



REPUBLIKA E SHqipëRISE  
MINISTRIA E FINANCAVE

Konferenca Kombëtare: "Drejt Integritimit në BE dhe Objektivave të Zhvillimit të Mijëvjeçarit  
nëpërmjet Strategjisë Kombëtare të Zhvillimit Ekonomik dhe Social"

Tiranë 23-24 Mars, 2004

National Conference: "Toward EU Integration and the Millennium Development Goals through  
the National Strategy for Social and Economic Development"

 NSSSED  
Skzhes



Albania



UNCT Albania

# *Proceedings for the National Conference*

*Toward EU Integration and  
the Millennium Development Goals  
through the National Strategy  
for Social and Economic Development*

*23-24 March 2004*

*Tirana - Albania*

**Proceedings for the National Conference:  
Towards EU Integration and the Millennium Development Goals  
through the National Strategy for Social and Economic Development**

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## **Background:**

### **Millennium Summit and Millennium Declaration**

In September 2000, 147 heads of State and Government and 191 nations in total adopted the Millennium Declaration. The Declaration outlines peace, security and development concerns and mainstreams a set of inter-connected and mutually reinforcing development goals into a global agenda. As part of the efforts to report on the Millennium Declaration, discussions were held with the UN, IMF, OECD and the World Bank to develop a comprehensive set of indicators for the Millennium Development Goals (MDGs).

### **The global MDGs, to be achieved between 1990 and 2015, include:**

- Halving extreme poverty and hunger
- Achieving universal primary education
- Promoting gender equality
- Reducing under-five mortality by two-thirds
- Reducing maternal mortality by three-quarters
- Reversing the spread of HIV/AIDS, malaria and TB
- Ensuring environmental sustainability
- Developing a global partnership for development, with targets for aid, trade, debt relief

### **Linkages to PRSP and other Poverty Reduction Processes**

In view of the global deterioration of poverty and inequality, the International Financial Institutions decided to combine debt relief with heightened poverty impact. In December 2000 the Boards of the World Bank and the IMF approved the *Poverty Reduction Strategy Paper* (PRSP), as a new partnership based approach to the challenge of reducing poverty in low-income countries. Following its mandate to integrate the objectives of poverty reduction and growth more fully into its operations in its poorest member countries, the IMF established the Poverty Reduction and Growth Facility (PRGF). Nationally-owned poverty reduction strategies are at the heart of the new approach. Programs supported by the PRGF (and the World Bank's concessional window—IDA) must be framed around a comprehensive, nationally owned *Poverty Reduction Strategy Paper* (PRSP) prepared by the borrowing country.

### **Support for Action at the Country Level**

The lead role of the UN in monitoring the MDGs and the role of the Bretton Woods Institutions in leading the PRSP process are complementary at the country-level. The UN Development Group issued two Guidance Notes to the UN Country Teams on Reporting on the MDG at country level (October 2001) and on the PRSP (November 2001). The Guidance Note on PRSP outlines ways UN Country Teams can support countries through the UN Development Assistance Framework (UNDAF), making it a key business instrument for the UN to ensure the country team's cohesion behind the national development strategy. The CCA & UNDAF guidelines take into account the MDGs and linkages with the PRSP. UNDP has also issued its own guidance or Policy Note on engagement at country level in Poverty Reduction Strategy Papers that underscores two principles of its engagement: 1) engaging at the behest of governments and national partners in civil society, and 2) helping to elaborate real choices, and where appropriate, alternative views and analyses, based on equity and human development.

### **Albanian Context**

The MDGs represent a set of national political commitments to widely accepted international development goals that can be adapted to each unique national context and used to help focus many of a country's own long-term development priorities. These global goals – each to be achieved by 2015 – reflect many of the priorities already identified by the Albanian National Strategy for Socio-Economic Development (NSSD, an expanded Growth and Poverty Reduction Strategy). Although these goals have been identified internationally, to be as realistic and objective as possible, they are being modified and adapted to national conditions as part of a national MDG consensus and long-term visioning processes.

After several months of participatory dialog and advocacy, initial steps to integrate the **MDGs** into the **NSSSED** have been successful. During the same period the NSSSED has evolved to cover the work of all line ministries and other state ministries. Albania is also working to establish a rolling three-year Medium-Term Budget Program (MTBP). Initial progress has been made in linking MDG-NSSSED development priorities with annual **MTBP** financial allocations.

Another long-term policy framework in Albania is the **Stabilization and Association process (SAp)** of integration into the European Union. Many of the Albanian-relevant MDGs can be linked to the good governance, rule-of-law and human rights objectives encompassed by the SAp and EC CARDS program supporting it, as well as to the EU Social Inclusion indicators.

As part of efforts to improve the national policy process necessary to achieve these and other long-term development goals UNDP, together with other national and external partners, has initiated a series of activities to improve the national and regional development policy cycle.

This support includes projects addressing: poverty data at local and national levels; broader monitoring systems at central and local levels designed to track, assess, and report on the MDGs, SAp and NSSSED; policy formulation support, including regional participatory planning based on the MDG and NSSSED frameworks and support to civil society; and, finally, direct policy implementation in such fields as gender mainstreaming, sustainable environment, and information and communication technologies.

Despite these positive initiatives, however, much additional support is required across all fields.

## Conference Summary and Findings



On March 23-24, 2004, over 200 national and international representatives of the public and private sector, civil society, and donor community came together for public discussion and debates at a National Conference, “Toward EU Integration and Achievement of the Millennium Development Goals through the National Strategy for Social and Economic Development”, in Tirana, Albania. The Conference included addresses by the Prime Minister of Albania, Mr. Fatos Nano, and five of his Cabinet Members, as well as by the Director of the UNDP Regional Bureau for Europe and CIS, Mr. Kalman Mizsei.

The Conference - hosted by the Ministry of Finance with the technical and financial support of the United Nations Development Program and United Nations Country Team in Albania - took as its overall theme the integration of social, economic, and development frameworks in Albania at national, regional, and local levels. Through a series of presentations, working-group discussions, and background materials, the conference supported ongoing efforts to advocate for more complementary linkages between three of the country’s major development frameworks, the Millennium Development Goals (MDGs), Stabilization and Association process (SAp), and National Strategy for Social and Economic Development (NSSSED), while serving as a vehicle for continued participatory dialog on and transparency of national policy issues.

In addition, the conference allowed for further awareness building and more detailed discussions on challenges and possible next steps to address such inter-related policy issues as: regional development capacity building needs; resource mobilization, budgeting and financing requirements; integrated monitoring and evaluation; and better harmonization and coordination of stakeholder interventions.

As such, the conference achieved its broad objectives for:

- Continued advocacy on MDG-NSSSED-SAp linkages and better integrated development policies
- Greater national ownership of the national policy cycle and development agenda
- Stronger central-regional linkages and focus on comprehensive regional development
- Greater focus on capacity building, resource mobilization, and financing needs
- Support for preparation of National MDG and NSSSED Progress Reports
- Ongoing advocacy and participatory policy dialog among all stakeholders
- Further donor coordination and harmonization in accordance with national priorities

### Day 1: High-Level Plenary Presentations

The first day of the Conference was divided into three high-level plenary sessions designed to affirm the political commitment of the government and donors to support integrated national development policies.

The first plenary session on “Harmonization of Integration Agendas, a Challenge of the NSSSED Process” was opened and moderated by Minister of Finance and National Coordinator of the NSSSED, Mr. Arben Malaj. The Prime Minister of Albania, Mr. Fatos Nano, provided the opening address of the Conference, followed by presentations of five of his Cabinet Members, including Minister of Foreign Affairs, Mr. Kastriot Islami; Minister of Integration, Ms. Ermelinda Meksi; Minister of Economy, Mr. Anastas Angeli; Minister of Local Government and Decentralization, Mr. Ben Blushi; and Minister Malaj.

The second plenary session on “Integration of Sector Policies into the NSSD and MDGs” was opened and moderated by Deputy Minister of Finance, Ms. Adriana Berberi. Presentations were made by the Deputy Ministers of Labour and Social Affairs; Agriculture and Food; Education and Science; and Health. In addition, the Head of the Association of Mayors and Mayor of Tirana, Mr. Eddie Rama, spoke.



The third and final plenary session on “The Role of Foreign Partners” was opened by UN Assistant Secretary General and Director of the UNDP Regional Bureau for Europe and CIS, Mr. Kalman Mizsei. Speeches were also made by IMF Resident Representative, Mr. Ian Peter Olters, UK Embassy Deputy Head of Mission, Mr. Joe Preston, and on behalf of EC Delegation Ambassador, Mr. Lutz Salzmann.

Some of the key comments, findings, and statements made during this first day of plenary included:

- **The Government is committed** to an integrated, nationally-owned development policy framework
- **Progress has been made** to integrate long-term goals for EU Integration and MDGs into the NSSD
- Through the Albania-relevant MDG-consensus process and establishment of an **MDG 9 on Good Governance**, the links between the MDG, SAp and NSSD have been strengthened
- There is good cooperation for NSSD and MDG Reporting - this initial success must be supported further to move **from ad hoc cooperation to more sustainable, institutionalized procedures**
- There is a need to strengthen and consolidate monitoring instruments for the implementation of **integrated and prioritized policies** through **improved systems of results-based management**;
- Additional work is also needed to **integrate the SAp further** within the NSSD
- **Sector strategies** for health, education, labour, social affairs, and agriculture are supporting the overall NSSD and longer-term objectives for EU integration and achievement of the MDGs
- Further progress is needed to **link policies more closely with financing and the MTBP**
- Key to NSSD implementation and achievement of EU integration and MDGs is greater and more **inclusive economic growth** through free trade agreements, foreign direct investment, and SME development – despite strong past growth, **higher levels of growth and investment can be achieved**
- **Administrative and fiscal decentralization** processes must be strengthened, together with more effective and more comprehensive regional development – work of the past two years for **regional development strategies** and a greater focus on **cross-cutting sector policies** should be continued
- **Greater national ownership** is needed through broader involvement and essential contributions of civil society, private sector, Parliament, and local government structures to the work of ministries;
- Recent efforts by the Government and donors to **improve coordination of external assistance** in line with national development priorities must be continued.

## Day 2: Technical Presentations and Working Group Discussions



The second day of the Conference was devoted to technical-level discussions through both plenary presentations and reporting, as well as Working Group discussions. Participants included some **fifty civil society and local government representatives from each of the country's twelve regions**.

The opening plenary session was chaired by the Director of the NSSED Directorate in the Ministry of Finance, Mr. Adrian Civici. Four presentations were made on: “The process of preparation, monitoring and evaluating the NSSED” by Ms. Gelardina DUCKA, Head of

Division, DoNSSED, Ministry of Finance; “Capacity Building at Regional Level – the Need for Preparing, Implementing and Monitoring Regional Development Strategies” by Ms. Evis Sulka, Director of Economic Programming Directorate, Ministry of Economy; “Financing Regional Development: Costing the MDGs and NSSED” by Mr. Engjell Skreli, National Expert; and Private Sector Partnerships by Mr. Soren Petersen, UNDP International Expert.

As preparation for Working Groups, these presentations provided updates on and challenges faced in the operational level of NSSED implementation and work toward EU integration and the Millennium Development Goals. They also served to present such publications as the “Regional Development Strategy Formulation Manual”, “Costing and Scoping Achievement of the Millennium Development Goals in Albania”; “Unleashing Entrepreneurship: Making Business Work for the Poor”; as well as to discuss such concepts as the Global Compact and Corporate Social Responsibility for the private sector.

### Working Group Discussions



Following plenary presentations, participants broke into two Working Group discussions on: 1) Financing and Capacity Building for Regional Development; and 2) Integrated Monitoring and Evaluation Systems.

Findings and recommendations from the first Working Group included:

- **local government should be empowered** and to take over authorities designated by the law;
- capacities should be built not only for the participatory formulation of Regional Development Strategies (RDS), but also for **implementing, monitoring and evaluating** them;

- each RDS should have its own regional costing, which will help in allocating funds from the state budget and increase the **transparency of regional budget allocations**;
- there should be an **institutionalized way of sharing RDS experiences**, expertise, information, knowledge and know-how by the regions which have already finalized their RDS;
- **donor mappings** should take place for RDS areas and alternative funding sources should be sought, including greater and broader partnerships with all stakeholders sector;
- A **regional capacity development facility** based on the Estonian model should be established;
- RDS financing should also take better advantage of greater **private sector partnerships**;
- As follow-up, these findings should be included in the **2003 MDG and NSSD Progress Reports**.

Findings and recommendations from the second Working Group included:

- The time has come for the NSSD to be localized and linked further with **regional planning**;
- The best monitoring and evaluation actor could be **Regional Council Development Planning** units;
- There is a need to improve the law on **roles and responsibilities of Regional Councils**;
- **INSTAT local offices need to be empowered** to better support with statistical information;
- Establishing **regional databases** would be useful for updating the regional development strategies;
- A **GIS pilot** would also be useful to see how to digitalize all relevant regional information;
- **Civil society** needs also to be involved more in the monitoring and evaluation processes;
- **Better donor coordination** ought to be ensured to avoid overlapping of activities;
- Regional strategies need to be recognized by everyone and need to be **endorsed by the government**;
- **Transparent decision-making** at the central level needs to consider regional development priorities;
- These findings should be incorporated into the **2003 MDG and NSSD Progress Reports**.

### **Knowledge Sharing and Information Dissemination**

In addition to the sharing of knowledge through formal plenary presentations, Working Group debates and informal discussions and networking among participants, the Conference also facilitated the dissemination of numerous publications and reports in both Albanian and English language.

These documents included:

- Albania-Relevant MDG Consensus Targets and Indicators
- “Costing and Scoping Achievement of the Millennium Development Goals in Albania”
- Linkages between the NSSD and MDGs
- “Unleashing Entrepreneurship: Making Business Work for the Poor”
- Advocacy materials on the Global Compact and Corporate Social Responsibility for Private Sector
- Regional Development Strategy Formulation Manual
- Reference Guide on Direct Donor Financing Programs for the Private Sector in Albania

Information on the Conference was also widely covered by Albanian television and print media. These Conference proceedings are available through the Internet at the following sites:

[www.minfin.gov.al/skzhes/skzhes\\_shqip.htm](http://www.minfin.gov.al/skzhes/skzhes_shqip.htm)

[www.regions.org.al](http://www.regions.org.al)

[www.undp.org.al](http://www.undp.org.al)



## **Terms of Reference for a National Conference:**

### **Towards EU Integration and the Millennium Development Goals through the National Strategy for Social and Economic Development**

**March 23-24 – Sheraton Hotel, Tirana**

**Who:** Government of Albania, Civil Society, Private Sector, Donor Community, with participants from Tirana, regions, and abroad

**What:** Two-Day National Conference on achieving Albania's long-term development goals through integrated national and regional development policies

**Where:** Tirana, Albania

**When:** March 23-24, 2004

**Why - Need for:**

- Continued Advocacy on MDG-NSSSED-SAp Linkages
- Better Integrated Development Policies
- Stronger Central/Regional Linkages and Focus on Regional Development
- Greater Focus on Capacity Building
- Resource Mobilization and Financing
- Preparation of National Reports (MDG, NSSSED, SAp)
- Ongoing advocacy, participatory policy dialog among all stakeholders

**How:** National/International Presentations, Working Groups, Best Practices

**Resource Materials:**

NSSSED Work-Plans Monitoring and Evaluation Tables, Draft National MDG Report/Albania-Relevant MDG Targets, MDG Scoping and Costing, Regional MDG Report Process Assessment, Regional Development Strategy Manual, Donor Financing Guide, Unleashing Entrepreneurship Report, etc.

## **1. Background**

### **Millennium Summit and Millennium Declaration**

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The MDGs represent a set of national political commitments to widely accepted international development goals that can be adapted to each unique national context and used to help focus many of a country's own long-term development priorities. These global goals – each to be achieved by 2015 – reflect many of the priorities already identified by the Albanian National Strategy for Socio-Economic Development (NSSED, an expanded Growth and Poverty Reduction Strategy). Although these goals have been identified internationally, to be as realistic and objective as possible, they are being modified and adapted to national conditions as part of a national MDG consensus and long-term visioning processes.

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As part of efforts to improve the national policy process necessary to achieve these and other long-term development goals UNDP, together with other national and external partners, has initiated a series of activities to improve the national and regional development policy cycle.

This support includes projects addressing: poverty data at local and national levels; broader monitoring systems at central and local levels designed to track, assess, and report on the MDGs, SAp and NSSSED; policy formulation support, including regional participatory planning based on the MDG and NSSSED frameworks and support to civil society; and, finally, direct policy implementation in such fields as gender mainstreaming, sustainable environment, and information and communication technologies.

Despite these positive initiatives, however, much additional support is required across all fields.

## ***II. Conference Objectives and Outputs***

This two-day conference will serve as a vehicle to continue the participatory dialog on national policy issues. Through a series of presentations, working-group discussions, and background materials, the conference will support ongoing efforts to advocate for more complementary linkages between three of the country's major development frameworks, the MDG, SAp, and NSSSED.

In addition, the conference will allow for awareness building and more detailed discussions on challenges and possible next steps to address such inter-related policy issues as: regional development capacity building needs; resource mobilization, budgeting and financing requirements; participatory monitoring and evaluation initiatives; better harmonization and coordination of stakeholder interventions.

As such, this conference will support efforts to achieve the following objectives:

- Continued advocacy and awareness of MDG-NSSSED-SAp Linkages
- Better Integrated Development Policies through Greater Harmonization and Coordination
- Stronger Central/Regional Linkages and Focus on Regional Capacity Building Requirements
- More Efficient, Better Prioritized and Targeted Resource Mobilization, Budgeting and Financing
- Greater Participatory Policy Dialog, Monitoring and Evaluation among all stakeholders

### **Conference Outputs**

This two-day conference will produce a number of specific outputs in support of the general objectives described above. These outputs include written recommendations and well as information sharing.

Some of these outputs include:

- Presentations, reports, and background papers prepared and disseminated in English and Albanian
- Stakeholders made aware of basic challenges involved in development issues on the agenda
- Feedback and recommendations for improving Annual MDG, NSSSED and SAp Progress Reports
- Recommendations from Working Groups on issues to be resolved and initial next steps proposed

**Working Groups:**

Two separate Working Groups will meet during Conference breakout sessions. Each working group will be open to participation from all stakeholders. Each group will have a moderator, presenter(s) and rapporteurs who will be responsible for reporting the Group's findings back to the plenary.

The Working Groups will be organized according to the following inter-related issues:

- 1) Regional Capacity Building and Financing Requirements
- 2) Integrated Monitoring and Evaluation

More detailed Terms of Reference are to be prepared for each Working Group.

**Participants:**

The conference will host some 150 participants representing a range of stakeholders:

- Senior and technical-level representatives from central, regional and local government, as well as other state structures, including Parliament
- Civil society representatives from all regions, including NGOs, CBOs, media, academia, etc.
- Representatives of the private sector, both foreign and domestic
- Members of the international development community based in-country and abroad

**Background Materials**

- NSSED Action Plans
- Draft National MDG Report/Albania-Relevant MDG Targets
- Draft Annual NSSED Progress Report, NSSED Action Plans
- MDG Scoping and Costing
- Regional Development Strategy Manual
- Regional MDG Reports/Strategies (Elbasan, Fier, Kukes, Berat)
- Donor Financing Guide
- Unleashing Entrepreneurship: Making Business Work for the Poor
- ...

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AGENDA

**First Day of Conference - 23.03.2004**

Registration 9:00 – 9:30

**1<sup>st</sup> Session: *Harmonization of Integration Agendas, a Challenge of the NSSSED process***

9:30 - 10:30

**Moderator: *Mr. Arben Malaj, Minister of Finance and National Coordinator of NSSSED***

The National Strategy for Social and Economic Development, the only way to European Integration and Economic and Social Development Goals  
*Mr. Fatos Nano, Prime Minister*

Mid-Term Budget Program, an important tool for the implementation of NSSSED process, MDGs and Stabilization and Association process  
*Mr. Arben Malaj, Minister of Finance*

The integration of international agreements and engagements such as Millennium Declaration in the national priorities of NSSSED  
*Mr. Kastriot Islami, Minister of Foreign Affairs*

The need to support NSSSED, MDGs and European Integration through overall economic growth  
*Mr. Anastas Angjeli, Minister of Economy*

The importance of SAP integration in the NSSSED process  
*Ms. Ermelinda Meksi, Minister of Integration*

Harmonization of NSSSED and MDGs with Regional Development Strategies  
*Mr. Ben Blushi, Minister of Local Government and Decentralization*

10:30 - 10:45 *Coffee Break*

**2<sup>nd</sup> Session: *Integration of Sector Policies into the NSSSED and MDGs***

10:45 –11:50

**Moderator: *Ms. Adriana Berberi, Deputy Minister of Finance***

The impact of social policies in the NSSED and MDGs  
*Mr. Ahmet Ceni, Deputy Minister of Labor and Social Affairs*

The impact of agricultural and food policies in the NSSED and MDGs  
*Ms. Vjollca Ibro, Deputy Minister of Agriculture and Food*

The impact of education policies in the NSSED and the MDGs  
*Mr. Petraq Simo, Deputy Minister of Education and Science*

The impact of health policies in the NSSED and the MDGs  
*Mr. Eduard Hashorva, Deputy Minister of Health*

How to support efforts at the local and regional level for the implementation of  
NSSED and Regional Development Strategies  
*Mr. Edi Rama, Head of Association of Municipalities*

The role of the business community in the NSSED and Stabilization and  
Association processes  
*Mr. Luan Bregasi, Head of Union of Chambers of Commerce*

**3<sup>rd</sup> Session: *The Role of Foreign Partners***

11:50 – 12:50

*Moderator: Mr. Arben Malaj, Minister of Finance and National Coordinator of NSSED*

*Mr. Kalman Mizsei, Director, UNDP Regional Bureau for Europe and CIS*

*Mr. Ian Peter Olters, Resident Representative, IMF*

*Mr. Lutz Salzmann, Ambassador, European Commission Delegation*

*Mr. Joe Preston, Deputy Head of Mission, UK Embassy*

*Mr. Eric Filipink, Political Officer, OSCE (to be confirmed)*

Closing Remarks and Conclusions

Mr. Arben Malaj, Minister of Finance and National Coordinator of NSSED

13.00 Lunch Reception

*Support for this Conference provided by UNDP and the UN Country Team in Albania*

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*Second Day of Conference - 24.03.2004*

Registration 9:00 – 9:30

9.40 – 10.30

*Moderator: Mr. Adrian Civici, Director of NSSED Directorate – Ministry of Finance*

The process of preparation, monitoring and evaluation of National Strategy for Economic and Social Development

*Ms. Gelardina Ducka – Head of Division, DoNSSED – Ministry of Finance*

Capacity Building in regional level – a necessity in preparing, implementing and monitoring the Regional Development Strategies

*Ms. Evis Sulka – Director of Economic Programming Directorate - Ministry of Economy*

Financing Regional Development

*Mr. Engjell Skreli – National Expert, Costing Albanian Development*

*Mr. Soren Petersen – International Expert, Private Sector Partnerships*

*10.30 – 10.45 Coffee Break*

*10.45 – 13.00 Working Group instructions and break out*

Report back in plenary

Concluding Remarks

*Z. Adrian Civici, Director of NSSED Directorate*

*13.00 Lunch Reception*

*Support for this Conference provided by UNDP and the UN Country Team in Albania*

**Speech of the Prime Minister Fatos Nano in the National Conference**  
**“Towards EU Integration and the Millennium Development Goals through the National Strategy**  
**for Social and Economic Development”**  
**23-24 March 2004**

I would like to thank you all for your presence and assure you that the organization of this Conference shows the engagement of the Government of Albania to consider the National Strategy for Social and Economic Development as the document that will lead its work and activity, as the strategy that includes all the policies for a sustainable and long term economic development, as an instrument that makes us evaluate our road toward EU integration in accordance with the Millennium Development Goals.

This strategy was baptized as the program for poverty reduction and economic growth, and later on was re-dimensioned as the National Strategy for Social and Economic Development. It directly presents the real changes occurring in the social-economical reality of the country, reflects step by step our progress commitments and updates on the progress objectives of the country towards the future in the Stabilization Association process and proves the commitment of Albania to achieve within 2015 all the goals [with the support of ]the United Nations system.

I am here to reaffirm that the Government of Albania remains convinced that the poverty reduction, life improvement of the citizens being its main objective, cannot be achieved through slogans, demagogy or partial measures, but only through drafting and implementing strategies that unite all the contributions and capacities of the Albanian society. Of course, we are here to coordinate these capacities and commitments with yours, donors, partners and civil society that assist us and invest precious values for the process of euro Atlantic integration of the country.

The main objective of our governing, the integration in the Euro-Atlantic realities leads to drafting, implementing and reviewing policies, strategies and development programs that enable the approach of country’s social and economical life standards with those of the realities we are integrating in. This cannot be achieved if the strategies are considered as documents designed by “us” (i.e. governors) and implemented by “us”. Documents of such importance, like the National Strategy for Social and Economic Development have on their foundations and are led by principles such as:

- Ownership and national dimension - implying the involvement and the precious contribution of the civil society, entrepreneurship, the entire parliamentary political spectre, local government structures and private sector, which has started to emerge as an engine of the economic growth;
- Result oriented - which concerns concrete objectives expressed in figures from which benefit in a more balanced way all the stratum, especially those more in need;
- Partnership oriented - aiming and realizing a coordinated participation of our development partners such as bilateral or multilateral donors and non-governmental organizations;
- Long term perspectives - which acknowledge the orientation of the strategy towards our duty and mission of the integration in the Euro-Atlantic structures;

This conference clearly demonstrates the overall inclusive framework we are working in, taking in consideration the multi-dimensional and complex nature of the economic and social development of the country.

I believe that the acknowledgement of these principles, their approval by all the stakeholders involved in the process and the common work for their improvement and consolidation is the only way that makes the Strategy a joint working platform and also an efficient tool that is really facilitating our way towards EU and which at the same time will enable the achievement of the Millennium Development Goals.



It is widely known that Albania is one of the 191 countries that has signed the Millennium Declaration and that is why we are committed to define and achieve the concrete objectives, which are not only a “facade” or civil society awareness tool. Finally, please allow me to state that these objectives are part of the government objectives in the economical and social development process of the country. I am very pleased to observe that most of the objectives are becoming part of the every day work indicators of the structures within the National Strategy for Economic and Social Development and this is a guarantee for their concrete realization.

The Stabilization and Association process as well remains both integrating and supporting the internal economic development. As you are aware we just ended the 6th round of negotiations with EU, and in my assessment each message produced by this partnership process and its monitoring, serves the improvement of the stabilization policies and our structural reform policies.

On the other hand there are several instruments that encourage this development. The signing of 8 Agreements of the Free and Fair Trade with the countries in the Region, within the terms determined in the negotiations with EU, instruments and programs operating in the Stability Pact framework, along with international organizations that monitor the process of integration of all the countries in the region, are a platform for further economic and financial reforms that encourage the opening of new markets and the integration of the operators. These agreements have set up the conditions that the negotiations for the signing of the Free and Fair Trade with EU, initiate in the SA framework of the SA Agreement. This agreement is of a specific importance to the government, because over 80% of our foreign trade is with EU.

The signing of this agreement requires to be accompanied by a series of reforms in agricultural, industrial, financial, commercial, custom and economic policies, tending to further liberalize the services and capitals, to encourage exports, to further facilitate local and foreign, private and direct investments, aiming at consolidating a supportive climate for the local entrepreneurship and at improving the standards and quality of the Albanian products through approaching and entering the EU markets. We want this to serve us to consolidate and build, where lacking, competitive capacities of the country in the global reality.

The whole process of integration into EU structures, where not only ideas, goods and capitals move freely but people as well, will be a direct benefit for the country and its citizens.

From the analysis of the main economical indicators during the recent years, it results that the positive economic development tendency is consolidating. From the macro economic point of view, this is expressed through the guarantee of the increasing objectives of 6-7.3% of economic growth, by inflation control of 2-4% and through a constant decrease of the budget deficit in 4.4% of the GDP compared to the 11% during 1988.

This sustainable economic growth pace is a result of the action and concrete activity of different stakeholders and the Government in establishing a favourable climate for the encouragement of the public and private investments, in accelerating the reforms pace, especially in the privatization of strategic sectors, and in the efficient use of the public expenses and especially assets. The economic growth is accompanied by improvements in the economy structure, thus decreasing specific weight of the sector of agriculture in the best use of other sectors like construction, transport and services.

In accordance with the NSSD, the Mid-Term Budget Program and the Government Program, during the recent years the Government has supported encouraging policies and transparently administrated resources, priority sectors such as infrastructure, education, health, social policies, rural development, etc. The budget expense level of these sectors has grown each year above the average of the other sectors.

The efficiency of the budget expenses is growing as a result of the improvement of the programming level, upgrading from annual estimations to middle term estimations and monitoring. On the other hand, this is also a result of the strengthening of the financial discipline and the establishment of a stable relation of the Middle Term Program Budget Expenses with the National Strategy for Social and Economic Development, along with the implementation of the international standards in drafting and implementing the annual state budget. During 2003, for the first time criteria was established for defining priorities in the public investment program through setting up an evaluation system for the classification of the projects. The attention paid now to the harmonization of these elements – setting up objectives, their compliance and their financial coverage, and budget implementation - makes the Strategy more real and accessed by everyone – public administration, Parliament, local government, civil society and other groups of interest, including donors with their welcomed specifics and exigencies.

Allow me to express my certainty that this two-day conference will enable a detailed analysis of the up to date progress of the National Strategy for Social and Economic Development, thus offering us a chance to evaluate the achievements and the problems that we must overcome. Therefore I believe that this meeting that has gathered representatives from the executive, civil society, donor community, private sector and academic world, is an excellent opportunity for deciding together about what we need to improve so that this Strategy for the development and integration of Albania becomes the platform of the work and cooperation of all those present here today but also for those who are not but who must necessarily contribute for the European future of Albania.

Thank you.

**Speech of Minister of Foreign Affairs, Mr. Kastriot Islami, in the National Conference  
“Towards EU Integration and the Millennium Development Goals through  
the National Strategy for Social and Economic Development”  
23-24 March 2004**

Honorable Mr. Prime Minister,  
Honorable Ambassadors,  
Honorable Mr. Mizsei,  
Honorable Participants,

The National Strategy for Social and Economic Development can be considered as one of the most important documents approved by the Albanian government during the recent years. This document defines the mid-term and long-term social and economic development goals, which have been made concrete in a priority public measure plan. As I have also declared during the last year conference as the Minister of Finance, this complete and implemental document is the ground for the drafting of government development programs, which will affect all the Albanian society, especially during the EU integration process.

The National Strategy for Social and Economic Development should not be considered only as national document with strong ownership components, which grows progressively and aims at becoming maximally implemental. Development progress should always be considered as closely related to contemporary tendencies of the regional, European and global development. This is why this strategy has correlated harmonically our country's engagements in the framework of agreements with other countries in the region, the measures in the SAP with EU framework and the Millennium Development Goals.

The Albanian Government, being aware that the country's development and its integration in the European family can not be considered separate from regional development and integration, has signed economic cooperation agreements with all the countries in the regions, an important component of which are the free trade agreements. As the implementation of these agreements greatly affects the progress of the Albanian economy, their effects must be greatly taken into consideration in the process of implementing the National Strategy for Social and Economic Development.

Ladies and Gentlemen, the adoption of the Millennium Declaration in the Summit of the country members of United Nations, in September 2000 and the Millennium Development Goals were a synthesis of the results coming from the international summits and conferences held during the '90s, which have treated global social, economic and environmental issues faced by developed and developing countries. These goals were an achievement and a concrete engagement of the international community in the economic and social development field, for they addressed big issues such as: poverty reduction, maternal mortality reduction, education, health, gender equity, environment and global partnership for development. Aiming at making these general goals more concrete and detailed for the countries that have signed the Declaration, different targets and indicators have been defined. They must be achieved by 2015.

Albania, as a member country of the United Nations, has been engaged to implement the tasks arising in the framework of the documents adopted in the international conferences, summits and conventions, related to human rights and social and economic development. In this context, the fulfillment of our country's engagements in the Millennium Declaration framework is a priority. For this reason, government institutions in accordance with the fields they are operating in, are integrating the Millennium Development Goals in the sector strategies, which are part of the National Strategy for Social and Economic Development.

The integration of the National Strategy for Social and Economic Development with MDGs is a natural and indispensable process. Millennium Development Goals are long term global development goals that

reflect many of the Albanian government priorities defined in the National Strategy for Social and Economic Development. An inter-institutional dialog has been going on for a long time to integrate the Millennium Development Goals into the National Strategy for Social and Economic Development and we can say that this has been realized successfully. This process, which has also involved civil society and international organizations that operate in Albania, identifies the goals and indicators of the Millennium Development Goals relevant to our country conditions.

The combination of the Millennium Development Goals and the National Strategy for Social and Economic Development has a great importance from the point of view of monitoring and reporting in the global level. In accordance with the Millennium Declaration, our country is committed to report periodically to the United Nations on the achievement of the Millennium Development Goals. This reporting process contributes through promoting debates among institutions and the public, to the renewal and further improvement of the country's development policies. From this point of view, as the progress reports preparation is part of the National Strategy for Social and Economic Development it has become indispensable to correlate both reporting processes. Thus, it is necessary that the Monitoring and Evaluation Groups in the central institutions that deal with Strategy progress report preparation also engage in the periodical report process on Millennium Development Goals. This cooperation process has already started between the Ministry of Finance and the Ministry of Foreign Affairs as the institution tasked to present national reports to the United Nations structures.

As I mentioned above, the process of implementing the National Strategy for Social and Economic Development and the Millennium Development Goals is closely related to the SA process. Some of the MDGs and NSSED goals are part of the negotiations for the SA Agreement – good governance, human rights, economic development, etc. The successful achievement of the economic and social goals defined in the National Strategy for Social and Economic Development will be the foundations of our country's approach to the development standards of the EU countries.

Honorable Participants,

Our international partners – World Bank, IMF, UNDP, EC through the CARDS program, other international organizations and the UN Country Team - are playing a very important role in the long and difficult process of implementing the National Strategy for Social and Economic Development, in the process of achieving the Millennium Development Goals and successful realization of the SA Agreement. I use this occasion to thank them for their contribution in sensitizing, in capacity building both at central and local level, in designing sector policies and in the process of integrating our country's international engagements into the national priorities of the National Strategy for Social and Economic Development.

At the end, I believe that this Conference will serve to evidence our progress and at the same time will define the steps that need to be undertaken in order to overcome successfully the problems faced during the implementation of the National Strategy for Social and Economic Development, during the process of achieving the Millennium Development Goals and SA process, aiming at having a National Document for Development and Integration.

**Speech of Minister of Integration, Ms. Ermelinda Meksi, in the National Conference  
“Towards EU Integration and the Millennium Development Goals through  
the National Strategy for Social and Economic Development”  
23-24 March 2004**

Honorable Prime Minister,  
Honorable Ambassadors,  
Honorable Colleagues,  
Ladies and Gentlemen,

I would like to say that I am really pleased to participate in this activity and also want to thank the organizers of this event. I hope that it will offer a forum where we can exchange our views on essential issues related to the today thematic.

The Albanian social and economic physiognomy is changing positively and Albania is getting out of the real transition phase. The actual stage is a “momentum” where the quantity development requests are balanced with the qualitative ones. This momentum, the country’s development tendencies, as well as the regional and European integration requests, demand from us and from the donor community a new vision and quality of the national development policies toward their consolidation in global long-term development policies.

The development strategies and goals, despite how much global they are, will be supported by a defined gamma of priorities and indicators. The new dimension of development policies, both in concept and duration, demands from us to be more coherent and balanced in selecting strategic priorities and especially in selecting the tools for their implementation, emphasizing both their complementariness and independence.

In the time being, it is difficult to identify in Albania an overall inclusive policy framework (umbrella) that addresses all the economic, social, institutional development security and regional and European integration priorities. The existing policy framework is often characterized by a great number of strategies, priorities, goals and initiatives, which often are overlapped and repeated and most of which are programmed, implemented, monitored and reported separately from each other.

Despite the fact the most of these initiatives are successful, the country lacks a unified vision and a unique national strategy framework, which above all will integrate the European integration process with the national development priorities.

In this aspect I hope that the concept of this conference will encourage all the stakeholders involved in the policy framework in order to look for practical opportunities to increase the synergy in the coordination and harmonization of the integrating strategies and initiatives with the development ones, aiming at a national vision that reflects both the development agenda and the perspective for European integration.

I would like to highlight four main issues:

- i. First, the necessity to harmonize NSSD with SAp or expressed in different words to harmonize the development policies with the requests and priorities of the European integration process. The Stabilization Association process is the most important political agenda for the Government and the entire political and social spectrum in Albania. As you all may be aware, the document “European Partnership” will be drafted very soon. It will define the common priorities for a midterm period and will lead the structure activities toward European integration. However, this must not be considered as a goal or parallel agenda. The SA process and EU integration in a broader sense, is an effective and secure tool aiming at improving the Albanian citizen’s lives. In this framework, this

tool must be placed in the Albanian context and must be made part of the Albanian development strategy.

Policy fragmentation is a common symptom we are facing in Albania, especially but not limited to the issues regarding the European integration. I need to underline here that although we are clear on strategic goals, we still do not own consolidated strategic programs for each sector/ministry that contains a real policy framework that integrates the national goals and the European integration perspective of the country. Also the concrete measures to achieve these goals are not well programmed. In the best case these measures must be accompanied by elements of their respective costs.

Immediately after we will have signed the SAA, we will prepare the Implementation Strategy of this Agreement, which together with “European Partnership” will translate the SAA priorities into concrete measures, indicators and results.

- ii. Second, the necessity to strengthen a more consolidated link between the strategy and policy framework and budget program and foreign assistance.

The budget framework and the compliance with it remain very important for the policies and strategies as well as the orientation and priority that these policies offer to the use of the available funds, which in Albania’s case are minimal in balance with the development process demands. The fact that NSSD is more and more being a strategic guide of the budget panning process is satisfactory.

The start of SSA implementation will increase the demand for the state budget to be more active in financing the integrating priorities. As we are now at the beginning of the budget planning process for 2004, I would like to emphasize the need of the line ministries to identify and include in their financial requests also the short term measures that generate from the obligations of the coming into force and implementation of the SSA. In this aspect it is also very important to harmonize the financing of CARDS Program with the Mid-Term Budget Plan.

- iii. Third, the necessity to strengthen and consolidate the monitoring instruments for the implementation of integrating and development policies.

The process of implementing SSA and NSSD requests systematic monitoring and evaluation. The quantity and quality analysis prepared for each framework can easily be complementary, especially if the general indicators are harmonized and coordinated. Their integrated monitoring can make use of the advantages that result from common institutional lines and common information system structures, especially in the line ministries. The common monitoring systems would also facilitate the efforts to achieve the involvement of all stakeholders from the government and civil society, including here the Parliament, local authorities, NGOs, media and academy.

In the framework of approaching the two development agendas, NSSD and SAp, I would like to hail the common efforts of the Ministry of Finance and Ministry of Integration, in defining their common indicators. The establishment of such a unique framework would offer more chances for a better coordination at the government level, among the ministries and among donors. This would improve the actual situation and would simplify the actual system, which is characterized by a great number of matrices, with a huge number of often duplicated indicators, incoherent and difficult to be followed. Taking in consideration the lack of tradition and lack of capacities related to results-based management, it is necessary to invest for the capacity building in this field. I use this moment to hail the support that UNDP is providing to the efforts of the Albanian structures in this direction.

- iv. ***Fourth***, the necessity to strengthen coordination. There is an evident need to strengthen the coordination between the stakeholders within the government structures and between them and donor community. The Albanian Government is undertaking the necessary steps to improve the coordination system of the foreign aid in Albania aiming at eliminating the fragmentation of the support coordination system, strengthening the dialog process during policy formulation, increasing the quality of recommendations and priorities of allocating foreign aid and strengthening the monitoring and evaluating system.

At the end I would like to say that it is very important to identify the ways and instruments that enable the Government and its institutions to offer the maximum possible to the citizens of this country. It is in the logic of a democratic system to measure the results and to assess the governing through these results. In this context the harmonization of SAp and NSSED serves for a better prioritization, a better government and donor coordination, a better assessment of the results, always serving the improvement of the citizens' lives.

Thank you.

**Speech of Minister of Finance, Mr. Arben Malaj, in the National Conference  
“Towards EU Integration and the Millennium Development Goals through  
the National Strategy for Social and Economic Development”  
23-24 March 2004**

Honorable Prime Minister,  
Honorable Mr. Mizsei,  
Honorable Ministers,  
Honorable Donors,  
Ladies and Gentlemen,

I would like to thank you for your presence in this National Conference that under the special auspices of the Prime Minister has gathered here government, civil society, donor community, academics and local government representatives, holding firm belief that all inclusiveness will be one of the characteristic that will enable the transformations of this strategy's priorities, policies and projects into long and mid-term realities of the country's development.

This conference aims at witnessing the engagement of the government and its structures to consider the National Strategy for Social and Economic Development as a tool serving our integration in the European family and as a tool in achieving the Millennium Development Goals.

The progress of SA process, the adaptation of European socio-economic standards, the quality and pace of our integration will be conditioned by the effectiveness in drafting, implementing, monitoring and evaluating the priorities of the National Strategy for Social and Economic Development.

The strategy was at the beginning introduced as mainly poverty reduction oriented. Being characterized by flexibility and as a reflection to the changes in the Albanian reality, this strategy very soon gained a new dimension, aiming at reducing and eliminating poverty from the every day life of the Albanians in those areas and stratum where present, through qualitative and sustainable economic development.

The National Strategy for Social and Economic Development, as the first complex national strategy, through further consolidating its Albanian ownership and physiognomy, through ensuring day after day a national consensus, has now entered its most important phase of implementation, monitoring and evaluation.

This strategy is now the basic government document while discussing and listing policies and priorities with IMF, World Bank, EC and donor community.

The strategy has been enlarged and completed in the process of priority harmonization with clear goals for the integration in Europe and the new Millennium.

Important measures have been undertaken in the institutional aspect. The establishment of *ad-hoc structures* during this period serving the work of the NSSED (Inter-Ministerial Committee of the NSSED chaired by the Prime Minister and composed of the Ministers; Inter-Ministerial Group of the NSSED chaired by Minister of Finance and composed of the Deputy Ministers; monitoring and evaluating units in the Line Ministries; local and national consulting groups with civil society) have contributed in supporting and better coordinating this process, through drafting, implementing, monitoring and evaluating this strategy at national, all inclusive levels.



Special attention has been paid from the Albanian government and Ministry of Finance to the compliance of the NSSSED priorities with those of MTBP, thus making concrete progress with all the Line Ministries towards an institutionalized harmonization of cooperation and deadline compliance among monitoring and evaluating units, budget directorates and European integration units.

Through respecting the priority level of the goals and projects and the matrices of the priority measures in the NSSSED framework, it is being aimed at accompanying rigorously the former also with financial support at the Line Ministries' level. The establishment of projects and priorities, and budget preparing process must be related to each other and also be in mutual and continuous adjustment.

The national dimension of NSSSED is another characteristic that tends to transform this strategy from a government document into an action agenda for all the interested stakeholders. This process resulted successful as regards transparency increase and the intensification of the consultations with the civil society. First steps have been taken also for institutionalized consultations with the Parliament. Despite these facts a lot remains to be done, especially in including the business community and local government institutions and structures in this process.

Regional dimension, i.e. defining priorities, development goals and respective costs, and monitoring indicators not only at the national and sector level but also at the regional level, is another characteristic of this strategy that aims at not simply achieving economic growth but also at achieving a more qualitative and balanced development in all regions of the country.

As the donor community has had a special merit in the process of drafting, implementing and evaluating this strategy I would like to use this occasion to convey a special thanks to UNDP, which has contributed significantly especially in the regional strategic program through assisting in most of the regions with the preparation of their regional strategies.

Only some days ago the Ministry of Finance with the support of OSCE in Tirana had a round of meetings in the main regions of the country, aiming especially at arising awareness at the central level about the importance of their participation in this process.

NSSSED oriented foreign aid - this is of course one of the most important characteristic that this strategy is gaining in the framework of orienting the foreign financing toward national priorities. As NSSSED is the document focusing and harmonizing all the dynamics and agendas of the Albanian government such as economic and social development, poverty reduction, European integration, Millennium Development Goals, NATO integration and regional development, foreign aid should support those investments, which aim at achieving the NSSSED goals.

This document is the most serious and fulfilled effort of our tendency to harmonize the mid-term strategies with sector strategies, with regional strategies and action plans of annual budgets. It takes its real values in reflecting our common goal to fulfill the obligations deriving from SA process, to accelerate our pace of integrating Albania in the European family and to gradually achieve the Millennium Development Goals.

Education system improvement, better medical services, more active social policies – offering such services to more people at a higher quality level must be our concern. Increasing funds from the state budget and foreign financing must be canalized for these services.

Despite the very good work made so that the strategy embodies the aforementioned dimensions and despite the better orientation of the financial resources toward its priorities, the difficulties faced during 2003 must be overcome. More concretely:

- (i) Sustainable structural growth, engagement of qualified capacities, elimination of any delay in the monitoring and evaluating process in the Line Ministries and in the preparation of sector Progress Reports, quality of the priority action matrices for 2003 and for the mid-term period 2003-2006;
- (ii) **More complete presentation of the comments and suggestions coming from civil society representatives** in the sector reports of the Line Ministries, perfection of the participation and consultation process in some of the Line Ministries;
- (iii) Establishment of a unique structure which has all the competences necessary to play a greater role in the donor coordination process for all the aspects related to NSSSED;
- (iv) **Improved coordination of the three main agendas** of the Albanian Government: poverty reduction and economic development; European integration and Millennium Development Goals. During 2003, in accordance with our international donors and partners' judgment, still a lot remains to be done so that these three agendas are synthesized in one single document and process;
- (v) **Improved selection and realization process of the public actions priorities** for some Line Ministries and classification of public action through economic and social impact into very important, relatively important, etc;

Despite all the aforementioned achievements and difficulties of this well-coordinated implementation and monitoring process, it must be stated that its real implementation requests the necessity for the most concrete link between NSSSED and MTBP.

We must acknowledge the fact this process has noticed, especially during the last year improvements such as better compliance within the national and sector priorities designed by this strategy as well as state budget financial resources and donor funds which have been attached to these projects.

The success of NSSSED-MTBP linking requires complete and careful identification of the priority policies introduced in the NSSSED document at both national and sector level. It also requires that the mid-term Public Expense and annual budget is oriented toward these priority policies.

What we must aim through the prioritization of the strategic expenses is to:

- Increase the norms defined for health and education, which remain low compared to the international standards and as such are reflected in the public service quality in these sectors;
- Pertain relatively high expense levels of social protection;
- Ensure the necessary financial resources that promote the economic growth and development through giving priority to the sectors that contribute more in the GDP such as agriculture, construction, services, etc.
- Retain high investment levels in public infrastructure as well as to increase the expenses designated to the maintenance of the existing infrastructure.

The preparation of sector strategies, their inclusion in the NSSSED and furthermore the realization of these strategies is another point which evidences the close link between the NSSSED and MTBP.

For this link to be more functional, the monitoring and evaluating units in the line ministries must work very closely with the Budget Directorates at these Ministries on sector strategies and specific and detailed matrices of the priority actions. Despite the considerable progress noticed during 2003, these links remain

fragile and for the future a closer cooperation among these structures in exercising the Mid-Term Budget Program would be suggested.

MTBP cannot reflect more on these priorities without the maximal engagement of all Line Ministries, without the opinions of all the involved stakeholders, direct or indirect benefactors from the NSSD, without a coordinated orientation of the foreign aid and without a better harmonization of the national, sector and regional program plans.

For this reason I really consider this National Conference as very important and I really hope that this will serve as another opportunity to analyze the up-to-date progress, to introduce best practices, to listen to the opinions and recommendations of each of you, aiming at improving the whole process and at making this document adopted at the national level.

Thank you.

**Towards EU Integration and the Millennium Development Goals  
through the National Strategy for Social and Economic Development  
March 23-24, 2004 - Sheraton Hotel**

*Day Two:*

**Working Group 1: Regional Capacity Building and Financing Regional Development**

**Moderator: Gelardina Ducka – Head of Division/NSSSED Department**

**Rapporteur: Evis Sulka – Head of General Department of Economic Programming**

**Objectives:**

1. Initiate a mapping of individual, institutional and social regional capacity building requirements and financing needs.
2. Identify existing stakeholders and policies and programs to support regional capacity building and to finance regional development
3. Identify possible new and revised methods and instrument to address.
4. Identify possible new and revised methods and instrument to address these regional financing needs and these regional capacity building needs

**Activities:**

1. Brainstorming discussions per the list of questions below (up to one hour)
2. Preparation of list of recommendations (up to one hour)

**Group Discussion guidelines**

The following are questions/issues to discuss and brainstorm on:

- What are the individual, institutional and social regional capacity building requirements and the financing needs?
- What are the existing stakeholders and policies supporting regional capacity building and what are the current sources of regional development financing?
- What are some of the possible new or improved methods and instruments to address regional capacity building needs?
- What are some of the possible new or improved methods and instruments to mobilize, absorb, and use financing for regional development?

**2. Expected Outputs**

1. Initial mapping of individual, institutional and social regional capacity building requirements and scope of regional development financing needs
2. List of existing stakeholders and policies and programs to support regional capacity building and current sources of regional development financing.
3. List of possible new or improved methods and instruments to address regional capacity building needs and to mobilize, absorb, and use financing for regional development.

**Towards EU Integration and the Millennium Development Goals through the National  
Strategy for Social and Economic Development  
March 23-24, 2004 - Sheraton Hotel**

**Day Two:**

**Working Group2: Integrated Monitoring and Evaluation Systems**

**Moderator: Adrian Civici – Head of NSSD Department/ Ministry of Finance**

**Objectives:**

1. Initiate a mapping of stakeholders and types of monitoring and evaluation and data involved at central, regional and local levels.
2. Identify existing methods of coordination between data producers and policy users at central and regional levels and between central and regional levels.
3. Identify possible new methods and ways to improve existing forms of coordination between data producers and policy makers at central and regional levels and between central and regional levels.

**Activities:**

- Brainstorming discussions per the list of questions below (up to one hour)
- Preparation of list of recommendations (up to one hour)

**Group Discussion guidelines**

The following are questions/issues to discuss and brainstorm on:

- Who are the stakeholders and what are the types of monitoring and evaluation and data involved at central, regional and local levels?
- What are existing methods of coordination between data producers and policy users at central and regional levels and between central and regional levels?
- What are some new methods and ways to improve existing forms of coordination between data producers and policy makers at central and regional levels and between central and regional levels?

**3. Expected Outputs**

1. Initial mapping of stakeholders and types of monitoring and evaluation and data involved at central, regional and local levels.
2. List of existing methods of coordination between data producers and policy users at central and regional levels and between central and regional levels.
3. List of possible new methods and ways to improve existing forms of coordination between data producers and policy makers at central and regional levels and between central and regional levels.

**National Conference:  
“Toward EU Integration and the Millennium Development Goals  
through the National Strategy for Social and Economic Development”**

**MINUTES**

***Working Group 1: Regional Capacity Building and Financing Regional Development***

**Moderator: Gelardina Ducka – Head of Division/NSSSED Department**

The objectives of the working group were:

5. to initiate a mapping of individual, institutional and social regional capacity building requirements and financing needs.
6. to identify existing stakeholders and policies and programs to support regional capacity building and to finance regional development
7. to identify possible new and revised methods and instrument to address.
8. to identify possible new and revised methods and instrument to address these regional financing needs and these regional capacity building needs

Representatives of the regions of Elbasan, Berat, Kukes and Shkodra shared their experiences on the current Regional Development Strategy process, methodology and challenges faced during the phase of Regional Development Strategy formulation and validation.

A summary of the comments made by the participants is reported below:

- preparation of Regional Development Strategies (RDS) and MDG Regional Reports was a good learning experience, but RDS should not be just a paper document, it should be backed up with funding, monitoring and evaluation;
- RDS should not be considered a final document, it can be changed and adjusted in view of the dynamic nature of development;
- RDS should come up with an estimation of the financial cost to be considered complete as in the case of the Kukes RDS;
- it is important that the NSSSED takes into account the environment protection for sustainable development and runs parallel with the decentralization strategy;
- regions should take over and lead RDS ownership in compliance with their mandate;
- it is important to unify the RDS methodology, who initiates, coordinates and facilitates the process, and who owns it.
- various sources of funding should be identified starting from the local government funds, state budget, businesses and donors operating in the area.

The main conclusions of the Working Group included:

- local government should be empowered and take over authorities designated by the law;
- capacities should be built not only for drafting RDS, but also for implementing, monitoring and evaluating them;

- each RDS should have its regional costing which will help in allocating funds from the state budget and increase budget allocation transparency for the regions;
- there should be an institutionalized way of sharing RDS experiences, expertise, information, knowledge and know-how by the regions which have already finalized their RDS.
- donor mapping should take place for RDS areas and alternative funding sources should be sought, including greater and broader partnerships with the private sector.

Ms. Ulle Purga shared the Estonian experience related to the decentralization process and financing of local and regional development. She emphasized that the most difficult task is not writing the RDS, but implementing and financing it. For this purpose, in Estonia they had to build up human capacities for project management by establishing a regional and local development foundation owned by local government and supported by the state. It was suggested that such capacity development foundation also be established in Albania.

Mr. Soren Petersen highlighted some of the possible ways of raising funds for the implementation of RDS through public-private partnerships, EU regional authorities or forums.

Participants expressed their appreciation for the conference and recommended as follow-up, inclusion of these findings in the 2003 MDG and NSSD Progress Reports.

**National Conference:  
“Toward EU Integration and the Millennium Development Goals  
through the National Strategy for Social and Economic Development”**

**MINUTES**

***Working Group 2: Integrated Monitoring and Evaluation Systems***

**Moderator: Adrian Civici – Head of NSSSED Department/ Ministry of Finance**

The objectives of this Working Group were to:

4. Initiate a mapping of stakeholders and types of monitoring and evaluation and data involved at central, regional and local levels.
5. Identify existing methods of coordination between data producers and policy users at central and regional levels and between central and regional levels.
6. Identify possible new methods and ways to improve existing forms of coordination between data producers and policy makers at central and regional levels and between central and regional levels.

Monitoring and evaluation processes are new in strategic development terms in Albania. NSSSED has established a system of sectoral-based indicators and currently there are two main challenges for its improvement. First, there is confusion because results and activities are often presented as indicators and secondly the existing indicator system needs to be expanded to the regional level, meaning from a vertical or sectoral concept to a horizontal or regional approach.

MDGs have now introduced the need for an effective monitoring system. Such an effective system needs to be based on a good information sharing and exchange. Despite the fact that the MoF website has a link to the NSSSED where all the publications are being uploaded, information sharing between the line ministries and local authorities has to be improved.

In order to address properly issues of monitoring and evaluation, a consensus has to be established about the responsibilities of data and information collection. The issue of capacities at the local level has to be taken into account if we want to establish viable and functional monitoring and evaluation systems.

Brainstorming with regard to these issues produced some interesting tips that need to be taken into account for follow up.

The discussion concentrated on the roles and responsibilities of local authorities' actors since there are offices with overlapping responsibilities and different reporting lines at the local level. Hence, the general opinion was that the Regional Development Planning offices are best placed to take on the monitoring and evaluation role. However, it appears that the Prefectures have their own Development Planning office, which can also claim their role in monitoring and evaluation.



Out of this discussion it was generally agreed that there is a need to improve the law on the role and responsibilities of Regions in order to state clearly that the Offices of Regional Development Planning need to be fully in charge for the monitoring and evaluation processes.

This is very important if we want to utilize the regional strategies that have been produced through the MDG Regional Report process backed by UNDP. Updating these strategies and keeping track of results and changing priorities is essential for the regional development. However, this has to be complemented through transparent processes and coordination at the central level so we do not find ourselves in the position where a regional strategy points out the need for financing certain activities and the decision at the central level is being made to finance non-relevant others. In this sense, regional strategies can also be used as pressure tools towards the central government to address properly the local development concerns.

The role of local INSTAT offices was also pointed out as having the potential providing the necessary statistical information. However, information has to be based at the local level and the current INSTAT structure based on the old territorial division has not much to offer. UNDP together with its efforts on supporting the regional strategic planning may also support the establishment of regional databases for the purposes of monitoring and evaluation aiming at a periodic update of the regional strategies. In this light, the idea of introducing the Geographical Information Systems on a pilot basis would also help to digitalize all the relevant information for a region. There are efforts in this field with SIDA support in Gjirokastra and Berat.

Additional suggestions that came out of the discussion can be summarized as follows:

- The time has come for the NSSD to be localized and linked with regional planning
- The best actor for monitoring and evaluating would be Regional Council Development Planning units.
- There is a need for improving the law on roles and responsibilities of regional councils
- INSTAT local offices need to be empowered to be in a better supportive position with statistical information
- Establishing regional databases would be useful for updating the regional development strategies.
- A GIS pilot will also be useful in order to see how to digitalize all the relevant regional information
- Civil society needs also to be involved in the monitoring and evaluation processes
- A better donor coordination ought to be ensured to avoid any overlapping of activities
- Regional strategies need to be recognized by everyone and need to be endorsed by the government
- A transparent decision-making at the central level need to take into account priorities set in the regional development strategies
- All these messages need to be made part of central government concerns and regional strategies can really be a useful tool for concerted development.
- These findings should be incorporated into the 2003 MDG and NSSD Progress Reports.

**National Conference:  
“Toward EU Integration and the Millennium Development Goals  
through the National Strategy for Social and Economic Development”**

March 23-24, 2004

**MEDIA COVERAGE**

The National Conference was covered comprehensively by Albanian printed and electronic media. A list of television channels and newspapers that covered the event are provided below.

The following Albanian television stations broadcast news stories on the National Conference:

- Albanian Public TV Station      TVA
- Vizion Plus                              ALSAT
- Naser TV                                  News 24
- Top Channel                              Klan
- ETV    ATN 1
- Gjeli                                        TV KOHA

With the exception of Top Channel and Klan, all other television channels broadcast detailed chronicles of the first day of the event. Three television stations broadcast reports also on the second day of the conference, including interviews with the Head of the NSSSED Department, Mr. Civici, Mr. Engjell Shkreli, National Expert on Development Financing, and Mr. Soren Peterson, UNDP Consultant on Private Sector Partnerships.

The following Albanian newspapers reported on the conference:

**4. Gazeta Shqiptare, 24 March, pg. 5**

**Nano: How we will reduce poverty – economic growth and investment.**

Ways to reduce poverty, economic development and millennium development goals are the issues discussed among government representatives and international institutions in a common conference. NSSSED has been baptized as the program for poverty reduction. According to the Prime Minister the NSSSED objectives serve to achieve within 2015 the Millennium Development Goals.

**5. Albania, 24 March, pg. 13**

**Mizsei: Albania, ok with the strategies.** The Director of UNDP Regional Bureau for Europe emphasized during the Conference on EU Integration, Millennium Development Goals and NSSSED that Albania is in a favorable situation for the development of this strategy.

**IMF requests project implementation.** Res. Rep. of IMF in Tirana stated in the Conference that the challenges for the implementation of the NSSSED have been defined and that measures are being taken from the government and donor community.

**6. Albania, 24 March, pg. 10**

**Economic Development – The Strategies.** The full speech of the Prime Minister has been published.

**7. Shekulli, 24 March, pg. 5**

**During the conference on economic and social development the internationals expressed their reserves on Albanian economy.** UNDP: According to Mr. Kalman Mizsei, RBEC Director, the 6% economic growth could have been higher. This is a respectful pace but it could be accelerated to 8-9%. Rama: There is no sustainable development because development stands out of the system. Eddie, Rama, Mayor of Tirana, requested that projects must integrate people in the work market and not treat them with economic aid.

**8. Korrieri, 22 March, pg. 6**

**Integration** - Mr. Kalman Mizsei arrived in Tirana. He will also participate in the National Conference "Toward EU Integration and the MDGs through NSSED.

**9. Panorama, 22 March, pg 10**

**UNDP Conference on poverty reduction** – Nano: Poverty can not be reduced with slogans; Rama: Economically and realistically we are a thousand years behind. UNDP: 6% economic growth could be higher

**10. Zeri I Popullit,**

**On Focus-the SA process, NSSED and MDGs** – Nano: poverty reduction can only be achieved through implementation of all strategies that unite the contributions and capacities of Albanian society; Malaj: NSSED a tool serving integration into the European family and the achievement of the MDGs. Angjeli: Overall and sustainable economic growth; Islami: NSSED, the most important document approved by the government;

**11. Korrieri, 24 March, pg. 8**

**UNDP Report: 500 000 Albanians live in extreme poverty** – UNDP introduced yesterday (23 March) the financial costs to reduce extreme poverty and achieve the MDGs.

**12. Rilindja Demokratike, 25 March, pg. 9**

**Mizsei: Few investments in the country** – Mr. Mizsei arrived and participated in a National Conference organized by UNDP, UNCT Albania, the government and donors. According to him the development pace must be higher, at least reaching the figures 8-9%.