures of a nature comparable to those addressed under Community programmes.

Objectives:

Participation in Community programmes will:

Support Albania's efforts towards European integration by facilitating transfer of know-how and good practice, particularly in those areas of the *acquis* that serve as key reference points for its reform process;

Help Albania and its citizens to familiarise themselves with the Union's policies and working methods.

¹ Communication of the Commission "Preparing for the participation of the Western Balkan countries in Community programmes and agencies" [COM (2003) 748 of 3.12.03] – accessible on the internet at:

http://europa.eu.int/comm/external_relations/see/docs/com03_748_en.pdf

Expected Results:

To initiate gradual participation of Albania in a selection of Community programmes by co-financing its financial contribution to these programmes;
To facilitate administrative preparations and raise awareness of the new opportunities among target participants of the programmes.

Programmes to be implemented:

Co-financing over up to three consecutive years of Albania's financial contribution to a selection of Community programmes.
Co-financing of accompanying measures such as administrative preparations, communication, and training of potential applicants in preparation of proposals.

Indicators of achievement:

Number of applicants to specific programmes and number of selected projects;
Set up of reliable network of officials in responsible bodies; information dissemination including reference material on Community programmes.

Cross-cutting issues:

As well as targeting specific intervention areas themselves, individual Community programmes will have the potential to interact with and reinforce other aspects of Albania's reform and development within the Stabilisation and Association Process

Link to regional strategy and other EC interventions:

Albania is involved in both Community programme activities already open to third countries, and in comparable actions in other EU programmes both within CARDS (Tempus, VET) and outside CARDS (LIFE, 6th Framework Programme for Research and Development).

Risks and assumptions:

Appropriate inter-ministerial coordination and sustained commitment on the Albanian side will be vital in ensuring successful participation;
Capacity to mobilise the target participants of the programmes is critical.

5. Reserve

The purpose of the reserve is to cover priority expenditures within the components of the Multi-annual Indicative Programme which may arise in the course of its implementation and which were unforeseeable at the time of its preparation.