Mainstreaming, Acceleration and Policy Support for Achieving the Sustainable Development Goals in Albania
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Executive Summary
Executive summary

- Accession to the European Union (EU) is an over-arching development priority supported by all major political parties in Albania; EU integration processes have been key development drivers. There are many complementarities between EU accession, the global sustainable development Agenda 2030, and its monitoring framework, the Sustainable Development Goals (SDGs).

- Despite deepening European integration and rapid economic growth during the past two decades, living standards in Albania remain well below EU averages and socio-economic convergence has been slow. Some 40% of Albania’s population has migrated abroad—the second highest ratio in the region. Inequalities within Albania and among municipalities remain high. Roma and Egyptians, people with disabilities, children in large families, and residents of rural and remote communities face the greatest risks of being left behind. The most recent official data (from 2012) indicate that poverty has been increasing; the relatively small shares of GDP devoted to social services and social protection may have contributed to this.

- Albania’s human resources continue to be used sub-optimally, as is apparent in low employment and labour force participation rates (especially for women and youth, and especially in rural areas) as well as in the high rates of labour migration. Almost 30% of 15-29 year-olds in Albania are not in education, employment, or training (NEET)—which raises serious questions about this generation’s future prospects. Taking advantage of Albania’s development opportunities requires comprehensive approaches to the employment/education/migration/social protection/services/rural development nexus, as well as infrastructure spending and growth-enabling macroeconomic and sectoral policies.

- Governance reforms are at the heart of the EU accession process and have been prioritized as key to addressing the country’s socio-economic challenges. Major investments have therefore been made by the GoA, with support from the EU, the UN, and other development partners in reforming the public administration and judiciary, and in efforts to reduce corruption, strengthen the rule of law, and rationalize relations between central and sub-national state bodies.

1. All data used in this report are taken from Albania’s Institute of Statistics (INSTAT), unless specified otherwise.
• Because of the importance of hydroelectricity and irrigated agriculture, water lies at the heart of the country’s energy and rural development challenges. Climate change and a lack of coordination in water management are aggravating disaster risks, and could threaten Albania’s development prospects in these and other sectors (e.g., tourism). They also underscore the importance of more rapid progress in integrated water resources management. Likewise, efforts to strengthen land ownership and property rights are needed to promote sustainable land management and raise agricultural and rural productivity and income levels.

• This report identifies three broad policy and programming platforms for accelerating progress towards EU accession and achieving the SDGs: (i) governance reform, human rights, and the rule of law; (ii) the inclusive green economy; and (iii) investment in social and human capital. These accelerator platforms reflect Albania’s development and partnership priorities (as articulated in the EU accession process and the GoA-UN Programme of Cooperation for Sustainable Development), the added value of UN agencies, complementarity with ongoing efforts, as well as the substantive challenges enumerated in this report.

• While Albania’s second National Strategy for Development and European Integration 2016-2020 (NSDI II) is closely aligned with the SDGs at the target level, alignment at the indicator level is more modest. Less than one third of the 232 global SDG indicators are used for tracking progress in the implementation of the NSDI II and other national development documents, out of more than 1200 total indicators employed. This modest indicator-level alignment, combined with gaps in national monitoring and evaluation systems and in official statistics, precludes the rapid completion of a national SDG monitoring system.

• This report identifies 15 EU accession negotiating chapters and twelve SDGs where indicator-level convergence between the two agendas seems strongest (Table 1). It also identifies 83 global SDG indicators (most of which are based on internationally comparable methodologies approved by the UN Statistical Commission) that could be used to monitor Albania’s progress in meeting criteria for potential EU accession set forth in the EU’s most recent (April 2018) annual report (Table 2). Use of these indicators for both SDG and EU accession monitoring and reporting would promote development policy coherence.
The establishment of a national SDG monitoring system—featuring the identification of national SDG indicators and setting baseline, terminal (2030), and (where necessary) interim values for these indicators—is best pursued in a comprehensive, integrated, internally consistent fashion during 2018-2020. Work on this system, which would involve cooperation between the GoA, UN, and EU (among others), would need to move in tandem with:

- Work on the evaluation of the NSDI II (2016-2020) and the design of its successor (as well as relevant sectoral strategies), together with the design of a “Vision 2030” as presented in Albania’s Voluntary National Report on sustainable development;
- Analogous work on the mid-term review and assessment of the GoA-UN Programme of Cooperation for Sustainable Development (2017-2021) and the design of its successor;
- The consolidation of Albania’s public administration, decentralization, and other on-going governance reforms, to clarify roles, responsibilities, and resources of key GoA development institutions;
- Continuing improvements in Albania’s official statistics, as well as in other national systems for monitoring development results;
- The UN Statistical Commission’s on-going validation of global SDG indicators; and
- The EU’s emerging framework for effecting policy coherence concerning EU accession and SDGs in the Western Balkans—perhaps in the context of designing the post-2020 framework for the instrument for pre-accession (IPA) financing.

As is the case in other middle-income countries, most of the financing of legal and policy reforms, programming, and investments needed to achieve the SDGs in Albania is unlikely to come from ODA. Governance reforms to improve the country’s investment climate, and expanded efforts to tap into the expertise and resources of Albania’s diasporas, may be more promising avenues. While new EU Member States have attracted significant post-accession funding from Brussels, doing so requires governance reforms to build the institutional (and pre-financing) capacities needed to effectively absorb these monies. The governance reforms that would be required to get Albania into the EU are by and large the same reforms needed to help the country to benefit financially from EU membership.
Setting the Stage
Sustainable development, MAPS, and EU accession in Albania

Albania and Agenda 2030

In September 2015 Albania, along with 192 other United Nations (UN) member states, committed to the implementation of Transforming Our World—The 2030 Agenda for Sustainable Development. Agenda 2030, and the Sustainable Development Goals (SDGs) that comprise its monitoring and reporting framework, represents a transformative set of people-centred, rights-based commitments for ending poverty and protecting the planet. It represents a historic confluence of different pre-2015 inter-government processes to address the development, humanitarian, and security challenges facing governments and the global community. Agenda 2030 also embodies three key principles of:

- **Universality**—the Agenda applies to all countries (albeit in different ways);
- **Integration**—sustainable development requires policies and programming that simultaneously address its social, environmental, and economic components; and
- **Leave no one behind**—intra- and inter-generational equity considerations must underpin national transitions to sustainable development.

Benefitting from some two decades of unbroken economic growth and working within the framework of Phase II of the National Strategy for Development and (European) Integration (2015-2020), the Government of Albania (GoA) has sought to align Agenda 2030 implementation with an ambitious policy and governance reform agenda, to prepare Albania for eventual membership in the European Union (EU). These measures have focused in particular on public and territorial administration reform, decentralization, anti-corruption and rule of law, judicial reform, as well as on social policy, water, and energy sector reforms. In June 2018, the European Council (heads of EU Member States)² set out the path towards opening accession negotiations.

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in June 2019. Accordingly, the Council underlined the critical need for concrete progress to continue in key areas, in particular judicial reform, the fight against corruption and organised crime, and maintaining and deepening the reform momentum.

Working in this spirit, the GoA since September 2015 has worked to integrate and mainstream Agenda 2030 across the national development policy framework. An inter-Ministerial Committee and inter-Institutional Working Group have been operational since May 2017. The Prime Minister’s office in 2017 released a Baseline Report\(^3\) that presented available data against the SDG indicators. The Parliament in December 2017 unanimously approved a resolution committing to the promotion, implementation, and monitoring of Agenda 2030 and the SDGs, through inclusive and broad-based development processes, in line with Albania’s development priorities and EU integration. A Voluntary National Report (VNR) was presented to the UN High Level Political Forum on sustainable development in July 2018, while preparation of a budget analysis for costing SDG implementation, and an INSTAT needs assessment, is on-going.

In light of Agenda 2030’s transformative set of commitments, the UN Development Group (UNDG) in 2016 approved the use of the “Mainstreaming, Acceleration, and Policy Support” (MAPS) platform, to support national transitions to human-centred, rights-based sustainable development. MAPS can offer an opportunity to mobilize and leverage the expertise and comparative advantages of UN agencies, funds and programmes to contribute to this end. Under this framework, technical experts from UN agencies’ global and regional offices have since undertaken more than 50 “MAPS missions” to developing countries; these missions since 2017 have also benefitted from the participation of World Bank staff. As such, MAPS missions represent the application of “delivering as one” approaches to supporting national Agenda 2030 implementation. MAPS reports have helped governments and other national partners to identify the concrete policy and programming steps needed to accelerate national transitions toward sustainable development.

The first such MAPS mission to the Western Balkans was fielded to Albania during 16-20 April 2018;\(^4\) this report presents the mission’s findings. By showing the strong complementarities between Agenda 2030 and the SDGs on the one hand and the EU accession agenda on the other, this report (from this mission) describes how the national implementation of Agenda 2030 can accelerate progress towards EU accession—while also helping Albania to better address important development challenges that are not central to the EU accession agenda.

UN support for the national implementation of Agenda 2030 began years before the April 2018 MAPS mission, as can be seen in the SDG references in the NSDI II (2015-2020), as well as in Albania’s piloting of governance indicators for SDG 16. Working with INSTAT, the UNCT

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4. Descriptions of the mission’s composition and its terms of reference are annexed to this report.
MAPS CAN OFFER AN OPPORTUNITY TO MOBILIZE AND LEVERAGE THE EXPERTISE AND COMPARATIVE ADVANTAGES OF UN AGENCIES, FUNDS AND PROGRAMMES TO CONTRIBUTE TO THIS END.

has developed a number of tools and studies for mapping official data against SDG reporting requirements. A UN-INSTAT joint data group was established in 2016, and a GoA-UN SDG Task Force was created in 2017, to support VNR preparations, public advocacy and awareness raising on behalf of the SDGs and Agenda 2030, and new methodologies for estimating the costs of national SDG achievement. UN outreach efforts led some 25 universities in Albania to sign a declaration of commitment in support of SDG implementation in September 2017. The UN has also supported the engagement of Albania’s private sector, via outreach to corporate social responsibility networks, the International Chamber of Commerce, and individual companies. The UN “SDG Acceleration Fund” for Albania was launched in April 2018, in support of national Agenda 2030 implementation.

In addition to highlighting important accomplishments, this work has also pointed to important gaps in Agenda 2030’s national implementation. The National Baseline Report on SDG alignment found that only 32% of the global SDG indicators can be monitored on the basis of currently available national data. Coverage of the remainder will require the introduction of new data collection activities and technologies, as well as better use of existing statistical methodologies—particularly in light of the reporting associated with EU accession. INSTAT has called for equipment, financial and technical support to achieve this. While the collection of sex-disaggregated data has been mandatory in Albania since the 2008 law on Gender Equality, enforcement of the law has been spotty; the use of such data and gender statistics for policy development, budgeting, and monitoring of national development priorities has remained far from satisfactory. Significant technical and capacity support at central and local levels are needed to support better collection, analysis, and use of gender- and age-disaggregated data and gender statistics, to ensure compliance with international and European standards.

Albania and EU accession

EU accession is an over-arching development priority supported by all major political parties; EU integration processes have been Albania’s key development drivers. Like the other Western Balkan countries, Albania watched as Bulgaria and Romania (in 2007) and Croatia (in 2013) acceded to the EU. During the course of the past decade, Albania has patiently moved through the various stages in the accession processes (Box 1). In June 2018 the Council set out the path towards opening accession negotiations in June 2019. Accordingly, the Council underlined the critical need for concrete progress to continue in key areas, in particular judicial reform, the fight against corruption and organised crime, and maintaining and deepening the reform momentum. This decision occurred against the backdrop of the EU’s Strategy for the Western Balkans (announced in February 2018)—the action plan for which contains flagship initiatives for socio-economic development and rule of law in the region (as well as security and migration, transport and energy connectivity, the digital agenda, and reconciliation and good neighbourly relations). Concrete activities under these initiatives are foreseen between 2018 and 2020.

European integration and sustainable development are in practice closely related. Building on decades of experience with the design and implementation of sustainable development strategies at both the national and regional levels, the EU’s Europe 2020 strategy is based on “smart, sustainable, and inclusive growth” pillars. The EU played a major role in shaping Agenda 2030 and the SDGs through public consultations, dialogue with Member States and partners, and research and advocacy. The (revised) European Consensus on Development is intended to serve as a blueprint to align EU development policy with 2030 Agenda. Since the EU (in the form of the European Commission and its Member States) is the world’s leading provider of development assistance, typically accounting for more than half of global official development assistance (ODA), the global impact of this orientation is difficult to ignore.

Since 2015, the EU has moved to buttress national sustainability policies within its Member States by constructing an intra-EU architecture for Agenda 2030 implementation. This is apparent inter alia in the European Commission’s Next steps for a sustainable European future: European action for sustainability November 2016 document, and in Eurostat’s Sustainable Development in the European Union monitoring report released in November 2017. EU policies have allowed its Member States to make significant progress in environmental sustainability (particularly through climate change and environment policies), in social inclusion, and regional development, as well as in a large number of sectoral policies. These policies in turn constitute elements of the acquis communautaire—the common body of European law/policy frameworks vis-à-vis which candidate and pre-candidate countries must harmonize their national policy frameworks during the pre-accession period.

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7. EU sustainable development strategies go back at least as far as the European Commission’s A Sustainable Europe for a Better World: A European Union Strategy for Sustainable Development (2001). EU Member States’ national sustainable development go back further.
BOX 1—ALBANIA AND EU INTEGRATION PROCESSES

The processes governing the integration of Albania and other West Balkan countries into the European Union can be broken down into: (i) formal accession processes, which revolve around the preparation and consummation of accession negotiations, and concern the transposition of the European legal and regulatory frameworks (the <<acquis communautaire>>); and (ii) other economic and political processes which also speak to important degrees of integration and policy alignment. These latter include especially Albania’s deep economic integration with the EU, as evidenced by the facts that more than two thirds of Albania’s foreign trade is conducted with EU countries, and that significant numbers of Albanian citizens work, live, or study in EU countries. (The close alignment of Albanian foreign policy with the EU in international fora also reflects this integration.)

The formal process of Albania’s EU integration can be shown by the below timeline:

- June 2004: The European Council adopts European partnership with Albania.
- May 2006: EU-Albania Readmission Agreement enters into force, paving the way for Albanian citizens’ eventual visa-free travel to EU countries.
- June 2006: EU Stabilisation and Association Agreement signed.
- January 2007: Instrument for Partnership and Accession (IPA) funding becomes available.
- January 2008: EU-Albania visa facilitation agreement enters into force.
- April 2009: Albania submits its application for EU membership.
- December 2010: Visa free travel in EU’s Schengen area introduced for Albanian citizens with biometric passports.
- October 2012: The European Commission recommends that Albania be granted EU candidate status, subject to completion of key measures in certain areas.
- June 2014: The European Council grants candidate status to Albania.
- November 2016: The European Commission recommends the opening of accession negotiations “subject to credible and tangible progress in the implementation of the justice reform”.
- April 2018: The European Commission’s 2018 annual country report recommends to the European Council that Albania be permitted to begin accession negotiations.
- June 2018: The Council set out the path towards opening accession negotiations in June 2019. Accordingly, the Council underlined the critical need for concrete progress to continue in key areas, in particular judicial reform, the fight against corruption and organised crime, and maintaining and deepening the reform momentum.

From an EU point of view, enlargement policy is a very separate process from its development cooperation. In part for this reason, an EU sustainable development policy coherence framework for candidate (and pre-candidate) countries that fully reflects the commitments they have undertaken under Agenda 2030 has yet to be put in place. As described below in the “Mainstreaming” chapter, however, this does not mean that Agenda 2030 and the SDGs are irrelevant for Albania’s accession prospects. The issue lies not the absence of frameworks for aligning EU accession and the SDGs, but rather in their multiplicity.

Albania’s European orientation has also helped the Government to by and large manage the geopolitical risks that have plagued the Western Balkans since the 1990s. Years of GoA efforts (Box 1) now seem to have paved the way for Albania to begin negotiations for EU membership. These negotiations will revolve around the country’s preparations for discharging

Sources: https://ec.europa.eu/neighbourhood-enlargement/countries/detailed-country-information/albania_bg; Albania’s 2018 EU annual report, page 3; and Enlargement and Stabilisation and Association Process (Council Conclusions), 26 June 2018.

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8. Heads of EU Member States.
the Copenhagen criteria for EU membership, which require acceding countries to have:

- stable institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities;

- a functioning market economy and the capacity to cope with competition and market forces in the EU;¹⁰ and

- the ability to take on and implement effectively the obligations of membership, including adherence to the aims of political, economic and monetary union.

The sustainable development implications of accession processes experienced by the Central European and Balkan countries that joined the EU in its 2004 (e.g., Slovenia, Hungary, Poland), 2007 (Bulgaria and Romania), and 2013 (Croatia) also bear emphasizing in this context. Accession processes supported these countries’ regulatory and policy convergence towards European standards, while providing targeted financial assistance and institutional development support. Combined with related political and economic transition processes, European convergence meant the consolidation of democratic governance and human rights institutions, the adoption of good neighbourly foreign policies, and the technology transfers and foreign investment inflows needed for economic modernization. It also meant the adoption of European environmental standards, which made possible significant improvements in carbon footprints and water and air quality (especially per unit of GDP). EU accession processes can therefore be seen as having accelerated national transitions towards sustainable development in Albania’s northern neighbours. This experience has not been lost on Albania and other countries in the Western Balkans.

¹⁰ Albania has also benefitted from extensive support from the Bretton Woods Institutions, as well as the EU, for the economic reforms needed for increased competitiveness and stable economic growth. The EU’s most recent assessment of Albania’s challenges and progress in this area can be found in ECOFIN’s May 2018 Draft Joint Conclusions of the Economic and Financial Dialogue between the EU and the Western Balkans and Turkey. Additional information is provided in the EU’s Economic Reform Programme for Albania.
**Albania’s sustainable development policy context**

Albania’s EU integration dynamics have both supported and been supported by rapid economic growth and significant improvements in living standards. After a sharp decline following the 1989 collapse of communism, GDP per-capita quadrupled during 1992-2017 (Figure 1), so that Albania now registers upper middle-income country status (by the World Bank’s classification scheme). Prior to the 2008 global financial crisis, Albania’s income poverty rate (according to national definitions) fell by half to about 12%. In 2016, its Human Development Index score of .764 placed Albania in the “high human development” category, thanks to annual HDI improvements that were well above global averages during 2000-2015 (Figure 2).\(^\text{11}\) While Albania’s per-capita GDP (at market exchange rates) is at present barely one sixth of the EU average, this ratio doubled in the past 15 years.

Despite this progress, both INSTAT and World Bank data show increases in the income poverty rate since the 2008 global financial crisis (Figure 3). The national poverty headcount (defined as those consuming less than 4891 lek/month, in 2002 prices) rose from 12.5% in 2008 to 14.3% in 2012, due to increases in urban poverty.\(^\text{12}\) The poverty rate in 2012 for households with children between the ages of 6 and 10 was 21%; for households with children under six years of age it was nearly 23%.\(^\text{13}\) INSTAT data also indicate that less than one third of Albania’s youth have been employed since 2012 (Figure 4); and many young worker labour in vulnerable or precarious employment (around 35% of young workers are in temporary or involuntary part-time work).

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11. The Human Development Index (HDI) is a composite indicator consisting of national rankings in three components: gross national income per-capita, life expectancy at birth, and education attainment.

12. Global SDG indicators 1.1.1 and 1.2.1 (both Tier I indicators) call for national monitoring of poverty reduction vis-à-vis international and national poverty lines, respectively. SDG indicator 1.2.2 calls for national monitoring of “men, women and children of all ages living in poverty in all its dimensions according to national definitions”.

Notwithstanding continuing economic growth, unemployment rates increased sharply during 2012-2014—particularly for youth (Figure 5). While these have fallen since 2015, the weak recovery in employment rates underscores the continuing importance of labour market exclusion—for women, youth, and other vulnerable population groups. Three out of four unemployed young workers are classified as long-term unemployed, with higher risks of skills erosion and permanent labour market exclusion. Disturbingly large numbers of young Albanians are classified as “not in employment, education, or training” (NEET—see Box 2).

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**FIGURE 5—TRENDS IN ALBANIA’S OVERALL, YOUTH UNEMPLOYMENT RATES (2007-2016)**

![Figure 5: Trends in Albania's overall, youth unemployment rates (2007-2016)](image)

**FIGURE 6—SHARES OF GDP COLLECTED AS GOVERNMENT BUDGET REVENUES (2015)**

![Figure 6: Shares of GDP collected as government budget revenues (2015)](image)

**BOX 2—UNDERSTANDING EXCLUSION: YOUTH NOT IN EDUCATION, EMPLOYMENT OR TRAINING (NEET)**

Headline unemployment rates are often inaccurate indicators of labour market health, and over-reliance upon them can lead to inadequate policy decisions. For example, decisions by young workers to leave the labour market—either to emigrate or to rely passively on social assistance—can reduce unemployment rates, offering policy makers an excessively optimistic picture of labour market trends. In response, the “NEET” indicator (young people “not in employment, education, or training”) has been gaining traction as a measure of the labour market challenges facing young people, both globally—SDG indicator 8.6.1 (Tier I) calls for the monitoring of the shares “of youth (aged 15–29 years) not in education, employment or training”—and within the EU.

![Box 2: Understanding exclusion: Youth not in education, employment or training (NEET)](image)

ILO calculations based on 2017 Labour Force Survey data.
In Albania, almost 200,000 young people (some 30% of the population between the ages of 15 and 29) can be classified as NEET. This includes two main groups: (i) unemployed job seekers (i.e., those not working but actively seeking work and available to start within two weeks) who are not currently in education or training, and who have not received any training in the four weeks preceding the survey; and (ii) those who are not actively searching for a job and who are not currently in education or training, and who have not received any training in the four weeks preceding the survey. This second sub-group is comprised of young persons who are detached from the labour market—primarily because they are discouraged, or because they are looking after children or relatives (women outnumber men in this category), or are temporarily sick or long-term disabled. (Inactive individuals who are engaged in travelling and/or other activities are considered to be "voluntary NEETs").

<table>
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<tr>
<th>Shares of NEETs by key characteristics (within sub-groups) in Albania</th>
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<td><strong>Short-term</strong></td>
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Source: ILO, <<Statistical Profile of young NEETs in Albania>> (forthcoming).

Notwithstanding the GDP growth shown in Figure 1, Albania remains one of the poorest countries in Europe. While important progress was made in achieving the Millennium Development Goals during 2000-2015 (Box 3), some post-2015 gaps remained—particularly in terms of poverty eradication and social exclusion (MDG 1), ensuring high quality basic universal education (MDG 2) and promoting gender equality and empowerment of women (MDG 3).
BOX 3—MDG ACHIEVEMENT IN ALBANIA

Albania made substantial progress in achieving the Millennium Development Goals (MDGs—the global development framework that preceded the SDGs), as well as preparing for EU accession, during 2000-2015. However, progress across various MDGs was uneven, due to such factors as the global financial crisis, the costs of economic, social and political reforms, and the quality of the institutions implementing these reforms.

Albania largely fulfilled MDGs 4 (reducing child mortality) and 5 (improving maternal health). Significant progress was also made in ensuring environmental sustainability (MDG 7), as well as in greater school enrolment (and the equalization of primary school enrolment rates for boys and girls), better control of communicable diseases, and expanded IT services. MDG targets and indicators were used in the construction of regional and local development plans.

By contrast, results in eradicating extreme poverty and reducing the risk of social exclusion (MDG 1), ensuring high quality basic universal education (MDG 2) and promoting gender equality and empowerment of women (MDG 3) were mixed. Less progress was achieved in addressing the challenges of developing a global partnership for development (MDG 8) and improving governance for all citizens and particularly for most disadvantaged groups (a nationally defined “MDG 9”). Moreover, the range of success was uneven across various aspects of the MDGs and, particularly, across the country and in the different parts of Albanian society.

MDG implementation showed also that regular monitoring of development indicators should be an intrinsic part of the development agenda. SDG implementation will likewise require the mobilisation of institutional, human, and financial resources in Albania, to mainstream the SDGs into national strategies, policies and plans, and to better monitor and report on progress. More capacity to prepare better, faster, detailed and reliable data would help Albania to make more steady progress in the development agenda.

Should present trends continue, Albania’s per-capita GDP would not converge with the EU average before 2055. Moreover, compared both to EU member states and its West Balkan neighbours, Albania collects very small shares of GDP via the state budget (Figure 6). While this pattern may free up more resources for private spending, it may also result in the under-funding of key education, health, and other social services (Figures 7, 8).

**FIGURE 7—SHARES OF GDP ALLOCATED TO PUBLIC HEALTH (2014)**

**FIGURE 8—MEAN YEARS OF SCHOOLING COMPLETED (2015)**


15. This is also a reflection of the fact that self-employed agricultural workers are generally exempted from income taxes.
A similar pattern is apparent in terms of social protection (Figure 9), which may help explain why Albania’s poverty headcount rose during 2008-2012—even as GDP was growing. Various estimates indicate that Albania devotes 0.2%-0.4% of GDP to research and development—compared to an average level of 2% in the EU. These data underscore how Albania is under-investing in the human capital and skills needed for economic competitiveness, and in prospects for withstanding the future pressures of the EU’s single market—as well as “leaving people behind”.

In addition to highlighting challenges associated with underinvestment in the public sector, these data also underscore the importance of the governance dimensions of service delivery—in terms of the corruption and informality that limit tax collection. For example, barriers to accessing quality health services are apparent in relatively high out-of-pocket health costs—despite the fact that citizens are legally entitled to free health care services. More broadly, issues of transparency and accountability, rule of law and access to justice, and human rights protection have been consistently flagged by the EU (in its annual monitoring reports) and by Albanian civil society.

They are also important concerns for investors (foreign and domestic), and pose major constraints on Albania’s abilities to attract the foreign direct investment (FDI) needed for integration into regional and global value chains. As the data in Figure 10 show, Albania not only lags behind other Balkan economies in FDI attracted—it also compares unfavourably with other countries

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16. Global SDG indicator 1.3.1 calls for national monitoring of the “proportion of population covered by social protection floors/ systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable”.

17. Global SDG indicators 9.5.1 and 9.5.2 call for national monitoring of the ratio of R&D expenditures to GDP, and of full time researchers per million inhabitants, respectively. Both are classified as Tier I indicators.

18. Recent IMF survey research reports estimates of the share of GDP produced in the informal sector (i.e., largely beyond the reach of the fiscal authorities) averaging about 33% during 1991-2015. Although a slightly higher figure was reported for Bosnia and Herzegovina (34%), this measure of informality to Albania was well above those reported for Romania (30%), Bulgaria (29%), Croatia (29%), Greece, (27%), and Italy (25%). (Source: Medina L. and F. Schneider, Shadow Economies Around the World: What Did We Learn Over the Last 20 Years?, IMF working paper 18/17, January 2018, pp. 50-53).
in wider Europe (like post-conflict Georgia) that are seeking closer EU integration. Moreover, this FDI is mostly concentrated in the extractive sector, construction, and telecommunications—rather than in manufacturing branches (like machine building, environmental engineering, or eco-tourism) that can generate significant numbers of well-paying jobs.

Governance concerns are often closely linked with regional disparities (between the country’s southern and northern regions, and between Tirana, small towns and rural areas), as well as with the challenges of addressing gender disparities, the social exclusion of Roma and Egyptians, families with many children (especially in rural areas), those working informally (especially in agriculture), people with disabilities, and sexual and trans-gender minorities.

For example, 45.4% of women were working in agriculture (disproportionately in low productivity subsistence or own-account labour) in 2016, compared to 36% of men. Due to extensive informality, only 19% of women from rural areas received maternity leave, compared with 59% of their urban counterparts. The absence of state support for child care in rural areas adds to women’s domestic workload, thereby reinforcing traditional gender roles and stereotypes. Under-five mortality rates in rural areas are double those reported in urban areas. Moreover, it is rural areas in Albania (as in other countries) that bear the brunt of climate and disaster risks, such as drought and flooding. These linkages underscore the importance of continuing efforts to improve the quality of governance in Albania—to ensure that no one is left behind, that development is risk-informed, and that Albania will ultimately be meet the Copenhagen criteria for EU accession.

Demographics are poised to aggravate many of these problems, inter alia via the state pension system. According to INSTAT population projections, the share of elderly population cohorts (age 65 and above) will rise from about 13% in 2017 to above 20% in 2030. As the share of working age cohorts (15-64 years of age) is projected to fall from 69% to under 64% during this time, this implies a sharp increase (from .19 to .32) in the old-age dependency ratio. In addition to threatening the financial sustainability of retirement and disability pensions, these trends can also be expected to further strain the state health insurance system’s finances—which would be unlikely to improve Albania’s health outcomes. As women on average live three years longer than men in Albania, and as elderly women are more likely (than elderly men) to be living on a single pension, these demographic challenges could disproportionately affect elderly women. Falling fertility rates may also be exacerbating the use of reproductive technologies to limit the birth of daughters.

Migration pressures could further exacerbate these trends—but also provide Albania with new development opportunities. UNDESA data indicate that close to 40% of Albanian citizens now spend at least part of the year abroad in some migratory capacity (i.e., other than tourism)—and more than 80% of these do so in EU countries. This is the second highest ratio among the countries of the Western Balkans—second only to post-conflict Bosnia and Herzegovina,

19. Food and Agriculture Organization, Gender, agriculture and rural development in Albania (2016).
20. Some 48% of elderly women in Albania are widows. About three quarters of elderly women who have passed retirement continue to work as contributing family workers, mostly in agriculture (source: UN Gender Brief, Tirana, page 64.)
and well above the ratios posted for the former Yugoslav Republic of Macedonia, Montenegro, and Serbia (Figures 11a, 11b). Albania’s migration flows also dwarf those shown by new EU Member States Bulgaria, Croatia, and Romania. INSTAT data indicate that Albania’s population during 2011-2017 declined by some 1.5% annually due to emigration (by 0.6% in terms of net migration flows). In addition to further increasing Albania’s old-age dependency ratios, migration contributes to the “brain drain” of skilled professionals and young people—many of whom have despaired of finding appropriate education, jobs, and future prospects at home.21

FIGURES 11A, 11B—SHARES OF BALKAN POPULATIONS LIVING ABROAD
(RELATIVE TO TOTAL POPULATION IN COUNTRIES OF ORIGIN)

On the other hand, the remittances provided by labour migrants (and diasporas) may be a significant source of development finance. As the data in Figure 12 show, remittance inflows have averaged above $1 billion annually—a sum that not only dramatically exceeds the ODA Albania receives, but also its net foreign direct investment (FDI) and service exports. In addition to supporting Albania’s balance of payments, remittances help keep vulnerable households out of poverty and improve small businesses access to finance.

In addition to these challenges facing employment, pension, mobility, and social services policies, gaps are also present in Albania’s social protection systems. The apparent increase in headcount poverty during the economic growth of 2008-2012 underscores their weaknesses, which may not fully reflect important labour market and social care linkages. Nor do they address deep-rooted gendered social determinants of poverty and related economic, social, cultural and environmental risks.

21. Albania also finds itself at the centre of transit migration routes used by refugees and asylum seekers en route to Western Europe. With Serbia and the former Yugoslav Republic of Macedonia having closed their frontiers, the numbers going through (and possibly staying longer in) Albania increased significantly during the first half of 2018.
BOX 4—CHALLENGES FACING PEOPLE LIVING WITH DISABILITIES IN ALBANIA

The European Commission’s most recent annual report on Albania’s preparation for EU accession notes that “People with disabilities continued to face difficulties in accessing education, employment, healthcare and social services and in participating in decision-making and there are still difficulties in removing environmental and infrastructural barriers. Most of the secondary legislation related to the law on inclusion and accessibility from 2014 needs to be adopted” (page 30). It also notes that more than half of the polling stations were not accessible to disabled people during the national elections in 2017.

While 96% of children aged 6-14 in the non-disabled population attend school, only 75% of children with some disabilities are enrolled. One adult with a disability in four was not able to attend school; most of these people remain illiterate. Individuals with disabilities who do attend school are much more likely to drop out after primary school. 2011 Census data show that only 56% of persons with disabilities over 15 years of age have completed basic education; and 24% never attended school (VNR, page 23).

While some 15,000 children in Albania are officially classified as living with disabilities and receiving disability-related social assistance, assessments of their status and remediation practices are based heavily on medical (rather than social) criteria. They also focus primarily on children with severe disabilities; children facing less severe but often important physical, psychological, or emotional challenges are often left out. Early identification and prevention efforts do not align with international standards, especially in the health sector, where neonatal screening is missing. And while children with disabilities are entitled to free residential or social care services, their geographic distribution and quality are often uneven.

Refugees with disabilities or chronic medical diseases do not benefit from any governmental support. Such vulnerable groups as Roma and Egyptians, people with disabilities (Box 4), asylum seekers and refugees, and large families with children and elderly people are particularly likely to face risks of being left behind in Albania. People with disabilities are much less likely to participate in the labour market, due both to inferior education outcomes and to employers’ discriminatory attitudes. Refugees’ and asylum seekers’ access to services are often hampered by lack of effective documentation, as well as by discriminatory practices; asylum seekers are explicitly excluded from some social welfare programmes.

Despite the country’s economic progress, children in Albania remain disproportionately affected by multiple dimensions of poverty—which, owing to its limited coverage of households with children and low monetary value (in terms of cash transfers per family), the Ndihma Ekonomike social assistance instrument and the disability benefit are unable to adequately address. A more systematic approach to addressing child vulnerability is needed, featuring inter alia:

- Increased financial investments in those social service and social protection systems and instruments most relevant for children, as well as in the capacity development and professionalization of the social care work force;
- The closer integration of social protection and social service delivery; and
- An increased emphasis on the protection of children against domestic violence, trafficking, and other risks associated with socio-economic and legal vulnerability.

The underfunding of the public sector has also complicated the adaptation of Albania’s education system to the needs of a modern, democratic society. Although preschool education in Albania (for children aged 3-6) is not compulsory, the national pre-school enrolment rate for the 2014-2015 academic year was 81%. Children above the age of six then undergo nine years of mandatory schooling; students above the age of 16 who have not completed basic education may do so in part-time schools. Upon completing compulsory basic education, students face two main options for upper secondary education: academically oriented gymnasiums, and vocational education and training (VET) programmes.

In recent years, major education reform efforts have been made, especially in terms of curriculum development, ICTs in education, and teacher policies. Special curricula for pre-school education is being developed, and teacher training for children with disabilities is receiving more attention. New legislation has sought to bring all VET providers under a single legal framework, to better coordinate VET provision in schools and vocational training centres. Major increases in educational financing have begun—particularly for VET programming.

Nevertheless, significant challenges remain, particularly as concern continuing disparities in access to quality and relevant education and learning opportunities. One of the most persistent divides is between the quality of education in rural and urban areas, which contribute to rural-urban migration, and external migration. Educational inequalities can also be observed between ethnic

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26. The draft 2018 Voluntary National Review notes that “public funding allocated to vocational education increased 33% annually...The vocational education sector has received substantial investments during the recent years. Enrolment and participation rate in vocational education and vocational training kept progressing, total number of VET participants is reported to 35.4 thousand individuals in 2016 increasing by 16% compared to 2014...[insert ref]"
Albanian, Roma and Balkan Egyptian populations. The Law on Inclusive Education, adopted in 2012, guarantees the right of children with disabilities to education, and furthermore, access to special teaching personnel trained in catering to the special needs students may have. At the same time, many children with disabilities seem to face continuing obstacles when they seek to access quality education services, such as inadequate or inaccessible infrastructure. Many schools in Albania will require considerable infrastructure improvements if this access is to be provided.

In the government re-organization that followed the 2017 parliamentary elections, responsibility for VET programming was transferred to the Ministry of Finance and Economy—even as the administration of VET providers is to be assigned to the (yet-to-be-created) National Agency for Employment and Skills. Implementing legislation in support of the February 2017 VET Law has yet to be approved. While standards and framework curricula for VET programmes are being modernised, at least some Albanian schools lack the teaching skills and equipment to put them into practice. Growing numbers of private schools and training programmes may offer households and businesses more choices, but they also make the management of Albania’s education system more complex.

The division of responsibilities for the different education and training sub-sectors presents significant challenges for a coordinated and coherent approach towards achieving SDG 4—which calls for system wide, lifelong learning. Achieving SDG 4 will require close coordination between the departments and agencies responsible for all levels education, training and skills development. Stronger inter-sectoral coordination is also required by the fact that education is expected to contribute to the achievement of multiple SDGs. At present Albania’s education policies focus almost exclusively on children and youth—even though the country is aging, and its economic competitiveness, social well-being and environmental sustainability increasingly require that adults of all ages also benefit from expanded formal, non-formal, and informal learning opportunities.

27. The EU’s April 2018 annual report on EU accession notes that “the enrolment of Roma and Egyptians in pre-school education increased by 5%, in elementary schools by 25%, in middle school and high school by 27%, and in pre-university education by 22%. However, their enrolment rates remain very low overall.”
The governance reform agenda

Governance reforms are a GoA priority; along with judicial reform, efforts to reduce corruption and organised crime, and better protect human rights, public administration reforms are routinely described by the EU as key pre-accession prerequisites (Box 5). They are also major concerns of ordinary citizens as well as important barriers to improvements in the business and investment climates. While trends in the World Bank’s Worldwide Governance Indicators suggest the quality of governance in Albania is improving (Figure 13), they also suggest that it remains well below that of Croatia—the most recent country to join the EU (in 2013), and whose governance indicators are generally well below those reported for other EU Member States.

BOX 5—“FIVE KEY PRIORITIES”: GOVERNANCE REFORM FOR EU ACCESSION

The European Commission has conditioned the opening of EU accession negotiations on progress in governance reform in five areas:

**Key Priority 1:** Reform of the public administration, to enhance its professionalism and depoliticisation. The April 2018 Accession Annual report found that relevant legal and strategic frameworks are in place, that Albania is “advancing further towards a professional and merit-based civil service”, and that operational infrastructure for service delivery has been improved through one-stop-shops and implementation of the territorial administrative reform.

**Key Priority 2:** Strengthening the independence, efficiency, and accountability of judicial institutions. The April 2018 Accession Annual report found that “a thorough and comprehensive justice reform is being implemented . . . [having been] launched with a set of amendments that changed one third of the country’s constitution”. Key measures include:

- establishing a new Special Anti-Corruption and Organized Crime Structure (SPAK);
- reducing the influence of the parliament and the executive on the judiciary;
- increasing the independence and effectiveness of the High Court, as well as the independence, impartiality and transparency of the Constitutional Court and the High Council of Justice and Prosecution system;
- establishing the new High Judicial Council, High Prosecutorial Council, and High Justice Inspector; and
- increasing justice efficiency and access to justice.

**Key Priority 3:** Making “further determined efforts in the fight against corruption, towards establishing a solid track record of proactive investigations, prosecutions and convictions”. The April 2018 Accession Annual report noted an “increase of activity at different points of the investigation chain”. The numbers of corruption cases sent to court and resulting in convictions have “maintained an increasing trend in recent years”, while “convictions have been rendered against prosecutors and judges”. However, “the number of final convictions of high-state officials remains very low”. It also noted that creating a “solid track record of proactive investigations, prosecutions and convictions . . . continues to require further structured and consistent efforts”.

**Key Priority 4:** Making “further determined efforts in the fight against organised crime, towards establishing a solid track record of proactive investigations, prosecutions and convictions”. The April 2018 Accession Annual report found that tangible results had been achieved inter alia “in the fight against the cultivation and trafficking of cannabis”, as well as in human trafficking and property rights abuses. On the other hand, the number of indictments and convictions against criminal organisations “remains very low and has only marginally increased . . . The establishment of a solid track record of proactive investigations, prosecutions and convictions . . . against organised crime . . . continues to require further structured and consistent efforts”.

**Key Priority 5:** Taking “effective measures to protect human rights, including of Roma”, in anti-discrimination policies, and in protecting property rights. The April 2018 Accession Annual report found that Albania’s legal and policy frameworks for human rights protection are “broadly in line with European standards . . . Important steps have been taken to improve the legal framework on the protection of minorities . . . as well as juvenile justice, child protection and property rights”.


Thanks to governance reforms introduced during the past decade, the necessary legal frameworks are increasingly in place—but implementation and enforcement often remain critical stumbling blocks. Key problems include coordination gaps among key judicial and law enforcement actors, political interference in the police force, and the infrequency with which high-level offenders are brought to justice.\textsuperscript{28} Measures to reduce corruption and organized crime were at the heart of the judicial reforms that were approved in 2016;\textsuperscript{29} as well as the establishment of the national Commission on Small Arms and Light Weapons in June 2017.

Albania is a state party to all major UN human rights treaties; legal and institutional frameworks for their observance are in place. The second cycle of Albania’s UN universal human rights periodic review (UPR) took place in 2014; all but four of the 168 recommendations were endorsed.\textsuperscript{30} An action plan for implementing UPR recommendations has been developed with UN support and will serve as a basis for tracking progress and reporting. CEDAW’s Concluding Observations (July 2016) highlighted a number of areas of persisting concern, including the lack of implementation of legislation on gender equality and non-discrimination.\textsuperscript{31} Albania has also sought to strengthen human rights accountability mechanisms, including the Ombudsperson and the Commissioner for Protection from Discrimination.

If fully implemented, these reforms and mechanisms will better protect human rights, provide better access to justice, discourage corruption, promote foreign and domestic investment, and allow Albania to compete more successfully in the global economy. However, despite national efforts supported by the international community, the implementation of many of these measures remains inconsistent and under-funded. Executive and legislative bodies do not pay sufficient attention to these oversight bodies and their recommendations, while the Parliament is yet to strengthen its public oversight role or hold the executive accountable for implementation gaps.\textsuperscript{32}

As a result, Albania’s judiciary remains unable to defend the rights or welfare of marginalized and excluded segments of society, or of specific groups of rights holders, such as children. The Access to Justice Assessment in Albania mentions that almost half of the population has had legal problems in the last five years, and that most of these have gone unresolved due to a lack of legal awareness in society and the underperformance of judicial institutions. This is particularly true for members of vulnerable groups, including the poor, those with a low level of formal education, the Roma, members of the LGBTI community, and victims of domestic and gender-based violence.

To address municipal fragmentation and accelerate fiscal decentralization, Albania’s 373 municipalities/local government units were consolidated into 61 larger bodies in 2015. However, planning capacities at both central and local level need attention, a culture of decision-making based on data and evidence has yet to emerge, and the supply of disaggregated data is not commensurate with needs. The lack of coordination, weak technical capacities, and high staff turnover slow local level policy design and implementation.

\begin{itemize}
\item \textsuperscript{28} Fighting Corruption in the Western Balkans and Turkey: Priorities for Reform. Transparency International Report (2016).
\end{itemize}
Gender equality and EU accession

Aspirations to accelerate progress towards gender equality play key roles in both EU accession and Agenda 2030. Globally, equality between women has been enshrined in such frameworks as the Istanbul Convention, the Convention for the Elimination of All Forms of Discrimination against Women (CEDAW), and the Convention on the Rights of the Child. In addition to SDG 5 (“Achieve gender equality and empower all women and girls”), the global goals contain literally dozens of targets and indicators that call for stepped-up national reporting of progress toward gender equality and women’s empowerment.

A similar emphasis is apparent in the European integration agenda. As detailed in Article 2 of the Treaty on the European Union, gender equality is a core objective of the EU. The European Commission’s Strategic Engagement for Gender Equality (2016-2019) directive specifies that “gender equality will continue to be promoted through the integration of a gender equality perspective into every aspect of EU intervention (preparation, design, implementation, monitoring and evaluation of policies, legal measures and spending programmes), i.e., gender mainstreaming” (page 18). In short, the EU wants a world (and especially a Europe) in which the rights of girls and women are claimed, valued, and respected by all, and where everyone is able to fulfil their potential and contribute to a more fair and just society.

The enlargement process offers important opportunities for both the EU and Albania to address outstanding gender issues. For the EU, the enlargement process is both an opportunity to highlight its core principles—including the full acceptance of fundamental principles of equality between women and men—and to strengthen their implementation in candidate countries, via legislative approximation and norm diffusion. For Albania, the accession process opens new opportunities to address legal, institutional, and cultural shackles that limit the development aspirations and potential of half the country. Weak commitments to addressing these challenges not only imply disinterest in core EU values—they also represent missed opportunities to increase Albania’s economic competitiveness and expand the scope of human freedoms. Evidence shows that when women are given equal opportunities and access to resources and decision-making, communities are more prosperous and more peaceful. In particular, gender equality discourses associated with accession processes can offer Albania chances to more fully benefit from the experience, legal and policy frameworks, and good practices applied in EU countries, to appropriately apply gender equality principles to national contexts.

In these and other ways, accession processes can offer “windows of opportunity” to accelerate national progress towards sustainable development in ways that benefit everyone. Taking advantage of these opportunities involves going beyond effecting marginal increases in political participation to address the broader social issues concerning gender discrimination and the distribution of resources and power.

Although Albania has developed a solid legal framework (in both civil and criminal law) for addressing gender-based violence, these practices remain distressingly widespread, 

33. For more on this in Albania, see National Cross-cutting Strategy for Gender Equality 2016-2020.
and social tolerance for them is high. 34 According to the latest (2013) national survey on gender-based violence, 59% of Albanian women have experienced some form of gender-based violence; even though the national gender-based violence reporting rate is estimated under 1%. 35 The Baseline Report for Albania released in 2017 by the Council of Europe’s Group of Experts on Action against Violence against Women and Gender-based violence (GREVIO) called for the more ambitious application of such legal tools as restraining orders, improvements in the quality of the services provided to victims, and better coordination of administrative data collection on gender-based violence. The UN Guidelines on Essential Services for women and girls—GBV survivors describes a full range of actions, tools, and standards that can be put in place.

34. Gender based violence in Albania is often reduced to the perspective of gender-based violence; issues of sexual harassment towards women and girls in the workplace or in educational institutions have not been thoroughly studied. Moreover, confidential, safe mechanisms for filing complaints on gender discrimination and sexual harassment—as well as provide support to the victims of these practices—need to be designed and implemented.
While some cultural norms and practices empower women and promote women’s human rights, others are used to justify various forms of gender-based discrimination. In Albania, child and forced marriage and gender-biased sex selection can serve as examples of the latter. In too many cases, child marriages result in sexual violence and domestic abuse, denial of educational opportunities, and low economic status of the affected women later in life. They are also associated with unregistered marriages (thereby depriving young women of access to certain services and property rights), stereotyped gender roles, and disinterest in girls’ education and professional development—particularly among Roma communities.

Sex selection (understood as the deliberate elimination of girls and women through abortion, infanticide, and neglect) and skewed sex ratios (in favour of boys) can be seen both as symptoms of gender inequality today and as causes of gender inequality in the future. These patterns are often particularly strong in countries where social norms favouring male children are deeply entrenched, where modern reproductive technologies are broadly accessible, and where falling fertility rates are influencing couples’ reproductive strategies. Sex selection may have important negative consequences, both for women and for society as a whole. In addition to reinforcing cultural stereotypes against girls, sex selection practices can also lead to inter-generational demographic imbalances (i.e., future surpluses of men), with negative implications for future reproductive trends and gender norms.

The Council of Europe’s Parliamentary Assembly Resolution 1829 (2011) on Prenatal Sex Selection lists Albania as one of the countries in which this harmful practice is observed. The resolution (and its related Recommendation 1979) call for actions to be taken by the state and other actors for elimination of this phenomenon. A 2012 UNFPA study on sex imbalances at birth in Albania found the country to be characterized by patriarchal family values, under which boys are expected to support the parents financially, provide for their security and protect their honour; while girls are expected to provide emotional support and care for ailing parents.

This pattern seems to have continued since 2012: INSTAT data indicate that the numbers of boys born during 2015-2017 exceeded the numbers of girls born by 9% (5-6% is considered to be biologically normal); while Albania’s fertility rate has fallen to 1.48 children born (for every pair of adults). Whatever else may be said about this practice, sex selection at birth can also be seen as an indictment of Albania’s social protection system—particularly old age pensions and other instruments for addressing the income insecurity of elderly households.

36. For more on these issues, see Child Marriage in Albania (Overview), UNFPA (2016).
38. Fertility rates below 2.1 are generally associated with shrinking, aging populations.
Mainstreaming the SDGs
Mainstreaming the SDGs in Albania

The MAPS platform’s “mainstreaming” component focuses on the alignment of national (and, ideally, sub-national) development policy frameworks with Agenda 2030 in general and the SDGs in particular. The logic of such an approach is undeniable: if national development policies are aligned with the SDGs, their effectiveness in supporting transitions to sustainable development can be monitored and assessed—either domestically or in international comparison. This logic is apparent in Albania’s NSDI II (2015-2020), which contains an annex linking the global goals to the NSDI II pillars. This section reviews the work that has been done on SDG mainstreaming in Albania, and suggest some possible next steps in this area, in light of the anticipated start of Albania’s EU accession negotiations later this year.

The Rapid Integrated Assessment

The Rapid Integrated Assessment (RIA) instrument is often used to measure alignment between SDG targets and the targets set forth in national/sub-national planning frameworks. The RIA can help to:

- Assess the SDGs’ relevance to the country context, at both national and sub-national levels;
- Offer insights into the extent of vertical and horizontal alignment between national and sub-national plans/strategies;
- Identify interconnections and gaps between and across SDG targets and sectoral areas of coordination; and
- Assess the sufficiency of data for monitoring progress in SDG implementation.

A RIA was drafted in Albania in 2016.\textsuperscript{39} It analysed the NSDI II plus 50 other national, sectoral, or cross-cutting strategies and policy documents and national plans that had been adopted (or seemed likely to be adopted soon) at mid-year. These included:

\textsuperscript{39} SDG mainstreaming through the National Strategy for Integration and Development 2015-2020 [NSDI II].
• 20 national, sectoral, or cross-cutting strategies, part of the NSDI-II and adopted as of June 2016;
• two policy paper documents, part of the NSDI-II, adopted as of June 2016;
• 11 national, sectoral, or cross-cutting strategies, not part of the NSDI-II and adopted as of June 2016;
• 20 policy paper documents, national plans, etc. not part of the NSDI-II, adopted as of June 2016; and
• Other draft strategies and policy documents, available online for discussions but not yet adopted as of June 2016.

The RIA noted that the NSDI II contains three sets of national monitoring indicators (some 50 in total) focusing on: (i) EU integration (as agreed between the GoA and the EU); (ii) some 40 sectoral development programmes included in/aligned with the NSDI II; and (iii) macroeconomic indicators.

The RIA pointed out that, while they are certainly important, only 12 of these 50 indicators also belonged to the global or EU SDG indicator sets. The RIA therefore concluded that “although the NSDI II indicators framework provides a sound basis for the purpose of monitoring the progress with strategy implementation, unfortunately it has very limited capacity to be used as an instrument for monitoring the SDGs implementation in Albania.” It found that “the duration of the NSDI II (until 2020) is significantly shorter than the scope of the SDGs which extends to 2030. Thus, additional work even for the shared indicators, is required to define the targets for the year 2030.” The RIA also called for:

• broadening the NSDI II indicators framework to include also SDG indicators, so that NSDI II monitoring could also support national SDG monitoring; and
• more investments national statistical capacity for SDG monitoring in Albania, inter alia via INSTAT as well as the UN-INSTAT Joint Data Group.

These recommendations reflected the fact that the NSDI II was designed before the global SDG indicator set was completed. So even if it had wanted to, Albania’s 2015-2020 development policy framework could not have fully reflected the SDGs at the indicator level (which is critical in terms of SDG monitoring, evaluation, and reporting). Moreover, the global SDG indicators continue to undergo refinement. At the time the Albanian RIA was drafted, only about one third of these were classified as “Tier I” indicators—meaning that they are supported by well accepted methodological frameworks and regular data collection.40 While this share has increased since then (it currently stands at about 41%), governments in many middle-income countries (including Albania) may be struggling to report on global SDG indicators for years to come.

40. A Tier I “indicator is conceptually clear, has an internationally established methodology and standards are available, and data are regularly produced by countries for at least 50% of countries and of the population in every region where the indicator is relevant”. By contrast, a Tier II indicator “is conceptually clear, has an internationally established methodology and standards are available, but data are not regularly produced by countries”; while for a Tier III indicator “no internationally established methodology or standards are yet available for the indicator, but methodology/ standards are being (or will be) developed or tested”.
In light of these challenges, the RIA also called on the GoA to:

- Maximize the use of global SDG targets whose indicators have Tier I or (failing that) Tier II status (as opposed to metrics that can not be monitored with the global SDG indicators), and which also reflect Albania’s development priorities;
- When this can not be done, use indicators from the NSDI II and other national strategies and policy documents (rather than designing new ones); and
- Minimize the use of indicators requiring new or significant modifications of existing data collection practices.

The National Baseline Report

The RIA was followed by the January 2018 publication of the National Baseline Report on SDG alignment. This report documents Albania’s mainstreaming progress since mid-2016, in terms of clarifying institutional responsibilities for SDG implementation (as per Chart 1). It found that 140 SDG targets (83% of the total) are directly tied to NSDI II main pillars; and that 134 SDG targets (79% of the total) are directly linked to other national strategic policy documents.

The National Baseline Report also found that degrees of SDG alignment with Albania’s national development policy framework are not uniform across the SDGs. The strongest alignment (measured at the target level) is concentrated in activities associated with SDGs concerning basic service delivery (SDGs 3, 4, 6, 7) and economic growth and infrastructure (SDGs 8, 9, and 11). By contrast, activities associated with natural resource management (SDGs 12, 13, 14, 15) show the
smallest degree of alignment (Figure 14).

On the other hand, the National Baseline Report finds that “the monitoring mechanism embedded in the NSDI II 2015-2020 and the other national strategic documents shares very limited space with the global framework of indicators” (page 28, italics added). Less than one third of the 232 global indicators are used for tracking progress in the implementation of the NSDI II and other national development documents (out of more than 1200 total indicators).

**Chart 1—Institutional responsibility for SDG implementation in Albania**

![Chart 1](chart1.png)


The Report also highlights gaps in Albania’s national data for SDG monitoring. On the one hand, it finds that data for many global indicators are collected and made available by INSTAT and other national institutions; data for some other indicators are published by international organizations. In at least some of these cases, these data are collected according
to internationally accepted methodologies—thereby supporting the possible use of Tier I global SDG indicators in Albania. However, the Report flags concerns about the periodicity and regularity of some of these data—for example, the official data needed for monitoring national trends in poverty indicators have not been fully updated since 2012 (Figure 3). In some case, different data (or similar indicators, but showing different trends) on a given issue are reported by INSTAT and other GoA agencies.

**FIGURE 14—SDG ALIGNMENT WITH THE NATIONAL DEVELOPMENT POLICY FRAMEWORK (AT THE TARGET LEVEL)**

![Figure 14](image)

Note: this analysis only considers SDG targets that are viewed as relevant for Albania.

Moreover, many of the data that are reported by INSTAT are not disaggregated by vulnerability criteria—as specified in the global SDG indicators. For example, global indicators 1.3.1 (on social protection), 4.5.1 and 4.a.1 (on inclusive education), 8.5.1 and 8.5.2 (on inclusive labour markets), 10.2.1 (on income inequalities), 11.2.1 and 11.7.1 (on access to public infrastructure and transport), and 16.7.1 and 16.7.2 (on participatory governance) require disaggregation by disability status (see Box 3)—a task that has yet to be formally undertaken by the Albania statistical authorities.
**SDG dashboards**

SDG dashboards can shed additional light on the availability of data to monitor national progress towards meeting the SDGs. The SDG Index and Dashboards Report, which is produced annually by the Bertelsmann Stiftung and the Sustainable Development Solutions Network to assess and compare national progress on SDG implementation, is perhaps the best known global SDG dashboard. The most recent (July 2018) SDG Index and Dashboards Report ranks Albania 62nd (out of 156 countries reviewed); the country’s 68.9 score suggests that Albania is on average 68.9% “of the way to the best possible outcome across the 17 SDGs”. “Green” assessments (signifying that “an SDG threshold has been met”) on SDGs 1 (poverty alleviation) and 10 (reducing inequalities) are offset by “red” assessments (“major challenges”) on SDGs 2 (food security and nutrition), 3 (health), 8 (inclusive growth, decent jobs), 9 (innovation, infrastructure, and industry), and 14 (marine resources management—see Figure 15).

**FIGURE 15—ALBANIA’S SDG DASHBOARD (BY BERTELSMANN/SDSN METHODOLOGY)**

Although the Bertelsmann/SDSN dashboard purports to monitor SDG progress at the indicator level, the global SDG indicators approved by the UN Statistical Commission are only one of three groups of indicators used in this dashboard.42 Moreover, issues of missing data are not explicitly addressed in this dashboard.

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42. The other two indicator categories are described as “closely aligned” (“the indicator is closely related, but not identical to an official SDG Indicator”); and “not in UNSTATS database”.

Source: <<SDG Index and Dashboards Report>>, 2018, page 22.
In order to address these gaps, UNDP develops a prototype SDG dashboard for each country for which a MAPS mission is undertaken, via which data availability and SDG progress may be assessed at the target level. Although UNSTATS data are used in these prototypes, their primary purpose is not to measure progress in SDG implementation. The UNDP dashboards are rather intended to offer the national statistical authorities an additional instrument for SDG monitoring and reporting, which may be adapted/customized to national specifics—inter alia by replacing the UNSTATS with national data.

To be most useful, SDG dashboards need to be owned and used by governments and other national stakeholders. The VNR’s use of the UNDP dashboard prepared during the MAPS mission suggests that further investment in this instrument—to ensure its alignment with Albanian data and institutional realities—may be helpful.

The results of this prototype (for Albania) are shown in Figure 16.

For more information about this dashboard, please contact Mr. Mihail Peleah (mihail.peleah@undp.org). This SDG indicator list is not finalized and is based on baseline planning only. The excel files, metadata, and databases can be downloaded from http://bit.ly/2HijFsF.

* Adjustments to health-related targets have been made under WHO guidance.
The SDGs, EU accession, and sustainable development policy coherence

In principle, national development strategies in the Western Balkans can (and should) be designed with policy coherence across EU accession and SDG processes in mind. But in contrast to EU Member States (which come under the Eurostat SDG reporting framework) and developing countries outside of Wider Europe (support for which comes under the revised European Consensus on Development), the EU has not yet clarified exactly how it will apply the SDGs to candidate (and pre-candidate) countries in the Western Balkans.

This does not mean, however, that Agenda 2030 and the SDGs are irrelevant to Albania’s EU accession processes, or that sustainable development policy coherence across EU accession and Agenda 2030 should not be sought. As described above, there are strong conceptual linkages between the sustainable development paradigm and policy frameworks associated with EU accession. However, concrete programmatic links between the EU accession and SDG agendas for any given country depend in large part on the stages and specifics of the EU integration processes in which the country finds itself.

These links may also lend themselves to indicator level monitoring to greater or lesser degrees. In Albania’s case, these EU frameworks and instruments may include inter alia:

- The various directions/conditions presented in the annual EU accession annual reports;
- Benchmarks, targets, and indicators that may emerge (de jure or de facto) during the accession negotiations concerning Albania’s adoption of the chapters of the EU’s acquis communautaire;
- The indicators used to monitor the use of funds under the EU’s Instrument for Pre-Accession (IPA) financing framework during the 2014-2020 financial perspective; and
- The Eurostat SDG indicators that are used to measure national SDG implementation in EU member states (a status to which Albania aspires), and which are only partially aligned with the global SDG indicator set (see Box 6).

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43. These complexities over time also limit the ability of national development strategies (like the NSDI II) to promote policy coherence between the SDGs and EU frameworks—particularly over time, and at the indicator level.
44. The EU’s Europe 2020 strategy, and Regional Cooperation Council’s Southeast Europe 2020 strategy, and conditionalities associated with other GoA-EU agreements (such as the visa facilitation framework) could arguably be mentioned here as well.
BOX 6—ALIGNING THE GLOBAL AND EU SDG INDICATORS FOR FOOD, AGRICULTURE, AND NUTRITION IN ALBANIA

In a recent communication on SDG monitoring in EU Member States, Eurostat notes that the “EU SDG indicator set is aligned as far as appropriate with the UN list of global indicators, noting that the latter are designed for global level reporting and therefore not always relevant for the EU. Further alignment with the UN SDG indicator list is desirable. However, it is only considered for those global indicators which are already available (i.e. tier I indicators) and as far as the replacement of a current EU SDG indicator would improve the measurement of progress towards the SDGs in an EU context . . . currently 55 [out of 100] EU SDG indicators are identical or similar to UN SDG indicators.”

The UN Food and Agriculture Organization (FAO) is custodian for 21 global SDG indicators concerning food, agriculture, rural development, and natural resource management, and has been deeply involved in their design and implementation. FAO’s review of Albania’s statistical practices concludes that practically all items necessary for reporting against global SDG indicators 2.3.1 (agricultural production per unit of labour, by farm enterprise size) and 2.3.2 (average income of small-scale food producers, disaggregated by sex) are in place. While generating the data to report against indicator 2.4.1 (share of agricultural land devoted to productive and sustainable agriculture) would require the inclusion of additional items in national statistical surveys, FAO believes that this should not be particularly difficult.

Therefore, although all three are currently classified as Tier III indicators, Albania should be able to report against them once their methodology is approved by the UN Statistical Commission. However, because of their current Tier III status, these indicators are not included in the EU SDG indicator set.

The global indicator 2.1.1 (prevalence of undernourishment) is not included in the EU SDG indicator set—even though it is in the Tier I category—as undernourishment is not generally viewed as an important issue in EU Member States. However, according to FAO estimates, undernourishment is by far more an issue in Albania than in EU countries. Therefore, reporting against the global indicator 2.1.1 would be important for Albania. This reporting should not be problematic as all data required are in place in Albania.

Reporting against Tier II global indicators 5.a.1(a) (share of agricultural population with ownership or secure rights over agricultural land, by sex) and 5.a.1(b) (share of women among owners or rights-bearers of agricultural land, by type of tenure) could be extremely useful for Albania, in light of current efforts to clarify and restore land rights and promote agricultural investment and modernization. The salience of these issues is recognized inter alia in the EU’s April 2018 EU Accession Annual report commentary on potential negotiations concerning Chapter 11 [agriculture and rural development]—see Table 2). Nonetheless, these indicators are likewise not included in the EU SDG indicator list.

These examples show that exclusive reliance on food, nutritional, agricultural, and rural development SDG indicators that are designed for EU Member States—where average per-capita incomes are 5-6 times greater than in Albania, where population shares engaged in agriculture are small fractions of Albania’s, where levels of state support for farming and rural development exceed Albania’s many times over, and where systemic land tenure issues have generally been resolved—could potentially be problematic. Reporting against the EU SDG indicators should at the very least be supplemented by the appropriate use of the global SDG indicators—inter alia to monitor progress in areas of relevance to Albania’s accession negotiations. Such an approach would also be in accordance with paragraph 75 of UN General Assembly Resolution 70/2015 on Agenda 2030, which states that the global SDG indicators should be complemented (but not replaced) by indicators at the regional and national level.45

If formal EU accession processes—which revolve around negotiations on the transposition of the 35 chapters of the common body of EU law (the acquis communautaire)—are taken as the relevant framework for effecting sustainable development policy coherence for Albania (Box 7), then the April 2018 annual report on Albania’s preparations for EU accession contains many statements that can be understood as conditions for completing (or taking up) accession negotiations regarding

45. “The Goals and targets will be followed up and reviewed using a set of global indicators. These will be complemented by indicators at the regional and national levels which will be developed by Member States.”
various chapters of the *acquis communautaire*. In a number of these cases, global SDG indicators that could be used to monitor progress in meeting these conditions can be identified. These 83 indicators (more than three quarters of which are in the Tier I and Tier II categories) are presented in Table 2 below.46 This table (the results of which are also presented in Figure 17) suggests that sustainable development policy coherence challenges and opportunities for Albania could be particularly important in terms of those accession negotiation chapters and SDGs shown in Table 1.

This emphasis on policy coherence across the EU accession and SDG agendas, as shown in Tables 1 and 2, is not meant to imply that the listed SDG indicators must be used for monitoring progress in acquis chapters. These tables have an indicative character, pointing out how the SDG indicators and acquis chapters relate to each other.

Table 1—EU accession chapters and SDGs with particular strong policy coherence linkages

<table>
<thead>
<tr>
<th>Acquis communautaire chapters</th>
<th>SDGs*</th>
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</thead>
<tbody>
<tr>
<td>• 5 (public procurement)</td>
<td>• 16 (inclusive governance)</td>
</tr>
<tr>
<td>• 10 (information society and media)</td>
<td>• 3 (health and well being)</td>
</tr>
<tr>
<td>• 11 (agriculture and rural development)</td>
<td>• 6 (water and sanitation)</td>
</tr>
<tr>
<td>• 13 (fisheries)</td>
<td>• 11 (sustainable settlements)</td>
</tr>
<tr>
<td>• 14 (transport)</td>
<td>• 8 (inclusive growth, decent jobs)</td>
</tr>
<tr>
<td>• 15 (energy)</td>
<td>• 1 (poverty eradication)</td>
</tr>
<tr>
<td>• 18 (statistics)</td>
<td>• 2 (no hunger)</td>
</tr>
<tr>
<td>• 19 (social policy and employment)</td>
<td>• 5 (gender equality, women's empowerment)</td>
</tr>
<tr>
<td>• 22 (regional policy)</td>
<td>• 7 (sustainable, modern energy services)</td>
</tr>
<tr>
<td>• 23 (judiciary and fundamental rights)</td>
<td>• 4 (inclusive and equitable quality education)</td>
</tr>
<tr>
<td>• 24 (justice, freedom, and security)</td>
<td>• 9 (industry, innovation, infrastructure)</td>
</tr>
<tr>
<td>• 26 (education and culture)</td>
<td>• 14 (marine ecosystems)</td>
</tr>
<tr>
<td>• 27 (environment and climate change)</td>
<td></td>
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<tr>
<td>• 28 (consumer and health protection)</td>
<td></td>
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<tr>
<td>• 31 (foreign, security, and defence policy)</td>
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</tbody>
</table>

UNDP assessment, based on an analysis of the EU’s April 2018 Annual report on EU Accession.

* Some 91% of the most relevant SDGs (at the indicator level) pertaining to conditions set forth in the April 2018 Annual report on EU Accession are assessed as falling into these categories.

Nor are these tables meant to suggest that SDGs or (acquis chapters) other than those highlighted in Tables 1 and 2, and in Figure 17, are unimportant. The intention is instead to suggest that their implementation may be pursued without particular policy coherence concerns. Moreover, as documented for agriculture and rural development (Box 6), there are also cases where reporting against global SDG targets and indicators can support the spirit (if not the letter) of EU accession processes. For example, education and training (SDG 4) underpin science and research (EU accession Chapter 25) as well as contributing to employment policy, social inclusion and social protection (Chapter 19). Respect for fundamental rights (Chapter 23) can be supported via programming and reporting against global SDG indicator 4.7.1.47 It is also worth noting that education, including training and continuing professional development, has a key role to play in addressing some of the EU’s “key priorities” (Box 5), such as the fight against corruption (Key Priority 3), the fight against organized crime (Key Priority 4), and the protection of human rights (including Roma), which includes the right to education and anti-discriminatory policies (Key Priority 5).

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46. 83 global SDG indicators are identified in Table 2 as being of potential use for monitoring progress towards meeting possible conditions for EU accession as set out in the April 2018 Annual report. Of these 29 (35%) are Tier I indicators; 35 (42%) are Tier II indicators; and 19 (23%) are Tier III indicators.

47. “Extent to which (i) global citizenship education and (ii) education for sustainable development, including gender equality and human rights, are mainstreamed at all levels in (a) national education policies; (b) curricula; (c) teacher education; and (d) student assessment” (Tier III).
**BOX 7—KEY FEATURES OF EU ACCESSION NEGOTIATIONS**

- The *acquis communautaire*—the common body of European legal principles and policy frameworks that are to be transposed and/or harmonised into national legislation prior to accession—is split into different (up to 35) chapters, each covering specific policy areas. Many of these are further split into sub-chapters, whose number depends on the nature and complexity of the issues to be addressed. These policy areas and the (sub-) groups negotiating them form the basis of the accession negotiations.

- For each chapter, the European Commission’s Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR), in cooperation with other DGs) conducts a pre-negotiation screening—a detailed examination of how well the candidate country is prepared for accession in a given area. Findings are presented in the form of screening reports, one for each chapter. The screening reports contain recommendations to either open negotiations directly, or that certain conditions (“opening benchmarks”) should first be met by the candidate country.

- The Government of the candidate country selects a team for each chapter (or sub-chapter) to be negotiated. The team is responsible for preparing negotiating positions, conducting negotiations, and the like. It also participates in the screening processes, the preparation of negotiation positions, drafting and revising relevant documentation, and monitoring the implementation of the agreements made during the negotiations, etc.

- While the negotiations are formally quite legalistic in nature, they may not be concluded if DG NEAR (or EU Member States) believe that the institutional capacity or other conditions necessary for the implementation of the negotiated terms are not in place. Negotiations on a given chapter can be suspended in the event that DG NEAR concludes that political (or other) conditions on the ground have changed, and that membership negotiations are no longer in order. For these and other reasons, negotiations over EU accession chapters (once they begin) can last for years.

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**Table 2—EU accession and sustainable development policy coherence**

<table>
<thead>
<tr>
<th>&lt;&lt;Acquis&gt;&gt;/EU accession negotiating chapter</th>
<th>Relevant SDG indicators</th>
</tr>
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<tbody>
<tr>
<td><strong>Chapter 10: Information society and media.</strong> According to the April 2018 Annual report:</td>
<td></td>
</tr>
</tbody>
</table>
| • Fixed internet penetration is low approximately 30% of households are connected. | Indicator 4.4.1 (Tier II) focuses on the share “of youth and adults with information and communications technology, skills, by type of skill”.
| • Rural areas represent 40% of the population but only 1% out of this is connected to the internet. | Indicator 9.c.1 (Tier I) focuses on the share of the “population covered by a mobile network, by technology”.
| | These indicators could be taken into account where appropriate to support the monitoring of progress under Chapter 10 of the acquis communautaire. |
| **Chapter 11: Agriculture and rural development.** According to the April 2018 Annual report: “There is no land parcel identification system in place. Given the complexity of the issue, including land property titles and restitution of land, the Albanian authorities should consider start[ing] planning the process as soon as possible . . . There is no Farm Accountancy Data Network in place and preparatory work on setting it up has not started . . . direct subsidies for organic farming have increased from EUR 600 per certified farm in 2016 to EUR 1500 in 2017. Two organic operators applied in 2016, of which one became a beneficiary, while six (out of eight) became beneficiaries in 2017.” | Indicator 1.4.2 (Tier II) focuses on the share “of total adult population with secure tenure rights to land, with legally recognized documentation and who perceive their rights to land as secure, by sex and by type of tenure”. Indicator 2.4.1 (Tier III) focuses on the share “of agricultural area under productive and sustainable agriculture”. Indicator 5.a.1 (Tier II) focuses on the share “of total agricultural population with ownership or secure rights over agricultural land, by sex”, and the “share of women among owners or rights-bearers of agricultural land, by type of tenure”. These indicators could be taken into account where appropriate to support the monitoring of progress under Chapter 11 of the acquis communautaire. |
Chapter 13: Fisheries.
According to the April 2018 Annual report: “Albania should take steps to ensure the appropriate management of fisheries resources, including by allocating the necessary resources to this area, taking appropriate enforcement action, developing an adequate data collection system, ensuring the adjustment of the fishing fleet’s capacity to the fishing opportunities with the objective of achieving a stable and enduring balance between them, and collecting accurate landing statistics.”

- Indicator 14.4.1 (Tier I) focuses on the “proportion of fish stocks within biologically sustainable levels”.
- Indicator 14.6.1 (Tier II) focuses on “progress by countries in the degree of implementation of international instruments aiming to combat illegal, unreported and unregulated fishing”.
- Indicator 14.7.1 (Tier III) focuses on “sustainable fisheries as a proportion of GDP”.
- These indicators could be taken into account where appropriate to support the monitoring of progress under Chapter 13 of the acquis communautaire.

Chapter 14: Transport.
According to the April 2018 Annual report, “Greater approximation efforts are needed on commercial vehicle inspections, traffic management systems and road safety, including education and enforcement. Albania has to pursue its efforts to align with the [road] safety acquis and develop enforcement capacity.”

- Indicator 3.6.1 (Tier I) focuses on the “death rate due to road traffic injuries”.
- This indicator could be taken into account where appropriate to support the monitoring of progress under Chapter 14 of the acquis communautaire.

Chapter 15: Energy.
According to the April 2018 Annual report: “The government should foster the development of renewable energy generation . . . Investments in renewable energy projects other than hydropower need to be further explored . . . The second and third national energy efficiency action plans for 2017-2020 were approved by the Council of Ministers in December 2017 . . . A law on energy performance in buildings entered into force in 2016.”

- Indicator 7.1.2 (Tier I) focuses on the share of population “with primary reliance on clean fuels and technology”.
- Indicator 7.2.1 (Tier I) focuses on “renewable energy share in the total final energy consumption”.
- Indicator 7.3.1 (Tier I) focuses on “energy intensity measured in terms of primary energy and GDP”.
- Indicator 7.b.1 (Tier III) focuses on “investments in energy efficiency as a proportion of GDP”.
- These indicators could be taken into account where appropriate to support the monitoring of progress under Chapter 15 of the acquis communautaire.

Chapter 18: Statistics.
According to the April 2018 Annual report: “Some progress was made in many statistical areas and by adopting the official statistics programme for 2017-2021, but a detailed budget and action plan for its implementation is still to be prepared . . . More detailed social statistics need to be produced . . . Environment and energy statistics are in line with the EU acquis to a very limited extent.”

- Indicator 17.18.1 (Tier III) focuses on the share “of sustainable development indicators produced at the national level with full disaggregation when relevant to the target, in accordance with the Fundamental Principles of Official Statistics”.
- Indicator 17.18.3 (Tier I) focuses on the “number of countries with a national statistical plan that is fully funded and under implementation, by source of funding”.
- These indicators could be taken into account where appropriate to support the monitoring of progress under Chapter 18 of the acquis communautaire.
Chapter 19: Social policy and employment.


In February 2017 the revised Vocational Education and Training Law was adopted but bylaws have yet to be adopted. No progress has been made in extending employment and VET services to rural areas . . . The law on employment promotion programmes has still not been adopted. Less progress has been made in linking the reform of social assistance to the employment and skills development programmes available . . . The wage gap methodology still needs to be aligned with Eurostat requirements. Special attention is needed to urban/rural ratios in all labour-related statistics . . . The Law on Social Care Services entered into force in November 2016 and the Law on the Rights and the Protection of the Child in February 2017. The 2017-2020 national agenda for children’s rights was adopted in April 2017, promoting stronger governance in the protection of such rights. . . Regarding the Social Inclusion Policy Document for 2016-2020, little progress has been made in setting up the necessary structures or clarifying arrangements for implementing the policy. . . In 2016, the government developed a social housing strategy but the budget allocated for (social) housing programmes is limited and does not provide for all proposed actions to be carried out . . . There are not enough kindergarten and early childhood education and care facilities in the country to enable parents, especially women, to work. Concerns remain over the proportion of women in the informal labour market, especially the textile and shoe industries, without adequate labour and social protection. There are also concerns over the lack of disaggregated data on the number of women in the informal labour economy.

Chapter 22: Regional policy and coordination of structural instruments.

According to the April 2018 Annual report, Albania should focus inter alia on “increasing programming capacity in line with the sectoral approach and sectoral policies, and improve the design of mature sector project pipelines . . . Further efforts are needed to fully establish adequate structures and make them operational.”

- Indicator 1.3.1 (Tier II) focuses on the share of the “population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable”.
- Indicator 1.4.1 (Tier III) focuses on the share of the “population living in households with access to basic services”.
- Indicator 1.a.2 (Tier II) focuses on the share of “total government spending on essential services (education, health and social protection)”.
- Indicator 1.b.1 (Tier III) focuses on the share of “government recurrent and capital spending to sectors that disproportionately benefit women, the poor and vulnerable groups”.
- Indicator 8.3.1 (Tier II) focuses on the share of “informal employment in nonagriculture employment, by sex”.
- Indicator 8.5.1 (Tier II) focuses on the share of “average hourly earnings of female and male employees, by occupation, age and persons with disabilities”.
- Indicator 8.5.2 (Tier I) focuses on the “unemployment rate, by sex, age and persons with disabilities”.
- Indicator 8.7.1 (Tier II) focuses on the “share of and number of children aged 5–17 years engaged in child labour, by sex and age”.
- Indicator 8.8.1 (Tier II) focuses on “frequency rates of fatal and non-fatal occupational injuries, by sex and migrant status”.
- Indicator 8.8.2 (Tier III) focuses on the “level of national compliance with labour rights (freedom of association and collective bargaining) based on ILO textual sources and national legislation, by sex and migrant status”.
- Indicator 10.3.1 (Tier III) focuses on the share of “population reporting having personally felt discriminated against or harassed in the previous 12 months on the basis of a ground of discrimination prohibited under international human rights law”.
- Indicator 11.1.1 (Tier I) focuses on the share “of urban population living in slums, informal settlements or inadequate housing”.

These indicators could be taken into account where appropriate to support the monitoring of progress under Chapter 19 of the acquis communautaire.
According to the April 2018 Annual report, Albania should focus inter alia on: “the implementation of justice reform . . . in combating corruption at all levels, including asset recovery . . . increase the use of financial investigations . . . and establish a track record of seizure and confiscation/recovery of criminal assets . . . improve institutional mechanisms for protecting children [and] victims of gender-based violence, and guarantee gender equality . . . find a sustainable long-term housing and employment solution and tackle segregation in the education field for vulnerable groups, in particular for Roma and Egyptians . . . further consolidate . . . property rights . . . by advancing the revision of property deeds, implementation of the compensation scheme, and make the necessary progress on the digitalising and mapping of property”. It also notes that “the legislative and policy framework on the rights of the child was reinforced in 2017 with the adoption of the Law for the Protection of Children’s Rights, the Criminal Justice for Children Code and the ‘Children’s Agenda 2020’. The Law for the Protection of Children’s Rights provides for a child protection system. However, related bylaws are needed to make it operational. Inter-institutional cooperation, data collection and reporting mechanisms on child protection should be improved. Further efforts are also needed to ensure the child protection system functions effectively . . . The Criminal Justice for Children Code in March 2017 ensured Albania’s de jure compliance with international standards on juvenile justice. The code needs to be completed with secondary legislation. The adoption of the ‘Justice for Children’ strategy, encompassing both juvenile justice and equitable access to justice for children, is still pending.”

Indicator 5.2.1 (Tier II) focuses on the share of “women and girls aged 15 years and older subjected to physical, sexual or psychological violence by a current or former intimate partner in the previous 12 months, by form of violence and by age”.  
Indicator 5.2.2 (Tier II) focuses on the share “of women and girls aged 15 years and older subjected to sexual violence by persons other than an intimate partner in the previous 12 months, by age and place of occurrence”.  
Indicator 5.3.1 (Tier II) focuses on the share “of women aged 20–24 years who were married or in a union before age 15 and before age 18”.  
Indicator 16.1.3 (Tier II) focuses on the share “of population subjected to (a) physical violence, (b) psychological violence and (c) sexual violence in the previous 12 months”.  
Indicator 16.2.1 (Tier II) focuses on the share “of children aged 1–17 years who experienced any physical punishment and/or psychological aggression by caregivers in the past month”.  
Indicator 16.2.2 (Tier II) focuses on the “number of victims of human trafficking per 100,000 population, by sex, age and form of exploitation”.  
Indicator 16.2.3 (Tier II) focuses on the share “of young women and men aged 18–29 years who experienced sexual violence by age 18”.  
Indicator 16.3.1 (Tier II) focuses on the share of victims of violence in the previous 12 months who reported their victimization to competent authorities or other officially recognized conflict resolution mechanisms”.  
Indicator 16.4.1 (Tier III) focuses on the “total value of inward and outward illicit financial flows”.  
Indicator 16.5.1 (Tier II) focuses on the share “of persons who had at least one contact with a public official and who paid a bribe to a public official, or were asked for a bribe by those public officials, during the previous 12 months”.  
Indicator 16.5.2 (Tier II) focuses on the share “of businesses that had at least one contact with a public official and that paid a bribe to a public official, or were asked for a bribe by those public officials during the previous 12 months”.  
Indicator 16.b.1 (Tier III) focuses on the share “of population reporting having personally felt discriminated against or harassed in the previous 12 months on the basis of a ground of discrimination prohibited under international human rights law”.  
These indicators could be taken into account where appropriate to support the monitoring of progress under Chapter 23 of the acquis communautaire.
Chapter 24: Justice, freedom, and security.

According to the April 2018 Annual report, Albania should focus inter alia on “develop[ing] a strategic approach towards financial investig[ations] . . . mak[ing] the National Centre for Countering Violent Extremism fully operational with adequate funding and staff . . . address[ing] effectively the phenomenon of unfounded asylum applications in the EU as well as unaccompa[nied minors . . . and strengthen[ing] the capacity of law enforcement authorities to deal with tax fraud and tax evasion.

• Indicator 16.2.2 (Tier II) focuses on the “number of victims of human trafficking per 100,000 population, by sex, age and form of exploitation”.
• Indicator 16.4.1 (Tier III) focuses on the “total value of inward and outward illicit financial flows”.
• These indicators could be taken into account where appropriate to support the monitoring of progress under Chapter 24 of the acquis communautaire.

Chapter 26: Education and culture.

According to the April 2018 Annual report, Albania should focus inter alia on “ensur[ing] the pre-university education strategy and the higher education reform are implemented and further improve teacher training; ensur[ing] the VET Law is fully implemented, including finalisation of the secondary legislation, and review/expand the current funding system and arrangements for VET; adopt[ing] and implement[ing] the national strategy on culture for 2018-2022”. It further notes that “the level of pre-school participation . . . in 2016 [was] slightly down from 83% in 2015”, and that “lifelong learning participation was very low at 1% in 2016 . . . Enrolment of Roma and Egyptians in pre-school education . . . remain[s] very low overall . . . The new VET Law was adopted in February 2017 but related implementing legislat[ion] has yet to be adopted . . . some Albanian schools lack the teaching skills and equipment to put them into practice . . . Albania should also make progress in ensuring VET is inclusive through targeted measures for rural women, people with disabilities, Roma and Egyptian minorities and other populations at risk of exclusion, especially in rural and remote areas”.

• Indicator 9.1.1 (Tier III) focuses on the share “of the rural population who live within 2 km of an all-season road”.
• Indicator 11.a.1 (Tier III) focuses on the share “of population living in cities that implement urban and regional development plans integrating population projections and resource needs, by size of city”.
• Indicator 4.2.2 (Tier I) focuses on the “participation rate in organized learning (one year before the official primary entry age), by sex”.
• Indicator 4.c.1 (Tier II) focuses on the share “of teachers in: (a) pre-primary education; (b) primary education; (c) lower secondary education; and (d) upper secondary education who have received at least the minimum organized teacher training (e.g., pedagogical training) pre-service or in-service required for teaching at the relevant level in a given country, by sex”.
• These indicators could be taken into account where appropriate to support the monitoring of progress under Chapter 26 of the acquis communautaire.
### Chapter 27: Environment and climate change.

According to the April 2018 Annual report, Albania should focus inter alia on “ensuring an adequate budget, finalise the cross-cutting environmental strategy and strengthen the environment agency’s monitoring and reporting capacity; developing the legal, institutional and policy framework for water, and improving the environmental impact assessment process, especially in the hydropower, construction and mining sectors” and “implementing the Paris Agreement . . . by adopting a national strategy and legislation on climate change as well as related energy and transport policies . . . The environmental impact assessment process needs to be considerably strengthened, especially in the hydropower and mining sectors . . . The national strategy for air quality and the law on ambient air quality need to be properly enforced . . . The national strategy on waste management (covering 2010-2025) is being revised but implementation remains at an early stage . . . Further efforts are needed to close the over 300 non-compliant landfills, increase the separate collection of different waste streams and reduce bio-waste. Economic instruments to promote recycling and prevent waste generation remain limited . . . Further efforts are needed to strengthen the capacity of utilities and the central level and to improve the [water and sewerage] subsidy scheme . . . connections to waste water systems need to improve . . . Only one of the six defined river basin management plans exists and it has not yet been implemented . . . There is a strong need to extend sewer networks and treatment plants, notably in urban, coastal and tourism areas . . . effective protection for designated protected areas still needs to be guaranteed. Capacity constraints are hampering progress in implementing the legislation on prevention of chemicals accidents . . . Albania’s national plan to reduce and eliminate persistent organic pollutants is currently being reviewed . . . the adoption of the implementing legislation and the establishment of adequate capacity are still needed . . . No civil protection strategy is in place and there is limited administrative capacity . . . Further efforts should be made on emission standards for new cars and vans and related consumer information. The same goes for effort sharing, geological storage of CO2, and greenhouse gas emissions from land use, land use change and forestry.”

- **Indicator 3.9.1 (Tier I)** focuses on the “mortality rate attributed to household and ambient air pollution”.
- **Indicator 3.9.2 (Tier I)** focuses on the “mortality rate attributed to unsafe water, unsafe sanitation and lack of hygiene”.
- **Indicator 6.1.1 (Tier II)** focuses on the “proportion of population using safely managed drinking water services”.
- **Indicator 6.2.1 (Tier II)** focuses on the share “of population using safely managed sanitation services, including a hand-washing facility with soap and water”.
- **Indicator 6.3.1 (Tier II)** focuses on the share “of wastewater safely treated”.
- **Indicator 6.3.2 (Tier II)** focuses on the share “of bodies of water with good ambient water quality”.
- **Indicator 6.4.1 (Tier II)** focuses on the “change in water-use efficiency over time”.
- **Indicator 6.4.2 (Tier I)** focuses on the “level of water stress: freshwater withdrawal as a proportion of available freshwater resources”.
- **Indicator 6.5.1 (Tier I)** focuses on the “degree of integrated water resources management”.
- **Indicator 6.5.2 (Tier II)** focuses on the share “of transboundary basin area with an operational arrangement for water cooperation”.
- **Indicator 6.6.1 (Tier II)** focuses on “change in the extent of water-related ecosystems over time”.
- **Indicator 6.6.2 (Tier I)** focuses on the “amount of water- and sanitation-related official development assistance that is part of a government-coordinated spending plan”.
- **Indicator 6.b.1 (Tier I)** focuses on the share “of local administrative units with established and operational policies and procedures for participation of local communities in water and sanitation management”.
- **Indicator 11.5.1 (Tier II)** focuses on the “number of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population”.
- **Indicator 11.5.2 (Tier I)** focuses on “direct economic loss in relation to global GDP, damage to critical infrastructure and number of disruptions to basic services, attributed to disasters”.
- **Indicator 11.6.1 (Tier II)** focuses on the share “of urban solid waste regularly collected and with adequate final discharge out of total urban solid waste generated, by cities”.
- **Indicator 11.6.2 (Tier I)** focuses on “annual mean levels of fine particulate matter (e.g. PM2.5 and PM10) in cities (population weighted)”.
- **Indicator 12.4.2 (Tier III)** focuses on “hazardous waste generated per capita and proportion of hazardous waste treated, by type of treatment”.
- **Indicator 12.5.1 (Tier III)** focuses on the “national recycling rate, tons of material recycled”.
- **Indicator 13.1.3 (Tier II)** focuses on the share “of local governments that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction strategies”.
- **Indicator 15.1.1 (Tier I)** focuses on “forest area as a proportion of total land area”.
- **Indicator 15.1.2 (Tier I)** focuses on the share “of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type”.

These indicators could be taken into account where appropriate to support the monitoring of progress under Chapter 27 of the acquis communautaire.
Chapter 28: Consumer and health protection.

According to the April 2018 Annual report, “significant progress needs to be made to ensure everyone in Albania has healthcare coverage”. It calls for a focus on “further alignment of its legislation with the acquis on tobacco control, on . . . improving access to services for vulnerable populations, including women, Roma and Egyptian minorities, people with disabilities and populations in rural or remote areas”; and “implement[ing] the national health strategy by allocating adequate funding and staffing at both central and local level”. The report also notes that “malnutrition is a critical issue, especially for children and pregnant women. Albania is encouraged to develop a nutrition plan and increase awareness in school and community centres of the risks related to malnutrition.”

- Indicator 2.1.1 (Tier I): “Prevalence of undernourishment”.
- Indicator 2.1.2 (Tier II): “Prevalence of moderate or severe food insecurity in the population, based on the Food Insecurity Experience Scale”.
- Indicator 2.2.1 (Tier I): “Prevalence of stunting (height for age <-2 standard deviation from the median of WHO Child Growth Standards) among children under 5 years of age”.
- Indicator 2.2.2 (Tier II): “Prevalence of malnutrition (weight for height >+2 or <-2 standard deviation from the median of the WHO Child Growth Standards) among children under 5 years of age, by type (wasting and overweight)”.
- Indicator 3.1.2 (Tier I) focuses on the share “of births attended by skilled health personnel”.
- Indicator 3.7.1 (Tier I) focuses on the share “of women of reproductive age (aged 15–49 years) who have their need for family planning satisfied with modern methods”.
- Indicator 3.8.1 (Tier II) focuses on “coverage of essential health services (defined as the average coverage of essential services based on tracer interventions that include reproductive, maternal, newborn and child health, infectious diseases, non-communicable diseases and service capacity and access, among the general and the most disadvantaged population)”.
- Indicator 3.8.2 (Tier II) focuses on the share “of population with large household expenditures on health as a share of total household expenditure or income”.
- Indicator 3.a.1 (Tier I) focuses on “age-standardized prevalence of current tobacco use among persons aged 15 years and older”.
- Indicator 3.b.3 (Tier III) focuses on the share “of health facilities that have a core set of relevant essential medicines available and affordable on a sustainable basis”.
- Indicator 3.c.1 (Tier I) focuses on “health worker density and distribution”.
- Indicator 3.d.1 (Tier I) focuses on “International Health Regulations capacity and health emergency preparedness”.

These indicators could be taken into account where appropriate to support the monitoring of progress under Chapter 28 of the acquis communautaire.

Chapter 31: Foreign, security, and defence policy.

According to the April 2018 Annual report, Albania should focus inter alia on “finalizing the work on an evidence-based strategy on SALWs [small arms and light weapons] . . . improving the security of armament and ammunition storage facilities, and establish[ing] a Firearms Focal Point in the Albanian State Police.”

- Indicator 16.4.2 (Tier III) focuses on the share “of seized, found or surrendered arms whose illicit origin or context has been traced or established by a competent authority in line with international instruments”.

This indicator could be taken into account where appropriate to support the monitoring of progress under Chapter 31 of the acquis communautaire.
SDG mainstreaming—towards SDG nationalization

As shown by the RIA and the National Baseline Report, Albania’s current national development policy framework does not allow for particularly close SDG monitoring at the indicator level. But while many of the global SDG indicators are not easily monitorable in Albania at present, the share of these indicators falling into the “Tier I” category is increasing, and can be expected to keep growing in the future, as new official statistical methodologies for global SDG monitoring are approved by the UN Statistical Commission. Moreover, as the NSDI II will reach its terminus in 2020, GoA efforts to assess its effectiveness, and to design a successor document, seem likely to begin soon. Meanwhile, EU initiatives to clarify the relationship between EU accession and SDG implementation may also be expected, providing further guidance for policy coherence in candidate and pre-candidate countries.

These considerations suggest combining:

- work on the NSDI II mid-term assessment and the design of its successor (and likewise for relevant sectoral strategies); with

- analogous work on the mid-term review and assessment of the GoA-UN Programme of Cooperation for Sustainable Development (2017-2021), and the design of its successor;

- the design of a Vision 2030, as presented in the Voluntary National Report;

- continuing investment in INSTAT (and other national data stakeholders’) institutional capacities, to strengthen the evidentiary basis for monitoring progress towards SDG achievement and EU accession at both central and local levels (perhaps also featuring the use of official GoA SDG dashboards);

- the monitoring of conditions/deliverables/priority areas associated with Albania’s EU accession processes;

- the expanded use of those global SDG indicators identified in Table 2 (or via a similar exercise conducted by national partners) as being potentially most useful for monitoring progress in EU accession; and

- the EU’s emerging framework for effecting policy coherence concerning EU accession and SDGs in the Western Balkans—perhaps in the context of designing the post-2020 framework for the instrument for pre-accession (IPA) financing.

Albania’s designation of national SDG indicators could be followed by the setting of baseline and terminal (i.e., 2030) values for these indicators—supplemented (as needed) by the use of mid-term (or other) national indicators and values. An analogous process could be conducted for the UN-GoA Programme of Cooperation for Sustainable Development (PoCSD, 2017-2021)—and for the design of its successor document.
In addition to the monitoring and evaluation systems used for the NSDI II and PoCSD, financing institutions and development agencies working in Albania also have their own monitoring systems and tools, which implementing agencies (government, CSOs, international organizations) use in programme and project-level monitoring. A proliferation of monitoring systems, templates, frameworks, and tools has therefore resulted, whose coordination has been further complicated by on-going reforms to the public administration and territorial administration (as well as within the education, health, and other sectors).

The identification of national SDG indicators and the setting of baseline and terminal values for them during 2018-2020 could therefore be accompanied by work on the design of a harmonized national monitoring and reporting system. This system could build on existing national and sub-national frameworks, and be informed by past experience with monitoring and evaluation for development planning and EU accession. It could also include such innovative approaches for monitoring and evaluation as real-time feedback loops, the use of performance dashboards, open data, and other citizen engagement mechanisms, that allow citizens to report or provide feedback on specific policies and programmes. The SDG coordination structure under the Office of the Prime Minister, with the support of INSTAT as technical lead, would be well placed to lead the design of this system. These design efforts should be accompanied by measures to strengthen the role of monitoring and evaluation units/departments in various ministries and agencies at both the national and sub-national levels.
SDG acceleration in Albania

Overview

In the Albanian context, the identification of SDG acceleration areas may be best addressed by cleaving closely to those national programmatic frameworks that integrate UN sustainable development and EU accession concepts, and which already enjoy the buy-in of key stakeholders. These frameworks include in particular the NSDI II, and the UN-GoA Programme for Cooperation for Sustainable Development. A review of these documents (as shown in Tables 3 and 4) suggests the identification of three closely linked accelerator platform areas in:

- Governance, human rights, and the rule of law;
- Green, inclusive economy—with strong focus on decent work, competitiveness, innovation, and resilience; and
- Investment in social and human capital.

Table 3—Convergence of NSDI II pillars, PoCSD* priority areas

<table>
<thead>
<tr>
<th>NSDI II 2015-2020 pillars</th>
<th>PoCSD 2017-2021 priority areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidating good governance, democracy, and the rule of law</td>
<td>Governance and rule of law</td>
</tr>
<tr>
<td>Economic growth through macroeconomic, fiscal stability</td>
<td>Economic growth, labour, and agriculture</td>
</tr>
<tr>
<td>Economic growth through competitiveness and innovation</td>
<td></td>
</tr>
<tr>
<td>Investing in human capital and social cohesion</td>
<td>Health, education, social protection, and child protection</td>
</tr>
<tr>
<td>Sustainable resource use and territorial development</td>
<td>Environment and climate change</td>
</tr>
</tbody>
</table>

* Programme of Cooperation for Sustainable Development.

The results of a review of the key priorities—and their associated policy areas, and outcomes (55 in total, albeit with some overlap and repetition)—of Albania’s National Strategy for Development and Integration (NSDI) II (2015-2020), and of the UN-GoA PoCSD (2017-2021)—as set forth in the SDG Baseline Report are shown in Table 3. It shows that both the NSDI II and PoCSD are both closely aligned, and in turn are broadly in tune with EU accession processes. Table 4 shows how these priorities, their associated policy areas, and outcomes, can be grouped by accelerator platform.
### Table 4—Alignment of NSDI II, UNDAF priorities/policy areas/outcomes with accelerator platforms

<table>
<thead>
<tr>
<th>Priority</th>
<th>Policy area</th>
<th>Accelerator platform</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> EU integration (five priorities)</td>
<td>Public administration reform, stable institutions</td>
<td>A: Governance, human rights, and the rule of law</td>
</tr>
<tr>
<td>2</td>
<td>Strengthening the judicial system</td>
<td></td>
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<tr>
<td>3</td>
<td>Fight against corruption</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Fight against organized crime</td>
<td></td>
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<tr>
<td>5</td>
<td>Human rights</td>
<td></td>
</tr>
<tr>
<td><strong>6</strong> Foundation: Consolidating good governance, democracy, and the rule of law</td>
<td>Justice system reform</td>
<td>A: Governance, human rights, and the rule of law</td>
</tr>
<tr>
<td>7</td>
<td>Strengthening legislative and electoral processes</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Integrated border management</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Fight against organized crime, terrorism, and trafficking</td>
<td></td>
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<tr>
<td>10</td>
<td>Strengthening public order and preparedness for cases of civil emergencies</td>
<td></td>
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<tr>
<td>11</td>
<td>Strengthening human rights</td>
<td></td>
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<tr>
<td>12</td>
<td>Creating an enabling environment for civil society and its development</td>
<td></td>
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<td>13</td>
<td>PAR and civil service reform</td>
<td></td>
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<td>14</td>
<td>Transparency and the fight against corruption</td>
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<td>15</td>
<td>Decentralization and local governance reform</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Empowering Albanian statistics</td>
<td>C: Investment in social and human capital</td>
</tr>
<tr>
<td>17</td>
<td>Growing importance of foreign policy</td>
<td></td>
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<tr>
<td>18</td>
<td>Consolidated defence</td>
<td></td>
</tr>
<tr>
<td><strong>19</strong> Pillar 1: Growth through macroeconomic and fiscal stability</td>
<td>Strengthening financial system and monetary policy</td>
<td>A: Governance, human rights, and the rule of law</td>
</tr>
<tr>
<td>20</td>
<td>Strengthening public finances and fiscal stability</td>
<td></td>
</tr>
<tr>
<td><strong>21</strong> Pillar 2: Economic growth through enhanced competitiveness and innovation</td>
<td>Assuring and protecting property rights</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Promotion of business and foreign direct investments</td>
<td>B: Green, inclusive economy—with strong focus on decent work, competitiveness, innovation, and resilience</td>
</tr>
<tr>
<td>23</td>
<td>Expanding scientific research and innovation</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Investing in ICTs</td>
<td></td>
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<tr>
<td>25</td>
<td>Ensuring consumer protection and market surveillance</td>
<td>A: Governance, human rights, and the rule of law</td>
</tr>
<tr>
<td>26</td>
<td>Protecting competition and ensuring control of state aid</td>
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<tr>
<td>27</td>
<td>Increase in opportunities and more quality in education</td>
<td>More opportunities and more quality in education</td>
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<tr>
<td>28</td>
<td>A stronger and more accessible health care system</td>
<td>A stronger and more accessible health care system</td>
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<tr>
<td>29</td>
<td>Increased employment opportunities</td>
<td>Increased employment opportunities</td>
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<td>30</td>
<td>Strengthening social insurance</td>
<td>Strengthening social insurance</td>
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<td>31</td>
<td>Managing migration</td>
<td>Managing migration</td>
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<td>32</td>
<td>Consolidating social protection</td>
<td>Consolidating social protection</td>
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<td>33</td>
<td>Building a more inclusive society</td>
<td>Building a more inclusive society</td>
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<td>34</td>
<td>Ensuring gender equality</td>
<td>Ensuring gender equality</td>
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<td>35</td>
<td>Youth empowerment</td>
<td>Youth empowerment</td>
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<td>36</td>
<td>More attention to arts and culture</td>
<td>More attention to arts and culture</td>
</tr>
<tr>
<td>37</td>
<td>Strengthening the role of sports</td>
<td>Strengthening the role of sports</td>
</tr>
<tr>
<td>Pillar 4: Growth through sustainable resource use and territorial development</td>
<td>Priority</td>
<td>Outcome</td>
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<td>-----------------------------------------------------------------</td>
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<td>38</td>
<td>Connectivity agenda</td>
<td>Connectivity agenda</td>
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<td>39</td>
<td>Efficient public services</td>
<td>Efficient public services</td>
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<td>40</td>
<td>Sustainable environmental and economic development</td>
<td>Sustainable environmental and economic development</td>
</tr>
<tr>
<td></td>
<td>Priority</td>
<td>Outcome</td>
</tr>
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<td>41</td>
<td>Governance and rule of law</td>
<td>Consolidated democracy in line with international norms and standards</td>
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<td>42</td>
<td>Social cohesion</td>
<td>Health</td>
</tr>
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<td>43</td>
<td>Education</td>
<td>Education</td>
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<td>44</td>
<td>Social protection</td>
<td>Social protection</td>
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<td>45</td>
<td>Child protection</td>
<td>Child protection</td>
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<td>46</td>
<td>Social inclusion</td>
<td>Social inclusion</td>
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<td>47</td>
<td>Gender</td>
<td>Gender and gender-based violence</td>
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<td>48</td>
<td>Economic growth, labour, and agriculture</td>
<td>Economic growth</td>
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<tr>
<td>49</td>
<td>Inclusive, sustainable, and gender-responsive development</td>
<td>Inclusive, sustainable, and gender-responsive development</td>
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Much of the remainder of this report is devoted to describing how these three accelerator platforms can support the achievement of the SDGs and EU accession in Albania. Additional support may be found in:

- **On-going improvements in accelerator identification methodology.** Building on the UNDG SDG Acceleration Toolkit, UNDP in December 2017 released the SDG Accelerator and Bottleneck Assessment toolkit.

- **On-going improvements in the global indicator framework.** This is important both for international comparison purposes, and because these improvements can accelerate the adaptation of these global indicators to national (and, ideally, sub-national) specifics. While only 41% of the global SDG indicators are classified today as Tier I indicators (i.e., they possess robust methodological bases and are supported by regular data collection by national statistical authorities), this share has risen from 35% since April 2017. It is expected to continue to grow in the future, as improvements in SDG statistical methodologies are approved by the UN Statistical Commission, and as institutional capacities in national statistical offices strengthen.
Governance, human rights, and the rule of law

The GoA in the last 15 years has introduced numerous governance reforms to modernize the public administration and civil service, reorganize territorial administration, empower local governments, take advantage of ICTs, and strengthen Parliament and the judiciary, in order to better defend human rights and the rule of law, work more effectively with civil society and other partners, more effectively regulate markets and commercial activities, and improve the scope and quality of public service delivery. Many of these reforms have been linked to Albania’s EU accession processes. Significant improvements in the country’s governance metrics have been noted during this time (Figures 18, 19).

FIGURE 18—TRENDS IN ALBANIA’S WORLD GOVERNANCE INDICATORS RANKINGS

Decentralization reforms intended to more closely align Albania governance systems with the subsidiarity principle began some 20 years ago, with the ratification of the European Charter for Local Self-Government and the adoption of a National Decentralization Strategy in 1999, followed by the approval of framework decentralization legislation. Fiscal decentralization was strengthened by the introduction of unconditional transfers for local governments in the 2001 state budget, and then by increased local autonomy to generate budget revenues. The promulgation of the National Cross-Cutting Strategy for Decentralization and Local Governance (2015-2020) was followed by the Law on Local Self-Government Finances in 2017.

Territorial-administrative reforms introduced in 2015 reduced the number of local government units in the country from 384 to 61, making possible the emergence of larger municipalities with greater institutional capacity. In addition to more effectively managing
local service provision, these larger local government units should be better placed to design and implement regional development programming that is critical to absorbing pre- (and subsequently post-) EU accession funding. The stronger monitoring and evaluation capacity that might be expected from these units could likewise help with the “SDG localization”, via the expanded use of SDG targets and indicators in local development planning.

A public administration reform began following the 2017 parliamentary elections, starting with a reduction of the number of central ministries from 19 to 13. Significant changes included the:

- dissolution of the Ministry of Social Welfare and Youth, with the social protection portfolio absorbed by the Ministry of Health and the youth portfolio by the Ministry of Education and Sports;
- dissolution of the Ministry of Economic Development, Tourism, Trade and Entrepreneurship, with the transfer of the tourism portfolio to the Ministry of Environment and most other functions to the Ministry of Finance; and
- creation of two new state ministers (without portfolio) for diaspora relations and support for entrepreneurship.

FIGURE 19—TRENDS IN PUBLIC TRUST IN GOVERNANCE IN ALBANIA

![Graph showing trends in public trust in governance in Albania.](image)

Source: Institute for Democracy and Mediation (Tirana), Trust in Governance Report 2017 (page 24).

These reforms have brought Albania’s governance systems to a crucial juncture. On the one hand, these measures were clearly conceived with EU accession and good governance objectives in mind. The closer alignment of policies and programming for environmental protection and tourism could offer new possibilities for “clean and green” tourism in Albania, for example; while the establishment of the state minister for the diaspora could bring new development opportunities in managing Albania’s migration and remittance flows, as well as attracting capital, technology, and expertise from abroad.

On the other hand, the confluence of ongoing horizontal (i.e., redesign and functional review of the central apparatus) and vertical (i.e., decentralization, territorial-administrative) governance reforms
has introduced significant uncertainties into Albania’s overall government structures. Questions about the division of labour between and among central and local government bodies on such key issues as child protection, active labour market policies, water resources management, and financing of local health and other service delivery should be resolved if appropriate sustainable development policies framework are to be put in place. Combined with gaps in sustainable development data and monitoring and evaluation systems, these issues risk pushing the effective design of a national road map for SDG implementation—featuring the designation of national SDG indicators, setting of baseline and terminal values, institutional responsibilities for reporting, monitoring, and evaluation, and management of corresponding financial flows—further into the future.

Chapters 23 and 24 of the EU’s acquis communautaire provide the fundamental framework for advancing and monitoring progress in governance, human rights, and rule of law (within an EU accession context). Governance and rights-based approaches to development are also central to Agenda 2030—particularly as embodied in SDG 16 (“promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels”). And as explained above, these priorities also figure prominently in Albania’s NSDI II. Moreover, improvements in the quality of economic and environmental governance also central for attracting the investments needed to accelerate economic growth, create more decent jobs, improve education, health, and other social outcomes, and protect Albania’s natural capital.

The governance, human rights, and rule of law accelerator platform reflects this logic. It identifies key governance bottlenecks that, when addressed, can have synergistic and catalytic effects on other, related development challenges. Addressing these lynchpin issues could then trigger acceleration of the achievement of development targets that are indicated in the NSDI II, and thereby support the EU accession process and the achievement of the SDGs in Albania. On the other hand, governance reform efforts must often contend with so-called “wicked issues” that defy easy solutions—in Albania, as elsewhere.

The theory of change that underpins this accelerator platform reflects the view that inadequate accountability—a key governance bottleneck—is at the core of Albania’s development challenges. Weak accountability plays a central role in the country’s political economy dynamics, particularly in terms of corruption, elite capture, and culture of impunity that persists in key sectors (e.g., the judiciary). It also distorts the design and implementation of policies and programmes that are associated with EU accession. Current efforts for a transitional re-evaluation through the vetting law across the judiciary, for example, is an accountability instrument in practice, to ensure professionalism, reduce corruption, and increase public trust in the judiciary. These efforts have

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48. Albania’s new legal framework for child protection requires municipalities to have at least one dedicated child protection worker in those administrative units with more than 3,000 children inhabitants. Currently only 28% of the required child protection worker positions have been established; and of these only 38% are active and manage cases of children at risk. These workers’ professional backgrounds are often not in compliance with legal requirements: only 30% had the requisite social work profile in 2016. In response, UNICEF is working with central and local government agencies to address not only legal and policy gaps, but also to build institutional capacities, and strengthen professional skills—as well as support affected communities, families, and children.

49. The Harvard Business Review defines wicked issues as those “with incomplete, contradictory, or changing re-requirements” (Edmonson, A.C., HBR June 2016) and characterized by the following: i) The problem involves many stakeholders with different values and priorities; ii) The issue’s roots are complex and tangled; iii) The problem is difficult to come to grips with and changes with every attempt to address it; and iv) There’s nothing to indicate the right answer to the problem (Camillus, J.C., HBR May 2008).
resulted *inter alia* in the recent resignation of nine members, the voluntary early retirement or non-continuation of mandate of six judges, and the dismissal of another judge.\(^{50}\)

Three major factors have been crucial to strengthening accountability mechanisms in Albania. First, EU integration processes have framed and supported key sectoral and institutional reforms in the country. The European Commission’s April 2018 recommendation to open accession negotiations may therefore strengthen national commitment to the implementation of the governance reforms noted in the EC communication and recommendations. Second, advances in information and communications technologies are increasing the importance (actual and potential) of e-governance reforms to increase transparency, feedback processes, and citizen engagement. (These are apparent *inter alia* in the introduction of electronic public services and case management systems.) Third, Albanian citizens and civil society organizations are playing increasingly vibrant and energetic roles as whistle blowers, in representing the needs of vulnerable populations, and in social services delivery (particularly in rural areas). In recognition of this, the government has launched an electronic platform for citizen co-governance to direct on-line citizen feedback, reporting, and petitions to the Prime Minister’s Office and relevant agencies.\(^{51}\)

In this context, governance reforms to better address the needs of the following groups will be crucial to SDG acceleration:

- Children, in particular with regard to access to affordable education and healthcare, especially for children with disabilities, survivors of violence, abuse and exploitation, and those in conflict with the law;\(^{52}\)
- Roma and Egyptian communities, particularly in terms of access to quality health and social services, education, and employment (Box 8);
- People living with disabilities, particularly in terms of the implementing legislation designed to address access issues to education, employment, health care and social services, in addition to improving infrastructure in public offices and better tailoring e-services to their needs;
- Women, especially household heads, from poor families, victims of domestic and gender-based violence, and/or residing in remote, rural areas, who do not have access to employment, financing or property;\(^{53}\)
- Gender inequality in public administration, politics, and policy making remains an issue (Box 9), as is persistent gender pay gap;
- LGBTI communities, who also face issues of discrimination in social participation, employment, harassment and violence; and
- Youth, particularly in terms of access to quality education, decent work opportunities, political participation, and broader social spaces for their own empowerment.

\(^{50}\) For more on this, see the “Success Story: Justice Reform” section of Albania’s VNR.

\(^{51}\) For more on this, see the VNR’s “Innovative and citizen-centred public services” section.

\(^{52}\) The VNR (page 23) points out that a 2013 WHO-supported study showed that nearly 42% of children surveyed had been physically abused; another 6% reported sexual abuse. Up to 2500 children with some connection to the street—either living and/or working there on a seasonal or transitory basis—were identified (on their own or with family members) in 2014. A 20% increase in crimes against children registered by the police was reported in 2016.

\(^{53}\) Other disadvantaged and marginalized groups of women identified in the CEDAW Concluding Observations to Albania (2016) include older women, Roma and Egyptian women, women with disabilities, migrant women, lesbian, bisexual and transgender women, women in detention, secluded women, and asylum-seeking women.
BOX 8—ALBANIA’S PROGRESS IN ROMA INCLUSION

UNDP, the EU, and World Bank in 2017 conducted the third regional survey on Roma and Egyptians living in the Western Balkans (previous surveys were conducted in 2004 and 2011.) The survey results—which make possible the monitoring of cross-country progress in Roma inclusion according to internationally comparable quantitative indicators that are aligned with national statistical methodologies—support the evidentiary basis underpinning EU support for Roma inclusion in Albania and other candidate and pre-candidate countries.

The survey data indicate that many Roma (in Albania and across the region) continue to face limited access to opportunities in virtually every aspect of human development, including basic rights, health, education, housing, employment, and living standards. But they also suggest that Albania is making progress in meeting targets set forth in the National Action Plan for the Integration of Roma and Egyptians for 2016-2020. For example:

- The gap in primary education enrolment rates of marginalized Roma children in Albania (vis-à-vis their non-Roma neighbours) fell from 42 percentage points in 2011 to 30 percentage points in 2017. Completion rates for Roma in secondary education have been increasing as well.
- Nearly all marginalized Roma in Albania now have birth certificates, and coverage of ID cards has been increasing.

On the other hand, the survey results highlight that:

- While the 35% pre-school enrolment rate for marginalized Roma children in Albania may be the highest in the region, pre-school attendance for Roma children still lags behind that of their non-Roma neighbours.
- Less than half of marginalized Roma aged 18-21 have completed compulsory education in Albania.
- Roma women continue to wed young; early marriage incidence is persistent and high.
- Although there has been significant progress since 2011, marginalized Roma are still more likely to live in overcrowded dwellings, and are less likely to have access to piped water and electricity or to be connected to public sewerage or a waste water tank.

These data highlight how the true face of poverty and social exclusion can sometimes hide behind national averages. They also underscore how both the EU’s regional Roma inclusion aspirations and Agenda 2030’s “leaving no one behind” principle can be supported by the use of SDG target 1.2 (“By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions”) in national policy.

BOX 9—GENDER POLITICS IN ALBANIA

Thanks to the introduction of a 30% quota for women candidates in parliamentary elections, the share of women MPs climbed to 28% following the June 2017 elections. Out of 13 ministers in the current government, six are women. However, whereas women MPs may make up 50% (or more) of the Parliament Committee on Labour, Social Affairs, and Health Care, the National Security Committee has traditionally been “for men only”. And while the female share of municipal council members is now above one third, only 15% of Albania’s mayors are women.

This vertical gender segregation in political life underscores the continuing importance of glass ceilings in Albania—and not only in politics. Women only constitute some 15% of those in senior and executive positions more broadly.54

The World Economic Forum’s <<Global Gender Gap Report 2017>> ranks Albania 38thin the world—thanks in large part to the country’s strong (31st) women’s political empowerment ranking. This achievement underscores the important progress that Albania has made in terms of gender equality. However, Albania’s ranking drops significantly on indicators for economic participation and opportunity (70th), education attainment (80th), and health and survival (120th). Political empowerment may be most important as a means for more effectively responding to other unresolved development challenges.

54. UN Gender Brief, 2016
Strengthening accountability mechanisms requires increased support to on-going governance reform work in a number of areas. These include:

- **Better coordination of/innovation for anti-corruption initiatives.** In the last few years the government has strengthened Albania’s anti-corruption institutional framework (inter alia via legislation promulgated in 2016), and invested in inter-ministerial coordination, training, public awareness, and electronic systems to support its anti-corruption drive. A number of institutions had been tasked to address corruption issues in the country, across or in specific sectors.55 A case monitoring system had been introduced to monitor corruption cases (albeit with limited connectivity with other existing registries managed by the courts, police and prosecution). With so many institutions mandated to fight corruption, duplication, jurisdictional tensions, and information gaps could still constrain anti-corruption efforts. Effective coordination and management of the structures and resources now in place will therefore be critical to Albania’s anticorruption efforts. The exploration of possible uses of blockchain and other innovative technologies to improve information management and further anti-corruption successes in specific sectors (e.g., judiciary, tax, customs, etc., could also be explored).

- **Improving access to justice.** The judiciary has received consistently received the lowest public trust rating among public institutions in Albania, since the annual trust on government survey was introduced in 2013 (see Figure 19). The courts and prosecutor’s office likewise received very low ratings in 2017 (the first year in which assessments of these institutions were included in the survey). Further progress in judicial reform (which is likely to be closely linked to preparations for EU accession negotiations on chapters 23 and 24 of the *acquis communautaire*) could usefully focus on:
  
  o Scaling up support for legal aid programming and alternative dispute resolution mechanisms (in light of substantial backlogs in court dockets), particularly at the local level, including:
    
    - the adoption of a complete regulatory framework to ensure effective implementation of the new free legal aid legislation;
    
    - support to establish and strengthen the Ministry of Justice’s free legal aid unit and key legal service providers; and
    
    - piloting and scaling up free legal aid centres in district courts;
  
  o Introducing other targeted policy and programmatic support to improve access to justice, particularly for vulnerable and marginalized groups, including through:
    
    - Removing obstacles for the reporting (and resolution) of domestic and gender-based violence, child abuse, discrimination, harassment, human trafficking, labour abuses—particularly at the low level;

55. These include inter alia: (i) the Ministry of Justice, which now serves as the National Coordinator Against Corruption; (ii) the Unit for Transparency and Anti-Corruption under the Council of Ministers; (iii) the High Inspectorate of Declaration and Audit of Assets and Conflicts of Interest; (iv) the Special Anti-Corruption and Organized Crime Structure (SPAK); (v) the National Bureau of Investigation; (vi) the Special Prosecution Office; (vii) the State Audit Institution; (viii) the General Directorate for the Prevention of Money Laundering; (ix) Parliament; (x) independent judicial institutions (High Council of Justice, High Prosecutorial Council, High Justice Inspector, Justice Appointment Council); and (xi) the Ombudsman.
More robust enforcement of court orders to protect women’s rights (including to alimony entitlements), and to sanction those who fail to fulfil such obligations; combined with reversing the burden of proof in cases of alleged sex-based or gender-based discrimination in favour of claimants;

Enhancing child protection by strengthening juvenile justice, inter alia via accelerating the formulation and approval of the secondary legislation needed to implement the 2017 Criminal Justice for Children Code, as well as the approval of the Justice for Children strategy; and

Strengthening support for INSTAT and other national and local bodies engaged in the collection, monitoring, and analysis of disaggregated data on vulnerable and marginalized groups, to further support the policies and programming needed to “leave no one behind”.

**Deepening support for civic engagement.** Albania has a growing civil society, whose functions including advocacy, analytics, programme implementation, communications and public awareness, service delivery (especially in rural areas, and for vulnerable groups), and whistle blowing. In addition to improving the quality of governance, civil society organizations also help Albania discharge commitments undertaken under various conventions (such as the Aarhus convention on public participation in environmental policy making). The successes of this work are apparent *inter alia* in the results of the public trust survey (Figure 19). However, civil society organizations continue to face issues of financial sustainability and imperfect coordination, as well as moments of exclusion and discrimination vis-à-vis state bodies. A review of the policy and regulatory frameworks for civil society organizations (concerning such issues as taxation, public funding, and donations), with an eye toward their possible rationalization, could strengthen civil society’s abilities to support governance reform and strengthen public sector accountability. The National Civil Society Council needs to put real issues on its agenda and propose solutions that are followed up by the Government and Parliament.

**Strengthening the oversight functions** of institutions such as the Ombudsman (less than 30% of the Ombudsman’s recommendations have been implemented in practice), the People’s Advocate, the Office of the Commissioner for the Protection against Discrimination, and the State Audit Institution, is crucial to the fight against corruption.\(^{56}\) The role of the Parliament, particularly in terms of its budget oversight and legislative authority, also needs to be strengthened, as does the capacity of line ministries and other executive agencies to implement policy decisions and recommendations in a timely and coordinated manner. The introduction or expansion of targeted capacity development strategies for these institutions could help strengthen their oversight functions and thus public-sector accountability.

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56. The Commissioner for Oversight of Civil service is a quasi-judicial institution that performs crucial administrative oversight functions in overseeing the implementation of civil service law, mostly at the local level of the public administration.
BOX 10—OVERSIGHT IN PRACTICE: ALBANIA’S GENDER EQUALITY MACHINERY

Albania’s multi-layer, multi-agency gender machinery (presented below) provides a good example of the complexities associated with ensuring effective supervision over key policies and programming that concern half the country’s population.

While the deputy prime minister has an overarching role, the Ministry of Health and Social Protection and the Parliament play critical roles in its operationalization. Eleven gender equality focal points working in line ministries and other central state institutions, and 58 gender focal points working in municipalities, likewise play important roles.

This machinery has helped the GoA in recent years to take important steps in improving and integrating planning and budgeting processes. According to the Ministry of Finance, for example, the Medium Term Budget (2016-2018) contains 19 programmes that were prepared in accordance with gender-responsive budgeting principles. However, the application of these principles has not yet spread to all levels of governance—particularly at sub-national levels.

The role, capacity, and decision-making power of gender focal points is critical in these (and other) gender policy issues. Consultations with gender focal points have underscored the importance of:

- Resolving questions associated with the status of gender focal points, for whom gender equality work can be an additional function on top of other duties;
- Investments in capacity and skill development for gender focal points; and
- Other limitations on their abilities to actually mainstream gender equality principles into practice, in line with EU requirements and human rights obligations.

Albania’s national gender machinery is clearly under-resourced (in terms of both financial and human resources), limiting its effectiveness. While a number of strategies and action plans are ongoing (e.g., the National Strategy for Gender Equality 2016-2020 and its Action Plan), progress in implementation is not always clear—either in terms of targets and indicators achieved, or in terms of how the lives of women and girls, men and boys, are being affected. More effective deployment of this machinery—inter alia to meet gender-related EU accession requirements—clearly requires more investment, particularly in gender equality focal points within Albania’s public administration.

Increased allocations of structural, human, and financial resources both at the central and municipal levels, to support inter alia more prominent roles for the National Council on Gender Equality and the Ministry of Health and Social Protection, and to strengthen their abilities to work closely with civil society organizations on gender equality issues, are critically important. Among other things, this would make possible a thorough review of the implementation of the National Strategy for Gender Equality 2016-2020 and other related policies, to identify bottlenecks and accelerate implementation. Such a review could also focus on such issues as:

- Examining possibilities for increased monitoring of early marriages, and sex-selective abortions;
- Considering tighter regulation of media or advertisements that may promote such practices;
- The gender dynamics of land restitution; and
- The possibilities for a stronger implementation of the 2015 paternity leave legislation, and other gender sensitive family policies that can challenge traditional “male—breadwinner, women—caretaker” role models, thereby increasing male participation in domestic life and lessening women’s “double burden”.

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Strengthening accountability mechanisms also requires a stronger focus on institutional coordination, results-oriented monitoring and evaluation systems and tools, and performance-based budgeting and financing. These in turn require transparent, robust data systems that support whole-of-government approaches across sectors, institutions, and systems, and that are populated by disaggregated data, to effectively monitor the situation of vulnerable and marginalized groups mentioned above, as part of EU and SDG monitoring processes. Reconciling existing monitoring and evaluation systems (e.g., for public finance management, environmental information management, annual workplans of sectoral agencies, etc.) and transitioning from existing activity- and output-based reporting to more outcome-oriented monitoring and reporting are also important.

**BOX 11—LOCAL PUBLIC FINANCE IN ALBANIA**

Local governments are generally dependent on two broad revenue sources: central government transfers (conditional and non-conditional), and own source revenues, raised largely through local taxes and fees. International financing/development institutions have also contributed significantly to local government financing in a number of municipalities.

New regulations also allow local governments to borrow from financial institutions/banks as well as issue municipal bonds to finance local investment projects—although these options are not yet widely practiced.

Recent public administration reforms imply greater financial accountability for municipalities, particularly as concerns planning, budgeting, and monitoring the use of public resources. This crucial local government capacity needs to be developed; local councils and civil society organizations have important oversight roles to play in this respect.

The territorial administration reform introduced large changes in the governance (both national and local) landscapes in Albania, including providing broader competencies for local economic development, service provision, territorial planning, environmental management, land management, transportation, welfare, social care, and civil protection, local procurement, and local information management, among others. At the same time, this has raised citizen expectations while local governments are struggling to embrace, and adapt to, their new authorities and the responsibilities. As the frontline institutions for local development, local government units in Albania need to be adequately staffed, structured, and financed. In this respect, support for local government accountability in the following areas seems particularly important:
• **Local public finance management.** One year after the implementation of the Law on Local Self-Government Finances, local financing remains inadequate to fully implement the decentralized competences and expectations associated with the administrative-territorial and decentralization reforms. Local government spending accounts (see Box 11) for only around 11% of total general government spending, while tight controls on local government borrowing have limited debt to 0.1% of GDP. (At the same time, recent IMF research points to potential local government arrears of around 0.6% of GDP.) Ensuring that local governments are accountable for the quality of the services provided to local communities requires further improvements in local public financial management, more predictable fiscal transfers from the central government, and better use of inclusive, gender- and performance-based budgeting tools.

• **Streamlining local government structures** to better reflect their distinct functions, performance targets, and human resources. This may take the form inter alia of introducing innovative units that will further allow new ways of thinking, promotes integration, or deliver and monitor critical programmes, particularly as current policies allow local executives to introduce “temporary organizational units” as needed.

• **Introduce local government performance standards** to that can be applied across territorial administrations in the country, to guide and inform practices, norms and values and further enhance local governance approaches. Such performance standards should be developed (and monitored) inclusively in ways that incorporate human-centred design thinking and approaches, as well as transparent outreach (e.g., via local government websites and social media platforms).

• **Further customizing one-stop shops** (and other local service delivery mechanisms) to respond to the needs of vulnerable groups.

• **Review the roles of regional development agencies**, particularly in providing technical, planning, and coordination functions to support more effective territorial administration.

In coordination with these steps, and as the alignment of Albania’s horizontal and vertical governance reform agendas advances, increasing support can be given to “SDG localization” (i.e., the expanded use of SDG targets and indicators in local development planning). This could start with a more detailed mapping of local government support programming, as a number of development interventions to support the new local government units are currently under implementation (or soon will be).57

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57. These include inter alia: (i) the UNDP-implemented Support to Territorial Administration Reform (STAR) 2 programme, which offers a programmatic platform and pooled funding mechanism for TAR support in which the EU and a number of bilateral donors (e.g., Sweden, Italy, Switzerland, USAID) also participate; (ii) Strengthening Local Government Structures and Cooperation of Local Elected Representatives in Albania Phase II, implemented by Council of Europe with funding from Switzerland; (iii) the Planning and Local Governance project, implemented by Tetra Tech ARD; and (iv) G2G With Patos Municipality-One Stop Shop, implemented by Patos Municipality, and funded by USAID. In addition, the “100 Villages” programme (which is implemented through the Ministry of Agriculture and Rural Development and which provides integrated approaches to improve public infrastructure, local economic development, and support social and human capital) also offers a platform for SDG localization.
At the central government level, measures to further de-politicize public administration are needed to strengthen public-sector accountability. Measures in the following areas are recommended in support of this objective:

- **Strengthening the cultures, ethics, and values** that characterize modern public institutions—particularly as concerns client-service orientation, transparency, inter-office collaboration, and avoidance of even the appearance of conflicts of interest—need urgent attention. In addition to increased use of training programmes delivered through the Albanian School of Public Administration, these characteristics can be reinforced via leadership and role models.

- **Acceleration the use of harmonized, results-oriented public sector monitoring systems** at national, regional, and local levels. Monitoring systems generally focus on activity-, budget- and/or output-based reporting, characterized by differing forms and procedures, and in some cases requiring multiple reporting of the same information. (The Integrated Financial Management System, which is to be implemented during the 2020-2022 budget period [see Box 15], looks quite hopeful in this respect.) At the same time, big-picture links between (for example) the NSDI II, sectoral strategies, and public finance remain tenuous, particularly as most strategies and workplans do not contain “SMART” indicators. Better micro- and meso-level linkages via expanded use of harmonized instruments would help strengthen macro linkages across public sector programming. Moreover, in line with the 2005 Paris Declaration on Aid Effectiveness and the 2008 Accra Agenda for Action, donors should support and participate in such harmonization efforts.

- **Introduce comprehensive talent management** approaches within the civil service, to more proactively identifying and nurture talent. This may involve expanded recruitment in universities, and more extensive internships and immersion programmes.

- **Streamline and consolidate mechanisms for inter-agency coordination, planning and reporting.** The on-going functional review of the public administration could be complemented by efforts to review and (where appropriate) reinvigorate the Integrated Policy Management Groups (IPMGs), various technical working groups (including 23 working groups for EU accession), and task forces for a number of policies and programmes, to avoid duplication and streamline planning and reporting processes. As the country moves toward SDG nationalization and reporting processes, stronger SDG coordination mechanisms can support more effective coordination for integrated results—provided that they are themselves based on effective, streamlined national ways of working.

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58. “SMART”: specific, measurable, attainable, relevant, and time-bound indicators.
ACCELERATOR PLATFORM B:

Green, inclusive economy—with strong focus on decent work, competitiveness, innovation, and resilience

Although it is an upper middle-income country, Albania is also a small open economy that relies on the production of goods and services that make extensive use of natural resources—especially water—and semi-skilled labour. Water plays critical roles in both the energy and agricultural sectors: hydropower dominates Albania’s energy balance (Figure 20), while water resources (both irrigated and rain fed) play key roles in the agricultural sector that continues to be the single largest source of employment in the country—especially for women (Figure 21).

**FIGURE 20—SHARES OF HYDRO POWER AND NET POWER IMPORTS IN TOTAL ELECTRICITY CONSUMPTION**

**FIGURE 21—SHARE OF AGRICULTURAL EMPLOYMENT IN TOTAL WOMEN’S, MEN’S EMPLOYMENT**

UNDP calculations, based on INSTAT, World Bank data.

Significant increases in the shares of farmland that benefit from irrigation (Figure 22) have helped keep Albania’s agricultural production growing and rural poverty falling (at least through 2012), while also providing certain protection against the meteorological variability that bring regular droughts and floods to Albania. This variability has had a significant impact on electricity production and national energy security: as the data in Figure 20 show, drought conditions produced sharp reductions in hydroelectricity generation in 2007, 2011, and 2014—resulting in power cuts, large electricity imports, and higher power costs. Despite these obstacles, annual hydro power generation trended upwards from 4.7 to 7.1 billion kilowatt hours during 2003-2016 (Figure 23). Nonetheless, this variability in power generation underscores the importance of building national and household resilience to water-induced shocks to the energy sector.

Moreover, whether Albania will be able to count on perpetual increases in water supplies for hydropower and agriculture (and other uses) in the future is a major question. Albania’s *Third National Communication on Climate Change* finds that “All the [climate change] scenarios reveal a likely decrease in annual precipitation . . . for all time horizons”. The Communication projects annual declines in precipitation of some 8.5% by 2050; and up to 18% by 2100, resulting in “increasing frequency of droughts in summer”.\(^{60}\) Strains on water resources are already manifesting themselves in Albania’s fresh water fisheries: whereas annual maritime fish harvests have grown during the past decade, fresh water catches they have dropped sharply (Figure 24). Moreover, Albania’s two largest river basins (the Drin and Vjosa) are cross-border in nature, with their head waters rising in other countries. This may raise additional uncertainties regarding future water supplies in Albania—particularly in light of the projected declines in precipitation mentioned above—as well as underscoring the need for climate-resilient solutions to agricultural and water-management challenges. It may also highlight the importance of regional cooperation for sustainable development in the Western Balkans.

<table>
<thead>
<tr>
<th>FIGURE 22—SHARE OF IRRIGATED FARM LAND IN TOTAL FARM LAND</th>
<th>FIGURE 23—ANNUAL HYDROELECTRICITY GENERATION (IN BILLION KILOWATT HOURS)</th>
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</table>

UNDP calculations, based on INSTAT data. Source: INSTAT.

In response to these energy pressures, the GoA has emphasized investments to expand the country’s hydro generation capacity, and to increase the share of natural gas in the national energy balance. Two new hydropower plants in the Devoll river valley (the construction of which is to be completed by the end of 2018) are to increase Albanian electricity generation capacity by some 17% (other, smaller hydro plants are also under construction). Upon its anticipated completion in 2020, the Trans-Adriatic Pipeline (TAP) could make possible significant increases in gas consumption for Albania (from very low levels). In addition to reducing retail electricity costs via the construction of gas-fired electricity generation plants,\(^{61}\) the TAP could reduce firewood use for rural heating. This could slow growth in greenhouse gas emissions and reduce indoor

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60. The Communication also notes that “more frequent heavy rains with longer duration, causing flooding and economic damages, are likely”; and that the “Adriatic Sea has experienced an average sea level rise of about 15 cm over the last century, leading to a retreating movement of the shoreline for each cm of average sea level rise” (pages 23-24). Further increases in sea levels, coastal storm surges, and the salination of fresh water supplies in coastal areas are anticipated. FAO data indicate that some 65% of Albania’s cultivated land is located in the country’s coastal regions, which also host 60% of its fruit trees and 90% of its greenhouses. These regions produce 75% of Albania’s vegetables and 64% of its field crops.

61. According to IMF Country Report No. 17/374 (page 19), these cost savings could be as much as one third.
air pollution (with its associated health implications). Thus, if all goes well, these big energy projects would make possible expanded hydropower generation from Albania’s existing water (renewable) resources, combined with the diversification (thanks to gas imports) of the country’s energy balance that could take some of the pressure off the country’s forestry resources.

On the other hand, the capital needs associated with the Devoll and TAP projects are reported by the IMF at some 14% of Albania’s GDP; the investments needed for the expansion of Albania’s nascent gas infrastructure could add another 6-8% of GDP to these costs. The GoA seems to have thus far avoided taking on significant additional debt to finance the Devoll projects, as the company constructing the dams expects to recover its costs by selling electricity back to the GoA during the subsequent concession period. However, the fiscal implications of expanding Albania’s gas pipeline infrastructure seem less clear—especially following the IMF’s recent warning to the GoA about avoiding the risks associated with non-transparent infrastructure concession arrangements with private partners. Moreover, significant gas imports (as well as in the imports of equipment needed to finance the expansion and then maintenance of the country’s gas infrastructure) could place further pressures on Albania’s balance of payments.

FIGURE 24—ALBANIA’S ANNUAL FISH HARVEST FROM MARINE, INLAND SOURCES (THOUSANDS OF TONS)

FIGURE 25—SHARES OF COMMERCIAL AND TECHNICAL LOSSES IN TOTAL ELECTRICITY GENERATION

Perhaps most importantly, even if the energy dimensions of these investments pay off as planned, it is not clear how the associated water needs will be reconciled with those of agriculture, tourism, fisheries, households/municipalities, and other sectors—especially if precipitation levels decline. More generally, Albania ranks as one of the top ten countries in the world with the highest economic risk from multiple natural hazards. Nearly 89% of Albania’s GDP and 86% of its territory have been assessed as being exposed to multiple disaster risks; average annual disaster losses have been assessed at 2.5% of GDP. Water resources are at the centre of these risks: rivers constitute the highest flood risk, whose effects extended to 130,000 hectares of agricultural land. Flood risks are particularly high in the western coastal plain—where Albania’s mountain rivers regions flow into the Adriatic Sea, where the bulk of the country’s GDP

63. See, for example, Albania’s Civil Protection System and Its Related Regional Cooperation, Institute for Democracy and Mediation (Tirana), pp. 1, 3.
is generated, and where more than 50% of its population resides. The basins of the Drin in the north and the Vjosa in the south are especially flood prone.

All this underscores the importance of integrated water resources management as a lynchpin of Albania’s sustainable development policy framework (see Box 12). The 2018 EU Accession Annual report’s observation that “Only one of the six defined river basin management plans exists [in accordance with the EU Water Framework Directive] and it has not yet been implemented” seems most relevant in this respect.

The risks posed by gaps in Albania’s water management policies are also apparent in the ongoing expansion of small hydropower plants—most of which have not been accompanied by completed strategic environmental and social impact assessments. Through 2015, concessions had been granted for the construction of some 502 small hydropower plants—94 of which were to be constructed in or near protected areas that play important roles in biodiversity preservation and tourism development.

**BOX 12—ALBANIA’S WATER/ENERGY RESOURCES MANAGEMENT CHALLENGES**

Agenda 2030 and the SDGs emphasize addressing environmental, social, and economic development challenges in integrated “triple win” fashions. Flood and earthquake risks need to be factored into national socio-economic policies as well as into emergency and rescue service plans. As emphasized in the inter-governmental Sendai Framework for Disaster Risk Reduction, risk management and resilience need to be mainstreamed across the economy and society.

Integrated policies and programming frameworks like strategic environmental assessments and environmental impact assessments that embrace these dimensions—and link them back to SDG reporting, EU accession processes, and European policy frameworks—are key tools for translating sustainable development aspirations into investments that improve people’s lives. While Albania has made important progress in this respect with integrated, cross-sectoral policies and programmes, much still remains to be done. For example:

- The recently approved National Energy Strategy 2030 (whose hydropower sections have critical implications for water use) is not linked to the SDGs, and cannot therefore be easily used in SDG reporting.
- EU directives 2009/28/EC and 2010/31/EC (on renewables on evaluating energy efficiency in buildings) have been only partly transposed into national legislation.
- While 2012 integrated water management legislation transposes key principles of the EU Water Framework Directive and Flood Water Directive, its implementation remains in the initial stages.

A recent strategic environmental assessment on small hydro power in Albania found that policy frameworks guiding small hydro investments do not adequately balance economic and commercial criteria against environmental needs. This is primarily because the national Integrated Water Resource Management Strategy and river basin management plans are not yet in place.

A methodology developed under the UNECE Water Convention for participatory assessments of the water-energy-food-ecosystems nexus can be used to:

- Identify intersectoral synergies within a river basin;
- Identify policies and programming to help manage trade-offs and tensions within this nexus;
- Improve policy coherence and intersectoral co-management; and
- Deepen institutional capacities for managing these issues.

While its primary aim is to support transboundary cooperation, the nexus approach can also be applied at the national level. The approach, which has technical resource and governance analysis tracks, has demonstrated its value for intersectoral dialogue in diverse transboundary basin settings, including in the Drina river basin.

Albania is moving towards more coordinated, holistic approaches to natural resource management, inter alia within the framework of the inter-ministerial National Water Council. Further progress in this area (particularly as concerns energy and other commercial sectors) would benefit from taking a nexus approach, informed by fit-for-purpose analytics and more direct linkages to the SDGs and EU accession frameworks.
These risks are also apparent in 2015 sanitation data, indicating that only 49% of the population (and only 3% in rural areas) has access to sanitation; and that only 10% of household waste water is treated. Due to inadequate maintenance, lack of new investment, and incomplete cost recovery (the costs of supplying some two thirds of the drinking water are not covered by tariffs/user fees), much of Albania’s existing water infrastructure is heavily depreciated.

The associated commercial losses translate into significant financial sustainability challenges for water (and other communal service) providers, complicating both the transfer of control over local infrastructure to municipalities and relations with donors. By 2016, Albania had built (with donor support) eight urban wastewater treatment plants, with the capacity to cover the needs of about 25% of the urban population. But due to financial sustainability concerns and limited technical capacities only five of these have been brought on line; prospects for starting the other three are unclear. More rapid progress in putting into practice global and European principles for integrated water resources management—particularly as concern trans-boundary river basins (which also affect neighbouring EU Member States and candidate countries), as well as for energy efficiency and other (besides large hydro power) renewable energy technologies—would seem particularly important in this context.

These considerations also underscore how prospects for the rapid economic growth that is needed for the creation of more and better jobs, larger fiscal revenues, and convergence towards EU income levels depends heavily on raising efficiency levels in the water, agricultural, and hydropower sectors. More rapid progress in the implementation of new legislation on energy efficiency and renewable energy technologies in areas other than hydro power, with a particular focus on solar energy, wind power, and bio fuels is therefore particularly important. (This would also help with reporting on SDG indicators 6.5.1 and 6.6.1; and on SDG targets 7.1, 7.2, and 7.3.) So are efforts to more closely align regulations in the energy, water, and agricultural sectors with the logic of the EU Water Framework Directive and Strategic Environmental Assessment principles (particularly as concerns river basin management). Albania’s continuing high (albeit falling) levels of commercial and technical losses within the electricity (Figure 25) as well as water sectors also highlight the importance of governance reforms for Albania’s development prospects across the board.

In addition to more sustainable water resource management, Albania’s longer-term prospects are tied to prospects for moving away from labour models based on extensive agricultural and informal employment towards decent jobs that are linked to the knowledge economy. Agriculture remains Albania’s largest employer, absorbing some 40% of the labour force. But since agriculture only accounts for some 23% of Albania’s GDP, agricultural labour productivity and incomes are about half the national average. Low productivity and incomes are reflections of such structural barriers as limited area for cultivation (INSTAT data indicate that less than a quarter of Albania’s territory is suitable for farming; another sixth is classified as pasture lands); highly fragmented land ownership; disputes over land titles and compensation for pre-1990 expropriation; and low levels of mechanization and phytosanitary and veterinary controls, which limit agricultural exports.

Sources: Strategic Environmental Assessment of Small Hydro Power Development in Albania—A Comprehensive, Climate Resilient Approach to Sustainable Hydropower, UNDP (Tirana), February 2018 (page 2); and Report submitted by the Government of Albania to the UNECE/WHO Europe Joint Protocol on Water and Health, April 2016 (page 6).

FAO data indicate that 86% of Albania’s 350,000 farms are two hectares of land (or less) in size; the average farm size in the EU in 2013 was 16 hectares. In addition to small farm sizes, Albania’s land reforms of the early 1990s (which were based on the principle of equal distribution of arable agricultural land to the rural population) resulted in the distribution of 3-5 (not necessarily contiguous) land parcels per farm—further fragmenting land use structures.
Rural employment and development prospects are further depressed by inadequate transport infrastructure and connectivity (the April 2018 EU accession annual report notes that only 1% of the rural population has fixed-line internet connections). Despite this, some 58% of the population lives in rural areas; many of these people are engaged in subsistence agriculture, which serves as a rudimentary social safety net. Issues of rural poverty and exclusion are particularly pressing for women workers, some 50% of whom are engaged in farm labour (mostly as contributing family workers, in what often constitutes concealed unemployment or under-employment). Low internet connectivity in rural areas also constrains the potentially transformative impact of digitization and new e-governance tools in both the public (e.g., education, health) and private sectors.

**BOX 13—ALBANIA’S EMERGING “SLOW FOOD” MOVEMENT**

Albania in the last decade has witnessed the emergence of a “slow food” movement, based on a coalition of chefs, farmers, small-scale wine- and cheese-makers, fisherfolks, and citizens who believe that “eating locally” makes for better health, better economics, and a better future.

*Stirred by young chefs who came back to Albania after years working and training abroad,* the movement finds inspiration in the grass roots activities that have come under the same name in Italy since the 1980s. Slow food envisions a world in which all people can access and enjoy food that is good for them and available at accessible prices, good for those who grow it (i.e., fair working conditions and pay), and good for the planet (i.e., its production does not harm the environment). In the Italian case, slow food entrepreneurs (often chefs in their own restaurants) support efforts by local farmers to create co-operatives (particularly for livestock and vegetables) or invested in micro-processing units (like cheese-making) to ensure quality in their sourcing and local branding.

*Such an approach could fit well with Albanian agriculture, where many farmers operate on a small scale and with traditional technologies, and where regional branding (linked to cultural heritage and local traditions) seems to be finding some commercial traction. Strong consumer preferences for local products have been identified for honey, olive oil, meat, cheese, apples, and tomatoes, for example; and the power of territory-based branding has been noted in Durres and elsewhere.*

Accelerating economic growth and reducing rural/urban disparities therefore requires modernizing Albania’s agro-food processing sectors. In the EU accession context, this can be done via deeper integration into regional agro-food value chains, particularly in those sectors (e.g., fruit, olives viniculture) in which Albania has prospects for more rapid export growth. It can also occur via the partial substitution of imported foodstuffs with domestic products—once these can be brought up to suitable quality levels. Both directions (export growth and import substitution) require significant increases in domestic and foreign investment, at all stages of the agro-processing value chain (including storage, transport, and wholesale and retail trade). For this, improvements in Albania’s business and investment climates, better access to finance for small farmers and processors, clarification of land/property titles, and major state investments in rural infrastructure (including for water management and flood control), and sanitary, veterinary, phytosanitary, and agricultural extension services, and rural vocational and education training facilities, are prerequisites. Particularly important in this context are:

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66. For more on this, see Food and Agriculture Organization, *Gender, agriculture and rural development in Albania* (2016).

67. For more on this, see the VNR’s “Innovative and citizen-centred public services” section.

68. The National Strategy on the Diaspora (2018-2024) focuses on diaspora investments of skills and know-how, as well as capital.
• Promoting value chain development involving food production linked to tourism, beekeeping and medicinal and aromatic herbs—inter alia for rural women’s economic empowerment, in line with the FAO recommendations provided in Market and Value Chain Analysis of Selected Sectors for the Diversification of the Rural Economy and Women’s Economic Empowerment;

• Promoting local product development—e.g., branding, name recognition and identification with geographic regions, etc. (see Box 13);

• Invest in agricultural extension and other rural entrepreneurship/advisory (including VET) services, to increase financial literacy in small/family farms (particularly among women); and

• Support efforts by financial institutions to increase their presence in/coverage of rural areas, to improve farmers’ access to finance.

FIGURE 26—SECTORAL WAGES (RELATIVE TO THE AVERAGE NATIONAL GROSS MONTHLY WAGE, 2017)

FIGURE 27—TOURISM ARRIVALS IN ALBANIA (IN THOUSANDS)

UNDP calculations, based on INSTAT data. Source: INSTAT.

National data indicate that, as is in the case in agriculture, wages reported in Albania’s industrial sector are also well below national averages (Figure 26). ILO data indicate that manufacturing jobs account for less than 10% of total employment, with textiles, food processing, and other relatively small-scale, labour-intensive branches generating most of this.

While the official data do not lend themselves to broad generalization, they do highlight the importance of attracting investment and boosting competitiveness in Albania’s better paying manufacturing branches (e.g., machine building), as well as high-paying (e.g., ICT) or rapidly growing (e.g., tourism—Figure 27) service branches. Increased budget spending on education—for general and secondary, as well as for tertiary, vocational, and training purposes—should also be an important part of this picture.
More rapid progress in gender equality is in many respects central to meeting these challenges. Much of Albania’s under-used human potential for responding to emerging labour market opportunities resides in women, more of whom complete tertiary education than do men (Figure 28). Moreover, while women university graduates are strongly represented in such “traditional” women’s educational fields as education, health and welfare (Figure 29), they also far outnumber male graduates in the natural sciences, mathematics, business, and law.

**Labour force participation rates in Albania**

69. INSTAT data indicate that 55% of those completing Albanian tertiary education institutions overall in 2016 were women.
Unfortunately, women’s strong educational achievement does not translate into commensurate labour market outcomes. This is particularly apparent in sex-disaggregated labour force participation rates—especially for youth (Figures 30, 31). INSTAT data indicate that 31% of the women who are employed work as contributing family members (particularly on farms), compared to 18% for men. Some 40% of the women who remain outside the labour force do so because of early retirement; another 22% are outside of the labour force because of domestic responsibilities. This limits Albania’s socio-economic development potential—for the country as a whole, and for women themselves. Raising labour force participation rates and quality of employment for women (especially young women) is central not only to increasing the numbers of Albanians who are gainfully employed, but also to making better use of the country’s human capital and thereby strengthening its international economic competitiveness.

Similar issues are apparent in agriculture—the sector that employs the largest (by far) numbers of women in Albania. Despite this, only 7% of Albania’s farms are owned by women; an estimated 87% of the women engaged in agriculture do so as informal or family workers.70 Men generally control agricultural assets, and often dominate intra-household production decisions, as well as access to rural vocational and educational training. While women’s limited land ownership may be largely due to patrilocal inheritance practices and cultural traditions, it also reflects legal uncertainties regarding land titles that stem from the post-1990 transition from collective to private land ownership. Due to high levels of informal employment, only 19% of rural women receive maternity leave (compared to 59% of their urban counterparts71). State funded child care services and other forms of social protection (including reproductive health services) are very limited in rural areas. Such underinvestment in rural women is also underinvestment in the competitiveness Albania needs to realize the benefits of potential participation in the EU’s single market for food and agricultural products.

INSTAT data indicate that average gross monthly wages in Albania were 6-8% lower for women than for men during 2014-2016. Because of domestic care and other responsibilities, women are more likely than men to choose occupations that offer more flexibility, that do not require large or continual investments in skills, or in which skills do not depreciate significantly with career interruptions. Wages in female-dominated sectors and occupations in Albania tend to be lower not because of discriminatory legislation, but because women workers are more likely to be concentrated in lower level positions and have fewer working hours. Their higher employment in non-market services also means that women are more likely to be engaged in services that are provided free of charge, or at fees that are do not fully recover service costs. By contrast, men are more likely to be engaged in market services, which are generally sold at prices that fully cover costs (including for labour).

Unpaid care work is both an indispensable contributor to household well-being and an important socio-economic activity in its own right. Data from a 2011 INSTAT time-use study indicate that women in Albania devote more than ten times as many hours to unpaid care work as men—and therefore less than half as many hours on paid work as men. In addition to devoting eight times as many hours as men to child care, women in Albania were found to spend more than three times as many hours caring for the elderly and other adults. As society ages, today’s Albanian women may increasing become a “sandwich generation”, devoting disproportionate

70. UN Gender Brief, Tirana (October 2016), page 56.
71. Food and Agriculture Organization, Gender, Agriculture and Rural Development in Albania (2016), page 10.
amounts of time to domestic care for both the young and the old. The combination of these three roles (child care, elderly care, paid work) can have such detrimental effects on women (and their families) as increased emotional and personal stress, negative impact on health, as well as reduced current and future incomes (e.g., pension entitlements). By contrast, investing in the case economy can have important job-creation and fiscal (as well as gender) benefits.72

In the longer term, the sustainable management of Albania’s energy and water resources, more rapid creation of decent, green jobs, and the modernization of the agro-food sectors are closely linked. Better planning of hydro-power investments can help to promote eco-tourism,73 limit water pressures on irrigated agriculture, and provide the reliable electricity supplies needed for IT and other business start-ups. (This can mean new income- and employment-generation opportunities for people with disabilities, women with home care responsibilities, and others who work from home.) Accelerated movement towards cost-recovery tariffs for electricity, water, and other communal services can increase the demand for environmental engineers and other specialists in energy saving technologies and resource management. (By contrast, some 12,000 workers—mostly Roma—currently labour informally in Albania’s under-funded waste-management sector, often in difficult conditions.74) Likewise, the emerging popularity of slow food and regional food brands offer new possibilities for Albanian farmers to move up agro-processing value chains—partially displacing food imports and possibly expanding food exports (e.g., to Albanian diaspora communities). This further underscores the importance of implementing genuinely integrated policy and programmatic approaches to Albania’s development challenges, that simultaneously address its economic, social, environmental, and disaster risk challenges.

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72. For an analysis of the potential fiscal, gender, and social inclusion benefits of investing in the care economy in Turkey, see Ipek Ilkkaracan and Kijong Kim (2015), The Impact of Public Investment in Social Care Services on Employment, Gender Equality, and Poverty: The Turkish Case. For a broader regional greatment, see UNDP (2017), Investing in social care for gender equality and inclusive growth in Europe and Central Asia.

73. A recent UNDP study estimates that hotels with solid sustainability criteria accounted for some 12% of total employment in Albania’s hotel industry in 2017. (Source: Estimating the Number of Jobs in Sustainable Tourism in Albania using Big Social Data from TripAdvisor and Booking.com, UNDP, Tirana.) For more on sustainable tourism in Albania, see World Travel and Tourism Council, Travel and Tourism 2018: Albania.

ACCELERATOR PLATFORM C

Investments in social and human capital

Investing in human capital and social cohesion is one of the NSDI II pillars, while promoting social cohesion is a priority under the UN-GoA Programme of Cooperation for Sustainable Development. Social protection—understood as tax-funded social benefits, contributory social insurance, social services, public works programmes, and other guarantees of basic income security—is central to prospects for boosting investment in social and human capital in Albania.

Compared to most of its neighbours as well as EU member states, Albania invests small shares of GDP in social protection (Figure 11). As the Universal Declaration of Human Rights specifies that social protection is a human right, this may be particularly problematic. Social protection is mentioned in six different SDG targets and indicators, generally in the context of social protection “floors” that seek to limit (not eradicate) the impact of socio-economic risks. The UN Social Protection Floor Initiative, which was launched in 2009 to address the global economic crisis and accelerate recovery, can serve as a concrete platform for realizing Agenda 2030’s emphasis on social protection. Social protection floors should be nationally defined through social dialogue, and codified in national legislation.

Assessments of social protection systems in Albania should begin with three related caveats. First, the relatively small share of Albania’s GDP that is captured and redistributed via the government budget (Figure 6) limits these systems’ ability to reduce socio-economic inequalities, insecurities, and gaps. Efforts to better fund social protection could be supported by reductions in corruption and informality. Second, such informal coping mechanisms as in-kind consumption from subsistence agriculture, remittances from migrant workers or diasporas abroad, or the ability to illicitly tap into the electricity grid, may be more important for vulnerable households than formal social protection systems. Third, due to the country’s on-going governance reforms—particularly as concerns the division of competences (and resources) between the central and sub-central authorities, as well as the reprofiling of central ministries after the 2017 parliamentary elections—Albania’s social policy institutions are currently in a state of flux. This may complicated social policy reform prescriptions.

A recent World Bank analysis of the distributational impact of Albania’s fiscal system sheds new light on the impact of the country’s social protection system—but also its tax system—on poverty and inequality (in 2015). It finds that, while these instruments on balance reduce inequality, they actually increase the poverty headcount (when measured at the PPP$2.50/day threshold) from 7.5% to 8.1%. This is because the poverty reducing impact of social benefits (e.g., pensions, the Ndihma Ekonomike social assistance instrument, etc.) is outweighed by the

75 Article 22 states that “Everyone, as a member of society, has the right to social security”, while Article 25 states that “(1) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control; (2) Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.”
regressive impact of direct and indirect taxes (particularly the value-added [VAT] and excise taxes) and social security contributions on vulnerable households. The large, regressive roles of the VAT and excise taxes (which together generate nearly half of GoA tax revenues) can themselves be seen as reflections of the importance of informality in Albania, since such “point of sale” levies are much easier to collect than direct taxes on labour, profit, or rental incomes (significant shares of which may not be reported) or on property—particularly since important land and real estate titling issues remain in play.

On the spending side, the World Bank study finds that some 9.1% of GDP in 2015 was devoted to social protection, which was defined as “social security contributory pensions (old age pension, family pension, disability pension and short-term benefits), non-contributory benefits (i.e., Ndihma Ekonomike, unemployment benefit, disability benefits, social pension, child birth grant, nursing benefits) and other social spending under “Special Programs of the Government”. If a broader definition of social protection to include social services (including health and education) is adopted, then the share of GDP devoted to social protection rises to 14.8% (out of an estimated 32.8% of GDP devoted to government spending overall).

The study also finds that the Ndihma Ekonomike family allowance is quite effective in reducing poverty (on a per-lek basis). Although it only absorbed 0.31% of GDP (or about 1% of state budget spending), this social assistance instrument increased household incomes by approximately PPP$1.90/day for 80,059 recipient households in 2015. Moreover, 75% of total Ndihma Ekonomike spending accrued to the poorest 40% of Albania’s income distribution. The introduction of a proxy means testing modality across the country is expected to further increase the targeting accuracy of this instrument. This suggests that increases in the size of Ndihma Ekonomike benefits could have an important poverty reduction impact, at a relatively small fiscal price.

Albania’s unemployment benefit also looks favourable in many respects. It increased recipient household income by some PPP$2.9/day among the households to which Albania’s 6,186 unemployment benefit recipient belonged (in 2015), and two thirds of the spending for this benefit went to households in the poorest 40% of the income distribution. On the other hand, spending on unemployment benefits absorbed 1.7% of GDP—five times as much as spending on the Ndihma Ekonomike. Moreover, labour force survey data indicate that some 346,000 individuals were unemployed in 2015—more than five times the number of benefit recipients.

Whereas old-age pensions were likewise found to have significant poverty-reducing effects, they absorbed 5% of GDP in 2015. Because they are generally contributory in nature and

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76. Eligible beneficiaries include families with insufficient income, various classes of orphans, and victims of gender-based violence. Benefits are both cash and in-kind; their amounts depend on family location, structural characteristics, etc.

77. A contrasting view is presented in the VNR, which finds that (page 24): “Due to the limited cash assistance provided, this scheme has limited impact on reducing income poverty . . . ”.

78. Men age 65 and above and women age 60 and above, with at least 35 years of contributions, are entitled to receive old-age pensions. Due to fiscal pressures, and as both male and female life expectancy is rising, mandatory retirement ages in Albania are gradually increasing (by two months per year) until the retirement age for both sexes reaches 67 years of age.
are not means-tested, old-age pensions are unlikely to accrue in large measure to low-income households. And as explained above, Albania’s state pension fund seems likely to come under serious demographic pressures in the decades ahead. Nonetheless, it is noteworthy that elderly pensioners (age 70 and above) without other significant income sources are eligible to receive a non-contributory social pension, whose value is roughly equivalent to PPP$2.9/day.

The biggest weaknesses in Albania’s social protection system may lie not in its social assistance or insurance programmes, but in its social care components. Albania’s VNR notes that “publicly-funded non-financial social care services (other than limited institutional services) are very limited in Albania. Most social care services are provided by civil society organizations (CSOs) funded on a voluntary basis or by development partners” (page 17)—who step in to fill the gaps left by imperfections in the state-run systems. In at least some cases, the gaps may have widened as a result of the public administration and decentralization reforms, which have pushed social care responsibilities to municipalities that do not have the financial resources or institutional capacity needed to discharge them. The civil society role seems to be particularly important in such areas as child protection, and the social inclusion of Roma and people with disabilities.

• In response to these challenges, the GoA has recently adopted a new law on social services which aims to strengthen social care components. The Council of Ministers likewise approved the establishment of the Social Fund in June 2018. These actions aim to reduce gaps in the provision of social services. In every municipality, needs assessments on social services have been identified, which will help to improve the provision of social services from local authorities. Nonetheless, in many of these areas, there is only so much that can be done by both state and non-state actors. For example, women and children can not be protected against gender-based violence, abuse, and exploitation if law enforcement agencies, and the courts, do not bring the full weight of the law to bear on those responsible.

In sum, this analysis of social protection and social services underscores the importance of:

• Expanding the resources devoted to NdihmaEkonomike, disability benefits, and other forms social assistance that seem to reduce poverty, in order to make more effective use of Albania’s (relatively modest) social protection resources including services for vulnerable categories;

• Strengthening the fiscal authorities’ abilities to raise revenues from sources other than regressive indirect taxes like the VAT and excises, in favour of increased reliance on more progressive direct (e.g., corporate and personal income) taxes, thereby helping Albania’s tax and social protection systems to better ensure that no one is left behind; and

• The consolidation of the public administration, decentralization, and territorial-administrative reforms needed for better local-level service delivery, by both state and non-state actors.

79. As pointed out in UNECE’s forthcoming Environmental Policy Review for Albania, the expansion of taxes on air, water, and other forms of pollution (and other encumbrances on Albania’s natural capital)—beyond the current levies on cars, fuel, plastic bottles, and maritime fisheries—may also be worthy of consideration, for both fiscal and environmental policy reasons.
Effective labour market institutions—particularly public employment services—play a critical role in supporting investments in social and human capital. This is recognized in Albania, where funding budgeted for employment programming rose from 90 million leks in 2013 to 490 million leks in 2018. The ILO’s 1964 Employment Policy Convention (No. 122) and its 1948 Employment Service Convention (No. 88) have likewise been ratified by the Government. The full realization of the principles that underpin these two conventions remains a challenge, however. This is apparent in the fact that the numbers of people benefitting from active labour market measures (around 5,300 individuals in 2018) represent only a small portion (around 6%) of unemployed job-seekers—even though more than 60% of the registered unemployed (including the almost 50,000 long-term unemployed) should be eligible to participate in these programmes.

Employment promotion legislation passed in 2018 is expected to address many of the issues that have appeared the implementation of Albania’s active labour market policies. Still, employment policy clearly entails a wider mandate than simply active labour market measures and VET. The ministry in charge of employment and labour needs to make sure that it has the necessary human and financial resources, as well as the policy orientations, to cover the comprehensive mandate that the country has assumed with the ratification of Convention 122. In this respect, the Ministry of Economy and Finance may wish to consider:

- the adoption of an annual action plan for employment policy implementation, in which the roles of partner ministries are set forth; and

- setting employment target(s) in the new national employment policy in terms of employment (rather than unemployment) rates. It is noteworthy that most of the EU2020 strategy’s employment targets are set in terms of employment (rather than unemployment) rates.

Additional employment policy recommendations include the following:

- Develop holistic programming to support the acquisition of skills for the digital economy, including through occupational, vocational, and career guidance.

- Use tripartite social dialogue to support labour market reforms, inter alia by strengthening and raising the visibility of technical secretariats working on social dialogue.

- Allow for more flexibility in employment programme and policy design. The implementation of active labour market programmes in Albania is based on decisions taken by the Council of Ministers, detailing the type of programme, eligibility criteria for prospective beneficiaries and private providers, compensation levels, duration, and the like. Such a format makes employment programming difficult to adapt to changing circumstances. In most other Western Balkan countries, programme implementation is handled by operational plans, agreed annually by the Ministry of Labour and public employment service, after having reviewed performance monitoring data of prior years and following input from local employment offices. The adoption of such an approach in Albania could allow for the flexibility needed to make employment policy more effective.
Programmes implemented by Albania’s National Employment Service (NES) (on-the-job training targeting low-skilled young people; training and wage subsidies for persons with disabilities; etc.) are broadly in line with similar programmes implemented in EU countries. However, efforts to broaden the occupational profiles supported by adult training plans could help increase their effectiveness. Greater attention should be paid to:

- The identification of the occupations most demanded by enterprises (which is done on an annual basis by the NES’s employers’ survey);
- The design and implementation of a more comprehensive strategy to convince employers to partner with the NES for training purposes (e.g., more generous incentive systems, a more attractive mix of training and wage subsidies for vulnerable groups, lower retention rates);
- Making the duration of training programmes more flexible, to adjust them to the specific needs of individuals (rather than obliging them to attend a full six-month course); and
- Accelerating the adaptation of common EU practices concerning workers with disabilities—particularly as concerns:
  - assessing the capacity of workers with disabilities for labour-market integration (de-emphasizing medical criteria in favour of more holistic approaches that consider other factors related to household, work, relations with others, etc.);
  - allowing workers with disabilities to continue to receive disability pensions (albeit in reduced form) while taking up new employment opportunities (to strengthen work incentives); and
  - increasing employers’ interest in taking up the workplace adaptation grant (i.e., subsidies to support employing workers with disabilities) by training PES staff to advise employers on various forms, types, and costs of workplace adaptation, and to assist them in undergoing the required procedures.

Education plays a critical role both in safeguarding human rights and in building social and human capital. General education is a foundation for specialized education and training, including skills for employment, decent work, and entrepreneurship. General (especially secondary and tertiary) education, as well as vocational education and training (VET) prepare people to enter the world of work, both are important for the country’s continuing development. Education also has important social roles, including facilitating social inclusion for historically marginalized and vulnerable persons and developing critical individuals who can shape society, the economy and the environment in the direction of sustainability. Education also plays a critical role in building social and human capital. A recent UNICEF study finds that under-investment in education costs Albania some $35 million annually. Albania could also benefit from a structured approach that tackles the multiple facets of the skills mismatch facing the country, in the form of underemployment (overqualification) challenges combined with skills gaps and labour shortages in certain occupations.
SDG 4 (“ensure equitable and inclusive quality education and promote lifelong learning opportunities for all”) offers transformative vision for education and learning, that includes but goes beyond education for economic development by seeking to ensure that no one is left behind. It suggests integrated approaches to education as drivers of social and human capital accumulation, both regarding the purposes of education and learning and how these are organized. According to the Incheon Declaration and Framework for Action, SDG 4 “is inspired by a humanistic vision of education and development based on human rights and dignity; social justice; inclusion; protection; cultural, linguistic and ethnic diversity; and shared responsibility and accountability”. Transformative education and training systems should not perpetuate existing social, gender, cultural, and digital divides. Its system-wide, lifelong learning approach requires more flexible learning pathways, as well as the recognition, validation and accreditation of the knowledge, skills and competencies acquired. SDG 4 also implies investments in more balanced support of human capacities, whether through general and vocational education or a combination. In the EU accession context, this corresponds to both the spirit and the letter of the “smart growth” pillar of the Europe 2020 strategy, and of the EU’s Education and Training 2020 strategic framework.

SDG 4 also focuses on early childhood development, envisaging that, by 2030, all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education. All aspects of adult human capital, from work force skills to cooperative and lawful behaviour, build on capacities that are developed during childhood, beginning at birth. Compared to other investments in education, the returns on investment in early childhood education are particularly high, especially for children from disadvantaged backgrounds. (Educational investments later in life bring fewer returns, and tend to disproportionately benefit children from more fortunate socio-economic backgrounds.)

In Albania, pre-primary year is not yet compulsory, and children from remote rural areas and ethnic minorities tend to benefit less from organized early learning opportunities. Budgets for preschool do not meet the requirements for expanded and quality early childhood development. Universalization of the pre-primary year of preschool along with increased participation for 3- and 4-year old children (with a focus on the most vulnerable children) would need to take place alongside increased and more efficient budgets for preschool and improvement of the teaching quality.

Albania has sought to align its education curriculum with the modular, competency-based curricula that are the norm in EU Member States. Further curricular reform measures in Albania could focus on providing better access to quality education services to vulnerable groups. Such investments could not only further boost social cohesion—they can also increase Albania’s international competitiveness. Issues associated with the implementation of GoA commitments in this area would be very likely to come up in prospective EU accession negotiations.

As is pointed out in UNESCO’s 2017 Education Policy Review for Albania, many national education institutions continue to lack basic infrastructure and services, particularly as concerns using ICTs for education, and especially in rural areas. ICTs can play critical roles in supporting
inclusive education by providing people not only with access to information and services but also with opportunities to participate and contribute to the knowledge society. With appropriate support from national education systems, ICTs can be used to improve governance and access to resources, support teachers’ professional development, and quality of learning. In the “future of work” context, investments in ICT are esteemed also for their potential in bringing more female skilled workers and students in science, technology, engineering, and math.

Expanded investment in the physical infrastructure of Albania’s education system should be accompanied by increased spending on capacity development for teachers and school administrators. The Education Policy Review found that ICT knowledge and understanding within the education system is limited—due in large part to the absence of relevant ICT equipment (for skills development). The Education Policy Review offers specific recommendations in this area, including increasing investment in ICT infrastructure, digital learning resources, and the human resources needed to utilize ICT effectively. Targeted support to higher education institutions could help address critical human resource needs in this area—particularly as concerns the preparation of teachers and education professionals. UNICEF and Save the Children in Albania are already partners in supporting the teacher training, and could continue to play an active role
in ensuring that teachers have the skills and experience needed to promote inclusion. Expanded cooperation with technology companies could likewise be particularly useful in this respect. More generally, inclusive education policy and accompanying budgets should be improved,\textsuperscript{81} to ensure that children with disabilities (and other children) complete quality primary and secondary education, leading to relevant and effective learning outcomes (as per SDG target 4.1 on the universal completion of primary and secondary school.)

Investments in health and wellbeing—the determinants go well beyond the public health system—are also central to addressing Albania’s sustainable development challenges. Good health outcomes are associated with EU accession processes, as EU membership is generally seen as synonymous with universal access to quality health care, efficient use of health resources, and responsiveness to patient concerns.\textsuperscript{82} Policies that contribute to these goals span almost the entire breadth of EU policy areas and activities.

In many aspects of health performance (e.g., infant and child mortality, deaths and injuries due to road traffic accidents, data on adolescent births access to modern contraception, tuberculosis, and hepatitis, and cervical screening and other aspects of gynecological health—particularly in rural and remote areas), Albania lags significantly behind EU averages. In response, Albania’s National Health Strategy (ANHS), which is aligned with the NSDI II as well as with the SDGs and the World Health Organization’s Health 2020 strategy for Europe, seeks to ensure “Health for all: more years of life, more healthy years, through quality, timely, consistent and affordable health services for all people in Albania.” ANHS implementation faces gaps in a number of areas, including the following:\textsuperscript{83}

- **End preventable deaths of newborns and children under 5 years of age.** Neonatal mortality in Albania comprises 50% of the infant mortality rates. This calls for serious efforts to address causes of neonatal mortality, and improve coverage and quality of essential health care services for mothers and newborns.
- **Ensuring access to sexual and reproductive health services.** The Strategic Document and Action Plan for Sexual and Reproductive Health 2017-2021 does not clearly specify how universal access to sexual and reproductive health care services is to be ensured; the ANHS does not contain indicators for tracking progress in access to contraception.\textsuperscript{84} This may be difficult to reconcile with EU human and reproductive rights policies.\textsuperscript{85}

\textsuperscript{81} For more on this, see the UN Office of the High Commissioner on Human Right’s General Comment 24/4 on the inclusive education aspects of the implementation of the convention on the Rights of People with Disabilities.

\textsuperscript{82} See, for example, Health Policy and European Union Enlargement (World Health Organization, 2004), and Investing in health: Social investment package (European Commission, 2013).

\textsuperscript{83} For more on this, see Primary Health Care Feasibility Assessment in Albania: Draft Assessment Report, WHO, 2018.

\textsuperscript{84} Alarming low levels of modern methods of contraceptive prevalence are also a concern. Less than 11% of Albania women reported being able to satisfy their family planning needs with modern contraception in the 2008-2009 annual demographic and health survey. Although this share is expected to have risen in the last decade (the completion of the 2008-2009 annual demographic and health survey is expected in September), modern contraceptive use remains a concern—particularly as the GoA has set a cautious goal of only 13.3% of modern contraceptive use by 2020, and as regular GoA monitoring in this area is not anticipated.

\textsuperscript{85} See, for example, Sexual and Reproductive Health and Rights, European Parliament (Brussels, 2016).
Albania's Transport Sector Strategy and Action Plan 2016-2020 (which is where traffic accidents are taken up) does not have strong health and well-being dimensions. But in light of Albania’s on-going urbanization and gaps in road and public transport infrastructure, road safety is a substantial health concern. According to WHO data, Albania experiences more than 15 road deaths per 100,000 population, compared to a European average of less than four road deaths per 100,000 population for Europe as a whole. This is also reflected in the April 2018 EU Accession Annual report, which noted (regarding Albania’s preparations for discharging EU Member State obligations under Chapter 14 of the *acquis communautaire*): “Greater approximation efforts are needed on commercial vehicle inspections, traffic management systems and road safety, including education and enforcement. Albania has to pursue its efforts to align with the [road] safety acquis and develop enforcement capacity.” It is noteworthy that SDG target 3.6 specifies: “By 2020, halve the number of global deaths and injuries from road traffic accidents”.

Antimicrobial resistance (due primarily to excessive use of antibiotics) is recognized both in Agenda 2030 and by Chapter 28 of the *acquis communautaire* as a major European and global health challenge. Possible over-prescription of antibiotics by health workers and easy access to antibiotics in drugstores have been found to be common in Albania. Although emphasis on the misuse of antibiotics (and other antimicrobials) and increased, Albania does not have a national action plan on this, nor is guidance offered on antibiotic stewardship or monitoring antibiotic consumption.

Although reductions in air pollution have been reported for Albania, the health impact of air pollution is not regularly assessed. The population, and especially vulnerable groups, are not provided with sufficient and timely data on air quality accompanied by recommendations on health protection. While Albania has seen significant progress in aligning national waste management legislation with EU standards, implementation of the law is at a very low level, particularly for industrial waste. Also, water quality data are very limited, creating difficulties in monitoring progress towards SDG target 3.9 (“By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination”).

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• **Implementing International Health Regulations** 2005 (IHR) for emergency preparedness and response. Albania is vulnerable to such natural disasters as floods, droughts, and earthquakes—as well as to possible human-induced disasters linked to socioeconomic and political fragility and cyber-security. A 2016 assessment revealed gaps in a number of areas, including:

  - antimicrobial resistance surveillance and infection prevention;
  - a lack of a whole-of-government approach to biosafety and security;
  - insufficient laboratory capacities;
  - the absence of electronic tools to support the public health surveillance (an attempt to develop such a system for syndromic surveillance was not given further support); and
  - gaps in emergency preparedness and response operations, including for effective deployment of personnel and public health response at points of entry, and response to chemical events.

**BOX 14—INCREASING ACCESS TO HEALTH CARE SERVICES: ALBANIA’S HEALTH CHECK-UP PROGRAMME**

The national check-up programme (established in 2014) focuses on prevention and early detection of cardiovascular diseases and oncological risks for all people in Albania aged 35-70. Under this programme public health centres (PHCs) have been renovated and modernized, clinical guidelines and protocols for preventive check-ups developed, and practitioners trained.

This programme has been successful in terms of increasing the numbers of preventive visits to PHCs and changing social attitudes towards primary health care; access to check-ups has been expanded from those in the 40-65 aged cohort to those in the 35-70 aged cohort. Moreover, findings after check-ups allow for updated annual analysis of epidemiological evidence of chronic diseases according to age groups each year.

Further improvements could result from efforts to:

- Broaden the scope of the tests provided;
- Increase the monitoring of detected cases;
- Strengthen follow-up of newly diagnosed cases, especially for patients needing specialized care;
- Tailoring the package of medical check-up tests and examinations to specific risk and disease profiles of individual patients and communities; and
- Addressing such major health risk factors as smoking, physical inactivity, and other unhealthy lifestyle choices.

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87. See Albania: Synergistic Health in Emergencies Ladder Development Scale.
• Achieving universal health coverage. The economic returns to investing in universal health care can be more than 10 times the costs. SDG target 3.8 calls upon states to “achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all”; global SDG indicator 3.8.1 (“Coverage of essential health services (defined as the average coverage of essential services based on tracer interventions that include reproductive, maternal, newborn and child health, infectious diseases, non-communicable diseases and service capacity and access, among the general and the most disadvantaged population”) is classified as Tier II. According to the EU’s April 2018 Annual report, “significant progress needs to be made to ensure everyone in Albania has healthcare coverage”. Fortunately, access to healthcare in Albania has improved in recent years due to the 2015 extension of coverage in primary health care (PHC) facilities to the uninsured, the introduction of the national health check-up programme (Box 14), as well as technological progress. Nonetheless, large out-of-pocket health payments, disparities in urban versus rural access to health facilities, and inadequacies in care for patients with special needs underscore the importance of increased investment in universal health coverage.

• Ensuring adequate health care funding, and equity in financing. In EU Member States, increased government spending on health has been associated with positive economic growth as well as having a fiscal multiplier effect, including in times of recession, with a two- to four-fold return on spending. While the ANHS calls for increasing public health spending to 4.5% of GDP by 2020, it remains below 3%—with primary health care and especially maternal and child health (as well as health information systems) particularly under-funded. Ensuring access to quality health services is an especially strong concern for children living in Roma and other marginalized communities, and in remote areas. The transition from the compulsory health insurance (CHI) system to financing health care via general taxation (also envisioned by 2020) is of particular relevance, as currently the CHI fund finances roughly one quarter of the health system’s activities (although costed and budgeted, the ANHS has not been fully funded). While there is no “one size fits all” model for financing health systems, international experience highlights the importance of reducing fragmentation in pooling arrangements and strategic procurement and effective provider payment methods. Therefore, in the absence of earmarking mechanisms for health financing in Albania (e.g. dedicated excise taxes on alcohol, tobacco, etc.), a gradual transition away from compulsory financing seems most advisable—particularly in light of the on-going implementation of fiscal decentralization. To the extent possible, Albania is also advised to align specific budget allocations to concrete health needs of specific population groups, rather than relying on historical allocations.

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89. Dyakova et. al., op cit.
Policy support: Finance and data

Finance

The Addis Ababa Action Agenda for global development finance emphasizes that, for middle-income countries, official development assistance (ODA) can at best serve to galvanize other, larger financial flows (both international and domestic) in order to fund SDG achievement. This would seem to be the case in Albania, where net ODA inflows have been quite small relative not only to foreign direct investment (FDI) and remittances, but also to government budget revenues (Figure 32). Should Albania succeed in boosting growth and raising the share of GDP collected as budget revenues (inter alia by reducing informality91), this could have very important positive implications for financing SDG achievement.

A public finance analysis conducted for the Voluntary National Report found that some 61% of central government spending under Albania’s 2015-2017 medium-term budget programme could be directly classified as financing for national SDG achievement (Figure 33).

91. International practice suggests that reductions in informality can increase the share of GDP collected as government budget revenues by one to three percentages points.
These indicative figures indicate that activities associated with achieving SDG 10 (“reduce inequalities”) accounted for about one sixth of annual government spending, while activities associated with achieving SDGs 9 (“industry, innovation, infrastructure”), 4 (“lifelong learning”), and 3 (“health and wellbeing”) each accounting for about one eighth. Spending associated with SDG 16 (“inclusive governance”) accounted for about one ninth, while spending associated with SDG 8 (“inclusive growth, decent jobs”) accounted for about one eleventh. By this classification, activities that could be directly associated with “green” SDGs and climate action (e.g., 12, 13, 14, 15), and with gender equality and women’s empowerment (SDG 5—which are often closely associated with child protection and justice) were not well funded.

Two specific funding sources for financing sustainable development are mentioned in the SDGs. SDG target 16.4 calls on UN Member States to “significantly reduce illicit financial flows, [and] strengthen the recovery and return of stolen assets”; Tier III indicator 16.4.1 calls for monitoring of the “total value of inward and outward illicit financial flows”. SDG target 12.c calls on Member States to “rationalize inefficient fossil-fuel subsidies that encourage wasteful consumption by removing market distortions . . . including by restructuring taxation and phasing out those harmful subsidies, where they exist”; Tier III indicator 12.c.1 calls for the monitoring of “fossil-fuel subsidies per unit of GDP (production and consumption)”. Budget funds freed up by reductions in these subsidies can then be redeployed to finance sustainable development in other areas.

Estimates of “mis invoiced trade flows” (a measurable proxy for illicit financial flows) during the 2005-2014 period developed by Global Financial Integrity indicate that these are relatively small in Albania, compared to neighbouring countries. Calculations shown in Figure 34 indicate that, if 20% of Albania's mis invoiced trade flows could have been captured during this time by the state budget (as profit/turnover taxes, or as dividends/retained earnings from state ownership shares in companies involved in these trade flows), this would have expanded the country’s fiscal space by only about 0.3% of GDP annually.
IMF estimates for shares of GDP devoted to energy subsidies in 2013 and 2015—which also include estimates of quasi-fiscal losses due to electricity tariffs not collected—indicate that these were rather larger in Albania (Figure 35)—well above the estimates for neighbouring countries. These subsidies may reflect the impact of variable precipitation levels on Albania’s hydro power production, which may have boosted subsidized electricity imports during the years under review (2013, 2015—see Figure 20). Moreover, reductions in subsidies for household energy suppliers can mean higher household energy tariffs, which may impose hardships on low-income households. However, INSTAT data indicate that spending on energy only absorbs about 5% of Albanian household budgets. The energy-poverty impact of moderate tariff increases due to reductions in electricity losses would therefore be relatively limited.

In addition to freeing up fiscal revenues for other uses, reductions in these subsidies can be expected to raise relative energy prices—thereby strengthening incentive for investments in energy efficiency technologies and helping to reduce greenhouse gas emissions. This would support Albania’s contribution to global climate change mitigation efforts. Reductions in unsustainable energy subsidies could be accompanied greater reliance on green procurement principles, to further align fiscal policy with sustainable resource management principles. Likewise, the further application of gender budgeting principles (see Box 15), and preferential treatment (within reason) of state procurement bids submitted by social enterprises, could help to more closely align Albania’s tax and spending policies with Agenda 2030’s “leave no one behind” principle.

**BOX 15—GENDER BUDGETING IN ALBANIA**

UN Women reports that:

- Gender mainstreaming programmes have been implemented by 10 of Albania’s 11 line ministries.
- Both central and local government bodies are required by law to keep gender-disaggregated data and use them in all the phases of the budget process.
- 28 out of 84 central budget programmes use gender disaggregated statistics to define gender related objectives/outputs in the 2018-2020 Medium-term Budget Programme.

The new Standard Instruction on the Preparation of the Central Budget requires the use of gender disaggregated statistics and key performance indicators (KPIs) in budget preparations. The 2019-2021 Medium-term Budget Programme is expected to provide information on the results of the gender KPIs that have been used during 2018-2020.

- Albania’s Integrated Financial Management System, which is to be implemented during the 2020-2022 budget period, will include specific tracking tools to identify engendered budget programmes, as well as their related costs, expenditures, and outputs.

Albania’s VNR reports (page 28) that 3% of the 2018 central budget is devoted specifically to activities benefitting women or advancing gender equality.

Compared to many other middle-income countries seeking to finance SDG achievement, Albania does possess one important potential advantage—its eligibility for EU pre-accession

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92. INSTAT data indicate that the share of most household budgets devoted to “housing, water, electricity, gas and other fuel” payments was under 10% in 2016.
(and hopefully much larger post-accession) funding from Brussels. This funding—which at present chiefly takes the form of EU financing under the instrument for pre-accession (IPA)—is about $100 million annually. While not particularly large (about 1% of GDP) relative to national macroeconomic aggregates, IPA funding is the largest single component (about 40%) of Albania’s ODA, and serves as an important reference point for funding decisions made by other (especially European) bilateral donors.

As the data in Figure 36 show, allocations for democracy and governance, and for rule of law and fundamental rights programming, comprise about half the total IPA programming monies allocated to Albania during the 2014-2020 budget period; support for agriculture and rural development, and for education, employment, and social policies absorbs another quarter of the IPA budget. As such, these correspond to the GoA’s financing priorities shown in Figure 33—particularly in terms of SDGs 16 (“inclusive governance”) and 10 (“reduce inequalities”). In contrast to the government budget, IPA funding would seem to place a stronger emphasis on environment and climate action.

**FIGURE 36—THEMATIC SHARES OF ALBANIA’S 2014-2020 IPA ALLOCATION**

Experience from the EU’s 2004, 2007, and 2013 expansions shows that new Member States can expect large increases in (possible) post-accession allocations funding from Brussels (Figure 37). Following Croatia’s accession in 2013, for example, prorated annual funding allocations from Brussels rose from less than 1% to nearly 4% of Croatian GDP. However, most new Member States are initially able to absorb only a fraction of the post-accession EU funding for which they are eligible. Moreover, because new EU Member States contribute to the EU budget and must also provide co-financing for the national projects the EU monies are funding,

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93. Such calculations are complicated by the facts that: (i) allocations are made for the entire budget period, rather than on an annual basis; (ii) an EU Member State may generally draw on funds from a given budget period up to two years after the budget period ends; and (iii) reported absorption figures typically include national co-financing, as well as EU monies. 2016 GDP data are used here as reference.

94. The current (2014-2020) EU financial perspective (budget period) has six major funding windows, for Member States: for regional development, social, cohesion, agricultural, maritime and fisheries, and youth employment.
weak absorption capacity can mean that a new Member State can be a net contributor to (rather than net beneficiary of) post-accession EU funds. So while promises of post-accession EU funding may be alluring, they may not be so easy to take to the bank.

Two sets of factors typically account for initial difficulties in absorbing post-accession EU funding. These include first and foremost institutional capacity bottlenecks—particularly in central and sub-national government agencies. At issue are national institutions’ abilities to design and implement infrastructure and other development projects that meet the European Commission’s project-cycle management and fiduciary standards. Capacities for cross-sectoral cooperation—for central and sub-national government agencies to work with partners from the private sector and civil society (which often hold the information and expertise needed for successful project design and implementation)—are also critical. Albania’s above mentioned gaps in these areas—particularly as concerns monitoring and evaluation, and inter-sectoral partnerships—may raise questions on this score.

Second, significant up-front national co-financing (of up to 25% of the project in question) is often required to gain access to post-accession funds. This co-financing typically involves pragmatic, project-specific financial engagement of both public development and private financial institutions working at national and sub-national levels. It is not clear that Albania’s financial system has reached a point where such project co-financing can be easily and reliably secured at scale.

In any case, the finance for development benefits of EU membership for new Member States seem likely to remain significant for the foreseeable future. The governance reforms described in this report may therefore be needed not only to get Albania into the EU—but also to help the country to take advantage of post-accession development opportunities. The strategic management and effective use of IPA funding to effect these reforms and build the institutional capacities needed for the eventual absorption of post-accession funding can be very important in this respect.
Data issues

The analysis presented above has in many places called attention to gaps in Albania’s statistical systems. Addressing these gaps is of critical importance both for monitoring and reporting on national progress towards SDG achievement and for preparing to discharge Albania’s prospective statistical obligations as an EU Member State. National legislation, policies, strategies and action plans already exist in many crucial policy areas for the NSDI II, EU Accession and the 2030 Agenda. Yet, as the NSDI II’s 2020 terminus approaches, data gaps make it difficult to assess the extent to which these policies and programmes have actually been implemented.

Some data issues continuously recur in different policy areas across the SDGs and the EU accession agenda. These include the need for comprehensive approaches to data in such policy areas as health and well-being, employment, or education. For example, achieving SDG 4 requires the adoption of lifelong learning approaches to education and training policies, covering all phases of life from early childhood development, though youth, adulthood including the senior years. There are clear implications of a lifecycle approach for data collection and analysis, such as the need for longitudinal data and information about the aspirations of individuals, their decisions and actions.

The GoA and INSTAT are currently implementing the Official Statistics Programme for 2017-2021. On the one hand, the programme seeks to put in place a framework for the regular monitoring of an additional 582 indicators, to allow for stronger, better tracking of environmental, health, and other social and economic trends. It is clearly influenced by the capacity development needs associated with EU accession, which is quite understandable and broadly compatible with meeting the challenges of SDG reporting. (For example, the programme calls for the compilation of the EU’s Gender Equality Index, to be based inter alia on time use, and political and economic empowerment data.)

On the other hand, the programme does not address issues of SDG nationalization, monitoring, and reporting in any detail. While it does mention “preparing the indicators in the framework of the sustainable development goals set by the United Nations” (page 20), it is not clear what this means—or how this work would support the eventual designation of national SDG indicators, and the setting of baseline and terminal values for them.
As work on this programme goes forward, the following points should be kept in mind:

- More than 70% (roughly 175) of the global SDG indicators now fall into the Tier I and II categories—meaning that they can be monitored on the basis of internationally comparable methodological frameworks approved by the UN Statistical Commission. However, the National Baseline Report found that less than one third of the global SDG indicators are used for tracking progress in the implementation of the NSDI II and other major national development documents (out of more than 1200 total indicators used). Serious efforts may therefore be needed to collect the data needed to monitor those global Tier I and Tier II indicators that are relevant for Albania. As the analysis in this report’s Mainstreaming section shows, the absence of such data may weaken reporting on progress in EU accession, as well as on national SDG achievement.

- Eurostat’s Statistics on Income and Living Conditions (EU-SILC) survey was introduced in Albania in 2016; according to the Official Statistics Programme, EU-SILC is to be conducted annually—along with the (more globally comparable) Household Budget Survey and Time Use Surveys. In some other countries preparing for EU accession, national statistical offices have chosen to forgo the administration of household budget surveys (HBS), and focus instead on EU-SILC. The regular administration of EU-SILC in Albania would certainly offer valuable additional information—particularly in terms of tracking Albania’s progress in converging towards EU living standards. However, it would be a shame if the advent of EU-SILC would further reduce the frequency with which the HBS is administered and its results analysed. The fact that Albania’s absolute consumption poverty data (the collection of which are typically based on LSMS data) have not been updated since 2012 may be a case in point.

- These and other factors highlight the importance of conducting an updated INSTAT capacity assessment. Such an assessment could both build on the results of the 2010 Eurostat-sponsored exercise and help INSTAT to more effectively coordinate the gathering and analysis of administrative data (including from sub-national governments), in order to help accelerate progress in national SDG monitoring and reporting. The better use of gender statistics and other data instruments that allow for a deeper focus on vulnerable groups, as well as sub-national data trends, are critical if INSTAT data are to help to better ensure that “no one is left behind”.
Annex I
MAPS mission terms of reference

Background

Introduction
On September 2015, Albania along with other 192 UN member states, committed to the implementation of the 2030 Agenda for Sustainable Development, by adopting the Declaration of the Summit on Sustainable Development. Demonstrating commitment towards the 2030 Agenda, the Government of Albania (GoA) has embarked the integration and mainstreaming of the Agenda 2030 with the National Strategy for Development and Integration 2015–2020 (NSDI II) and National Statistical Programme II.

Albania is well positioned to achieve strong progress on SDGs by building on its development gains through sweeping reforms, namely, the administrative territorial reform, public administration, judiciary, social and energy reforms. Positive reactions from Brussels on the opening of the accession talks, potentially to happen next year, have alerted the Government’s need to prepare with adequate structures and capacities to deal with the negotiations with EU. The EU negotiations will primarily focus on the alignment of normative and legislative frameworks with EU acquis.

The essential and complementary role of the UN is to ensure the inclusion of the “Leave No One Behind” agenda thus garnering support and focusing attention on the issues and concerns of the most vulnerable and marginalised, while placing emphasis on social inclusion and human rights. UN has made critical contributions in social policy reforms: Roma, persons with disabilities, social protection and child protection etc. which have resulted in better alignment with international human rights norms and standards. Nonetheless, lack of financial and human capacities and unclear accountabilities for their implementation, coupled with discriminatory social norms and attitudes, continue to hinder progress for the most marginalized, particularly for the most disadvantaged segments of the Albanian population. Moreover, efforts must now focus on the development of planning and budgeting instruments and capacities of stakeholders involved at the national and local level to be able to operationalize these critical reforms, which have been driven at a high pace in order to adhere to EU integration requisites.

The UN in Albania has been a key supporter of GoA efforts to implement EU reforms, and is continuously engaged with Government, development partners, civil society to identify common
ground for establishing synergies between the two processes.

The MAPS mission is organized in such context, following on the recommendations provided by the Pre-MAPS mission which took place in early July 2017, organized by UNDP Istanbul Regional Hub in the context of a WB6 tour of missions, which examined mutual advantages of EU accession process and pursuit of Agenda 2030.

Coordinated by the Peer Support Group and led by UNDP, the MAPS mission to Albania to support the efforts of adapting SDGs to national needs will be conducted during 16-20 April 2018.

These terms of reference (ToRs) provide details for the mission, including the UN SDGs-MAPS approach, country context and background as well as the objectives, activities, deliverables, and composition of the mission.

**SDGs-MAPS approach**

The 2030 Agenda for Sustainable Development represents a transformative set of commitments, underpinned by human rights standards, for ending poverty and protecting the planet. It represents a historic confluence of different UN processes that address key development and humanitarian challenges, with strong ownership by the Member States.

The role of the UN Development System (UNDS) to support implementation of these commitments is framed by the MAPS\(^6\) common approach adopted by the United Nations Development Group (UNDG). MAPS is a UN system-wide undertaking which mobilizes UNCTs and leverage UN Agencies’ collaborative advantages to contribute to people-centered and rights-based sustainable development.

This support is reinforced through an inter-agency issue-based approach that mobilizes various UN Agencies to join the MAPS missions, especially when their involvement contributes substantively to the principles of Agenda 2030, development priorities and potential acceleration, rather than representation alone. MAPS thus represents a new form of Delivering as One in supporting national SDG implementation. Consequently, UN Agencies/UNCT engagement in MAPS missions are led by UN Resident Coordinator in its coordination role in organizing joint MAPS missions. The UNCT is engaged in the planning, design and composition of the MAPS Mission. Participation of World Bank as member of the MAPS team can help support the assessment of various economic aspects and/or financial tools for SDG achievement.\(^6\) and EU Brussels will be also invited to be part of the MAPS team to cover respectively statistical and EU integration matters.

\(^5\) MAPS: M-Mainstreaming, A-Acceleration, PS-Policy Support

\(^6\) On the other hand, UNDESA’s proposed participation needs to be considered in light of the expected heightened roles of the Peer Support Group (PSG) and the Issue Based Coalitions (IBCs) to support MAPS during 2018. In effect, it should be noted that amongst the existing six IBCs, there is one on SDG Data chaired by UNICEF. Moreover, UNICEF Co-Chairs the IBC on Social Protection with ILO and UNDP, and UNICEF also Co-Chairs the IBC on Adolescents and Youth with UNFPA.
TYPICAL MISSION FOCUS

The UNDG Mainstreaming Reference Guide\(^97\) outlines the following key areas of focus:

- Raising Public Awareness
- Applying Multi-Stakeholder Approaches
- Tailoring SDGs to National, Sub-national and Local Contexts; and
- Monitoring, Reporting and Accountability
- Creating Horizontal and Vertical Policy Coherence
- Budgeting;
- Assessing Risk and Fostering Adaptability.

However, as countries progress with nationalization and internalization of Agenda-2030, it will be critical to look at “Acceleration”, i.e., to address the bottlenecks of individual SDGs, help identify synergies across groups of SDGs, considering the trade-offs among them, and finding the root bottlenecks which if unlocked could accelerate progress across a number of SDGs at the same time. The focus in this regard will need to be on supporting:

- integration (i.e., multi-sectoral solutions);
- last-mile analysis (to help ‘leave no one behind’); and,
- risk management (given that shocks, whether economic, linked to natural hazards, to epidemics, or to conflict and violence, often derail development).

The mission could also facilitate initial discussions for the integrated “Policy Support,” by the UN Agencies, as an important component of MAPS, including identifying opportunities for the development of joint research and policy support.

MAPS Missions

The UN will deploy integrated missions to each of the selected countries, drawing on high-level managers, and identifying relevant technical expertise for each country context. Preparatory analysis will be conducted by a support team to assess the state of play as regards SDG implementation and the potential entry points for UN support to accelerate the implementation of 2030 Agenda, drawing on technical resources and tools from across the organization, and from other UN agencies or partners as appropriate. For Albania, based on the discussions and agreement in the UNCT, the Deputy Prime Minister and Chair of the National Inter-ministerial Committee for Sustainable Development of the Republic of Albania and Department for Development and Good Governance at the Prime Minister’s Office, UN will deploy a MAPS mission in April 2018. The mission’s agenda and deliverables have been identified through consultations with the Prime Minister’s Office, Government ministries and agencies, and the UNCT. The Albania MAPS mission on SDGs is driven by strong interest expressed by the Government of Albania to own the process of adapting the SDGs to national needs. The specific outputs of the mission and MAPS exercise are presented in section III.
Albania and Agenda 2030

On September 2015, Albania along with other 192 UN member states, committed to the implementation of the 2030 Agenda for Sustainable Development, by adopting the Declaration of the Summit on Sustainable Development. Demonstrating commitment towards the 2030 Agenda, the Government of Albania (GoA) has embarked on the alignment of Agenda 2030 with the National Strategy for Development and Integration 2015–2020 (NSDI II).

The UN in Albania is supporting the GoA in rolling out the SDGs with a focus on advocacy and sensitization, prioritizing and localizing the SDGs, and mainstreaming them into national policies and plans using MAPs as a basis. Through UNDP support, SDGs are integrated into NSDI 2015-2020 and National Statistical Programme 2016-2020. As a result, the NSDI features an Annex which shows the linkages between the pillars and sub-themes with the different SDGs (including, for example, a set of 21 governance indicators). From a gender perspective, the Sustainable Development Goals (SDGs) represent a significant step forward, covering for the first-time core areas of the feminist agenda. Gender statistics are essential for monitoring achievement of the goals, especially the need to ensure no one is left behind. INSTAT has mapped existing data to SDG reporting requirements which shows that just over one third (38%) of the indicators are currently available. The remainder require the introduction of new collection activities, new technologies or improved statistical methodologies in order for them to be produced. INSTAT has called for equipment, financial and technical support to achieve this.

The SDGs represent an important opportunity to build on earlier investment in gender statistics in Albania and make rapid progress with innovative approaches. While the collection of sex-disaggregated data has been mandatory in Albania since 2008 following the introduction of the Law on Gender Equality, enforcement of the law has been lacking and the actual use of sex-disaggregated data and gender statistics for policy development, budgeting, and monitoring of national development priorities is still far from satisfactory. Significant technical and capacity support are required at central and local levels to support coherent collection, analysis, and use of sex- and age-disaggregated data and gender statistics, and to ensure compliance with international and European standards. The new set of gender indicators in the National Statistical Programme 2017-2021 can be used for monitoring the SDGs. One of the achievements of supporting INSTAT in this process is the integration of international standards and methodologies in the statistical programme, including social surveys required by EUROSTAT or ILO for the calculation of gender indicators. This will ensure the national statistical system can produce Tier I UN and SDG indicators in accordance with international standards.

A stock-taking exercise, using the UN Rapid Integrated Assessment tool, assessed level of integration of SDGs into NSDI 2015-2020 and sectoral programmes, indicating that a substantial number of SDG targets and indicators are not covered by the current Albanian policy framework.

99. INSTAT. Presentation by Delina Ibrahimaj, Director, to a Donor Support Meeting. [need to clarify date and location of this meeting]
101. The analysis involved assessments at the goal, target and indicator levels of the NSDI II and related strategic frameworks, comprising a set of more than 50 national strategies, national plans and policy documents.
In the first half of 2017, the Prime Minister’s office prepared a Baseline Report (near final draft), collecting available data against the SDG indicators and a National Action Plan that outlines how Albania intends to pursue SDG achievement. Preparations are ongoing for (i) State Budget Baseline Analysis against SDGs in Albania and (ii) a needs assessment on INSTAT capacities in the country, both to be finalized within 2018Q1. In May, an inter-ministerial Committee and inter-institutional Working Group for the achievement of SDGs were established. First meetings were held in May 2017, which served for stakeholders to be aware on the SDGs process and needs.

A Pre-MAPS mission took place in early July 2017, organized by UNDP Istanbul Regional Hub in the context of a WB6 tour of missions, organized under the Development Integration Partner Forum “Albania in its way to EU accession and SDGs”102, which examined mutual advantages of EU accession process and the pursuit of Agenda 2030. The Government has committed to a MAPS mission in April 2018, whose findings will feed into Albania’s Voluntary National Report (VNR) to be presented at 2018 HLPF, the preparations for which will be supported by UNDP global ($20,000). The VNR will be based on a long process of consultations (Nov.2017 – May 2018) with various stakeholders at the national and sub-national level focused on the prioritization and nationalization of SDGs and an overall adaptation of Agenda 2030 for Albania, with linkages to EU integration processes.

Following ongoing UN efforts to establish partnerships with academics, parliament, private sector, civil society and others to support the country in achieving the global goals, 25 Albanian Universities signed a Declaration of Commitment103 (Oct.) to play an active role in advancing the Agenda 2030 for Sustainable Development in the country. The commitment reached will be further materialized through academia’s role, as a member of Albania’s high level inter-ministerial SDG Committee, in shaping forward actions in support of SDGs. In addition, the Albanian Parliament unanimously- both ruling and the opposition parties- approved (Dec.) a resolution104 on commitment to Agenda 2030 and SDGs, committing to its promotion, implementation and monitoring, through inclusive and broad-based development processes, in line with Albania’s development priorities and EU integration.

To guide coordinated actions in support of SDGs, the UN established an UN-INSTAT Joint Data Group (2016) and a GoA – UN SDG Task Force (2017) with focus on VNR preparations and beyond. In addition, the UN is working closely with Prime Minister Office to reposition the UN Coherence Fund as UN SDG Acceleration Fund - encouraging partners to support the acceleration of Albania’s achievement of the SDGs.

Regarding outreach, the UN in Albania has been active in organizing many events to draw attention to SDGs, These include: the SDG week Social Good Summit105 (coinciding with UN GA/in September); activities with young people across the country (awareness session with students from University

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and high-schools; innovation boot camps focused on specific SDGs); the engagement of Albanian CSR networks, the International Chamber of Commerce, CSOs, academia, and partnerships with businesses, with the aim to raise public awareness about the SDGs.

Despite this progress, challenges remain concerning the on-going restructuring of central and sub-central government bodies. Line Ministry focal points are not yet officially assigned following the GoA restructuring in September; the baseline report and national action plan are still in their draft forms and have not been shared/consulted with all relevant partners for feedback and validation; efforts to institute regular/periodic meetings of the SDG Committee and Working Group to push forward GoA coordination, communication, vision and target setting until 2030 continue to face difficulties; and national M&E systems, institutional capacities, data collection systems, coherence, and innovations should be improved. There is a broad recognition of the need for stronger GoA ownership in the SDG pursuit as well as partnerships with parliament, civil society, media and other key national stakeholders.

ACCELERATING THE IMPLEMENTATION OF AGENDA 2030 IN ALBANIA

The identification of accelerators should include such steps as i) identifying ‘accelerators’ and drivers that enable progress across the SDGs; ii) identifying and prioritizing interventions that drive progress on the accelerators; iii) identifying and prioritizing bottlenecks to acceleration; and iv) identifying and prioritizing bottleneck solutions. Such an approach enables the selection of pivotal SDG areas where focused investments of efforts and resources may bring disproportionally high gains.

MAPS Mission outputs

MISSION OBJECTIVES

The one-week SDG MAPS mission will propose recommendations to the Government of Albania towards SDG acceleration, reflective of the country context and needs assessed during the mission consultations and stakeholder meetings, combined with analysis supporting the identification of synergies between EU integration and SDG achievement. The Mission will be informed by the findings emerging from the use of MAPS tools (such as the RIA, SDG Dashboard and Bottleneck Assessment) and taking into consideration the progress already made in achieving the SDGs, the national development agenda linked primarily to EU accession, and the need to identify synergies.

Overall, the MAPS mission should guide UN support to Government efforts to align national development priorities with the SDGs and EU accession, with a particular emphasis on such programmatic frameworks as the national action plan for SDG implementation, the SDG baseline assessment, and the successor documents to the NSDI II and relevant sectoral strategies. This support will reflect emerging developments and trends in EU accession processes, reflecting inter alia the EU’s Strategy for the Western Balkans, and the Berlin Process. It will also examine SDG financing possibilities associated with current and future IPA programming, as well as initiatives from EIB and other European financial institutions. Where possible, these recommendations will address sub-national as well as national level initiatives.
These recommendations will identify synergies between Agenda 2030 and EU accession processes, in ways that minimize duplication and monitoring and reporting costs. They will be based on those areas in which the UN Development system has a strong mandate and expertise—many of which are linked to Agenda 2030’s “leave no one behind” dimensions. These include, for example, human rights-based approaches, gender equality and women's empowerment, social protection and inclusion (inter alia for Roma and Egyptians), sustainable natural resource management, and reducing disaster climate risks and promoting resilience.

Key specific objectives include:

(i) After reviewing the NSDI II and taking into consideration sectorial strategies as well as the SDG baseline report and the national action plan for SDG implementation, provide recommendations on the SDG target setting and prioritization process and related planning instruments/coordination mechanisms.

(ii) Review the existing sub-national, national and sectoral M&E platforms in the country and propose on how Albania can leverage its existing statistical and M&E capacities and/or opportunities to utilize new data sources for more timely and rapid monitoring of SDGs, including through human rights-based approaches to data and appropriate disaggregation by age, sex, geography, income, disability, etc.

(iii) Use the SDG Bottleneck Assessment Tool to prepare a bottleneck assessment (which identify the bottlenecks/barriers for further progress) and propose concrete steps for Government’s processes (national and sub-national levels), in tandem with the NSDI II and local development plans.

(iv) Further to consultation with stakeholders, identify main main entry points for the UN in Albania for support on negotiations processes, the Berlin process, and IPA. Identify to the most important policy links between the EU acquis chapters and the 2030 Agenda.

(v) On the SDG financing aspects, analyze current and future trends in national and regional IPA programming, as well as other European financial initiatives (such as the EIB’s Economic Resilience Initiative). Link this to the results of the SDG financing analysis of the mid-term budget programme (MTBP) and propose blended financing solutions.

(vi) Provide strategic recommendations to the Government on the Voluntary National Reporting (VNR) process and key highlights to be considered in the VNR report from perspectives of national SDGs commitments.

(vii) Provide recommendations to the UNCT on concrete steps to support SDG mainstreaming, by:

- Identifying opportunities within the UNDAF framework where increased programmatic support can address Government interests in pursuing EU accession while also advancing SDGs. The latter will feed into the new UNCT Resource Mobilization Strategy.
Understand the coordination and institutional/sectoral leadership within the national and sub-national government bodies, and between parliament, civil society, the private sector, academia and development partners, and identify opportunities for optimization/improvement, while taking into consideration existing strategies and plans, and main sectorial strategies (per SDGs main thematic areas or NSDI II priorities and EU Country Strategy, recommendations from the Treaty bodies and Charter based bodies (such as UPR, CEDAW, etc).

**PRE-MISSION ACTIVITIES**

A successful MAPS mission requires significant preparatory work, to provide substance for discussion during in-country mission. The below area set of activities that will be completed before the MAPS mission to Albania or carried out in parallel:

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<tr>
<th>Activities</th>
<th>Responsible</th>
<th>Timeframe</th>
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<tbody>
<tr>
<td>1. Consultations with Government on the VNR</td>
<td>Government/DDGG and UNCT/SDG Task Force</td>
<td>December- May, 2018</td>
</tr>
<tr>
<td>2. Support to Government for Preparation of the VNR outline</td>
<td>DDGG and UNCT/ SDG Task Force</td>
<td>February-June, 2017</td>
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<tr>
<td>3. Mid Term Budget Analysis vs SDGs</td>
<td>Government Ministry of Finance UNDP and UNCT</td>
<td>March- April 2018</td>
</tr>
<tr>
<td>4. Finalization of the SDG Baseline Report</td>
<td>Government/DDGG</td>
<td>January 2018</td>
</tr>
<tr>
<td>5. Assessment of the INSTAT capacities on SDGs</td>
<td>INSTAT/UNDP/ SDG Taskforce</td>
<td>February-March 2018</td>
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</table>

The mission is expected to improve the public awareness – for this reason, the programme will include a round of consultations with media, CSOs at the national and local levels together with UN agencies in Albania (where possible) with an aim to provide better understanding on SDGs, to provide opportunities to the public to raise their voice and to contribute, etc.

**MISSION ACTIVITIES/PROGRAMME**

Meetings with the following stakeholders and counterparts will be included:

**Government**

- Deputy Prime Minister
- Inter-ministerial Committee (IMC) for SDGs (PM Order N° 63, dated 12/05/17)
- Inter-Institutional Working Group for SDGs (PM Order N° 70, dated 22/05/17)
- Department of Development and Good Governance serving as Secretariat to IMC
- Sector of Social Inclusion and Gender Equality – coordinating unit on GE
- Delivery Unit, PM’s Office
- Thematic Working Groups/Integrated Policy Management Groups in the areas of social sector, justice, small arms and light weapons control, gender, finance, agriculture, public administration, anti-corruption, environment, energy, and digitalization/e-governance/innovation, amongst others.
- Local Public Authorities of first level (municipality)
- INSTAT- National Statistical Office
Parliament

- Parliament representatives of Committees on Legal and Social Affairs, EU Integration, including members of the Women’s Caucus and Parliamentary Group on Children.

Consultations with Partners and Stakeholders

- Academia, think-tanks and private sector
- Civil society, including:
  - organizations of vulnerable and sub-represented groups (women’s organizations, youth groups, LGBTI organizations, advocates, human rights and gender experts, persons with disabilities, Roma, children etc)
  - Independent oversight bodies: People’s Advocate, Commissioner on Anti-discrimination
  - EU Delegation
  - Development partner community- Donor Technical Secretariat and Development Integration Partners
  - Meeting with UNCT, the GTRG and UNDAF Results Groups.

MISSION DELIVERABLES

1. Report on the MAPS mission to contain the following key elements:

   (i) An SDG Dashboard and based on that a suggested prioritization of SDGs targets, taking into account national development priorities.

   (ii) A description of a process for setting baseline values and targets for SDG indicators, with implications for related planning instruments/coordination mechanisms.

   (iii) Recommendations concerning natural disaster and climate risk management, within the Agenda 2030 context.\textsuperscript{106}

   (iv) The presentation of potential SDG accelerators/accelerator platforms.

   (v) A proposal for a national SDG monitoring system, including the modality for its institutionalization and quality assurance mechanisms at national and sub-national levels, and recommendations on strengthening relevant statistical foundations, as well as international reporting on SDGs, by using existing statistics, open data, and new data. Where possible, this system will integrate human rights-based approaches to data production and use for policy-making and advocacy for SDGs in terms of leaving no one behind. The findings of the overall analysis of statistical actors and the role of INSTAT (to be held in early 2018) will support this proposal.\textsuperscript{107}

\textsuperscript{106} Given the 2018 VNR theme on resilience, the 2016 sub-regional “HDR Risk-Proofing the Western Balkans” (especially Chapters 3, 4 and 7) can serve as a useful background.

\textsuperscript{107} The poverty risk analysis conducted by UNDP in 2017 with support from IRH will offer a basis for defining the availability and reliability of data.
Recommendations on the integration of SDG targets by priority NSDI II pillars

Recommendations to sharpen synergies and complementarities of EU and SDG agendas and key entry points for UN Country Team.

Recommendation of policy areas related to EU acquis chapters that might require prerequisite focus of the UN for support to the Government

Recommendation of potential financing options for SDGs;

Recommendations to the UNCT on coordination and partnership aspects for SDGs;

Strategic recommendations to the Government on the Volunteer National Reporting process and key highlights to be considered in the VNR report

MISSION COMPOSITION

The UNCT is engaged in the planning, design and composition of the MAPS teams. The mission will be coordinated by the Peer Support Group, led by UNDP IRH Hub. Mission members will consist by several staff from UN Regional Offices, – members of the regional IBCs, WB, and a representative from the EU Brussels office.

At the country level, the MAPS exercise will be guided by the UN Resident Coordinator and the UNCT with support provided by the SDG Task Force.

MISSION ITINERARY

Details to be determined and presented separately.
Annex II
MAPS mission team composition, report contributors

The MAPS mission team consisted of the following:

- Ben Slay (UNDP)—Team leader, representative of UN Issue-based Coalition on Social Protection
- Nigina Abaszade (UNFPA)—Representative of UN Issue-based Coalition on Gender
- Keith Holmes (UNESCO)—Representative of UN Issue-based Coalition on Data
- Bettina Menna (WHO)—Representative of UN Issue-based Coalition on Health (with Maria Emilia Aragon de Leon, WHO)
- Daniela Zampini (ILO)—Representative of UN Issue-based Coalition on Youth
- Robert Bernardo (UNDP)—Governance, rule of law, M&E systems
- Sarangoo Radnaaragchaa (UNECE)—Environment, water, energy
- Evis Sulko—World Bank
- Edina Halapi—EU Delegation

The MAPS mission team leader served as the report’s principal author and compiler, based on contributions received from mission team members. Contributions to and comments on the report are gratefully acknowledged from many other agencies and individuals, including (but not limited to): Antonin Braho, Ilir Ciko, Armen Grigoryan, Elda Hallkaj, Elvita Kabashi, Tomas Marques, Jasmina Papa, Mihail Peleah, Valeria Rocca, Lejla Sadiku, Fionalba Shkodra, Brian Williams, Sabrina Ymeri, and the UN Albania Country Team.