

**Executive Board of the
United Nations
Development Programme
and of the United Nations
Population Fund**

**UNDP: COUNTRY PROGRAMMING AND RELATED MATTERS
DRAFT COUNTRY PROGRAMME DOCUMENT
FOR ALBANIA 2006-2010**

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Introduction

1. The UNDP Country Programme Document (CPD) for Albania emerged from a nation-wide consultation process on the country's priorities and targets towards achievement of the Millennium Development Goals (MDG). The participatory approach, adopted for preparing the CCA/UNDAF and the CPD, included several brainstorming meetings and workshops with experts from the line ministries, representatives of civil society organizations (CSOs), UN agencies and donors. It also takes into account the key government planning documents including the National Strategy on Socio-Economic Development (NSSED) and the plans of action that have emerged from the EU Stabilisation and Association process (SAP). Global documents such as the reports of the Millennium Project were also considered in the programming process.

I. Situation Analysis

2. Albania has made progress in terms of establishing the foundations of democratic institutions and a market economy. In 1998 Albania approved a new Constitution which represents a collective commitment to respect democratic principles, human rights and a market economy. Moreover, in 2000, Albania became a member of the World Trade Organisation (WTO) which illustrates its determination to build an open and integrated market economy.

3. Poverty remains an important issue despite significant income growth and improvements in some development indicators. With per capita income of US\$1,740 in 2003 and about one quarter of the population with consumption below poverty levels, Albania remains among the poorest countries in Europe. While some indicators do suggest progress over time in key areas such as absolute poverty, child mortality, maternal health, and youth and young female literacy, the paucity of data hinders a comprehensive assessment.

4. Albania is still a young democracy. The rule of law is weak despite efforts to improve the function of the judicial system. This goes hand-in-hand with the weakness of the public administration, whose performance indicators remain low notwithstanding some improvements. The construction of a modern, independent and efficient public administration is still a long-run objective. Widespread corruption

and organized crime constitute serious threats to the country's prosperity, as well as its ability to uphold obligations in defending human rights (*Common Country Assessment*).

5. The Government of Albania has prepared and is implementing the NSSED and the European Partnership Action Plan as a mechanism of the SAP. The NSSED and SAP are becoming a stakeholders' forum intended to reach a consensus about government priorities. A Medium Term Budget Programme (MTBP) and national budget are supposed to financially support all government priorities identified in the NSSED and SAP. A critical problem remains, however, when it comes to linking policy priorities to other stages of the policy cycle: the priorities are not properly quantified in terms of measurable indicators, they are not properly programmed, monitored and evaluated, with planning, monitoring and reporting systems and frameworks being disconnected from each other. In Albania there is a lack of tradition of Results Based Management (RBM).

6. It has to be acknowledged that Albania has made considerable efforts to establish the legal framework and the basic institutions as well as in implementing policies towards decentralization. That said, Albania is far from completing the design of political, administrative and fiscal decentralization in order to improve service delivery, governance and accountability. The analysis of key issues and their inter-connections suggests that greater investment is needed in transportation, energy, water and sewage systems as well as in social infrastructure rehabilitation. More attention should be paid to promote integrated local development through support to small- and medium-sized enterprises (SMEs), creation of new jobs, access to credit, and increased capacity of the workforce through vocational training. These measures will help to reduce existing regional disparities in the country.

7. The Albanian Constitution formally establishes equality between men and women, but in practice women do not often enjoy the same status as men. While there are no striking differences in education and employment in the public administration, the gender-based inequalities in wage employment and in decision-making are issues of concern (*Albania National MDG Report 2004*). In addition, violence directed at women has been recognized as a growing social problem. So far efforts have not

been sufficient in creating a protective environment for women, especially with regards to very remote areas (*Common Country Assessment 2004*).

8. Albania is a country rich in biological diversity. Although progress has been made, the size of the current protected areas remains insufficient to ensure effective conservation of this resource. In addition, the biological integrity of existing protected areas has been compromised due to illegal hunting and wood collection. It is generally agreed that atmospheric pollution, especially in larger urban centres, is a significant problem. Solid waste is also a major factor of pollution especially in urban areas. Monitoring and enforcement is inadequate and comprehensive management plans still do not exist. Environmental hotspots remain the biggest challenge with other related socio-economic factors. Each of these locations has serious problems that pose immediate risks to human health and the environment.

9. The intensity of aid flows to Albania shows a declining trend, aid as a percentage of GDP falling from 12.7 percent in 1999 to approximately 5 percent in 2002, mainly due to the increase in the level of GDP level. Multilateral donors are the main source of external aid, providing approximately 60 percent of the total assistance in Albania with the EU accounting for 28.5 percent of total aid contributions in the country. The EU is, and will remain, a critical international partner in the context of Albania's ambition for full membership of the Union.

II. Past Cooperation and Lessons Learned

10. Learning from the lessons of the first Country Cooperation Framework (CCF), the structure of the second CCF 2002-2005 was originally based around two narrowly and more strategically focused programme areas with the long-term objective of achieving high levels of sustainable human development in this country: (a) Democratic Governance and (b) Human Security. In addition, these two major programme areas were supplemented by cross-cutting interventions, namely (i) Gender and (ii) Information and Advocacy.

The Revised Programme Structure

11. In May 2004, based on the success of the utilising and operationalizing the MDG approach in Albania over the previous two years, the County Office (CO) decided to re-align its programmes in accordance to their relevance to and relationship with the promotion of the MDGs. Three clusters were introduced to replace the two programmes and crosscutting areas, namely: (a) MDG Enabling Environment Cluster: The cluster reflects the integration of the MDGs into all democratic governance practice area programmes. It is focussing on strengthening institutional capacities and public administration reform, consolidating partnerships for MDGs, and promoting use of modern Information-Communication Technologies (ICT) for achievement of the MDGs (b) MDG Substantive Programmes Cluster: The major common feature of the cluster is their presence at the local level targeting local communities, authorities and civil society organizations. For UNDP Albania, the localization of MDGs has become a major tool in championing the MDGs in practice. As a result, the programmes and projects within the unit are clustered around three main MDGs: Poverty, Gender and Environment, although many crosscutting elements and initiatives are present. (c) Advocacy and Partnership Cluster: Communication, outreach and advocacy are vital in supporting the mission of UNDP and the UN Country Team (UNCT) in Albania. Through its Advocacy and Partnership cluster/unit the UNDP CO in Albania generates awareness, support and commitment on a national and regional scale for the MDGs.

12. As part of the preparation of the Country Programme, the CO commissioned a *comprehensive programme assessment* that included (a) a client survey, (b) a beneficiary self-assessment focussed on social mobilisation efforts and participation, (c) an assessment of organisational effectiveness and (d) an assessment of the contribution of the second CCF to national development results which included an analysis of UNDP's strategic positioning and partnership strategies. The assessment identified important lessons that would be useful in designing the new programme.

Operationalizing MDGs – An important approach for increased development effectiveness

13. A major lesson learned has been the valuable role of the MDGs as tools for increasing development effectiveness of UNDP and the

government and other partners as well. In terms of the process of operationalizing the MDGs the CO had succeeded in institutionalising reporting and ensuring national ownership of the MDGs at both central and local level. MDGs have become an important part of the life of many ordinary Albanians as well as government officials. The MDGs have facilitated the development of more people-centred interventions and strategies due to their simple message and long-term nature, allowing stakeholders with different interests to come together with a greater degree of consensus than existed previously. A key lesson was the need to complement the operationalizing with support for policies to ensure the goals would be met.

UNDP's Contribution to Results and Strategic Positioning

14. UNDP has made significant contribution to national development results during the implementation of the second CCF (*Country Programme Assessment 2004*) These have been a combination of direct actions to support communities at the local level as well as more strategic interventions aimed at supporting policy development, institutional strengthening and capacity building at the centre. At the local level UNDP has contributed to increased levels of participation, confidence building and trust. An additional important finding is that the infrastructure projects supported by UNDP and the social change process are intricately linked.

15. The assessment mission noted the increased visibility of UNDP since the review of the previous country programme in 2001 and how this had been supported by more focussed interventions, the advocacy of the MDGs, concrete results on the ground, development of effective partnerships as well as strategic and effective interventions with the media. Increased visibility was also found to be combined with increased respect of UNDP as an organisation and appreciation across society of the actions it undertakes in the country. UNDP now has a "seat at the table" and is now seen as an important partner in the international donor community.

III. Proposed Programme

16. The second CCF (2002-2005) addressed the move from crisis to one of stability and established UNDP as an important player in the development arena in Albania. It has been possible to carve an

important niche in key areas of intervention. The new Albania Country Programme (2006-2010) will build on these strong foundations and is set firmly within the UNDAF (2006-2010). It will allow an increase in innovation through use of mechanisms and modalities to reduce the burden of international support on the government and increase development effectiveness. Together with partners, UNDP's interventions will contribute to a more effective government at local and central levels developing programmes and policies with broad participation that will contribute to achieving the MDGs and EU accession. Specific results at the end of the Country Programme period are expected to include:

- An integrated and effective development planning framework in place that is pro-poor, pro-rights and aimed at achieving the MDGs
- Significantly increased participation of the Albanian people, directly or through Civil Society Organisations (CSOs), in the development process.
- Community driven local development processes in place and increased well-being among participating communities.

Supporting the "Enabling Environment" to achieve the MDGs

17. UNDP will support the development of an accountable and transparent government that prepares and implements policies aimed at the achievement of the MDGs. It will support ongoing efforts to establish and strengthen an integrated national development planning framework that will bring together the NSSD/MDGs/Sap, Regional Development Strategies (RDS) and the MTBP. An important element of this support will be to ensure the establishment of effective feedback mechanisms within the planning framework and specifically to support the use of RBM approaches in national development. This process represents a major public administration reform process that will continue into the next country programme.

18. In addition to supporting the development of appropriate frameworks, assistance will be given to the establishment and implementation of pro-poor and pro-rights policies that will support the achievement of MDGs. The National Human Development Report (NHDR) will be an important tool in this respect and will be complemented by flexible mechanisms to respond to specific government demands for policy support. Specific

support interventions will link sectoral and thematic activities undertaken by UNDP at the local level, for example in the areas of environment and decentralisation.

19. UNDP efforts will focus on effectively putting gender concerns into the national development agenda and making national legislation more gender sensitive. Special efforts will be made to become more strategic in policy support building on international best practices and ensuring not only the development but also the implementation and revision as appropriate of the policies developed. UNDP will provide continued support to data improvements to facilitate better policy making in the area of gender.

20. UNDP will support the national government in implementation of main conventions (CBD, UNCCD, UNFCCC) to ensure environmental sustainability. Special focus will be given to streamlining the commitments to conventions in the existing and proposed national action plans and strategies.

21. UNDP will support strengthening of national capacities in the Institute of Statistics (INSTAT) and line ministries to collect, analyse and report on development progress through implementation of DevInfo and RBM systems and training of relevant authorities for effective application of the systems for national and regional development, reporting, planning and distribution of resources.

22. Together with the World Bank, the EC and OSCE, UNDP is part of a Donor Technical Secretariat that is supporting the Government in the process of developing a modern integrated planning system. The system itself will be specifically designed to improve coordination of donors and government as well as facilitate greater harmonization of procedures and improved alignment of policies and interventions. Key Government partners include the Council of Ministers, the Ministries of Economy, Finance and European Integration.

Strengthening participation in the development process

UNDP will support the development of an enabling environment to promote people's participation in the policy making and decision making process. It will help establish institutions and forums to support

such participation and ensure the full inclusion of women and youth. Specific efforts will be made to ensure full participation in the national development planning framework and on the development of the key policies set out in the programme component above. Full use will be made of NGOs and CBOs, including those established within UNDP-supported programmes such as the Local Governance Programme (LGP), as well as other civil society organisations. Key donor partners will include the EC, Soros, Sida, UNICEF, OSCE, Norway, SNV and USAID.

23. Increased availability and quality of data will be promoted in the framework of "Data for Dialogue" component, including the full exploitation of information technologies, to facilitate more effective and informed participation. Innovative approaches will be a feature of this programme, for example in the application of Social Artistry and Appreciative Inquiry approaches. Special efforts will be made to support civic education and the encouragement of volunteerism. These efforts will be linked with social mobilisation activities and initiatives in support of greater government accountability undertaken in other programmes.

Regional Development in support of MDGs

24. The third component of the country programme will build on and consolidate the successes of the existing LGP. The programme will continue to focus on interventions at central, regional, municipality and commune levels and ensures linkages of grassroots experiences with the policy and institutional development at all levels of local government. It will also continue to act as an umbrella programme for a wide range of activities. It will strengthen, expand and deepen its work promoting participatory community development to ensure people's participation in local development initiatives and decision-making processes by linking the capacity building of the municipality and communes with the support for institutional development at the regional council level.

25. It will provide direct support to the development of local economic and social infrastructure within the framework of the Regional Development Strategies, including those aimed at ensuring the delivery of basic services and facilitating SME development. Such interventions will put in place a secure environment for communities and promote environmental

sustainability. UNDP's ongoing efforts to support de-mining in priority areas and to promote greater security will continue within the framework of the Kukes Area Based Development Programme. Emphasis will also be placed on addressing gender inequality at the local level and combating violence against women. As a logical extension of the LGP, a comprehensive Area Based Approach will be implemented in at least two-three regions during the period of the country programme.

26. Continued support will be provided to build the capacity of local government at the regional, municipal and commune levels. Flexible mechanisms will be used to ensure the process is owned by local government structures and is fully responsive to their needs. To promote harmonisation and reduce transaction costs for recipients such mechanisms will also attempt to promote a unified approach among the various donors and other organisations supporting similar efforts across the country. Policy and other support will also be provided to facilitate implementation of the decentralisation strategy with special emphasis on fiscal decentralisation and public resource management at the local level.

27. UNDP will continue to promote use of ICT facilities to encourage mapping of resources, creation of development knowledge network of local administrations and improved technical skills of regional authorities to use ICT for both effective internal operations and communications with citizens, businesses and international donor community. Increased transparency at the local level will support the larger effort by Government to combat corruption.

28. The main partner will be the Ministry of Local Government, the agency responsible for policy in this area, as well as regional and local authorities. The Ministry of Finance is a key partner in terms of fiscal decentralisation and given the broad scope of interventions within this component partnerships will be developed with most line ministries. A number of donor are involved in capacity building (including Sida, USAID, etc) while other are focussing on investment in infrastructure (WB, EU etc)

IV. Programme Management, Monitoring and Evaluation

29. Efforts will be made to facilitate movement from Direct Execution towards National Execution (NEX) through public administration reform interventions and the overall improvement of state of governance in Albania. Country Programme Action Plan (CPAP) and Annual Work Plan (AWP) will be the key elements of a single programming continuum of the CPD.

30. UNDP will promote implementation of the Monterrey Consensus as well as the Rome Declaration on harmonization and reduced transaction costs. New measures such as pooling of TA funds will be explored and experiences of other regions and countries in this respect followed closely. As a lead agency in the areas of donor coordination for institutional and capacity building, including local governance, public administration reform, civil society and gender, UNDP will promote donor cooperation through (i) a real and timely inventory of sector projects and programmes; (ii) identification and review of sector indicators and expected results, (iii) enhanced information exchange; (iv) coordinated action with government and (v) coordinated and collaborative programming, monitoring and evaluation with other donors.

31. RBM will be an underpinning for any UNDP programming during the next cycle. Efforts will be made to strengthen the result-orientation of the CO and especially in the areas of soft assistance where effective assessment of results is most difficult. Programme monitoring and evaluation will be an integral part of the country programme. Priority will be given to thematic evaluations of major UNDP programmes jointly with other UN agencies and partners. As part of this strategy to enhance national ownership of UNDP cooperation, new and stronger programme monitoring and evaluation mechanisms will be implemented. An annual review mechanism, involving international, government and civil society partners, will be established to review activities and evaluate progress of the country programme as a whole towards the outcomes identified in the Results and Resources Framework. In addition, the country office will work to strengthen national capacities to monitor Albania's progress towards meeting the MDGs.

32. UNDP will work in close cooperation with the Government, regional authorities, civil society, donors and other stakeholders to ensure ownership and sustainability of its programme interventions. The UNDP Partnership Strategy, 2006-2010, will be

developed to clarify role of partners in various programmes and projects.

33. To supplement its core funding and to increase the impact of its programmes, UNDP will seek parallel funding, cost sharing and in-kind resources from government, donors and private sector partners. An active outreach and communications strategy will be employed to improve communications with funding partners. Additional partnerships will be pursued through increased coordination with activities under UNDP's Global Thematic Trust Funds, the Regional Programme Document (RPD) for Europe and the CIS, and the Global Environmental Facility (GEF). An ambitious resource mobilisation target is implied based on the increasing success of the CO in mobilising resources from the private sector. The CO also plans to utilise innovative tools and modalities to expand its work in this area. A more detailed resource mobilization strategy, also reflecting a new relationship with the private sector, will be developed with national and international partners and in close cooperation with the Government during 2005. Efforts will be made in support of the Millennium Compact to help donor countries fulfil their obligations.