



**REPUBLIKA E SHQIPËRISË
PRIME MINISTER'S OFFICE
CHIEF NEGOTIATOR
NATIONAL IPA COORDINATOR**

ANNUAL REPORT

ON THE IMPLEMENTATION OF IPA II ASSISTANCE

UNDER DIRECT AND INDIRECT MANAGEMENT

REPUBLIC OF ALBANIA

Submitted by

The National IPA Coordinator

Date

15/02/2021

Period covered by the report: 01/01/2020-31/12/2020

Table of Contents

EXECUTIVE SUMMARY.....	6
II. INFORMATION PER SECTOR	32
II.1. Democracy and Governance.....	32
II.2. Rule of Law and Fundamental Rights	69
II.3. Environment, Climate Action and Energy.....	87
II.4. Transport.....	107
II.5. Competitiveness and innovation, agriculture and rural development.....	116
II.6. Education, employment and social policies.....	131
II.7. Territorial cooperation and regional cooperation	146
III. PERFORMANCE INDICATORS	153
III.1. Democracy and Governance	153
III.2. Rule of Law and Fundamental Rights.....	163
III.3. Environment, Climate Action and Energy	170
III.4. Transport	174
III.5. Competitiveness and innovation, agriculture and rural development	183
III.6. Education, employment and social policies	191
III.7. Territorial Cooperation and Regional Cooperation.....	192
I. OVERVIEW AT THE ACTION LEVEL.....	193
IV.1. Democracy and Governance	193
IV.2. Rule of Law and Fundamental Rights.....	221
IV.3. Environment, Climate Action and Energy	230
IV.4. Transport	236
IV.5. Competitiveness and innovation, agriculture and rural development	240
IV.6. Sector: Education, employment and social policies.....	245
IV.7. Territorial Cooperation and Regional Cooperation.....	245
ANNEXES	257
Annex 1a. Overview of the functioning of the management and control systems.....	257
Annex 1b. Transparency, visibility, information and communication activities	257
Annex 2. Success stories	262
Annex 3. Annual procurement plan	264
Annex 4. Sector approach roadmap – achievements.....	265

List of Abbreviations

AA	Audit Agency for the EU Accredited Assistance Programmes
ABER	Annual Budget Execution Report
AD	Action Document
ADA	Austrian Development Agency
ADISA	Agency for the Delivery of Integrated Services in Albania
AFMIS	Albanian Financial Management Information System
AIR	Annual Implementation Report
AKUM	National Agency for Water Supply and Sewerage and Waste Infrastructure
ALSAI	Albanian Supreme State Audit Institution
AMBU/WRMA	Agency for Water Resources Management
ANES	Albanian National Extension Service
AP	Action Plan
ARA	Albanian Roads Authority
ARDA	Managing Authority and Agency for Rural Development
ASP	Albanian State Police
ASPA	Albanian School of Public Administration
BIDS	Business and Investment Development Strategy
BoA	Bank of Albania
BMZ	German Federal Ministry for Economic Cooperation and Development
CBC	Cross Border Cooperation
CCPARS	Cross-Cutting Public Administration Reform Strategy
CEPOL	European Union Agency for Law Enforcement Training
CAP	Country Action Programme
CFCU	Central Financing and Contracting Unit
CfP	Call for Proposals
CIHEAM	Mediterranean Agronomic Institute of Bari
CoE	Council of Europe
CoM	Council of Ministers
CSOs	Civil Society Organization's
CSP	Country Strategy Paper
CUP	Community Upgrading Project
DCM	Decision of Council of Ministers
DIP	Development and Integration Partners
DLDP	Decentralisation and Local Development Programme
DoPA	Department of Public Administration
DPS	General Directorate of Standardization
DTG	Decentralisation Thematic Group
DTS	Donor Technical Secretariat
EAMIS	External Assistance Management Information System
EaSI	Employment and Social Innovation
EC	European Commission
EPR	Extended Producer Responsibility
EU	European Union
EUD	European Union Delegation
EUSIWM	EU Support to Integrated Water Management
EUSWAM	Eu Support Waste Water Management and Treatment Services
FA	Financing Agreement
FD	Floods Directive
FMC	Financial Management Control
FO	Front Office
FTP	Financial Planning Tool

FWA	Framework Agreement
GMO	Genetically Modified Organism
GoA	Government of Albania
ICFR	Internal Control Framework Requirements
ICITAP	International Criminal Investigative Training Assistance Programme
ICT	Information and Communication Technology
IFI	International Finance Institution
IPA	Instrument for Pre-Accession
IPMG	Integrated Policy Management Groups
IPARD	Instrument for Pre-Assistance for Rural Development
IPRO	Immovable Property Registration Office
IPS	Integrated Planning System
IPSIS	Integrated Planning System Management Information System
ISARD	Inter-Sectoral Strategy for Agriculture and Rural Development
ISC	Integrated Service Centre
ITS	Intelligence Transport Systems
JRC	Joint Research Centre of the European Commission
GIS	Geographic Information System
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HEIs	Higher Education Institutions
HIDAACI	High Inspectorate of Declaration and Audit of Assets and Conflicts of Interest
HIPAU	Head of IPA Unit
LGU	Local Government Unit
LM	Line Ministries
MC	Monitoring Committee
MCS	Management and Control System
MARD	Ministry of Agriculture and Rural Development
MFA	Macro-Financial Assistance
MHSP	Ministry of Health and Social Protection
MEI	(former) Ministry of European Integration
MEFA	Ministry for Europe and Foreign Affairs
MIE	Ministry of Infrastructure and Energy
MoFE	Ministry of Finance and Economy
MoHSP	Ministry of Health and Social Protection
MoI	Ministry of Interior
MoP	Manual of Procedures
MoJ	Ministry of Justice
MoEYS	Ministry of Education Youth and Sports
MTBP	Medium Term Budget Programme
MTE	Ministry of Tourism and Environment
MTR	Mid-Term Review
NAES	National Agency of Employment and Skills
NAIS	National Authority for Information society of Albania
NAMA	Nationally Appropriate Mitigation Action
NAO SO	NAO Support Office
NAVETQ	National Agency for Vocational Education and Training and Qualification
NCAC	National Coordinator of Anti-Corruption
NCPs	National Contact Points
NEET	Not in Education, Employment or Training
NESS	National Employment and Skills Strategy
NF	National Fund
NGOs	Non-Governmental Organizations
NIPAC	National IPA Coordinator
NIPAC SO	NIPAC Support office

NPEI	National Plan for European Integration
NSDI	National Strategy for Development and Integration
NSDIQV	National Cross-cutting Strategy for Decentralization and Local Government
NSIP	National Strategy for Intellectual Property
NSPS	National Social Protection Strategy
NTS	National Transport Strategy
OSH	Occupational Safety and Health standards
OPDAT	Office of Overseas Prosecutorial Development, Assistance and Training
OSHEE	Electricity Power Distributor Operator
PAR	Public Administration Reform
PFM	Public Finance Management
PMO	Prime Minister's Office
PMR	Project Monitoring Report
PPC	Public Procurement Commission
PPP	Public Private Partnership
RIA	Regulatory Impact Assessment
ROM	Result-Oriented Monitoring
S3	Smart Specialisation Strategy
SARs	Sector Approach Roadmaps
SBS	Sector Budget Support
SHUKALB	The Water Supply and Sewerage Association of Albania
SIDA	Swedish International Development Cooperation Agency
SMC	Sectoral Monitoring Committee
SMEs	Small Medium Enterprises
SoM	School of Magistrates
SPC	Strategic Planning Committee
SPO	Senior Programme Officer
SSC	Sectoral Steering Committee
SRC	Sector Reform Contract
TA	Technical Assistance
TG	Thematic Group
ToT	Training of Trainers
UN	Women-United Nations Women
UNDP	United Nations Development Programme
UNODC	United Nations Office on Drugs and Crime
VET	Vocational Education and Training
WBAOs	Water Basin Administration Offices
WFD	Water Framework Directive
WU	Water Utilities
WWU	Waste Water Utilities

EXECUTIVE SUMMARY

This is the Annual Implementation Report for the year 2020, prepared by the National IPA Coordinator Support Office (NIPAC SO) in accordance with the provisions of the IPA II Implementing Regulation (Art. 4) and the Framework Agreement between the Government of the Republic of Albania and the European Commission on the arrangements for implementation of Union financial assistance under the Instrument for Pre-accession Assistance (IPA II).

The report covers the implementation of IPA II in Albania during 01/01/2020-31/12/2020 and the country action programmes for the years 2014, 2015, 2016, 2017, 2018 and 2019 as well as the programming activities carried out for the action programme 2020 (approved by the Commission in November 2020).

1. Objectives of the Country Strategy Papers and a brief overview of challenges in the sectors

The Indicative Country Strategy Paper 2014 – 2020 (CSP) is the main document specifying the national priorities for EU financial assistance for the period 2014-2020 with a view to support Albania on its path to accession. The CSP, initially adopted in 2014, was revised by the EU Commission in consultation with NIPAC SO and the Prime Minister's Office, responsible for coordinating the process of drafting the National Strategies. The revised CSP entered into force in August 2018 by amending the Commission Decision C (2014)5770 of 18.8.2014 adopting the Indicative Strategy Paper for Albania for the period 2014-2020.

The CSP 2018 slightly reorganised the national priorities in 7 (instead of 8) sectors as follows: (i) Democracy and governance; (ii) Rule of law & fundamental rights; (iii) Environment, climate action and energy; (iv) Transport; (v) Competitiveness and innovation, agriculture and rural development; (vi) Education, employment and social policies; (vii) Regional & territorial cooperation.

The objective of IPA II assistance in the **Democracy and governance sector** is to strengthen democratic institutions, support the public administration reform process and improve public service delivery for the preparation and implementation of national legislation in line with European standards and best practice. Good Governance and Public administration reform (PAR) are among the most important horizontal reform areas because they provide the framework for implementing other policies and allow the building of a system that provides a sound basis for implementing the EU acquis¹. This plays a fundamental role in the European integration process by enabling the implementation of crucial reforms and organising efficient accession dialogue with the EU which aim to build a national public administration with the capacity to pursue the principles of good administration and effectively transpose and

¹ Integrated approach and scope of the Good Governance and Public Administration sector

implement the *acquis*. A further objective is to enhance economic governance and support implementation of a comprehensive public financial management reform. Support to civil society aims at further deepening the democratic culture in the country, by developing an enabling environment and strengthening the capacities of the various actors. As per the revised CSP, this sector still needs to continue the interventions of Integrated Planning System and better governance and increased accountability of the public administration.

The sector of Rule of law and fundamental rights includes the functioning of the justice system in Albania such as the relevant activities of the Ministry of Justice, the judiciary and penitentiary institutions. It includes broader issues such as the protection of human rights and the reform process concerning the property rights, as well as media freedom. It also addresses the fight against corruption across the public institutions. Albania has demonstrated commitment to judicial reform and has some level of preparation for implementing the *acquis* and the European standards in this area. A total of 26 laws have been adopted so far, as part of the justice reform package. New institutions have been established following the constitutional amendments and specific organic laws. The newly established institutions that are already operational are as follows **High Judicial Council (HJC), High Prosecutorial Council (HJC), Special Prosecution Office, Special Court against Corruption and Organised Crime, National Bureau of Investigation, Justice Appointments Council (JAC), Constitutional Court, High Court, High Inspector of Justice (HIJ), Judges' and prosecutor's re-evaluation process**. Fight against organised crime related policy is one of the five priorities of Albania in the context of the EU accession process and the subject of support under this action. Tangible results are currently being achieved, including a significant improvement in the legal framework on the confiscation of assets derived from organised crime activities. In its 2020 Report for Albania, the European Commission recognises that Albanian Police operations to dismantle criminal organisations have further intensified and strong commitment was showed to counter the production and trafficking of cannabis. However, efforts need to continue to secure higher number of prosecutions and final convictions by using efficient and proactive investigation, and tackle money laundering and confiscate assets stemming from crimes.

The new institutions created in 2019 to support this process - the Special Prosecution Office combating corruption and organised crime (SPAK) and the National Bureau of Investigation (NBI) are established and being staffed. The Albanian Parliament adopted the Law No 18/2020 dated 5.03.2020 on countering organized crime, terrorism and serious crimes with the purpose of tackling the economic and financial sources of organized crime in the country. The Albanian State Police (ASP), in close cooperation with the SPAK, is responsible for implementing the new legislation assisted by international partners. Further improvement of its operational capacities and criminal procedures is deemed necessary. The "Power of Law" special task force has promoted stronger police/prosecutor cooperation, which is planned to be expanded to other relevant agencies and bodies. Some progress has been made on aligning relevant legislation with European standards and best practices on seizures of criminal assets. More effective actions shall be performed for the destruction of cannabis stockpiles and to tackle money laundering and confiscate assets stemming from crime and the criminal redistribution of stolen property. The Cross-cutting Strategy for the Fight against Organized Crime, Illicit Trafficking

and Terrorism 2013-2020 is the main policy document in the sector. It aims to establish and strengthen the existing track records of investigation, prosecution and conviction for organised crime, improve criminal procedures and operational capacities and strengthen operational cooperation in the fight against drugs, cyber security and investigation practices.

The “**Environment, Climate Action and Energy**” sector covers capacity building, support for the adoption of EU-aligned legislation and infrastructure investments, notably in water, floods and waste management as well as climate change actions. Albania is at a very early stage of alignment with the *acquis* in waste and water sectors and the challenges are still manifold. Priority needs include further development of capacities at both central and local level government for developing and implementing policies. Further alignment with and mainstreaming of the EU environment and climate policies and legislation is needed, with effective implementation ensured. This includes in particular climate legislation, monitoring, reporting and verification of greenhouse gases emissions; emissions trading, Effort Sharing Decision; fluorinated gases; ozone-depleting substances; vehicle efficiency and fuel quality standards; carbon capture and storage and other relevant legislation. In the sustainable energy sector, Albania still depends almost exclusively on hydropower for electricity generation and on electricity imports due to limited domestic production and vulnerability to hydrological conditions; however, efforts have intensified to diversify to other renewable energy sources in line with the National Consolidated Renewable Energy Action Plan (NCREAP 2019 – 2020). The adopted National Energy Strategy 2018-2030 will contribute to implementing the Paris Agreement commitments and, be in line with the European Green Deal and the Strategy on Climate Change and its Action Plan while considering, on the other hand, issues of energy security and diversification. However, the country has delayed electricity market reforms and should accelerate implementation of the connectivity reform measures, especially by removing legal and contractual obstacles to the integration of energy markets.

The “**Transport**” sector covers capacity building, policy development, legislation approximation, and investments in transport, including regional and EU integration of the road, and rail networks, aviation and ports. The transport sector suffers from lack of funds for maintenance. It is therefore important that both resources and tools for public financial management, needed for ensuring long term commitments, should be a pre-condition for successful infrastructure investments. Institutional assessments should be included in future feasibility studies. It is essential that the planning of transport infrastructure investments is done in line with the priorities identified in the government's strategic plans and the South East Europe Transport Observatory (SEETO) comprehensive network development plans.

The scope of the “**Competitiveness, innovation, agriculture and rural development**” sector includes (a) the ability of the agri-food sector to cope with competitive pressure and market forces and to progressively align with the EU rules and standards, (b) increased resilience to adverse effects of climate change, and (c) food safety, veterinary and phyto-sanitary policies. At the same time, the scope of the competitiveness and innovation component includes boosting the overall competitiveness of the economy with a particular focus on SME

development and the promotion of tourism, which have a particular potential for growth. This sector is an important element of the EU support to strengthening Albania's economic governance, in addition to public administration reform and public financial management.

The “**Education, Employment and Social Policies**” sector requires support notably for achieving inclusive growth. Beyond informal employment and low participation, there is a need to clearly establish the challenges of the labour market and design relevant capacity building accordingly. Albania needs to improve the quality and relevance of all levels of education and develop its skill base in line with labour market needs. In this sector, IPA funds for the period 2014 -2020 aim to increase the impact of the employment and social inclusion policies in terms of the participation in the labour market and the opportunities for the socially and economically disadvantaged and vulnerable members of society.

2. Involvement in programming

2020 has been an exceptional year considering the urgency for some IPA II re-programming to address the immediate effects of the COVID-19 pandemic in Albania and the preparations for programming future IPA III assistance.

The following amendments were made in early 2020 prior to the emergence of the COVID-19 pandemic:

- Amendment No. 3 to the Agreement between the Council of the Ministers of the Republic of Albania and the European Union, regarding the Annual National Programme for Albania in the framework of the IPA Component "Transition Assistance and Institutional Building" for the year 2013 (centralized management), approved by the Council of Ministers of Republic of Albania by DCM No. 29 dated 22.01.2020 and signed by the NIPAC the same day;
- Amendment No. 1 to the Agreement between the Council of the Ministers of the Republic of Albania and the European Union, regarding the Annual National Programme for Albania for the year 2018, in the framework of the Instrument for Pre-Accession Assistance (IPA II), approved by the Council of Ministers of Republic of Albania by DCM No. 75 dated 31.01.2020 and signed by the NIPAC the same day.

The immediate impact of the COVID-19 pandemic led to some significant re-programming of IPA II assistance to address the immediate effects and take on board the exceptional circumstances, as summarised below.

The Modification of Annex IA of the Financing Agreement between the Council of Ministers of the Republic of Albania and the European Union regarding the Annual National Programme for Albania for the year 2017, within the Instrument for Pre-Accession Assistance IPA II, was signed by the NIPAC on 2.04.2020 related to the action document European Union Integration Facility, as a result of the immediate need for provide support for the Albanian health sector, to prevent the escalation of coronavirus infections.

To alleviate the consequences of the pandemic on the most vulnerable categories of Albania's population, EUR 46 million was re-programmed under the Annual National Programme IPA 2019² to increase the allocation for the EU for Social inclusion Action (to EUR 70.65 million) to support assistance in the social protection and employment sectors; the Financing Agreement between the Government of Albania and European Union regarding Action Programme for Albania for the year 2019 was approved by the Council of Ministers by DCM No. 949 dated 2.12.2020 and signed by the NIPAC on 17 December 2020.

The Annual National Programme for IPA 2020 was also re-programmed, and approved by the Commission in November 2020 for a total of EUR 103 million (EU contribution). The programmes and action documents to be supported under IPA 2020 are as following: i) "EU for Good Governance", with an indicative amount of EUR 48.1 million; ii) "EU for Property rights", with an indicative amount of EUR 5.7 million; iii) "EU for Rule of Law", with an indicative amount of EUR 5 million; iv) "Participation on Union Programmes", with an indicative amount of EUR 1.5 million, v) the Budget Support Programme "Support for economic recovery" oriented towards private business and economic recovery with an indicative amount of EUR 26 million, vi) International Monitoring Operation (IMO): Support to the process of temporary re-evaluation of Judges and Prosecutors in Albania - Phase II with an indicative amount of EUR 8.7 million and vii) the EU Integration Facility with an indicative amount of EUR 8.3 million.

During 2020 the European Commission, in cooperation with the NIPAC Offices in the region, consulted and prepared the IPA Multi-Country Package for 2021 and 2022. There were several rounds of consultations, where Albania has provided comments and suggestions for the specific "one pagers" of Action Documents.

New EU financial instrument IPA III (2021-2027)

In the framework of the new EU financial instrument covering the period 2021 – 2027, preparations for IPA III were launched by the EC at the end of October 2019. There is a significant shift in the approach compared to IPA II as each beneficiary country shall prepare a Strategic Response document, replacing the Country Strategy Paper, and IPA III funds shall be allocated on a competitive basis. EU recommended to all NIPACs from the Western Balkan countries, including Turkey, to start the preparations and drafting of strategic documents based on the national strategic and legislative framework. The indicative amount for IPA III is 12.565 billion Euro (in 2018 prices)³.

The IPA III programming process is based on a key principle, alignment with the existing system of strategic planning and programming with the existing structures and mechanisms of

² As reported in the AIR 2019, the original IPA 2019 and IPA 2020 Annual National Programmes were approved by a Commission Decision following the IPA Committee in November 2019. The envisaged Action "EU for Circular Economy and Green Growth" in 2019 was cancelled.

³ <https://www.consilium.europa.eu/en/policies/the-eu-budget/long-term-eu-budget-2021-2027/>

the country. Financial support under IPA III⁴ will be concentrated into 5 specific objectives (windows): (i) Rule of law, fundamental rights and democracy; (ii) Good governance, acquis alignment, good neighbourly relations and strategic communication; (iii) Green agenda and sustainable connectivity; (iv) Competitiveness and inclusive growth; (v) Territorial and cross-border cooperation.

In the context of the absence of a template from the EC for the preparation of Country Strategic Response⁵, the Sector for Programming National IPA (NIPAC SO), assisted by the Technical Assistance “Support of the IPA management” and in consultation with the Office of the Prime Minister (Department for Development and Good Governance) prepared the methodology for drafting of 9 Sectoral Strategic Responses, referring to the first four windows proposed by the EC for the IPA III framework. During 2020, the responsible institutions have drafted the Sectoral Strategic Responses in preparation for the overall DRAFT Country Strategic Response, which is envisaged to be drafted and sent to the Commission by 15 March 2021.

Furthermore, on request of the Commission⁶ to start the process for preparing Actions for IPA 2021 and 2022 and allowing a timely rollout, the Albanian institutions finalized a package of 53 Action Fiches, which were sent to the EU Delegation on 14 September 2020. The AFs focus on the prioritised needs for IPA support, including activities that address the major economic shock generated by the COVID-19 pandemic and mitigate its socio-economic impact, mobilising resources to speed up the economic recovery.

During the period September-December 2020, the European Commission carried out a policy-relevance assessment of the proposals received from the Albanian institutions; on 6 January 2021, the EUD forwarded to the NIPAC the list of identified actions to be developed for the maturity assessment for IPA 2021 and IPA 2022⁷.

Activities for IPA III shall intensify in 2021; the preparation of the Strategic Response needs to be updated in view of the recent guidance provided by the Commission and taking into account other developments, such as the COVID-19 crisis, the European Semester Light Annual Economic Policy Dialogue on the Economic Reform Programme, and public and donor consultation carried out. Furthermore, the Beneficiary institutions under the coordination of the NIPAC and NIPAC SO, with the support of technical assistance as available, shall prepare the Action Documents for IPA 2021 and 2022 and supporting documentation in accordance with the timelines communicated by the Commission.

Lessons learnt

⁴ In line with the proposal for the IPA III Regulation COM/2018/465 final published on 14.06.2018 in https://eur-lex.europa.eu/resource.html?uri=cellar:827c66b8-6fb3-11e8-9483-01aa75ed71a1.0002.03/DOC_1&format=PDF

⁵ The draft Strategic Response template was made available to the NIPAC on 3 December 2020 as an attachment to the letter sent by DG NEAR Ref. Ares(2020)7153206 - 27/11/2020.

⁶ Ref. Ares(2020)2221560 - 24/04/2020.

⁷ Ref.Ares(2020)7829250 – 12/12/2020 transmitted to the NIPAC on 6/1/2021.

Overall, IPA II has well served the purpose of preparing the country for EU membership, through support in complying with the political and socio-economic requirements, legal approximation, and achieving European standards. The approved programmes, including Sector Reform Contracts, reflect the country's needs for co-financing important national priorities based on the national and EU development agendas. The Albanian institutions applying the sector-wide approach need to rely on mature strategic planning in a context where Line Ministries are gradually gaining experience with stakeholder coordination and consultation processes. In this respect, the programming of IPA III is particularly valuable.

Drafting Sector Reform Contracts is still challenging for Albanian institutions, although the experience from IPA II has been largely positive. In this case, the beneficiaries (including the leading institution in the sector benefitting from Sector Budget Support instrument) have not only to go through a new and complex learning process, but also have to act within a tight timeframe. The importance of structuring projects into strategies (as opposed to an ad hoc approach) has been reinforced through the adoption of the sectorial approach and the early experience of preparing for IPA III. The IPA III programming process has enhanced the ownership of the Albanian institutions and represented an important learning process.

However, the drafting process of the Action Fiches for IPA 2021 and 2022 proved challenging for the following reasons, which were further exacerbated by the COVID-19 pandemic and restrictions on meetings and workshops: (i) the lack of National Sectorial Strategies covering the period post-2020 (in many cases extended to 2022 through Action Plans; (ii) difficulties in coordination by lead institutions, due to the large number of stakeholders involved; (iii) delays in the finalisation of the IPA III legal framework and particularly the absence of methodological guidance and the programming framework; iv) the request to anticipate the preparation of Action Fiches before drafting the National Strategic Response; (v) lack of information on the selection criteria to be used during the strategic relevance assessment process; and (vi) Albanian institutions faced some difficulties in preparing the Action Fiches, since the template did not allow for a clear description of the envisaged activities.

Progress of the EU assistance for the post-earthquake reconstruction and rehabilitation

The EU is the biggest donor for the post-earthquake reconstruction and rehabilitation of education facilities and the post-earthquake rehabilitation of damaged cultural heritage sites (EU 115 million). Important areas of reconstruction are now operational and contracts have been signed with a number of donors, who take close interest in the reconstruction and the use of funds. The active coordination of the donors by the Minister of State for Reconstruction and his staff, transparency on the use of funds, and communicating publicly are important aspects of the “building back better together” approach. The Commission has also provided a team of experts put at the disposal of the Minister to assist Albania in the reconstruction efforts who are available to support as needed.

3. Relations with the European Commission

The European Union's Pre-Accession Assistance (IPA) for Albania is delivered through a combination of management modes including: direct management by European Union, indirect management with Beneficiary Country, indirect management with entities other than the Beneficiary Country, and shared management with Member States for cross-border cooperation programmes involving Member States of the European Union. Therefore, the whole success of the process relies on effective coordination, communication and collaboration between the different actors involved. This has been particularly important due to the need for a flexible and proactive approach to programming, planning and implementation of IPA assistance in the light of the ongoing challenges represented by the COVID-19 pandemic.

During the period covered by the report, the cooperation opportunities with the EC have been frequent, particularly as regards the organisation of the Sectoral Monitoring Committees through written procedure, the organisation of the IPA Monitoring Committee in challenging circumstances, the IPA II programming process (for the amendments to IPA 2019 and 2020) and the ongoing preparations for the upcoming IPA III (2021-2027) framework. In particular, in February 2020, the EU Delegation and the NIPAC organised a brainstorming workshop to exchange views on the IPA III preparation process. Task Managers from the EU Delegation also attended the sectoral workshops led by the NIPAC Support Office on IPA III programming.

Furthermore, ad-hoc remote meetings to address various issues stemming from the programming and monitoring processes (particularly modifications of targets and timelines, etc.) have been held between the Ministry for Europe and Foreign Affairs (NIPAC Support Office), the EUD and relevant Albanian Institutions. For the programmes in Implementation phase, the communication between the GoA and the EC/EUD to revise the indicators (as per the Guidelines of Sector Budget Support) and/or other arrangements to steer the programmes in the right direction, has been particularly beneficial, especially in light of necessary amendments due to the COVID-19 pandemic.

The NIPAC holds regular coordination meetings with the EUD where the two institutions share all the relevant information regarding IPA management and/or discuss matters of great concern and take decisions when needed; since the onset of the COVID-19 pandemic, these have been carried out by remote modalities. In addition, regular meetings are also held between the EUD and the CFCU which have resulted beneficial.

4. Problems encountered in meeting the required conditions for implementation and in ensuring sustainability, related measures taken/planned

Impact of the COVID-19 pandemic on IPA II implementation

The COVID-19 pandemic is proving to be one of the greatest challenges that many governments have ever faced. In early March 2020, the Government of Albania issued a series of Normative Acts which severely impacted the continuity of normal business and institutional

activities in Albania. The general “lockdown” and social distancing that were imposed have inevitably led to reduced interactivity between institutions and also impacted the regular activities and implementation of actions for IPA II projects. Furthermore, the practice of shift and home-based working had been impacted by objective problems such as a lack of adequate IT equipment outside the office, poor internet connections and limited and partial access to documentation. Despite institutional and individual best efforts, the impact on smooth and timely public administration cannot be underestimated, and the disturbance has proved to be much longer-lasting than originally thought, and shall continue to have an impact in 2021. In general, it must be recognised that while the AIR 2020 should provide an opportunity to take stock of the achievements of IPA II in a key target year identified for the financed Actions, undoubtedly the impact of COVID-19 has impacted on the achievement of identified targets in the planned timeframe, and more in general an externality which affects the outcomes and impact of IPA assistance. Having said that, IPA II assistance has also provided an opportunity for immediate COVID-19 relief, as explained elsewhere in this Report.

During 2020, there were a series of ad hoc and ongoing adjustments in IPA II implementation which are reported in more detail in the sector-specific sections of this Report. The effects have been more significant in terms of budget support contracts for Public Administration Reform and Justice Reform where some changes were agreed to the indicators and targets postponed by one year. The earthquake and COVID-10 pandemic also have impacted significantly on the implementation of Census 2020 activities, as the planned 2020 census activities could not take place. With regard to the indicator targets and objectives of the IPA 2019 Sector Reform Contract EU for Social Inclusion, the National Agency for Employment and Skills is making the utmost efforts to implement the employment promotion programmes despite the fact that their launch was delayed by the pandemic.

As regards the activities of the IPA structures in general, as with the public administration as a whole, exceptional efforts have been made to assure the smooth continuation of activity as far as possible in the circumstances. Coordination work has shifted to on-line platforms and field verifications of IPA Units have been conducted through an online platform and desk-based assessment, in order to ensure the continuance and performance of control activities. However, the efficiency of remote working is affected by the fact that many civil servants do not have the appropriate equipment or conditions to work effectively from home. Their exceptional efforts – including dedication to their tasks far beyond usual working hours in such difficult circumstances, should be recognised and appreciated.

In the case of Indirect Management contracts, the CFCU has proceeded with the formalisation of contract time extension addenda, approved contract suspensions when requested by the contractor, approved home-based working days for the international experts of service contracts under implementation and used online platforms for the implementation of capacity-building activities and meetings.

Significant efforts were also made by the EU Delegation for direct management activities in processing requested modifications to ongoing contracts.

As regards progress with the National Plan for European Integration, the cancellation of the physical meetings of the inter-institutional working groups; absence of key personnel due to infection or isolation measures and the reduced activity of the Parliament due to quarantine

rules slowing down the adoption of draft laws and/or their implementing acts; to counteract the impact of COVID-19, measures were taken to organise online meetings of the inter-institutional working groups and to speed up the assessment of the alignment of draft legal acts, allowing for the implementation rate to speed up by the end of the year to 87% of the planned acts in the National Plan for European Integration 2020 – 2022.

Specific problems noticed during the implementation of IPA II are presented below together with measures taken and/or planned, also taken into account the discussions in the IPA Monitoring Committee held on 3 December 2020. The impact of the COVID-19 pandemic on IPA II implementation and the measures taken have been presented above and it should be borne in mind that inevitably some planned measures indicated in the AIR 2019 have not been fully implemented due to the delays caused by the pandemic.

Sector Reform Contracts. Although the legal and operational framework in many sectors is strong, implementation of the sectoral reforms is still a challenge. Experience is being gained on costing the implementation of strategies and the establishment of realistic implementation targets under the Sector Reform Contracts; better efforts are also made at ongoing monitoring of the progress of achieving targets and discussion of Sector Reform Contracts is now integrated as part of the reporting documentation for Sector Monitoring Committees.

Related measures taken/planned, recommendations for further action: Technical assistance mobilised to assist with work on ‘Passport of Indicators’ and expertise mobilised to assist beneficiaries with estimates of the reform costs should become a generalised practice for the new SRCs that will be planned for IPA III.

Better coordination between multiple programmes and between donors. When sectoral reform is supported by multiple donors in the same sector (for example, PFM is supported by 15 donors), the need to exchange information across donors, and avoiding overlapping, may result in a heavy burden for the staff. An additional burden is created by the need to ensure coordination between the sectoral reform and the EU screening processes, as well as between the reform actions and the implementation of the Medium-Term Budget Programme. In the case of post-earthquake reconstruction, as stated above the active coordination of the donors by the Albanian administration is very important.

Related measures taken/planned, recommendations for further action: Exchange of information currently takes place through the Integrated Policy Management Groups/Thematic Groups meetings; the integration of the External Assistance Management Information System (EAMIS) has been tested with various third-party systems, such as the World Bank’s Client Connection and awareness-raising among users has continued. Donor coordination has continued in 2020 through remote modality with a Development and Integration Partners (DIP) meeting organised on 8 July 2020 co-chaired by the Deputy Minister of Finance and Economy and the Head of Cooperation of the EU Delegation. With regards to post-earthquake reconstruction, donors shall be updated on the process and actual achievements in the reconstruction and recovery effort.

It will be necessary to further reinforce donor coordination mechanisms for the programming and implementation of IPA III.

Sustainability of investment is an issue in cases when Beneficiaries do not cash enough revenues to cover related costs for operation and maintenance. Absence of a clear strategy for the cost recovery of services (set of tariffs based on affordability analyses, polluter pays principle, government subsidy, etc.) leads to the rapid deterioration of assets and ultimately jeopardises the sustainability of the investment.

Related measures taken/planned, recommendations for further action: for the future, investment should be approved only if a clear strategy for cost recovery of services is in place, and the implementation of such strategy shall be carefully monitored in order to increase sustainability perspectives in time. Sustainability shall be built into the design of IPA III actions.

Failure to meet contracting deadlines. In a number of cases contracting deadlines for IPA projects were not met and complementary projects could not start as planned. In other cases, procurement deadlines were not met and contracts could not be signed by the expiry of the Final Date for Contracting.

Related measures taken/planned, recommendations for further action: The timely preparation of mature tender documentation and early launching of tenders even before the signature of the Financing Agreement, using suspension clauses.

Note: This problem and recommendation about the need to meet contracting deadlines are also applicable to sections 10 and 11 under this executive summary, which relate to indirect management.

Lack of capacities. While people and their knowledge are crucial to move ahead with the implementation of funds and achievement of the established targets, the Albanian administration is still confronted with a high level of staff turnover and vacant posts. Delays in recruitment were also impacted by immediate effects of the COVID-19 lockdown and a temporary block on civil service employment. No effective retention policies are in place to retain expert staff involved in EU funds management and implementation.

Related measures taken/planned, recommendations for further action: DoPA has been urged to fill the vacant positions as soon as possible. Retention policies should be established to retain experienced staff.

Note: This problem and recommendation about the lack of capacities are also applicable to sections 10 and 11 under this executive summary, which relate to indirect management.

Participation in Union Programmes has improved but the NCP network needs to be strengthened and institutionalised. Albania's participation in Union Programmes has improved overall with an increase in figures for the 2020 and the whole 2014-2020 cycle. Nevertheless, there is the need to further strengthen and institutionalise the NCP network under the guidance of the NIPAC Support Office. The next programming period for 2021-2027 requires more coordination among the actors in following up the procedures for joining the

respective programmes or becoming part of new ones. The Albanian applicants are more comfortable in applying as partners rather than taking the lead. Partner search remains a challenge especially in programmes such as H2020, COSME and EaSI. Beneficiaries of funds, whether public authorities, Universities or CSOs have in many cases encountered difficulties in managing their projects concerning the clarity of procedures for the national documentation needed for project implementation as well as lack of experience in management of EU funded projects.

Related measures taken/planned, recommendations for further action: intensive trainings and mentoring for NCPs and potential applicants when calls for proposals are open or prior to their opening have been organized with positive results as to the success rate of Albania. On the other hand, such support shall be intensified with regular targeted trainings for potential applicants in advance to the opening of calls for proposals to assist in partner search and become part of networks combined with mentoring; more regular meetings among the NCPs, NIPAC Support Office and institutions responsible for the management procedures of projects to increase understanding and clarity on all the required documentation for managing EU funded projects; Continuity of technical assistance should be planned particularly given the new programmes and procedures and preparations that will be needed.

Complex Albanian procedures, co-financing, VAT reimbursement and the need to advance reimbursable expenditure for a long period of time are hindering access to CBC Programmes by Albanian local governments and civil society. Extremely prolonged procedures are followed by the Ministry of Finance and Economy for opening of project bank accounts and transferring of funds/tranches between foreign and Albanian project partners. The reimbursement of VAT for expenditures incurred under EU financed projects is still problematic. In addition to the complexity of procedures under CBC programmes, potential participants find it often difficult to ensure the required co-financing. To guarantee the financial liquidity of projects, MEFA has proposed to the Ministry of Finance and Economy the establishment of a National Co-financing Fund (or emergency fund) to cover all co-financing of Albanian beneficiaries implementing Territorial Cooperation projects.

Related measures taken/planned, recommendations for further action: The Albanian authorities are committed to resolving the remaining issues concerning VAT. The facilitation of procedures by the Ministry of Finance and Economy to reduce the legal and financial burden on Albanian beneficiaries is essential. A dedicated budget line under the state budget could be established to cover co-financing for Albanian public beneficiaries (for approved projects). A draft Council of Ministers Decision is pending approval.

5. Relevant issues reported in the IPA Monitoring Committee and Sector Monitoring Committees (including Joint Monitoring Committee for CBC), if any.

The 2020 annual **IPA Monitoring Committee** meeting was organized in remote modality with restricted participation on 3 December 2020, due to the COVID-19/related restrictions on travelling and meetings, focusing on the key issues and challenges of IPA implementation in

2020 as well as discussing the preparation of IPA III. The EC presented updates on the IPA III programming framework, timetable and IPA 2021-2022 Action Documents and the NIPAC SO the progress made with preparing the Strategic Response. Discussion then focused on the impact of COVID-19 on IPA II implementation and the progress of EU assistance for post-earthquake reconstruction. The EC commended Albania for maintaining the focus on its reform effort in spite of the COVID-19 pandemic, and of the difficulties posed by the earthquake. The planned follow-up to Sector Monitoring Committees Operational Conclusions was presented for the SMC Democracy and Governance, SMC Rule of Law and Fundamental Rights and the SMC Education, employment and social policies Subsector: Employment and Social Policies (MoFE; MoHSP) as reported below. A brief presentation was made on communication and visibility, noting the shift to a more pronounced use of social media. Communication on the accession process and on IPA assistance rests on a number of stakeholders and institutions, including the Office of the NIPAC/Chief Negotiator and the EU Delegation. While the institutional framework is being strengthened through the establishment of the network of IPA communication officers in the line ministries, there is a need for better coordination, and for a strengthening of messages to ensure better coordination and optimise synergies between the Albanian and EU sides. The MEFA also presented the progress in CBC preparations for IPA III and an overall assessment of CBC in Albania. Additional items were examined through written exchange.

Sector 1 Democracy and Governance⁸: Albania has continued on its reform path and completed the revision and extension of sector strategies and action plans in the area of good governance (public administration reform, public financial management, anti-corruption and decentralisation). However, there is a need for strong leadership and inter-institutional coordination on cross-cutting good governance issues which impact the sector-based approach under IPA. The EU, which has supported the IPMGs via technical assistance, recommends accelerating the IPMG process, particularly at a time when strategies are being renewed and important decisions need to be taken in the context of IPA III. The adoption of the digital agenda needs to be finalised. In the area of local government, where the EU provides considerable support, the Agency for Local Government needs strengthening, notably with a view to further reinforcing the EU role of local government. In order for EU-funded support to civil society organisations to be fully effective, the draft law on the registration of non-profit organisations needs to be finalised following a thorough consultation process, and work needs to start on the online register of non-profit organisations.

Sector 2 Rule of Law and Fundamental Rights: Although COVID-19 has affected the rate of reform, in particular due to the social distancing measures, which have impacted recruitment processes, significant progress has been recorded in the implementation of the justice reform, for example in the area of vetting of judges. All new independent justice institutions have now been established, including the specialised structures against corruption and organised crime.

⁸ As defined under the Indicative Strategy Paper.

The increase in seizure and confiscation of criminal assets, mainly under the operation "force of law", is a positive development. A strategic approach to communication on justice reform is needed, in particular with a view to highlighting its achievements and benefits. Justice efficiency remains a priority, in particular the case management system. The EURALIUS project can provide further help in that regard, and both sides can discuss the opportunity for additional support, provided a clear roadmap and donor coordination are in place, thus promoting a better understanding of actual needs. The need for enhanced donor coordination also exists in the area of law enforcement. As regards draft legislative proposals in the area of law enforcement both sides agreed that, while it is for the competent Albanian authorities to make policy decisions, full use should be made of the EU-funded expertise, both as a matter of sound financial management and in order to ensure that decisions are fully informed by available technical advice.

In the area of financial investigations, substantial support is about to start, whose effectiveness and sustainability presuppose that meaningful steps be taken to ensure stable human resources in law enforcement agencies. If equipment is to be provided, appropriate systems and conditions for use, maintenance and deployment need to be ensured.

Sufficient budget allocations and human resources should also be secured for the implementation of the new action plans under the extended MoJ and MoI strategies.

Sector 6: Education, Employment and Social Policies: The education, employment and social policies sectors are an example of very good cooperation between the different national and local stakeholders and the EU Delegation, in a situation where significant measures were needed to address the COVID-19 crisis. It is important to continue further strengthening the human and operational capacities of the National Agency for Employment and Skills (NAES) and NAVET-Q and enforcing the efforts in implementing the employment promotion measures and outreaching the most vulnerable groups. Implementation of the National Strategy on Social Protection (2020-2023) and the social inclusion policy document (2015-2023) should be ensured, and strengthen inter-institutional coordination on measures affecting the most at risk groups. Albania will closely monitor and assess new vulnerabilities created due to the pandemic, as well as increased needs for integrated social services provision at local level. Albanian institutions should finalise drafting the new strategy for education, involving and consulting all stakeholders.

During 2020, on initiative of the NIPAC SO and agreed with the EU Delegation, two rounds of the IPA Sectoral Monitoring Committees (SMC) were held through written procedure. The pending Operational Conclusions are reported in the Sector-specific chapters of this Report.

6. Monitoring and evaluation activities, main lessons learned & follow-up to recommendations

Following the successful establishment and functioning of all Sectoral Monitoring Committees (SMCs) in 2019, two rounds of SMCs in 2020 were organised through written procedure due to health-related restrictions on physical meetings. On the initiative of the NIPAC SO, detailed

Sector Reports were prepared by the Lead Institutions and shared with the EU Delegation prior to their dissemination to the SMC participants and the adoption of Operational Conclusions. The follow-up of the Operational Conclusions is monitored regularly by the NIPAC SO.

Following the findings of the Audit Authority, the NIPAC SO Monitoring and Reporting Manual has been updated and improved and monitoring processes for poorly performing actions enhanced.

A first Interim Evaluation of actions under indirect management IPA 2014 and IPA 2015 is planned to start in the 2021 following a delay due to COVID-19.

7. Communication and visibility activities

Communication and visibility activities carried out during 2020 are presented in Annex 1.b to this report.

The NIPAC has prepared a Communication and Visibility Strategy which was also shared with the EUD. The approach is intended to maximise more strategic level communication as well as embrace new and more synergic forms of communication towards specific target groups. Web 2.0 based communication has proven an effective tool in 2020 to communicate IPA II projects and achievements in the context of the COVID-19 pandemic. The need for better coordination and strengthening and better dissemination of communication messages as well as effective liaison with the responsible national authorities is recognised; the Office of the NIPAC/Chief Negotiator and the EU Delegation will organise regular meetings to ensure better coordination and optimise synergies between the Albanian and EU sides on communication on the accession process and IPA assistance.

The Union Programmes' visibility has been ensured by the NIPAC SO with the support of a dedicated Technical Assistance Project "Strengthening of capacities of Albanian institutions with respect to Union Programmes", implemented from 13 March 2019 – 13 March 2022, which has prepared the Strategy for Communication and Action Plans for the 9 Programmes where Albania participates. Each Programme has been targeted individually with a range of visibility actions effectively disseminating project results and achievements, raising awareness amongst the local stakeholders (potential project partners) to participate and benefit from the project as well as keeping up to date with all the latest information on the Programmes. The activities of the Project and EU funding visibility have been promoted in public events, both physical and online. Several visibility events have been held during the implementation of the project to increase stakeholder participation and public awareness. The Facebook account of UP has been active with information on the programmes and latest info sessions organised by the project, the EU and other stakeholders.

8. Donor coordination

External Assistance Coordination Architecture

Over the last decades, considerable momentum has been built around the establishment of a common external assistance coordination architecture. Government and development partners

have collectively and individually established a mechanism for increased effective development cooperation.

At the political level, development cooperation functions are led by the Minister of Finance and Economy. At a technical level, these functions are performed by the Directory for Coordination and Provision of Foreign Aid, which was established within the MoFE based on the new structure approved in June 2018. This directorate is responsible for the daily management of foreign aid coordination in order to build partnerships among all development partners including IFIs, development agencies, civil society organisation, private businesses, etc.

The MoFE collaborates very closely with the **Donor Technical Secretariat (DTS)**, a collective initiative of development partners in Albania to facilitate stronger information exchange between development partners and the Government.

The Development and Integration Partners (DIP) meetings are regular technical settings where bilateral and multilateral development partners and government representatives meet to discuss and decide on various development coordination issues. The latest meeting in 2020 was organised as a virtual DIP meeting was on 8 July 2020 and was co-chaired by the Deputy Minister of Finance and Economy and the Head of Cooperation of the EU Delegation.

Development Coordination Tools

The **External Assistance Management Information System (EAMIS)** is designed to support the Government of Albania in effectively managing development funds and promoting an accountable and transparent use of resources. The system has been envisaged to serve as a reliable and credible source of information for externally funded activities. It will also serve as a one-stop-shop for obtaining information on foreign aid projects and strategic investments projects in Albania.

The EAMIS system will be an integrated nationwide system used by government officials and development partners, providing stakeholders with tools for data entry, analysis and reports. The design of EAMIS was finalised in 2018, including implementation of the contract. Throughout 2020, work was carried out to finalise and test integration of EAMIS with various third-party systems, such as the World Bank's Client Connection, as well as the other two government systems part of the IPS 2 TF, AFMIS and IPSIS. Currently the system is under the post-warranty/maintenance period. Efforts to raise awareness among DIPs as active users and contributors to the well-functioning of EAMIS have continued throughout 2020, during the various fora organised.

INDIRECT MANAGEMENT

9. Overall implementation of IPA assistance under indirect management

The following analysis concerns only the implementation of IPA assistance under indirect management by Albania, excluding actions for the Support to Union Programmes.

The IPA 2014 National Programme has an overall budget of EUR 16.3 million under IMBC and consists of two Action Documents "EU Integration Facility" and "Public Administration

Reform”. Under IPA 2014, 23 contracts have been signed in total. One supply contract could not be signed within the contracting deadline. There are 15 contracts under implementation. Out of the total value of EUR 16.3 million allocated, the total value contracted is EUR 14,688,607.14 or 90.11%. The total amount disbursed for IPA 2014 is EUR 8,201,643.20 or 55.83%.

The IPA 2015 National Programme has an overall budget of EUR 17.2 million under IMBC and consists of three Action Documents “EU Integration Facility” EUR 4.7 million; “Consolidated law enforcement agencies” EUR 10 million and “Sector Reform Contract for employment and Skills” for complementary support of EUR 2.5 million⁹. Under IPA 2015, 29 contracts have been signed in total. There are 20 contracts under implementation. From the total value of EUR 14.2 million allocated (IPA contribution), the total value contracted is EUR 9,825,387.83 or 69.19%. The total amount disbursed for IPA 2015 is EUR 6,475,482.46 or 65.90%.

The IPA 2017 National Programme has an overall budget of EUR 4.5 million and consists of one Action Document “EU Integration Facility”, under which 2 Grant Schemes and 5 twinning projects were initially planned. To assist Albania in responding to the Covid-19 pandemic during 2020, the respective funds for three of the planned activities were reallocated to support the emergency medical response:

- Grant scheme “Capacity building for Civil Servants of the Public Administration including trainings/internships in EU Member State administrations and scholarship scheme for school years 2019-2020 and 2020-2021” (the Department of Public Administration -DOPA) – planned budget EUR 2,000,000.
- Twinning Fiche “Institution building for alignment with the EU acquis and enhanced ability to meet economic criteria in relation to energy efficiency” (Energy Efficiency Agency/Ministry of Infrastructure and Energy) – planned budget EUR 400,000.
- Twinning Fiche “Institution building for alignment with the EU acquis and enhanced ability to meet economic criteria to support upgrading of tourism services” (National Tourism Agency/Ministry of Tourism and Environment) – planned budget EUR 250,000.

The remaining overall budget under the IPA 2017 National Programme is EUR 1,850,000. During 2020, 3 twinning contracts were signed and are currently under implementation and the call for the grant scheme for CSOs was launched in March 2020 and contracting is expected to be concluded in February 2021. The contracting deadline for IPA 2017 is 30.03.2021. The total amount disbursed for IPA 2017 is EUR 896,496.08 or 78.16% of funds contracted.

⁹ As reported in the AIR 2019, the Contracting Authority terminated the first contract on 6 February 2019. In case of an early termination of a previously signed contract, the contracting deadline is not applied, thereby allowing these funds to be reused. The Technical Assistance contract to Support the Reform on Employment Policies and Vocational Education and Training was signed on 20 October 2020.

The IPA 2019 National Programme has an overall budget of EUR 70,650,000 of which EUR 2,000,000 under IMBC and consists of one Action Document “EU for Social Inclusion”. The Financing Agreement for this Programme was approved on 17 December 2020. The CFCU has prepared the Procurement Plan which consists of 1 (one) Grant Scheme. The CFCU launched the respective procedure with a suspension clause during 2020 and the guidelines for applicants was published on 23 September 2020. The evaluation of the concept notes phase is on-going and is expected to be finalized within January 2021.

The contracting deadline for IPA 2019 is 17.12.2023. No amount has been paid yet for the IPA 2019 programme.

Financial assistance under IPA II for the 2014-2020 period

IPA II financial assistance has been programmed on a yearly basis through Commission Implementing Decisions followed by signature of relevant Financing Agreements by the European Commission and the Government of Albania.

In the following table, the IPA II financial assistance to Albania through annual Country Action Programmes 2014-2020, as well as the multi-annual allocation to IPARD for the same period, are presented. Out of a total indicative funding allocation of EUR 639,500,000, as provisionally envisaged under the Revised Country Strategy Paper for Albania for the 2014-2020 programming period¹⁰, according to the signed Financing Agreements for IPA 2014, IPA 2015, IPA 2016, IPA 2017, IPA 2018, and IPA 2019 and approved Commission decision for IPA 2020 the Albanian institutions have programmed the amount of EUR 621,536,389, including the funding allocation to the IPARD Programme in the amount of EUR 71,000,000.

Table 1. Financial assistance under IPA II for the 2014-2020 period

Annual Programme	Commission Implementing Decision	Date of signature of the Financing Agreement (FA) by NIPAC	EU contribution as per Financing Agreements EUR	Planned EU contribution Amount pending signature of Financing Agreement EUR
IPA 2014	C (2014)9851 final 17.12.2014	11-Dec-15	66,746,389	
IPA 2015	C (2015)9001 final 8.12.2015	30-Sep-16	89,900,000	
IPA 2016	C (2016)8610 final 13.12.2016	13-Dec-17	64,940,000	
IPA 2017	C (2017)7938 final 23.11.2017	30-Mar-18	61,200,000	
IPA 2018	C (2018)8221 final 5.12.2018	10-Jul-19	94,100,000	
IPA 2019			70,650,000	
IPA 2020				103,000,000
IPARD	C (2015)5073 final 20.07.2015	27-May-18	71,000,000	

¹⁰ See Annex 1 to the indicative revised Country Strategy Paper, August 2018

Annual Programme	Commission Implementing Decision	Date of signature of the Financing Agreement (FA) by NIPAC	EU contribution as per Financing Agreements EUR	Planned EU contribution Amount pending signature of Financing Agreement EUR
Total amounts			518,536,389	103,300,000
Total amount (committed and planned)			621,836,389	
Indicative total amount committed under the revised indicative Country Strategy Paper for Albania for the period 2014-2020: EUR 639,500,000 ¹¹				

Source: Ministry for Europe and Foreign Affairs, January 2021

From the original allocation for IPA 2014, EUR 7,844,934.31 was decommitted by Commission decision 032-813 and EUR 1,025,275.41 was decommitted by IPA 2015 by Commission decision 038-715.

Additionally, the amount of EUR 966,359.16 was not contracted by the expiry of the Final Date for Contracting (FDC) for IPA 2015 and the amount of EUR 635,803.13 for IPA 2016.

Outstanding commitments that have not yet been paid from signed contracts and the expiry of FDC are EUR 6,249,638.56 for IPA 2014; EUR 26,944,824.03 for IPA 2015 and EUR 20,319,167.86 for IPA 2016.

Financial assistance under IPA II implemented by Albania according to the methods of EU budget implementation

According to art. 58(1) and 62 of the EU Financial Regulation (No 1046/2018), and art. 7 of the Framework Agreement concluded between the Republic of Albania and European Commission, the methods of the EU budget implementation comprise:

- ‘direct management’ when EU funds are **implemented (that is: contracted and disbursed)** directly by European Commission departments including its staff in the Union delegations under the authority of their respective Head of delegation;
- ‘**indirect management by Beneficiary Country**’ (IMBC) when the tasks of implementation of EU funds are entrusted to a third country, previously defined as ‘decentralised management’: in this case, the management of EU funds is entrusted by the Commission to national authorities – in the case of Albania, to the **Central Finance and Contract Unit (CFCU) established under the authority of the Ministry of Finance and Economy**;
- ‘indirect management with international organisations or other bodies’;
- **Shared management with Member States** for cross-border cooperation programmes involving Member States of the European Union and implemented in accordance with the IPA II Implementing Regulation.

¹¹ https://ec.europa.eu/neighbourhood-enlargement/instruments/funding-by-country/albania_en

Under the IMBC implementation method, the national authorities of Albania are entrusted to contract and disburse the relevant EU funds, while under the other management modes, the contracting and disbursement process is carried out by the European Union Delegation or other entities such as EU Member States and pillar assessed delegated entities. However, both under the direct management mode and the indirect management with development partners, the national authorities of Albania are involved jointly with the European Commission in programming the assistance as well as in monitoring and evaluation. Therefore, absorption capacity and absorption rates¹² depend on the overall performance of all actors involved, with more responsibilities assigned to Albanian national authorities under the IMBC mode. Under the IMBC mode, the CFCU/Ministry of Finance and Economy is in charge of tendering and contract management including payments.

Financial implementation of IPA II assistance by the end of 2020

The following table provides an overall view of implementation of IPA II financial assistance for the period 2014-2020 under all methods of implementation:

Table 2. Financial assistance under IPA II for the 2014-2020 period: allocated, contracted and paid amounts as per 31.12.2020, EUR

Sector	Allocated	Contracted	Paid
1. Democracy and governance	221,986,389	111,474,391	85,084,685
2. Rule of law & fundamental rights	125,900,000	85,809,243	49,654,020
3. Environment and climate action	28,544,000	28,100,000	4,140,704
4. Transport	24,000,000	23,815,235	15,657,119
6. Competitiveness and innovation	78,600,000	52,600,000	14,682,043
7. Education, employment and social policies	100,650,000	29,849,500	23,293,615
8. Agriculture and rural development	8,700,000	8,937,807	3,885,665
9. Regional and territorial cooperation	7,080,000	4,140,101	2,865,286
20. Support measures	6,130,000	4,630,456	3,256,151
30. Special measures	126,226,700	105,000,000	33,835,150
40. Other support activities	2,445,000	4,303,380	3,408,964
Total EUR	730,262,089¹³	458,660,114	239,763,403

Source: Delegation to the European Union to Albania, February 2021 – sourced 09.02.2021

From the above table it is observed that circa 62.8% of the allocated funds are contracted as per 31.12.2020 while the funds actually disbursed account for 32.8% of the allocated funds, and 52.3% of the contracted funds, respectively.

As shown in the table below, only 6.7% of IPA II funds are implemented in the 2014-2020 period through the IMBC method by the CFCU. The percentage of total EU financial allocation

¹² The term "absorption capacity" usually refers to the extent to which a country is able to fully use all the financial resources allocated by the EU effectively and efficiently¹². The ability of a country to absorb the allocated funds usually measured by the percentage of absorption¹².

¹³ It would appear that the discrepancies in the total allocations under Table 1 and Table 2 mostly originate from sectors 9, 20, 30 and 40.

managed by Albania through CFCU/Ministry of Finance and Economy under the IMBC implementation mode is limited, and has been decreasing, since the Financing Agreement for IPA 2016.

Table 3. Financial assistance under IPA II for the 2014-2020 period implemented under IMBC with contracting and disbursement rates

Financing Agreement	Total budget for Albania in Euro (EU contribution)	CFCU Budget	% allocated to CFCU	Contracted		Disbursed	
				EUR	% Contracted	EUR	% disbursed
IPA 2014	66,746,389	16,300,000	24.42%	14,688,607.14	90.11%	8,201,643.20	55.84%
IPA 2015	89,900,000	14,200,000	15.80%	9,825,387.33	69.19%	6,475,482.46	65.91%
IPA 2016	64,940,000	0	0.00%	0.00	0.00%	0.00	0.00%
IPA 2017	61,200,000	1,850,000	3.02%	1,147,028.63	62.00%	896,496.08	78.16%
IPA 2018	94,100,000	0	0.00%	0.00	0.00%	0.00	0.00%
IPA 2019	70,650,000	2,000,000	2.83%	0.00	0.00%	0.00	0.00%
IPA 2020	103,300,000	2,450,000	2.37%	0.00	0.00%	0.00	0.00%

The decreasing trend of IMBC funding allocations does not allow for the proper planning of the CFCU resources and is reported as one of the reasons behind the high employees' turnover in 2020.

Table 4. Decommitment rates for IMBC IPA 2014 and IPA 2015

Financing Agreement	Budget	De-commitments on contracting						De-commitment on closed contracts (EUR)	%
		Non contracting within contracting deadline (EUR)	%	Contracted with lower value (EUR)	%	Total (Eur)	%		
IPA 2014	16,300,000	900,000	6%	711,393	4%	1,611,393	10%	1,162,950	7%
IPA 2015	17,200,000	4,097,500	24%	276,112	2%	4,373,612	25%	28,005	0.2%

From the above table, it can be seen that as reported in the AIR 2019, 25% of available IMBC funds in 2015 were not contracted within the Final Date for Contracting. Decommitment figures on closed contracts cannot be considered final as 15 contracts have not been financially closed for IPA 2014 and 20 contracts for IPA 2015 (including the contracts under the grant schemes).

As part of the analysis of financial allocations and financial disbursement, the following table presents the total amount of IPA II assistance that is subject to conditional disbursement under the Sector Budget Support through 6 Sector Reform Contracts. The allocation to technical assistance and complementary support is not reported in this table, since disbursement of the relevant amounts depends on the tendering, contracting and implementation performance rather than performance with the achievement of the established targets.

As regards the EU contribution supporting the sectoral reforms, the relevant IPA funds are disbursed on the basis of assessment by the Commission services, supported by independent assessors, of the degree of achievement of the established targets.

Table 4. Financial assistance under IPA II for the 2014-2020 period implemented through Sector Reform Contracts (budget support implemented under direct management), EUR (in red Financing Agreement signature pending)

No	IPA Year/Sector Reform Contract	EU contribution per Financing Agreement (excluding Technical Assistance)	Amount requested in 2020	Amount Received in 2020	Total amount disbursed (EU Funds) cumulatively in Euro at cut-off date 31.12.2020
1	IPA 2014 SRC Public Financial Management (PFM)	39,000,000 ¹⁴	N/A	N/A	30,671,690
2	IPA 2015 SRC Public Administration Reform (PAR)	26,600,000	5,600,000		13,487,043
3	IPA 2015 SRC Employment and Skills	27,000,000	N/A	N/A	22,849,997
4	IPA 2016 SRC Anti-corruption	9,600,000	2,700,000	2,400,000	6,730,961
5	IPA 2016 SRC Transport	21,000,000	3,750,000	3,437,500	13,373,942
6	IPA 2018 SRC EU for Justice Reform	34,000,000	7,583,331	6,000,000	13,000,000
7	IPA 2019 EU for social inclusion	50,650,000	15,650,000		
8	IPA 2020 EU for economic recovery	26,000,000	10,000,000		
9	IPA 2020 EU for Good Governance	36,000,000			
	Total	269,850,00	45,283,331	11,837,500	100,113,633

Source: Ministry of Finance and Economy, February 2021

The analysis of the relevant performance under the ongoing Sector Reform Contracts was presented in the written exchange in the Sectoral Monitoring Committees in 2020. Specific information on the SRCs is provided in the relevant Sector specific sections. It should be noted that due to the exceptional circumstances of the COVID-19 pandemic, in several cases targets for indicators have been postponed by one year, therefore not allowing for a complete analysis. Completed SRCs are the IPA 2014 SRC Public Financial Management (PFM) with a 78.6% disbursement rate, the IPA 2015 SRC Employment and Skills with a 84.6% disbursement rate, the IPA 2016 SRC Transport with a 83.6% disbursement rate and the IPA 2016 SRC Anti-corruption with a 70.1% disbursement rate.

¹⁴ EUR 1 million was allocated to Technical Assistance and the Action was extended by 1 year.

10. Main horizontal problems encountered in the implementation of IPA assistance and subsequent measures taken/planned

The main horizontal problems identified related to emerging difficulties due to the COVID-19 pandemic:

- Due to the general lockdown imposed because of the Covid-19 pandemic during March-May 2020, on site visits could not be carried out as initially planned.
- Equally, the CFCU was unable to perform the Management Verification Visits (MVV) at the IPA Units.
- Need to find alternative solutions to physical meetings and presence during the lockdown period to ensure the continuation of activities.
- Need to make appropriate amendments to contracts and working modalities so additional burden of work for the CFCU.
- Need to clarify and improve procedures related to irregularities.
- Risk of delays in contracting, also due to protracted programming of IPA 219 and IPA 2020 due to the need to provide COVID relief.
- The health protection measures adopted have reduced interactivity between institutions and impacted the normal activities and the smooth implementation of actions for IPA II projects.
- Lack of appropriate IT equipment for home-based working in the public administration and poor network connectivity exacerbated the challenges in working during the COVID-19 lockdown.
- Staff turnover and vacant positions within the different bodies in the Operating Structure, exacerbated by a temporary block on civil service recruitment.
- Unavoidable delays in updating processes and procedures due to reduced communication between institutions, also affected by the illness of key personnel in the system.

Measures taken/planned:

- Once the measures were lifted in June 2020, the CFCU prepared a revised Annual On site Visit Plan for 2020 rescheduling the timing for conducting the on site visits. All the on site visits included in the revised plan were carried out accordingly and individual on site visit reports prepared.
- In the case of the Annual Management Verification Visits Plan for 2020 to IPA Units in the Line Ministries and Beneficiary Institutions premises, the CFCU, after reviewing the procedure, decided with the NAO approval, to conduct the Management Verification Visits through an online platform and desk- based assessment, in order to ensure the continuance and performance of controls. In total 9 desk based MVV were conducted at IPA Units.
- Evaluation processes during March- May 2020 were carried out online.
- The twinning selection committees have been all carried out online.
- The activities for the contracts under implementation have been postponed, some contracts have been suspended and the implementation deadline in the majority of cases has been extended.

- Some activities for contracts under implementation have been shifted to online modalities and international experts are working home-based.
- Significant work was done to improve processes and procedures concerning Irregularities and improvements to the Manual drafted and consulted with AFCOS). The CFCU now has direct access to the on-line reporting system.
- The new CFCU's organizational structure has improved the segregation of duties and audit trail, the workload balance, and decision-making process which have positively influenced the evaluation and contracting process.
- The preparation of project documentation has been accelerated and delays in the use of EU funds and difficulties in meeting contracting deadlines have been avoided for the IPA 2017 and IPA 2019 programmes, in the latter case through advance launching the call for proposals for IPA 2019 with a suspension clause, before the signature of the Financing Agreement.

11. Recommendations for further actions

In terms of the implementation of IMBC, some further actions are set out, which apply to all sectors, aiming at the achievement of the objectives of the projects/ measures under the ongoing programmes and improvement of the indirect management implementation system. The following are put forward:

- Enhancing and strengthening the coordination and working relations between all IPA entities and the EUD;
- Ensure that all staff within the management and control system are trained including on risk and irregularity management;
- Enhancing communication between all IPA actors for more effective functioning of the IPA management and control system. Strengthening of internal control capacities of the managing structures for indirect management;
- Creating a retention policy for staff involved in IPA management;
- Improving IPA Unit capacities on procurement/tendering process according to PRAG rules/ Twinning manual and the specificities and steps of the tendering process for different types of contracts and on Project Monitoring Reports also through establishing/enhancing Training Capacities among CFCU staff to train IPA Units on the preparation of tender documents, project selection, and implementation;
- Communication of risk management activities within IPA entities should be improved. Monitoring procedures need to be strengthened and targets monitored regularly, for non-achievement risks to be identified and adequate measures implemented;
- Ensuring the timely and successful implementation of audit findings/recommendations for a more effective functioning of the IPA management and control system;
- Proposed members of the Evaluation Committee should be competent, qualified and possess relevant technical knowledge; they also need to have broader knowledge of the respective project and be familiar with the PRAG procedures. Replacement evaluators should be nominated for each one of the voting members, to prevent delays in case of unavailability. Capacity building of the evaluation committee members should be

ensured in order to ensure the quality of evaluation and its contribution to sound decision-making;

- Preparation of a reserve list of other potential projects ready for financing. In all cases where the implementation of one contract is dependent on a TA contract which supports its implementation, the Contracting Authority should always launch the procurement procedure of the latter with a suspension clause, in order to be able to face any unforeseen circumstances.

12. Audits – main findings and recommendations and corrective actions taken

The Audit Agency for EU Accredited Assistance Programmes (AA) is established pursuant to the relevant framework agreements signed between the Republic of Albania and the European Commission, as an autonomous agency that is functionally independent from any stakeholders of the management and control systems in the allocation and use of EU funds. AA performs its activity independent of the National IPA Coordinator, the National Authorising Officer, management structures and operating structures of the EU assistance.

During 2020, the Audit Agency (AA) carried out audits in IPA II structures aimed at providing assurance that the operation of the management, control and supervision systems in the delegated bodies, as well as the internal audit units, are properly functioning, accounting and financial working arrangements are in place and working in line with the requirements set out in the Framework Agreements and the applicable EC regulations. The AA audited all structures and authorities included in the MCS of the Programmes under IPA Policy Areas - Reforms in preparation for EU membership and related institution and capacity building through annual Country Action Programmes. The full AA activities carried out in 2020 are presented in the annual activity report of the audit authority, to be submitted to the EC by 15 March 2021.

From the audit work under system audit in 2020, the Agency's main recommendations for improving the management and control system were addressed to the NAO Office, the CFCU and the NIPAC Support Office, as follows:

- The staff of CFCU and NAO SO should be further trained in the use of the AFIS-IMS Platform. The irregularity procedure should include procedures to recording, monitoring, and reporting irregularity signals.
- The overall risk assessment methodology should be improved.
- The supervision of the management and control system should be improved by NAO SO.
- Contract monitoring by CFCU should be improved, particularly as regards risk assessment during contract implementation.
- Better follow-up to red-flag issued identified by Sectoral Monitoring Committees should be performed by NIPAC SO.

Based on the findings and recommendations issued, the audited institutions drafted Action Plans with responsible structures and concrete deadlines for making the necessary changes.

Most recommendations addressed to the responsible bodies are in the process of being implemented and/or monitored through action plans. During 2020, four (4) AA Missions were performed at CFCU out of which two Operational Audits for IPA I and II, one System Audit and one Audit of Accounts and made twenty-three (23) recommendations. In this regard, the CFCU has taken all the necessary corrective measures in order to fully implement the recommendations. The NAO SO has improved the internal procedures and integrated in the revised irregularity procedure the AFCOS inputs. In the case of the NIPAC SO, the indicated recommendations in the Audit Report have been addressed through corrective measures and improvements to procedures.

From 11 to 15 November 2019, the European Commission DG NEAR verified on-the-spot the structures and authorities responsible for the implementation of the pre-accession assistance through indirect management in Albania (SYS/2019/04/AL - DG NEAR R3). After the contradictory procedure with the auditee, the final inventory of findings and recommendations was received by the National IPA Coordinator on 26 May 2020.

Recommendations addressed to NAO, NAO SO, NIPAC, CFCU and AA were issued in the following areas:

- NAO: Accountability, Assurance of the Management Declaration, Request for entrustment, Follow-up of DG NEAR's inventory, Follow-up of DG NEAR audit report on ICT.
- NAO/NIPAC: Staffing and retention policy.
- NAO/NAO SO: Report on self-assessment, Coordination and monitoring framework of the ICS.
- NAO SO: Substantiation of the Management Declaration, KPIs, Risk assessment and monitoring verification visits.
- NIPAC: Late implementation of action programmes.
- NAO SO/CFCU: Management of irregularities, register of non-compliance events and internal control weaknesses.
- CFCU: Late contracting and quality of the procurement plan.
- AA: Audit opinion 2018, Limitation of scope, Internal documentation and regulation to be finalized.

An action plan was prepared by the entities concerned which is being implemented. However, due to the already described issues connected with the COVID-19 pandemic, a number of recommendations although being processed, have not been fully addressed yet.

II. INFORMATION PER SECTOR

II.1. Democracy and Governance

In the sector “Democracy and Governance”, 11 actions have been financed under IPA II:

COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2014

1. Action 1. Sector reform contract for public finance management (direct management)
2. Action 2. EU integration facility (direct and indirect management with Albania)
3. Action 3. Support to public administration reform (indirect management with Albania)
4. Action 4. Support to participation in Union programmes (indirect management with Albania)

COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2015

6. Action 1. Sector Reform Contract for Public Administration Reform (PAR) (direct management and indirect management with UNDP)
7. Action 2. EU Integration Facility (indirect management with Albania, direct management)
8. Action 3. Support to participation in Union Programmes and Agencies (indirect management with Albania)

COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2016

9. Action 1. EU integration facility (direct management)
10. Action 2. Support to participation in Union Programmes and Agencies (indirect management with Albania)

COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2017

11. Action 1. EU Integration Facility (direct management, indirect management with the UNDP, UN Women and OCSE, and indirect management with Albania)
12. Population and Housing Census 2020 (indirect management with Albania)

COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2018

13. Action 1. EU Support for the participation in Union Programmes and Agencies (indirect management with Albania)

In the case of IPA 2020, it is noted that the Financing Agreement has not yet been signed: further information is provided in the section on programming below.

In the table below a snapshot of the progress as regards the implementation of actions in this sector is presented, based on financial indicators.

Detailed information is provided for Sector Budget Support and Actions under indirect Management by Albania.

Sector/IPA Year/Action	EU contribution per FA	Indirect management with Albania	National Contribution	Amount Received from EC (Pre-Financing)	Amount Contracted (IPA)	Total amount disbursed (EU Funds) cumulatively in Euro at cut-off date 31.12.2020
2014 Action Programme for Albania						
Action 1 SRC PFM – Budget Support	39,000,000.00		-	-	-	30,671,690
Action 1: SRC PFM Complementary Technical assistance	3,000,000.00					
Action 2: EU Integration Facility	13,746,389.00					
		10,300,000.00	N/A	4,822,855.38	7,771,002.14	3,663,996.65
Action 3: Support to PAR	6,000,000.00	6,000,000.00	N/A	4,942,168.00	4,942,168.00	3,523,968.40
Action 4: Support to participation in Union Programmes	1,000,000.00	1,000,000.00	606,338.00	960,000.00	1,000,000.00	960,000.00
2015 Action Programme for Albania						
Action 1: SRC PAR	26,600,000.00		N/A	N/A	N/A	13,487,043
Action 1: SRC PAR Complementary Technical assistance	4,500,000.00					
Action 1: SRC PAR Monitoring and Communication	500,000					
Action 2: EU Integration Facility	13,900,000.00					
		4,700,000.00	N/A	2,195,958.03	2,781,147.63	1,734,042.26
Action 3: Support to participation in Union Programmes and Agencies	1,000,000.00	1,000,000.00	882,892.07	970,247.40	970,247.40	970,247.40
2016 Action Programme for Albania						
Action 1: EU Integration Facility	4,740,000.00					
Action 2: Support to participation in Union Programmes and Agencies	1,000,000.00	1,000,000.00	1,010,264.24	898,438.58	1,000,000.00	898,438.58
2017 Action Programme for Albania						
Action 1: European Union Integration Facility	14,600,000.00			-	-	-
		1,850,000 ¹⁵		1,480,000.00	1,147,028.63	896,496.08
2018 Action Programme for Albania						
Action 1: Support to participation in Union programmes and agencies	3,000,000.00		1,263,671	3,000,000.00	3,000,000.00	2,993,685.44

To present a coherent sectoral perspective, information is presented by area, i.e., public administration reform, public finance management, the European Union Integration Facility and Support to participation in Union Programmes. In the latter two cases, it should be borne in mind that the actions supported relate also to other sectors, but are reported under this sector in accordance with the allocation under IPA II programming.

1. Involvement in programming

The programming process for IPA 2015, 2016, 2017 and 2018 Actions under this sector was finalised outside the timeframe of this AIR.

¹⁵ A reallocation was made from the originally envisaged 4,500,000 to provide emergency medical relief for COVID-19 as detailed elsewhere in this Report.

No actions have been programmed for IPA 2019 under this sector.

During 2020, the NIPAC SO coordinated the process of re-programming for IPA 2020. The programmes and action documents to be supported under IPA 2020 in this sector are “EU for Good Governance”, with an indicative amount of EUR 48.1 million (EUR 36 million as budget support, and EUR 12.1 million as complementary assistance); ii) “EU for Property rights”, with an indicative amount of EUR 5.7 million; “Participation in Union Programmes”, with an indicative amount of EUR 1.5 million, and the EU Integration Facility with an indicative amount of EUR 8.3 million.

With regard to the IPA 2015 SRC for Public Administration Reform, due to the impact of the earthquake in November 2019 and the COVID-19 pandemic in 2020, Annex IA Budget Support of the Financing Agreement for the IPA 2015 Action Programme for Albania was amended as follows:

- The amounts budgeted for Indicators 1.3, 2.3, and 4.3 were reallocated to other indicators.
- Indicators 6.3 and 10.3 were postponed by one year so shall be assessed in 2021 for the progress made during 2020.

Consequently, only five target indicators were assessed with the amount EUR 1,120,000 per indicator.

2. Overview of results in moving towards a fully-fledged sector approach (i.e., targets reached as per sector roadmap in the Sector planning document)¹⁶

The integrated mechanism of the sector/cross-sector wide approach under the Integrated Planning System (IPS) as the main system that defines the tools and mechanisms for integrated public policy planning ensuring the effective allocation of financial resources was adopted by Prime Minister’s Order n. 157 dated 22 October 2018, consolidating the sector/cross-sector approach following the establishment of Integrated Policy Management Groups (IPMG)¹⁷, Sector Steering Committees (SSC)¹⁸ and Thematic Groups (TG)¹⁹. The Integrated Sector Wide Approach Mechanism was fully operational and mobilized in 2019. The mechanism is being supported by the EU-funded project Technical Assistance to Integrated Policy Management Groups (IPMGs) for policy dialogue and coordination.

The Integrated Planning System ensures that public policy and finance are managed in efficient harmonized and integrated manner. Based on the Council of Ministers Decision no. 290 dated 11.4.2020, “For the creation of Government Integrated Planning System Information System (IPSIS)”, central institutions are obliged to create strategic documents, define policies, costing

¹⁶ With regard to the Sector roadmaps (SARs), during October 2016 – March 2017 NIPAC supported Line Ministries and other beneficiary institutions to draft the document and the package comprising all the sector roadmaps was sent to EUD in March 2017. However, no updates have been made since a new approach has been adopted for an integrated mechanism as described here.

¹⁷ Enabling cooperation at political level for the integrated sector/cross-sector approaches in priority areas (Government priorities).

¹⁸ Enabling cooperation at political level and inter-institutional coordination within sector of special importance.

¹⁹ Enabling cooperation at technical level as well as with development partners within the specific sectors of the respective priority areas.

measures planned under strategies, approve policy items and monitoring their implementation through IPSIS. The main goal is to create a state database of the Integrated Planning Information System (IPIS), which aims at reorganizing the design of strategic and medium-term policies, programming, budgeting, monitoring, evaluation and coordination of policies in order to avoid fragmentation and duplication between government key policies and financial planning processes. The application of the IPSIS platform has been installed and fully tested, training have been conducted for 150 IPSIS system users in line ministries as part of a Train the Trainers approach Network in line ministries as well as dedicated workshops in 4 sectors: (i) justice and home affairs (ii) finance and economy (iii) social protection and health and (iv) infrastructure and energy (4 training reports after the end of the dedicated workshops). IPSIS will apply equally to the whole government system in order to enforce among others planning/programming, monitoring and evaluation of the strategic framework, as well as for advanced data analysis and reporting through dedicated performance/analytical framework; after a transitional phase until July 2021, it will be fully operational in order to achieve greater accountability and a stronger evidence base for future decision making and communication activities.

During 2020, the overall IPMG mechanism has been dynamic and active within a unified approach resulting in a total of 232 meetings held, approx. 31% more than in 2019. The performance index for the mechanism for 2020 is 61%²⁰. Despite the difficulties due to COVID-19, the mechanism has been result-oriented and improved its performance as regards the strategic framework: in 2020 60% of the strategic framework has been planned and drafted according to plans, 8% more than 2019, and almost 94% of the strategic documents have been approved based on the Legislative Plan.

The IPMG “Good Governance and Public Administration”, chaired by the Deputy Prime Minister and the SSC Public Financial Management, chaired by the Minister of Finance and Economy enable cooperation at political level for the sector Democracy and Governance. At technical level, there are 6 Thematic Groups²¹. The IPMG “Good Governance and Public Administration” drafted 57% of the planned strategic documents all of which have been approved. 16 performance reports have been drafted and approved for 2020 and the IPA II Action Programme for Good Governance (2020) has been finalised.

The SSC for Public Finance Management met twice during 2020: on 7 April 2020 to discuss and approve the Terms of References of PFM Committees; PFM Passport of Indicators; PFM monitoring guideline; and the PFM Action Plan 2019-2022; and on 9 July 2020 to discuss and approve the 2019 PFM Annual Report.

The PFM Technical Committee - a forum held at the technical level for the Public Finance Management sector - held three meetings during 2020.

²⁰ In accordance with the methodology and annual report produced by the PMO - Department for Development and Good Governance as head of the General Secretariat of the IPMG mechanism.

²¹ Policy Making Thematic Group; Anti-Corruption Thematic Group; Decentralization Thematic Group; Civil Service Thematic Group; Digitalisation Thematic Group; Public Services Thematic Group.

In February 2020, the Department of Public Administration as leader of the TG “Civil Service and Cross Cutting Strategy of Public Administration”, organized a consultative meeting on the improvement of the monitoring and reporting process of the Cross-cutting PAR strategy (CCPARS) in collaboration with SIGMA; the key findings and the annual CCPARS monitoring report were approved through written exchange. An on-line Webex meeting of the TG was held on 31.08.2020 to discuss the draft 6-month monitoring report of CCPARS for 2020, the monitoring format used according to IPSIS and costing of activities.

3. Coordination with other instruments and/or donors/IFI's within the sector

The Thematic Groups established by Prime Minister’s Order no. 157 dated 22.10.2018 enable cooperation at technical level in the sector with development partners, within the specific sectors of the respective priority areas; a Lead Development Partner has been nominated for each Thematic Group.

In the PAR area, there are several agreements with international partners, in particular with SIGMA and the EUD.

As one of the key players, SIGMA has made a significant contribution to developing the current administrative framework in Albania. SIGMA is assisting the Prime Minister’s Office to improve the monitoring and reporting methodology with regard to the National Strategy for Development and Integration (NSDI) and sector and cross-cutting strategies.

Furthermore, SIGMA is supporting the office of the Deputy Prime Minister and DOPA in the coordination of CCPARS implementation; the PMO on strengthening the evidence-based and participatory policy making through full implementation of the recently introduced regulatory impact assessment system and improvement in public consultation; in this respect the IPA II funded Technical Assistance for Better Regulation and Public Consultation project started in November 2019. SIGMA is assisting the MoJ on the implementation of the Code of Administrative Procedures; the MoFE on improving the quality of the internal financial control of public funds; the Public Procurement Agency, the Public Procurement Commission and the Ministry of Finance and Economy on promoting sound EU practice, through workshops and legislative drafting, for the development of the public procurement review function and public private partnerships/concessions; and the Albanian State Supreme Audit Institution on implementation of their strategic development plan for 2018-2022.

The project Second Multi-Donor Trust Fund has ensured a progressive enhancement of the IPS system in general terms. The expected outcomes of the projects represent a major enhancement for the policy making/Centre of Government functions and PFM capability towards the consolidation of performance management of central administration. The relevance of these outcomes to country priorities include:

- The automatization of internal processes and procedures that aims to increase the utilization efficiency of internal financial and human resources towards policy goals in various sectors of government activity, such as expenditures programs related to planning and administration of expenditures for central government and cost reduction accompanied with increased transparency for line ministries or other central institutions.

- The necessity of increased efficiencies follows from the path of macroeconomic stabilization and consolidation that have been put as a priority by Government of Albania after the hit of financial crises, which materialized in large hidden deficits in order to materialize policy planning and development to medium term budget planning and execution processes.
- The increased internal control procedures that come with automatization and exchange protocols in IPS integrated framework solutions enables Albania to advance to higher stages of accrual accounting augmenting the accountability of public officials in order to cope with standards of well-designed integrated solutions.
- The accuracy of information produced by automated integrated solution to allow for more quality to support increased effectiveness and demands for transparency.
- The integrated solutions to ensure Government of Albania to better cope and serve the needs of a demanding and challenging process of EU accession also in terms of information to be provided and reporting.
- Readiness to reduce costs and proficiency of operations required addressing the negative impact of earthquake 2019 and Covid-19, hence any e alternative for improvement of public expenditures management needs to be considered as of outmost priority.
- A project designed to account for to current practices and future/strategic needs of government public officials being in line with two major strategies like NSDI (2015-2020) and PFM (2014-2020), while specifying in detail the business process' needs of main stakeholders of the project.

The STAR 2 Project – “Consolidation of the Territorial and Administrative Reform” (July 2016-December 2020), implemented by the UNDP, has been supported by a number of international development partners through a pooled funding mechanism. International partners include: The European Union, the Government of Sweden through Swedish International Development Agency, the Government of Italy through Italian Development Cooperation, Swiss Government through Swiss Development Cooperation, and the United States through the United States Agency for International Development and UNDP. The project benefits all 61 Local Government Units (LGUs), strengthening institutional and administrative capacities of local administrations, increasing local service delivery efficiency, quality, coverage, accessibility and inclusiveness for men and women and enhancing local democracy through fostering citizen-oriented governance and participatory decision making, leveraging the roles of women as actors of change. The Municipalities for Europe (EUR 1.8 million in total, for two phases) is also supporting the EU-related governance capacities of municipalities (trainings, ASPA curricula, knowledge-exchange, municipalities performance assessment, support to EU Units), and the outreach to Albanian citizens and Albanian local administrations with information about the EU, its policies, programmes and funds.

Furthermore, during 2020, continuous cooperation was in place in this sector with other donors/IFIs, including the World Bank under the Citizen-Centric Service Delivery Project, the UNDP, the Austrian Development Agency and others.

With regard to Public Finance Management, Albania's Development Partners, including the EUD, IMF, WB, SIDA, USAID, Austria and Switzerland actively participated in the PFM Steering Committees organized by MoFE in 2020. The MoFE was assisted by the "Technical assistance to support the strengthening of the capacities for the implementation of the public finance management strategy".

With regard to the EU Integration Facility project "Enhancing the Bank of Albania's alignment with EU acquis", there are several complementary projects in course funded by other instruments/donors:

- o The EU-funded "Programme for Strengthening the Central Bank Capacities in the Western Balkans with a view to the integration to the European System of Central Banks" which started implementation in the second quarter of 2019, focusing particularly on specific issues in the areas of banking supervision, financial stability, recovery and resolution, monetary policy, payment systems, statistics, compliance and EU integration, governance policies, accounting and internal audit.
- o Technical assistance is provided to the Bank of Albania from the Swiss State Secretariat for Economic Affairs through the programme "Implementation of the second phase of the Bilateral Assistance and Capacity Development for Central Banks 2018 -2022", by enhancing the monetary policy analysis and implementation and the financial stability.
- o The Deutsche Bundesbank, together with 17 national central banks, and with contributions by the ECB, has organized an intensive regional training programme on key central banking and supervisory issues. There will also be two policy workshops for decision-makers on the resolution of non-performing loans and governance issues. In addition to the regional training events, the programme will finance the implementation of specific bilateral measures to be defined in the meetings of the Programme Steering Committee.
- o The Bank of Albania has continued to benefit from the technical assistance of IMF and World Bank in different areas.

Regarding the support to INSTAT for the Population and Housing Census 2020, there are several activities funded by other donors:

- o The Swiss Development Cooperation (SDC) will provide support through capacity development activities and improvement of the IT infrastructure for the mapping and geographic information system. The government of Albania will cover the cost of personnel for map updating, salaries of 6,000 enumerators and training cost for the fieldwork, tablets for the data collection process and power-banks. Part of the Government contribution will be the rental of storage for tablets and office space.
- o SIDA has supported Census 2020 activities through the purchase of workstations for IT staff and computer desktop for the GIS office through a direct grant. In addition, SIDA has committed to supporting part of the uncovered Census activities. During 2020, several meetings have been organized to discuss the activities to be supported. A draft project proposal prepared by INSTAT is planned to be signed in the second quarter of 2021 which will cover salaries for the field work staff (controllers), preparation of the in-depth analyses, defining the concept and production for publicity campaign for second Pilot Census and human resources publicity, as well as the Client Access Licenses for remote access (CAL).

- o The International Organisation for Migration (IOM) has provided tablets as a donation through GIZ support for the survey on Migration. These tablets will be used for the Census map update.

4. The impact of IPA II actions within the sector on the development of the relevant national administrative capacity in the sector, strategic planning and budgeting

The Government of Albania has embarked on ambitious reforms to improve Good Governance addressing a wide range of complex issues in the public administration reform (PAR), public finance management (PFM), the fight against corruption (AC) as well as decentralisation and digitalisation. IPA II actions under “Democracy and Governance”, particularly the Sector Reform Contracts under which public administration reform and public finance management are financed, contribute, directly or indirectly, to strategic planning and budgeting and administrative capacity building; contracts implemented or envisaged under the EU Integration Facility also have such effects.

The Government’s priorities in the field of Public Administration Reform focus on the implementation of the Integrated Planning System, by creating the conditions for introducing a performance orientation in the policy planning and budgetary processes and by improving institutional capacity to monitor results at the strategy and program levels. The implementation of the new Civil Service Law and administrative procedures shall enhance the professionalization and depoliticizing of the public administration. Simplification of procedures is a key component of the PAR Strategy, for civil service and Administrations, as well as for administrative procedures of citizens.

Regarding Public Administration Reform, the implementation of the IPA II actions has contributed to achieve the objectives set out in the PAR Strategy and Digital Agenda. PAR focuses on improving the overall administrative capacity, including the reform of public administration institutional structures, the improvement of the management of civil service wage reform and the capacity building in public administration. Furthermore, the policies’ aim is to substantially improve the quality of public services and to ensure a more rapid approximation with EU standards and requirements. Significant progress has been registered in several areas of Public Administration Reform. The policy framework for PAR is in place and remains relevant. The institutional set-up for policy management, co-ordination and monitoring is established. The policymaking and coordination mechanism have been strengthened by a more efficient Sector Wide Approach Mechanism for coordination, programming and monitoring across all public administration sectors which, with the established integrated policy management groups and sector steering committees, also contributes to more consistent monitoring of the implementation of the reforms.

The Albanian government has continued its focus on the main reform areas, although the impact of COVID-19 has slowed down progress. The reform ambitions have been maintained especially with regard to (i) policy development and (ii) centre of government functions (iii) Human resource management. Strategies underwent mid-term reviews²² to make adjustments

²² National Cross Cutting Strategy for Decentralization and Local Governance 2015-2020 is approved for the extended period and the Digital Agenda is in the process of being extended .

and the necessary time extensions until 2022. The action plans of these strategies are all costed and based on the IPSIS standards.

The need for a strong centre of government coordinating efficiently the work between the Prime Minister's Office and the line ministries in the use of public consultation remains key and the Government is in the final procedural phase for the adoption of the methodology on public consultation; supported by the EU-funded Technical Assistance for Better Regulation and Public Consultation, a detailed guideline and template have been prepared for monitoring the performance of ministries in regard to the quality of public consultation process and a passport of key performance indicators prepared to enhance the quality scrutiny role of the PMO and a more strategic approach to annual performance reporting on the progress in implementing standards of public consultation process.

With regards to the extent and functioning of the Human Resources Management Information System (HRMIS), this system continues to be populated and updated with data on public administration officials but it does not cover the whole civil service yet. Regarding the automation of salaries through the HRMIS, the connection with the Treasury system was completed and tested in cooperation with the National Agency of Information Society (NAIS). Training and capacity building of civil servants have also continued by assisting HRMIS users through the distribution of guidance materials (video) on the use of new Web functionalities for linking the Treasury with the HRMIS. However, the HRMIS still needs to be extended to the local level even further. The government has been stepping up efforts in this regard and considerable progress has been made with the integrated platform administrative which is an integrated platform for joint communication and reporting for the entire public administration, including Local Government Units, which has as a back-end the HRMIS.

Progress has been achieved related to the creation of an electronic registry for all the public institutions; 56 public authorities have installed the electronic register for information requests.

As regards the enhancement of the role and capacities of the coordinators, the Commissioner's Office has conducted several online and onsite trainings with the coordinators, focusing especially on the COVID-19 pandemic and the obligation of public authorities to respond to all requests for information despite the objective difficulties.

The extension of the One-stop-shop system to all Municipalities and Administrative Units has been an ongoing objective of the Government, supported by donor-funded projects (including STAR 2 and Municipalities for Europe).

The Population and Housing Census represents one of the pillars for data collection on the number and characteristics of the population of the Country, and should form a central part of an integrated National Statistical System, which may include other censuses (for example an agricultural census), surveys, registers and administrative files. It provides, at regular intervals, the benchmark for the Country's population estimates programme. For small geographical areas or sub-populations it may represent the only source of information for certain social, demographic and economic characteristics. The Census will play a crucial role in updating the urgently needed statistical information on the local and regional level and in understanding and presenting the changes which have taken place in Albania since 2011. Furthermore, it provides a unique updated statistical base to develop sampling frames for the organization of

household's surveys during the inter-censal period and the support for the preparation of agriculture census. It will provide the government, stakeholders, and other users with relevant statistical information on the social and demographical structure of the population in Albania. The census data will also contribute to the decision-making process and allocation of funds, and determine the number of households at the central and local level for assessing programme needs, which will contribute in the development of the country. The Grant contract support is conceived as a capacity development action, aiming at empowering and strengthening capabilities of INSTAT. The project will pursue an integrated, multi-level approach. The Population and Housing Census will contribute to the creation of a building and dwelling register and of population registers on the national level which will enable the collection of more disaggregated data at lower level (municipality, gender, age etc.) and will improve the current methodology according to EU and UNECE recommendations. Furthermore, the Census will provide data on disability, ethnic communities and religious/faith groups. In addition, the improved methodology will contribute to and be reflected in the availability of SDGs indicators. Due to the earthquake in 2019 and the COVID-19 pandemic in 2020, the planned census activities could not be carried out in 2020; INSTAT, with the support of the TA project, is revising the Census Strategy and Planning Document as well as the activity plan and Census budget.

The Census law was revised and approved by the Parliament on 26 November 2020, and published in the Official Journal on 28/12/2020²³.

Two Compliance Review missions on Public Finance Management were conducted online in June and October 2020 to assess PFM and budget transparency and oversight as a general condition for all Sector Budget Support. During 2020, The MoFE has sent the EUD all disbursement requests received from respective SRC lead institutions. The MoFE as the financial coordinator for the budget support instrument, has cooperated with the Lead Institutions, to follow the general and specific conditions and preparing the disbursement packages for budget support for Public Administration Reform, Transport with Focus on Road, Fight against Corruption, EU for Justice, EU for Social Inclusion and EU for Economic Recovery. Two seminars were held with all the actors that benefit from and manage Sector Reform Contracts, on 2-3 March 2020 and 18 December 2020, supported by the EU Technical Assistance project for PFM.

Activities undertaken under PFM have a direct effect on an improved strategic planning and budgetary process in Albania. With regard to EU Budget Support Management, special guidance on costing was completed and sent to the Programming and Analysis Directorate and to the Prime Minister's Office (PMO). The Comprehensive SBS Guidelines were drafted and translated in Albanian. A two-day Sector Reform - SBS workshop was held on 2-3 March 2020. Draft SBS curricula and training material were revised. A three-day Sector Reform - SBS workshop was held on 16-18 September 2020 in Vlora. An online workshop on costing took place in December 2020.

²³ <https://qbz.gov.al/eli/fz/2020/230/8d7c2ad1-a410-4106-9a11-22c635fd10bd>

With relation to PFM, the last version of the fiscal cadastre system was finalised and the General Directorate of Property Tax (GDPT) is preparing the financial module of the collection process through liaison with banks and the Treasury. The GDPT, with the support of the ProTax Albania Team, has drafted a new draft-law for a Building Tax, for the creation of a Building Tax System Based on Market Value. Initiatives for awareness-raising for the value-based property tax have been launched and a dedicated section of the MoFE website is under preparation.

Support has focused on supporting MoFE to strengthen its institutional arrangements and to revise the indicators and targets of the PFM Strategy. The Toolkit for the Monitoring and Reporting of the PFM Strategy in Albania was finalised, assisted by the Technical Assistance. The TA Team assisted the Public Procurement Agency with the Passport of Indicators for the new Public Procurement Strategy 2020-2023 and started to develop a comprehensive set of monitoring and reporting guidance.

Annual and Medium-Term Budget Planning has continued to roll-out advanced MTBP methodologies to Line Ministries; Technical Assistance supported the MoFE in drafting additional guidance for the Public Investment Management (PIM) budget preparation aligned with the Standard Budget Preparation Guidelines and MTBP improvements. A report was prepared on budget reliability, using the PEFA methodology.

Budget monitoring capacities of the Ministry of Agriculture & Rural Development (MARD) and Ministry of Health and Social Protection (MOHSP) were reviewed in January-February 2020 through intensive sessions with Programme Management Teams of both ministries; due to the pandemic, two webinars were organised for CSOs in November and December 2021.

Regarding Public Internal Financial Control, the TA project facilitated the preparation of a joint audit methodology to audit the arrears. Significant progress was made with the development of the web-based platform to assist submitting and analysing the self-assessment questionnaires: the platform has been developed; manuals elaborated; training videos produced; and on-the-job and online training sessions to Central Harmonisation Unit (CHU) provided. In close cooperation with the CHU/FMC the PFM TA started analysis of the implementation of risk management in two ministries. The CHU/IA was supported in developing two databases: on IA findings and recommendations and on ALSAI recommendations. A guideline was prepared to assist the internal auditors to collect and store the information on the IA database. The TA finalised a guideline on auditing arrears, which was approved by the CHU/IA, the Minister of Finance and Economy and the Chairman of the ALSAI.

A PFM Communications' Working Group has been established with members from Government of Albania (GoA) PFM stakeholders. The PFM Strategy has been published. Both full and short versions in Albanian and English target primarily civil servants and CSOs, as well as the wider public. Two communications training workshops took place in July and October 2020. Videos on PFM and the PFM Strategy were completed and shared with various stakeholders, which have posted the videos on their social media and websites.

Support was provided to the MoFE in modernising the present Tax and Customs Training Centre (TC). The Team prepared a review report on the current state of play of the TC, mapped the desired future status of the TC and prepared and presented a roadmap indicating costed

short and medium-term actions in five areas. Finally, as part of the Flexible Facility, work commenced in the provision of assistance to the MoFE in aid coordination.

During 2020, the MoFE conducted a thorough review process of the PFM Strategy 2020-2022 log frame and action plan with a major focus on indicators, targets and their timeline and drafted a report on proposed changes for the performance indicators to take into account the negative impact of the earthquake and the COVID-19 pandemic on achieving the envisaged results.

Participation in Union Programmes promotes cooperation with Member States in fields related to different EU policies (i.e. research, competitiveness and innovation, media, education, health, youth, culture, environment, customs policy, fight against poverty, fight against youth unemployment etc.) that are of particular benefit in progressing towards EU integration. Albanian actors are more aware of and invest more efforts to finding partners and participating in other networks in order to increase networking and become successful and competitive in Union Programmes. Albanian institutions managing Union Programmes in Albania have also shown a higher level of involvement in terms of coordinating and organizing information and capacity building events and networking when calls for proposals were opened alerting the potential applicants and increasing the interest to apply. The proper level of awareness and keeping constantly informed of these secondary beneficiaries/potential applicants to Union Programmes is also very important, bearing in mind that most of the applicants and beneficiaries are mostly not Government structures. On the other hand, it is becoming crucial, especially with programmes that need more attention and commitment, to have besides the dedication and determination, the adequate staffing and budget resources, to implement their activities in compliance with all the requirements and increase the participation rate. Experience from other EU MS has shown that such organization has proved to have higher results and effects are quite tangible.

The impact of the EU Integration Facility project “Enhancing the Bank of Albania’s alignment to EU acquis”, Twinning Project ‘Support to ACA to increase skills for planning and conducting inspections and solve competition cases and capacity building actions in order to prepare accession negotiations’ and “Technical Assistance in carrying out effective market surveillance in line with the acquis” are discussed in section II.I.7.

5. Operating structure(s) in place and related changes

The Operating Structure or the implementation institutional arrangements (in the case of “Support to participation in Union programmes”) **for the actions under indirect management by Albania** in the sector are set out in the table below:

IPA Programme/Action	Operating Structure
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2014	
Action 3. EU integration facility	(i) Contracting Authority (CFCU) (ii) NIPAC Support Office (iii) IPA units in Beneficiary institutions (MEFA, MoFE, INSTAT, MIE, Energy Efficiency Agency)
Action 4. Support to public	(i) Contracting Authority (CFCU)

IPA Programme/Action	Operating Structure
administration reform	(ii) NIPAC Support Office (iii) IPA units in Beneficiary institutions (Department of Public Administration, NAIS, ADISA)
Action 5. Support to participation in Union programmes	(i) Overall national coordinator: MEFA; (ii) Union Programmes and responsible line ministries: <ul style="list-style-type: none"> • COSME – Coordinator, Ministry of Economic Development, Trade, Tourism and Entrepreneurship (MEDTTE), now Ministry of Finance and Economy (MoFE); • Horizon 2020, Erasmus + – Coordinator, Ministry of Education and Sports (MES) now Ministry of Education, Youth and Sports (MEYS); • Horizon 2020 – Coordinator, Ministry of Innovation and Public Administration (MIPA) now the Agency for Research, Technology and Innovation (ARTI); • Creative Europe – Coordinator, Ministry of Culture (MC); • Employment and Social Innovation and Europe for Citizens – Coordinator, Ministry of Finance and Economy; • Europe for Citizens – Coordinator, Ministry of Culture; • Customs 2020 – Coordinator, Albanian Customs Administration (ACA); • Fiscalis – Coordinator, General Directorate of Taxation (GDT); • Justice – Coordinator, Ministry of Justice (MoJ). (iii) Responsible structure for reimbursement of payments for entry tickets - National Fund (NF), Ministry of Finance and Economy (MoFE).
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2015	
Action 2. EU integration facility	(i) Contracting Authority (CFCU) (ii) NIPAC Support Office (iii) IPA units in Beneficiary institution (Ministry for Europe and Foreign Affairs, Bank of Albania, Albanian Competition Authority, Ministry of Culture)
Action 3. Support to participation in Union Programmes and Agencies	As for the 2014 Action.
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2016	
Action 2. Support to participation in Union Programmes and Agencies	As for the 2014 Action.
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2017	
Action 1. EU integration facility	(i) Contracting Authority (CFCU) (ii) NIPAC Support Office (iii) IPA units in Beneficiary institutions (Ministry for Europe and Foreign Affairs, General Directorate of Customs, Energy Efficiency Agency, General Directorate of Intellectual Property, National Tourism Agency, Commissioner for Data Protection and Access to Information)
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2018	
Action 1. Support to participation in Union Programmes and Agencies	As for the 2014 Action.

6. Information on the implementation of programmes in the sector

The following section provides key information on the implementation of contracts under indirect management by Albania in the sector in 2020 by area and Financing Agreement. With

regard to the IPA 2014 Action Programme for Albania, only activities in course in 2020 are reported on. The main achievements of the actions in implementation are reported in the following section II.1.7.

Additionally, information is provided on the performance of the Sector Reform Contract on Public Administration Reform in 2020. The impact of the Sector Reform Contracts on the development of the relevant national administrative capacity in the sector, strategic planning and budgeting has been reported in sub-section II.1.4.

IPA 2014 ACTION PROGRAMME FOR ALBANIA

Action 2: European Union Integration Facility²⁴

- Technical Assistance in carrying out effective market surveillance in line with the acquis (service contract) - Beneficiary Institution: Ministry of Finance and Economy – Duration: October 2018 – July 2020 - Contract value: EUR 499,400;
- Support for the implementation of Population and Housing Census 2020 activities in Albania (direct grant) - Beneficiary Institution: INSTAT - Duration: December 2018 – December 2022 - Contract value: EUR 4.8 million. The timing of the three phases of Census activities have been revised as follows: (i) Preparatory activities for the conduction of the PHC in Albania (December 2018 – September 2022); (ii) Fieldwork-data collection (October - November 2022); (iii) Post-survey activities - data processing, analysing, preparation and dissemination of the results (December 2022 – November 2024). The second year of the project implementation focused on pilot data analyses and pilot findings which will be used for further improvements of all processes and procedures of Census preparatory activities, specifically, the methodology, IT and GIS related activities. According to the revised activity plan, the second Pilot Census is planned to be conducted in October 2021;
- Support in the Energy Efficiency Sector and the Renewable Energy Sources (RES) Development (service contract)- Beneficiary Institution: Ministry of Infrastructure and Energy – Duration: February 2019 – February 2021 - Contract value: EUR 294,650;
- Support to civil society organizations for the implementation of capacity building actions to increase policy dialogue and awareness on European Integration process – Grant scheme – 12 grants were contracted for a total value of EUR 757,949.14 and their implementation was extended due to the impact of the COVID-19 pandemic (as detailed in the table below).

Grant Contract Name	Amount (EUR)	Beneficiary	Start date	End date
Grant contract for civil society “Building the path for European Entrepreneurs and SMEs”	32,392.44	Studies and Development Centre	12.12.2018	11.07.2020

²⁴ Contracts which terminated by 31.12.2019 are not included here.

Grant Contract Name	Amount (EUR)	Beneficiary	Start date	End date
Grant contract for civil society “Promoting entrepreneurship and entrepreneurial learning among young people and women in Albania”	38,970.36	Albanian National, Professional, Businesswomen and Crafts’ Association (SHGPAZ)	12.12.2018	11.06.2020
Grant contract for civil society “E-Citizens, Albania in Europe!”	45,710.38	Albanian Students Abroad Network Alumni (ASAN)	12.12.2018	11.02.2020
Grant contract for civil society “Europe citizen so far so close”	54,448.80	Institute of Development, Migration and Integration	12.12.2018	11.02.2020
Grant contract for civil society “Improving knowledge of organic agriculture farmers related to European Integration process”	43,121.90	Institute for the Promotion of Social and Economic Development- Lead Applicant	12.12.2018	11.07.2020
Grant contract for civil society “Starting from the grass-roots: Civil society Role in the EU Integration Process in Albania”	94,838.00	Akademia e Studimeve Politike- Lead Applicant	12.12.2018	11.10.2020
Grant contract for civil society “Deliberating socio-economic impact of EU Integration- Albanian case and regional experiences”	68,700.00	European Movement of Albania	12.12.2018	11.08.2020
Grant contract for civil society “Exploring EU to better prepare for a long journey- 10 questions/answers”	59,290.00	Infinit Plus	12.12.2018	11.07.2020
Grant contract for civil society “Young towards EUROPE!”	99,136.07	“MESDHEU” CENTER	12.12.2018	11.06.2020
Grant contract for civil society “Building the European future at home: youth engagement in the process”	88,268.00	World Vision Albania- Lead Applicant	12.12.2018	11.08.2020
Grant contract for civil society “Applying Sector Approach to Civil Society Contribution in EU Integration of Albania-CONNECT”	99,998.19	Cooperation and Development Institute- Lead Applicant	12.12.2018	11.07.2020

Action 3: Support to public administration reform through law enforcement and Innovative ICT processes

Under the IPA 2014 action Support to public administration reform through law enforcement and Innovative ICT processes (IPA 2014/032813.04), implemented under indirect management by Albania, one project was under implementation during 2020:

- Implementation of civil service reform across the public administration (service contract) – Beneficiary Institution: DOPA – Duration: July 2018 – April 2021 - Contract value: EUR 2, 836,500.

IPA 2015 ACTION PROGRAMME FOR ALBANIA

Action 1: Sector Reform Contract for Public Administration Reform

Due to the impact of the earthquake and Covid-19 pandemic, Annex IA “Sector Reform Contract (SRC) for Public Administration Reform (PAR)” of the Financing Agreement was amended. Through this amendment, three indicators were suspended due to the impossibility to organise the constant coordination, interaction and trainings needed for the achievement of the targets in the light of the health-related restrictions, and the related funds reallocated to indicators that were not affected by the crisis. A further two indicators (6.3 HRMIS generates payroll reports for all state Administration institutions, independent institutions and all local government units (LGUs) employing civil servants and 10.3 Decrease by 1/3 the share of public information requests refused by public authorities in 2020 compared to the baseline of 2019) have been postponed by one year to be assessed in 2021 (Achievement: by end 2020; Assessment by May 2021; Disbursement by September 2021).

The Compliance Review for the SRC PAR was held entirely online; it was recognised that Albania has demonstrated the continuation of the improvement of the functioning and capacities of the public administration but due to the post-earthquake and COVID-19 pandemic, the progress undertaken in public administration and public finance management slowed down.

5 out of the 8 indicators subject of assessment were assessed as fully compliant, specifically:

1. Indicator no. 3 “Adoption of full regulatory impact assessment (RIA) methodology and its increased application and quality”
2. indicator no. 5 “Increased rate of implementation of the annual recruitment plan in line with the Law on Civil Servants and its secondary legislation”
3. Indicator no.7 “Decrease in the proportion of final court decisions confirming unlawful dismissal of civil servants”
4. Indicator no. 8 “Increased enforcement of the backlog of final court decisions in relation to civil servant appeals”
5. Indicator no. 9 “Public services provided at a higher level of automation”

A request for the disbursement of EUR 5,600,000 was made in 2020.

The overall achievement of the targets for the SRC shall be reported in the AIR 2021, given the 1-year postponement.

Action 2: European Union Integration Facility

- Enhancing the Bank of Albania’s alignment with EU Acquis (Twinning) - Beneficiary Institution: Bank of Albania – Duration: October 2019 - January 2021 - Contract value: EUR 799,948;
- Further Strengthening the Competition Authority's capacities to protect the free and effective competition in the market (Twinning) - Beneficiary Institution: Albanian Competition Authority – Duration: July 2019 – September 2020 - Contract value: EUR 700,000;

- Building capabilities of the Albanian Public Administration on free movement and fight against illicit trafficking of Cultural goods (Services) - Beneficiary Institution: Ministry of Culture – Duration: October 2019 – February 2021 - Contract value: EUR 249,000;
- Support to the General Directorate of Standardization (DPS) in aligning legislation and work procedures with the Union acquis and CEN&CENELEC criteria, aiming to prepare DPS to become full member of CEN&CENELEC (Services) - Beneficiary Institution: Ministry of Finance and Economy – Duration: September 2019 – February 2021 - Contract value: EUR 299,750;
- Support to civil society organizations for the implementation of capacity building actions to increase policy dialogue and awareness on European Integration process – Grant scheme – 13 grants were contracted for a total value of EUR 647,359.63 as detailed in the table below.

Grant Contract Name	Amount (EUR)	Beneficiary	Start date	End date
Albanian youth for EU integration	61,621.41	EuroPartners Development	28.9.2019	27.1.2021
Enhanced social dialogue and improved employment policies in Albania in the view of the EU integration process	36,826.85	Centre for Labour Rights	28.9.2019	27.1.2021
Albanian youth action on the EU acquis	40,000.00	Institute of Social Studies and Humanities	28.9.2019	27.9.2020
Enhance the capacities of Local CSOs to contribute in negotiation process	69,710.05	Democratic Integration and Development Centre	28.9.2019	27.3.2021
Europe respects Human Rights	62,527.39	Together for life	28.9.2019	27.1.2021
Paving the way towards a sustainable Natura 2000 network in Albania: the case of Narte-Pishe-Poro complex site.	37,329.95	Protection and Preservation of Natural Environment in Albania	28.9.2019	26.6.2021
Europe for Albanian youth (EU4A)	55,986.15	Corporate Social Responsibility Communication Centre	28.9.2019	27.1.2021
YouThink enabling the proactive participation of youth in policy and legislative development of Albania and its implication in the process of European Integration	64,000.00	Institute for Policy and Law	28.9.2019	27.1.2021
Increasing Awareness of CSOs and SMEs on the importance of circular economy in line with the EU Circular Economy Package	35,364.92	Centre for Competitive Skills (CCS)	28.9.2019	27.9.2020
Increasing civil awareness on standard energy efficiency measures in Albania	39,099.19	INTBAU	28.9.2019	27.3.2021
Academy of European Integration and Negotiations	68,300.00	AIEN-Academy of European Integration and Negotiations	28.9.2019	27.3.2021
Financial literacy through the lens of EU integration process: Mind genomics approach for the active citizenship and CSOs	36,686.72	UET Centre	28.9.2019	27.9.2020

FarmHer	39,907.00	People and Ideas	28.9.2019	27.12.2020
---------	-----------	------------------	-----------	------------

Additionally, under the EUIF, the CFCU contracted several low-value service contracts which were in implementation in 2020:

- Preparation of the Tender Dossier for "Establishing computer-based solutions to enable implementation of several components and control mechanisms" - Beneficiary Institution: DOPA – Duration: February 2018 – January 2020 - Contract value: EUR 19,520;
- Experts "assessors" to assist in the evaluation of grant applications received for civil society call for proposals under IPA 2017 NP (indirect management) – Lot 2 Beneficiary Institution: CFCU – Duration: July 2019 – January 2021 - Contract value: EUR 2,325;
- Experts "assessors" to assist in the evaluation of grant applications received for civil society call for proposals under IPA 2017 NP (indirect management) – Lot 2 Beneficiary Institution: CFCU – Duration: July 2019 – March 2021 - Contract value: EUR 2,400.

IPA 2017 Action Programme for Albania

European Union Integration Facility (IPA 2017/ 040-209.01)

Due to the urgent need to provide emergency medical relief in light of the COVID-19 pandemic, funds were reallocated from the EUIF 2017; only one grant scheme and 3 twinning contracts will be implemented through IMBC.

- Grant scheme "Support to Civil Society Organizations for enhanced cooperation with state institutions in relation to the European Integration process" – indicative budget EUR 700,000. The Guidelines for Grant Applicants were published on 26 March 2020. The signing of contracts is foreseen in February 2021;
- Twinning Contract "Support to the Albanian Customs Administration in Relation to the Implementation of the EU Customs Code and Increase of Operational Capacities in the Area of Counterfeit Goods - Beneficiary Institution: Customs Administration/MoFE – Duration: November 2020 – November 2021 - contract value: EUR 400,000;
- Twinning Contract "Strengthening the Protection and the Enforcement of Intellectual Property Rights" – Beneficiary Institution: MoFE – Duration: October 2020 - October 2021 - contract value: EUR 347,057.48;
- Twinning Contract "Institution-building for alignment with the Union acquis on the protection of personal data" – Beneficiary Institution: Commissioner for Data Protection and Access to Information – Duration: October 2020 – September 2021 - contract value: EUR 399,971.15.

IPA 2018 Support to Union Programmes

With regard to Albania's participation in Union Programmes, for the year 2019, Albanian Institutions paid the entry tickets for the participation in 9 Union Programmes:

- COSME is the EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (SMEs);

- EaSI Programme (Employment and Social Innovation) supports government initiatives and strategies, to modernize the labour markets, social security systems increase the rates of employment, in particular among young people, supporting job creation etc.;
- Erasmus + is the European Union's Framework Programme for education, training, Youth and Sports 2014 to 2020. It aims to support projects, partnerships, events and mobility in the areas of education, training youth and sport;
- Horizon 2020 supports research and innovation that opens up a wide range of opportunities to stimulate growth and create new jobs, to offer assistance to public universities to strengthen advice and carrier canters etc.;
- Fiscalis 2020 Programme supports the Albanian General Directorate of Tax Administration towards enhancing the administrative capacity of tax authority and advancing technical progress and Innovation, ensuring effectiveness of tax collection, on the fight against fiscal fraud and tax evasion, reducing the administrative burden for tax authorities and the compliance costs for taxpayers etc.;
- Customs 2020 Programme supports capacity building and experience sharing for the Albanian Custom Administration working on the identification, developing and applying best working practices in all areas of customs processes;
- Creative Europe Programme will contribute to enhance artistic expression and creativity, promote the cultural and linguistic diversity, increase the quality of art works, promote Albanian writers and authors in Europe and vice versa etc.;
- Europe for citizens Programme is focused on two thematic areas: (i) European Remembrance and (ii) Democratic engagement and civic participation;
- Justice Programme shall contribute to further development of a European area of justice based on mutual recognition and mutual trust. This programme was ratified by the Albanian Parliament in February 2017.

The Ministry of Justice has signed the Memorandum for the European Union Fundamental Rights Agency which became effective as of 1 January 2020.

The main activities implemented in 2020 covering Albania's participation in Union Programmes were focused on strengthening the coordination role of NIPAC SO, keeping the information flow consistent at all levels (between NIPAC SO and NCPs, NCPs and respective EC Services in Brussels, especially for the new ones, NCPs and potential beneficiaries); supporting the NCP network, assisting the NCPs to activate the management of the Programmes they are in charge of and provide hands on support for organising Information and Training Days in synergy with other EU-funded projects and strengthening networking and partnerships with counterparts. Regular meetings were also organised individually with the institutions managing Union Programmes in Albania and MEFA. Efforts have been taken to increase information and the participation of potential beneficiaries in Union Programmes through direct support to potential applicants to benefit from Union Programmes when calls for proposals are open, info sessions, seminars, information dissemination, trainings etc.

The COVID-19 global pandemic changed partially the work methodology. From mid-March 2020, the training sessions and meetings were organized online and individual meetings with the NIPAC SO and NCPs and potential applicants in open spaces in accordance with the health-related provisions.

7. Main achievements in the sector

The main achievements of the contracts implemented under indirect management by Albania in the sector are presented below²⁵.

IPA 2014 ACTION PROGRAMME FOR ALBANIA

Action 2: European Union Integration Facility

The project **Technical Assistance in carrying out effective market surveillance in line with the *acquis*** has achieved the following results:

- the improvement of product safety and reliability legislation in the field of Legal Metrology;
- the increased knowledge and awareness of employees of MSI and DoED of MoFE in new principles of market surveillance;
- the increased knowledge and awareness and strengthened capacities of employees of MSI to perform market surveillance activities in particular in product fields by providing trainings and assistance in drafting guidelines;
- the increased understanding and awareness on importance of Market Surveillance for promotion of product safety and reliability and consumer protection in society.

With regard to the **Population and Housing Census 2020**, the second year of implementation focused on pilot data analyses and pilot findings, which will be used for further improvements of all processes and procedures of Census preparatory activities, specifically, the methodology, IT and GIS related activities. According to the revised activity plan due to the postponement of Census, the second Pilot Census is planned to be conducted on October 2021. The following achievements can be reported:

- the revision of the Census questionnaires has been finalised based on the Pilot findings in close collaboration with the expert team;
- the evaluation of features for CAPI applications and ICT infrastructure. and IT staff have been trained with an intermediate and an advanced course on CSPro;
- the Geo-information Unit (GIS Unit) has updated the Census maps for the unfinished areas in 2019 as a result of the November 26 earthquake. As a result, 90 % of EAs geospatial information was edited by 31.12.2020;
- a specific web-page dedicated entirely to the Census has been developed and hosted under the INSTAT official web-site with the support of technical assistance;
- on-the-job training on management and grant implementation procedures and reporting of INSTAT staff;
- a four-day study visit of the methodology unit to the Czech Statistical Office on best practices and views on census questionnaire, census materials and training materials for field staff;
- a workshop was held to assess and define INSTAT's programme and project management procedures and controls, including project planning, monitoring and risk

²⁵ In the case of Support to Union Programmes, information is only reported on the IPA 2018 Action.

management systems, the development of the Census risk management (risk register, risk action plan and risk alert form) and update the existing risk management.

The project “**Support in the Energy Efficiency Sector and the Renewable Energy Sources (RES) Development**” is under implementation, albeit with some delays in activity due to COVID-19 pandemic. The following achievements on priority issues can be reported:

- the development and finalization of the website of the EEA;
- completion of the first testing procedure for the certification of the first energy auditors,
- preparation of a number of draft Energy Service/Energy Performance Contracts templates;
- preparation of the Balancing obligation scheme to the RES producers, finalization of the collection of data for hydro Power Plants (PPs), PV PPs and Wind PPs (and finalisation of the draft relevant map), collection of data of all RE Power Plants, the transmission network and the respective substations, initial identification of all the institutions involved in RES development and integration as well as their degree and method of involvement.

Concerning the Grant Scheme “**Support to civil society organizations for the implementation of capacity building actions to increase policy dialogue and awareness on European Integration process**” 6 final technical reports have been approved; one grant contract “Building the path for European Entrepreneurs and SMEs” has been concluded with the final payment.

Action 3: Support to Public Administration Reform

The IPA 2014 "Implementation of civil service reform across the public administration" is ongoing. Its main achievements to date are:

- Policy Paper on the new salary reform – Analytical Study and Public consultation/round-table on the salary reform with all stakeholders;
- Development of Manual for performance appraisal;
- Development of a “User friendly Manual” for the new Code of Administrative Procedures;
- Completion of inventory of administrative acts and practices related to HRM and development of templates for new civil servants’ portal;
- Development of a manual for job evaluation;
- Development of e-curricula and an online training programme;
- Methodology for determining process workflows in line ministries, with related document management.

IPA 2015 ACTION PROGRAMME FOR ALBANIA

Action 2: European Union Integration Facility

The Twinning project **Enhancing the Bank of Albania’s alignment with EU Acquis** concluded in mid-January 2021; however, its achievements are reported here:

- In the area of Supervisory and Macroprudential regulation, new provisions aligned with EU standards relating to capital adequacy have been introduced, including some post-COVID-19 EU provisions. Several recommendations issued by the European Systemic Risk Board were implemented, producing specific policy papers.
- A new version of the Monetary Policy Report has been produced, and a statistical data warehouse for macroeconomic analysis and forecasting has been introduced. Monetary and financial statistics were refined and expanded and a more robust and efficient data management system implemented. Going beyond the expected results, a roadmap for an integrated data-handling infrastructure has been designed.
- The relevant provisions of the Payment Accounts Directive (PAD) were implemented, and significant progress was made towards the adoption of ECB standards in the domain of payment system oversight and in increasing awareness of cyber-risks in online payments. A roadmap was drawn up for adapting the Albanian payment system to the Eurosystem's TARGET2 platform; in addition, indications were given on a possible adaptation of the IP towards a system like TIPS.
- As regards the BoA's organization, an upgrading of the Internal audit manual, and a review of the HR functions were made in order to harmonize them with ECB/ESCB standards.
- A brand-new HR manual was produced to enhance the capabilities of the HR Department, in line with best ECB and international standards. On the role of the European Integration Office, a comprehensive policy paper was drafted, with a wide range of recommendations concerning the BoA's European integration process.

The Twinning project **Further strengthening the Competition Authority's (ACA) capacities to protect the free and effective competition in the market** has been successfully concluded.

Its main achievements include:

- Improvement of the Legal Framework and approximation with the EU legislation improved through assistance for the revision of the Law no. 9121/2003 "On protection of competition" in line with EU legislation, drafting of secondary legal legislation, improving the methodology and techniques of legal approximation of the national law with the EU Acquis of ACA's staff and Regulatory Impact Assessment, State Aid and Advocacy Regulatory Framework;
- Strengthening the Administrative capacity of the ACA regarding the fight against Cartels, merger control, best practices and the recent methodologies used by EU Competition Authorities with regard to General Data Protection Regulation, methodologies used in analysing abuse of dominant position in exclusive rights cases, best practices and the recent methodologies used by EU Competition Authorities with regard to data gathering for market studies/sector enquiries
- Increasing ACA's capacity to reach out to different relevant stakeholders increased, through analysis of the effects of the recommendations of the Competition Commission and establishment of the right mechanisms to make them obligatory for central and local government/independent institutions /market regulatory bodies, strengthening relations with regulatory bodies for competition matters in different sectors of economy, awareness activities, increased competition culture in academia, education system,

business environment, chamber of commerce, consumer associations, NGOs, legal firms and administration in central/local level.

The project **Building capabilities of the Albanian Public Administration on free movement and fight against illicit trafficking of Cultural goods** (Services) has prepared drafts of the following documents:

- Guidelines “on Conditions and Procedures of Licensing for Trading in Cultural Property”.
- Guidelines “on the conditions and procedures for the international circulation, export and import of cultural property”.
- Decision and its annexes “on the establishment and management of the stolen and smuggled cultural property database”.
- Guideline on the inventory of cultural property, procedures and methods for its registration and cataloguing, according to paragraph 2, Article 56 of the law;
- Guideline on the functioning of the cultural database digital system, according to paragraph 8, Article 56 of the law;
- Guideline on the establishment and functioning of the cultural trading register, according to paragraph 7, Article 116 of the law;
- Guideline on update of the stolen goods database, according to paragraph 6, Article 130 of the law;
- Common guideline on the cultural property objects subject to commercial activity for which a more detailed description is compulsory, in accordance with paragraph 8 of Article 116 of the law.

The project **Support to the General Directorate of Standardization in aligning legislation and work procedures with the Union acquis and CEN&CENELEC criteria, aiming to prepare the DPS to become full member of CEN&CENELEC** was significantly affected by the impact of the COVID-19 pandemic and has been extended. Achievements so far include:

- the revision of the DPS internal regulations and work procedures for compliance with the CEN/CENELEC conditions for full membership;
- assistance for revision of existing DPS documents and preparation of missing ones, including translation from Albanian to English for CEN-CENELEC auditing purposes;
- facilitation of the active participation of Albanian economic operators and industry in technical work and in influencing the process of developing standards at European level; support for the National Standardization Strategy.

Support to civil society organizations for the implementation of capacity building actions to increase policy dialogue and awareness on European Integration process – Grant scheme: due to the COVID-19 pandemic, the majority of projects requested an extension and will end in 2021; their achievements will be reported on in the AIR 2021.

IPA 2018 ANNUAL ACTION PROGRAMME FOR ALBANIA

Support to Union Programmes

The main achievements in the area are as follows:

- The Albanian actors have an increased awareness of the Union programmes and invest more efforts in finding partners and networking in order to increase ensure competitive applications in Union Programmes.
- Albanian institutions managing Union Programmes in Albania have increased their level of involvement in terms of coordinating and organizing information and capacity building and networking events when calls for proposals are launched.
- Generally, the level of participation has increased

Based on the most recent data available²⁶, the **successful Albanian applicants** for Union Programmes are presented below.

1) Horizon 2020:

Albania's participation in Horizon 2020 has been growing constantly since 2014 with higher number of applicants from year to year and awarded grants especially in the last 2 years. Albania is actively engaged in setting up a R&I governance system to bring it in line with the ERA priorities. Albania has been particularly successful in the area of Health research. The sharp increase in participation in COST actions is a tangible outcome of these efforts. The ongoing development of a Smart Specialisation Strategy will further strengthen Albania's national research and innovation eco-system. Given that the programme provides for numerous calls for proposals (around 300 annually) in diverse areas, the number of applicants and awarded grantees is quite broad. 479 applications have been submitted, out of which 48 funded with total EU contribution of EUR 5 million.

NASRI has a data base of 3,900 researchers; the research community is regularly informed on open and forthcoming calls for Horizon 2020, the future Horizon Europe, Marie Skłodowska-Curie Actions (MSCA), Partner Search, Webinars and Training Online events, Conferences etc. NASRI has organized more than 160 information sessions/trainings targeting the higher education institutions, private and public bodies, NGOs, research centres, municipalities in cooperation with the DG Research and Innovation, Research Executive Agency (REA), APRE, TAIEX, the NCP Academy, Italian Institute of Culture and the TA for Union Programmes in Albania since 2016. The NCP Network, which has been reorganized, is more active as well in terms of dissemination of information and support.

The European Cooperation in Science and Technology (COST) is one of the biggest networks which allows researchers to embark upon networking opportunities by participating in science and technology networks called COST Actions (177 members as of 2019). Albanian representatives from academia, SMEs, CSOs, etc are increasingly joining the COST network. Around 40% of partnerships created under COST are successfully funded under H2020 when applying in joint partnerships.

The table below presents the available figures for H2020 (other calls are under evaluation).

Year	Projects with Albanian applicants	Awarded projects	Amount (Eur)
------	-----------------------------------	------------------	--------------

²⁶ Data availability varies from programme to programme.

2015	112	7	328,713
2016	62	4	132,939
2017	16	6	133,130
2018	98	9	1,832.791
2019	47	7	607,411
2020	144	15	1,965.016
Total	479	48	5,000.000

2) ERASMUS PLUS

International Credit Mobility (ICM): Albania has benefited from 253 projects (out of 284 applications with a success rate of 89%), 2,453 outgoing exchanges and 1,609 incoming exchanges.

Erasmus Mundus Joint Master Degrees (EMJMDs): 14 scholarships to follow EMJMD were obtained by Albanian students, 7 of which in the engineering field.

Cooperation for Innovation and Capacity building in Higher Education (CBHE): Albania has benefited from 12 projects (out of 64 applications in which Albanian institutions were involved). 3 of these will be coordinated by Albanian institutions.

Jean Monnet: Albania was awarded 4 modules and 1 chair.

Overall, Albania is performing better in all components of Erasmus + compared to the previous year.

i. Capacity Building in Higher Education

For 2020:

- ▶ 64 applications in which Albania is involved
- ▶ 20 applications where Albania applied as coordinator
- ▶ 12 projects approved to be financed
- ▶ 3 projects out of 12 in which Albania is involved as coordinator
- ▶ 3 National Projects
- ▶ 7 Multi Country Projects
- ▶ 2 Structural Projects (one national and one multi country)

Data for 2014-2019

Albania in CBHE projects	TOTAL	2019	2018	2017	2016	2015
Proposals received in call overall	3811	840	887	883	736	515
Projects selected in call overall	744	163	147	149	147	138
Projects received involving Albania	214	39	52	65	36	22
Projects selected involving Albania	33	10	6	6	6	5
Projects coordinated by Albania	9	5	2	2	0	0
Instances of participation from Albania in selected projects	114	36	20	32	12	14

ii. Capacity Building in the Field of Youth

In 2020: 8 awarded as lead, 12 as partner.

Data for 2014-2019

2019	TOTAL: 14 awarded as Coordinators from Albania, 13 as partners in 25 projects out of 32 awarded with budget for Albania participation of 2,169.302
------	--

2018	TOTAL: 5 lead out of 38 projects with a budget of 366,523
2017	TOTAL: 6 lead out of 43 projects with a budget of 477,176
2016	Round 1: TOTAL 7 lead out of 47 projects with a budget 352,952 Round 2: TOTAL 1 lead out of 17 projects with a budget 24.251
2015	Round 1: TOTAL 5 projects as lead Round 2: TOTAL 7 projects as lead

iii. Jean Monnet Activities

For 2020:

- ▶ 4 modules
- ▶ one Chair (University of Elbasan)

Data for 2014-2019

Albania in Jean Monnet	Total	2019	2018	2017	2016	2015	2014
Proposals received in call overall	6153	1315	1255	1177	1034	879	493
Projects selected in call	1500	285	235	238	270	260	212
Applications from Albania	43	8	12	12	6	3	2
Selected projects from Albania	10	2	1	4	2	0	1
Networks involving partners from Albania	1	0	0	1	0	0	0

iv. International Credit Mobility

	TOTAL	2019	2018	2017	2016	2015
Proposals received involving Albania	847	254	205	155	116	117
Projects selected involving Albania	666	234	157	109	88	78
Students and staff moving to Europe	5 552	2 118	1 225	838	817	554
Students and staff moving to Albania	3 281	1 329	728	509	376	339
Percentage of regional budget	24.0	35.1	24.7	17.6	19.7	17.2

v. Erasmus Mundus Joint Master Degree

For 2020:

- ▶ 14 Scholarships EMJMD
- ▶ 7 in engineering

For the period 2014-2019

Albania in Jean Monnet	Total	2019	2018	2017	2016	2015	2014
Total EMJMDs selected	204	51	44	39	27	32	11
Total proposals received	613	107	112	122	92	119	61
Proposals received involving Albania	2	2	0	0	0	0	0
EMJMDs selected involving Albania	0	0	0	0	0	0	0
Full partners from Albania in EMJMDs	0	0	0	0	0	0	0

Associates from Albania in EMJMDs	0	0	0	0	0	0	0
-----------------------------------	---	---	---	---	---	---	---

vi. Additional Scholarship

	Total	2019	2018	2017	2016	2015	2014
Scholarship winners from Albania	64	11	8	10	15	4	16
From global budget	52	11	8	10	15	4	4
From additional regional budget	12	0	0	0	0	0	12
Scholarships worldwide	9389	2130	1669	1556	1347	1308	1379
EM programmes offering scholarships		103	86	100	87	120	149

- The BeActive awards were created to support projects and individuals that are dedicated to promoting sport and physical activity across Europe. Albania successfully applied to this initiative in the 2019 call and has been awarded a grant to accomplish the project.

3. Europe for Citizens

A positive trend for Albania for 2018-2020 is represented by 4 awarded grants where Albania is Lead: 3 municipalities in Town Twinning Patos (2018), Roskovec (2019), Tropoja (2020) and Tirana University (2019) in European Remembrance.

Year	Description	Data
2020	<p>Round One</p> <p>Town twinning – 3 projects/3 applicants Albanian Society in Development, Malesi e Madhe Municipality, Kamza Municipality</p> <p>Networks of towns – 4 projects (1 in 3 projects), 3 applicants Albanian Association of Municipalities (3 projects), Municipality of Lezha, Municipality of Elbsan</p> <p>European Remembrance – 1 project/1 application Beyond Barriers organisation</p> <p>Civil Society Projects – (evaluation ongoing)</p>	<p>All – 8 projects/7 applicants TW- 3 projects/3 applicants NE- 4 projects/3 applicants RE – 1 projects/1 applicants CS – in process.</p>
2019	<p>Town twinning – 5 projects/5 applicants 1 as Lead Patos Municipality, Kamza Municipality, Klos Municipality, Diakonia, Udhetim i Lire</p> <p>Networks of towns – 10 projects/10 applicants Lezhe Municipality, Tirane and Shkoder (1 project), Vlore, Patos, Shijak (2), Finiq, Kruje, Association of Municipalities, Center of Studies and European Policies</p> <p>European Remembrance – 4 projects/4 applicants Tirana University (lead applicant), Tirana Municipality, Justice and Peace Association, Zeri Qytetar,</p> <p>Civil Society – 2 projects/2 applicants Roma Versitas Albania, Institute for Democracy and Mediation</p>	<p>All – 21 projects/21 applicants TW- 5 projects/5 applicants NE- 10 projects/10 applicants RE – 4 projects/4 applicants CS – 2 projects/2 applicants</p>
2018	<p>Town twinning – 6 projects/5 applicants 1 as Lead Partner Roskovec Municipality, Kamez Municipality (2), Mirdite Municipality, Mat Municipality, Klos Municipality</p> <p>Networks– 4 projects/4 applicants Librazhd Municipality, Shijak Municipality, Centre of European Policies, Association of Municipalities</p> <p>European Remembrance – 6 projects/5 applicants Institute of Social Studies and Dora e Pajtim (1 project), Art Kontakt (2 projects), Youth and History, Roma Active,(2)</p> <p>Civil society – 4 projects/ 5 applicants (2 in one project) Association of Local Autonomy, UET Centre, Agency of Local Democracy, Beyond Barriers, Association of Industrial Environmentalists</p>	<p>All – 20 projects/20 applicants TW- 6 projects/6 applicants NE- 4 projects/4 applicants RE – 6 projects/5 applicants CS – 4 projects/5 applicants</p>
2017	<p>Twinning – 7 projects/7 applicants Agency of Regional Development, Diakonia, Lezhe Municipality, Shijak Municipality, Kamez Municipality, Mirdita Municipality, Klos Municipality</p> <p>Networks – 5 projects/ 4 applicants Lezhe Municipality (2 projects), Vlore Municipality, Consulting and Development Partners, Association of Municipalities</p> <p>Civil Society/Shoqeria Civile – 1 project/1 applicant Association of Local Autonomy</p>	<p>All – 13 projects/12 applicants TW- 7 projects/7 applicants NE- 5 projects/4 applicants CS – 1 projects/1 applicant</p>
2016	<p>European Remembrance – 4 projects/3 applicants Institute of Roma culture (2), Mjaft Movement, National Historical Museum</p> <p>Networks – 2 projects/3 applicants Dures Municipality and Universitety A.Moisiu Dures (1 project), Association of Communes</p> <p>Civil Society/Shoqeria Civile – 3 projects/3 applicants INSTITUTI SHQIPTAR PËR ÇËSHTJET PUBLIKE, Partners Albania, Beyond Barriers</p>	<p>All – 9 projects/9 applicants NE- 2 projects/3 applicants RE – 4 projects/3 applicants CS – 3 projects/3 applicants</p>
2015	<p>Twinning (5 projects/4 applicants) Centre of Studies of European Policies (2), Diakonia</p>	<p>All – 11 projects/ 10 applicants TW- 5 projects/4 applicants</p>

	Foundation, Kamez Municipality (2) and Klos Municipality European Remembrance -2 projects/2 applicants Aleksander Moisiu University Durres, Himare Municipality Networks – 3 projects/3 applicants Durres Municipality, Open Door Centre, European Movement Civil Society – 1 project/1 applicant Centre of Excellence for Social Behaviour	NE- 3 projects/3 applicants RE – 2 projects/2 applicants CS – 1 projects/1 applicant
2014	2014 – 7 projects Networks 1 project/2 applicants Vau i Dejes Municipality and Shkoder Municipality Civil Society - 6 projects/6 applicants Partners Albania, Beyond Barriers, Association of Teachers of History, Centre of Studies of European Policies, Roma Active, Institute of Sciences	All – 7 projects/ 8 applicants NE- 1 projects/2 applicants CS – 6 projects/6 applicants
	Total	89 projects/87 applicants

4. CREATIVE EUROPE

In 2020 there were 300 applications, out of which 30 from institutions and NGOs that work in the field of arts and culture from Albania. Out of the 13 awarded projects, 7 are from Albania: Shoqata Poetike (2 projects), Qendra Tulla, Qendra Marredhenie, Vox Baroque, Qendra Harabel, Muzeu Historik Kombetar.

Over the period 2014 – 2020, there have been 28 Albanian beneficiaries awarded EUR 1,174,949:

- From Culture Sub-Programme there are 20 beneficiaries for a total of EUR 1,042.499
- From Media Sub-Programme there are 8 beneficiaries for a total of EUR 132.000.

5. JUSTICE PROGRAMME

Albanian participation in Justice Programme has been quite positive since the first year of participation in 2017. On 28 February 2020, a training day was organized on 4 opened calls for proposals. Until the end of 2019, there were 9 projects with 10 Albanian partners with a total amount of 434,500 Euro in total budget.

Year	Title and Partnership	Total budget (EUR)	AL Budget (EUR)
2017			
1.	1 Partner from AL: Res Publica Centre (AL) Advancing procedural rights in Albanian – contributing to the effective and coherent application of EU Criminal law in the area of the rights of people suspected or accused of crime	265,212	42,468
2.	1 Partner from AL: Shkodra University “Luigj Gurakuqi” An EU operation to tackle gaps in cross-border cooperation of training providers	542,383	65,484
2018			
1.	1 Partner from AL: Faculty of Law, University of Tirana Enhancing Enforcement under Brussels Iaw	161,479	24,585

Year	Title and Partnership	Total budget (EUR)	AL Budget (EUR)
2.	1 Partner from AL: Faculty of Law, University of Tirana Diversity of Enforcement titles in the cross-border debt collection in the EU	827,546	24,225
3.	1 Partner from AL: Human Rights in Democracy Centre Promoting Rights of European Victims	497,328	40,964
4.	1 Partner from AL: Res Publica Centre Trail Waiver Systems in Europe	431,199	41,671
5.	1 Partner from AL: Faculty of Law, University of Tirana Train to enforce	548,556	43,923
6.	2 Partners from AL: Ombudsman and European Centre Foundation Boosting competences in penitentiary staff in Europe	405,690	38,199 59,171
2019			
1.	1 Partner from AL: Qendra e Sherbimeve dhe Praktikave Ligjore te Integruara Legal Aid for children in criminal proceedings developing and sharing best practices	327,281	53,810
Total	9 projects with 10 Albanian partners		434,500 (352,705 EU contribution)

6. EaSI

Albanian organisations have applied under four calls for proposals (since 2015), leading to one successful application: “Supported Continuous Unemployed Learning” (SCUL) is financed by the EaSI Programme and has the objective to offer targeted, flexible, quality basic education to low qualified Albanian adult jobseekers (awarded in 2020). The project is led by the Albanian National Employment and Skills Agency, in partnership with UNDP Albania (total budget EUR 811,921 Eur).

7. COSME

Albania has participated in the COSME Programme since 2015. COSME launches 4-7 calls per year with specific targets. In principle it funds consortiums that provide services to SMEs, young entrepreneurs in various fields, etc. Albania has a satisfactory participation with yearly participation from 2015-2021 in the EEN (Enterprise Europe Network) Albania as a horizontal support and other projects within the Erasmus for Young Entrepreneurs.

From 2014 until today, Albania has benefitted as Leader/Coordinator or Partner as follows:

- ☐ A total budget of 1,516,573 Euro
- ☐ 10 awarded projects
- ☐ 27 beneficiaries – either coordinators or partners from Albania.

Customs – Fiscalis – are not based on applications, but participation in events or meetings organised by the EC or the member states. Albanian respective institutions have participated regularly in these events.

8. Any significant problems encountered in implementing the tasks entrusted e.g., delays in contracting, and subsequent measures taken/planned.

Actions under Indirect Management by Albania

As a general point, it can be noted that due to the COVID-19 pandemic, the introduction of remote working practices has represented a challenge; unstable internet connections have impacted on the effectiveness of remote meetings (especially for staff not able to come to the office) and many staff do not have adequate IT resources to work efficiently at home. In some cases, access to IPA-related documentation is limited outside the office in the public administration, as not stored on secure systems.

Furthermore, unavoidable delays were caused due to staff illness, which in some cases affected entire units.

The COVID-19 pandemic has affected the smooth implementation of the contracts managed by the CFCU, mainly in relation to the timely implementation of the contract activities. In order to overcome the situation, the following measures have been taken by the CFCU:

- Formalization of contract addenda for the extension of the implementation period, along with an updated timetable of activities.
- Approval of suspensions of the contracts, when requested by the contractor.
- Approval of home-based working days for the international experts of service contracts under implementation.
- Usage of online platforms for the implementation of the activities (trainings, study visits etc.) and for the organization of meetings.

In the case of Twinning Contracts, flexibility arrangements in the context of the COVID-19 crisis situation were introduced by DG NEAR in March 2020 and extended throughout the year. All Twinning projects have been affected by the travel restrictions which have impeded MS experts from physical missions in the majority of cases. This has led to the organisation of activities through remote modalities and in some cases project suspensions such as the Twinning Project **Enhancing Bank of Albania's alignment with EU Acquis** which was suspended from 11th March -30th June 2020, prior to restarting on July 1st using videoconferences for the implementation of the activities.

Some critical issues were encountered during the implementation of individual IMBC projects, also due to the impact of COVID-19; these are briefly illustrated below with the measures taken to address them.

Considering the challenges created due to the COVID-19 pandemic, regarding the implementation of the Grant contract **Support for the Implementation PHC 2020 activities in Albania**, INSTAT suspended the Technical Assistance contract funded by EU for three months (3rd April – 6th July). Furthermore, to avoid further delays in the implementation of the project, and to prepare for the Census, home-based missions have been organized.

In addition, INSTAT staff has continued the process of analysing the pilot findings in order to identify the possible gaps and improve all Census processes (questionnaires, map updating, development of the systems, update of manuals and logistics). The process has taken into consideration also the methodological impact of the November 2019 earthquake. In addition to the earthquake, the outbreak of the COVID-19 pandemic is impacting on Census activities, and the declared emergency in the country has significantly reduced the likelihood of normal census preparations. The outbreak of COVID-19 affected directly Census project activities and timetable. The scheduled activities of the Technical Assistance project were suspended for three months (April-June 2020) which also impacted on activities planned by technical units. Since the service contract was suspended, the work was focused mostly on the revision of the Census strategic documents by the INSTAT Census team considering the effect of the force majeure (the earthquake and the Covid-19) as well as the pilot findings. From July 2020, the Technical Assistance was affected by travel restrictions and some activities were conducted remotely.

Furthermore, due to the earthquake in November 2019, around 17,090 inhabitants had to vacate their usual residence (according to government sources) which affected the Census methodology leading to changes in the Census questionnaire.

Given the circumstances, INSTAT together with the TL of the TA contract evaluated the effect of the force majeure circumstances (the earthquake and the Covid-19), the pilot findings and the methodological changes, as well as the planned national elections in 2021²⁷, and decided to postpone the Census field-work to October 2022.

On 2 December 2020, INSTAT submitted to the EUD the revised Census documents as follows:

- Revised Census strategy and Planning documents
- Revised Census activity plan with the timeline
- Revised Census budget with financial impact of the postponement of Census to 2022
- Risk matrix
- Revised TA activity plan and TA working days with an explanatory note.
- Census questionnaire.

In the case of the assistance provided to DoPA under the **Implementation of civil service reform across the public administration** contract, project activities continued with project experts working remotely. This has been organised through:

- a monthly home-based working plan approved by DoPA for the international experts for some of the activities/sub activities.
- Regular online meetings with the experts.
- A flexible approach towards the prolongation of the timeframes for some of the activities/sub activities.

²⁷ According to the UNECE and EU recommendations, no major census field operations can be conducted in at least two months preceding and following election day. This applies to the full census itself as well as to the pilot census

- Re-conceptualize/prepare a new approach/scenario for the implementation of some of the activities related to workshops, coaching sessions, trainings and study visits.

DoPA has taken some mitigation measures to manage project risk effectively and to ensure the successful implementation of the project such as:

- Continuous and intensive communication with line ministries, Local Government Units (LGU), and the LGU association. Capacity building and cooperation enhancement activities to facilitate the reforms.
- Establishing and maintaining continuous communications and relation with the key institutions involved.
- Setting deadlines and monitoring their implementation.
- Extending the duration of activities affected by COVID-19 within the existing project timescale and take measures to develop some of the activities and hold meetings online.

This has led DoPA to gain some experience in better management adapted to new circumstances, that has proved very useful in the implementation of the project: enhanced coordination, collaboration and partnerships with all the stakeholders involved, development of a new working plan/scenario, flexibility and adaptability.

The beneficiaries of the Grant Schemes IPA 2014 **Support to civil society organizations for the implementation of capacity building actions to increase policy dialogue and awareness on the European Integration process** and IPA 2015 **Support to Civil Society Organisations for the EU Agenda** had to organise most of their activities through online platforms during the pandemic, especially in the lockdown period. As a consequence, many beneficiaries requested time extensions to complete the planned activities.

In order to address the challenges faced by IPA Units in implementing grant contracts, three trainings were organized during October 2020, with the support of the technical assistance contract “*Support to the Albanian system for indirect management with the beneficiary country (IMBC)*”, which supports the CFCU and other indirect management structures as follows;

1. online training for the evaluation process of grant contracts,
2. procurement planning,
3. implementation of the grant contracts.

In the context of the Action “Support to participation in Union Programmes and agencies”, the following problems have been identified:

- The National Contact Points (NCP) network needs to be strengthened. The level of responsibility and seniority of NCPs is not uniform. Most NCPs have not been very active in promoting visibility of Albanian community internationally. The NCP system does not capitalise on the networking potential of established connections to the full—there is still considerable room for improvement, and in particular in taking active approach to promotion within network and project generation.
- Union Programmes that have a permanent and functionalised help-desk established (costs co-shared by EC and domestic budget) have been functioning better (i.e. Erasmus Plus, Creative Europe). Where a help-desk is missing, it results in National Contact Points (in most cases the European Integration Units) being too busy to allocate proper timing and attention to Union Programmes coordination.

- Difficulties of successful applicants in coping with financial management. Most projects as well as individual applicants indicated that Albanian organisations (especially public institutions) face difficulties in dealing with financial management procedures. Most are not familiar with EU procedures for managing grants, and in many cases also with the requirements of Albanian financial regulations for managing externally funded projects. In several cases in the past projects the VAT exemption for Albanian entities implementing projects funded within the framework of all Union Programmes has not been clear or properly applied, thus significantly decreasing the motivation of potential applicants.
- Monitoring of participation should be more proactive – there is a need to adopt measures to receive more feedback from the community, either by incentives or compulsory actions.

9. Recommendations for further actions

To improve good governance and EU acquis alignment, public administration reforms (PAR) and public financial management (PFM) is one of the main interventions with the sector contributing to a more capable and responsive public sector towards citizens' needs and businesses, as well as to advance and respond to the demands of EU integration processes. To this end, interventions will aim to establish a more accountable, transparent, efficient, and service oriented public administration. Proper enactment of the legislation and continuous advancement of the EU process in line with the obligations of EU membership.

A sector wide programme that improves Good Governance on PAR and PFM reforms and local governance with an enhanced systemic programme approach will enable progress towards achievement of these objectives. To accomplish these aims, the interventions will be coordinated and monitored through the Integrated Policy Management Group (IPMG) Good Governance (GG) mechanism. The operations for implementation will be guided by the IPMG GG's architecture of strategies on good governance, corporate policies and procedures, governance instruments and monitoring and evaluation. Good governance policy is anchored in several interrelated sectors and as such the activities envisioned in their intervention will be facilitated through a combined model of thematic groups (Policymaking/Public Administration Reform, Human Resource Management, Digital Agenda, Decentralization, Statistics) and sector steering committees (Public Finance Management).

Achievement of the overall objective will be supported by interventions in two priority areas. The first priority area focuses on strengthening policy management and promoting accountable systems in the public administration. It will aim to improve good governance and public administration and the regulatory environment through actions that utilize a performance approach that is integrated across all levels of the public administration. Accountability will be promoted through enhanced good governance standards framework, implementation of a performance evaluation system, strengthening of public participation in open governance reforms, improved procedures to support evidence-based policy development and policy implementation monitoring and evaluation. Full implementation of the Integrated Planning System (IPS), personal file registry, standardization of public administration processes on an

integrated communication platform and scaling up of business intelligence platform for financial forecasting will improve public administration functioning through digital tools.

The second priority area is focused on PFM and encompasses interventions that strengthen financial management, control and audit processes. These activities aim to achieve a more balanced and sustainable budget and ensure that budget preparation and execution is appropriately linked to government policies. Reliable, objective and timely statistics and fiscal procedures in line with EU best practices will enable more effective and efficient public financial management and facilitate public scrutiny of public spending. These interventions focus on improving PFM, public procurement and statistics. Strengthening of fiscal rules and an improved revenue forecasting framework will increase the reliability of GDP and budget forecasts. Public spending will be improved through the establishment of a public procurement system that aligns with international best practices in order to guarantee a high level of transparency, accountability, control and value for money. Finally, improving the national accounts in accordance with the European System of Accounts (ESA) 2010 will not only better position Albania for EU integration, but will also facilitate a higher quality and interoperability of national statistics.

The Operational Conclusions of the 2nd round of SMC Democracy and Governance 2020 recommends further action in this sector:

- The Department of Public Administration to continue providing an update on the action plan for the generation of payroll reports through the Human Resource Management Information System (HRMIS), in particular on the progress in linking the Treasury system with the HRMIS.
- Further enhance collaboration with the Local Government Units (possibly through the Agency for Local Government Units) for the extension of the HRMIS to the municipalities and including LGU data in the e-platform administrata.al
- DoPA to provide an update on the approval of the salary policy's reform.
- NAIS to follow-up on the approval of the updated Digital Agenda strategy and action plan, as a pre-condition for the implementation of the upcoming Good Governance budget support programme.
- The Prime Minister's Office to provide an update on the preparation of the legal basis/framework for the functioning of IPSIS (part of the Integrated Planning System).
- Provide an update on the creation of an electronic registry for all the public institutions as well as on the enhancement of role and capacities of the coordinators.
- Finalise the website for public awareness-raising and conduct distribution of (electronic) flyers and posters regarding the value-based property tax.
- Provide updates on the status of data availability and its population in the fiscal cadastre system for all municipalities.
- Sign the Memorandum of Understanding between the Supreme Audit Institution and the Parliament and establish a specific Parliamentary sub-committee for reviewing reports of the Supreme Audit Institution.

- Fill the open vacancies within the Anti-corruption Directorate and the anti-corruption task force re-activated.
- Finalise the revised work plan for the Population and Housing Census, including its costing.
- The Ministry of Interior (MoI) and Ministry for Europe and Foreign Affairs to ensure full implementation of DCM 450/2018 by completing remaining EU Units in four municipalities and addressing non-compliance.
- Adopt the draft DCM *'On financial support to general government units and financial compensation procedures for the implementation of projects funded by the European Union'* prepared by the Ministry of Finance and Economy to address concerns raised by municipalities regarding IPA projects and ensure GoA co-financing of at least 10 per cent of the grant scheme *'EU for Municipalities'*.
- Facilitate the establishment of One Stop Shops at administrative unit level and a country-wide awareness raising campaign for citizens.
- Adopt the draft law *'On Registration of Non-Profit Organisations'*, in alignment with EU standards and in consultation with the Albanian civil society. Start the design of the online register of non-profit organisations with a view of a more enabling environment for CSOs.

In terms of the implementation of Actions under IMBC, some general recommendations are set out below, which apply to all sectors, aiming at the achievement of the objectives of the projects/actions under the ongoing programmes and improvement of the indirect management implementation system. It should be noted that efforts are constantly made to increase IPA units' capacities.

The main recommendations include:

- Strengthen the Coordination and working relations between all IPA entities and the EUD;
- Build IPA Units capacities through trainings regarding the technical implementation, monitoring and reporting;
- Improve IPA Units capacities on the procurement/tendering process according to PRAG rules/ FWC Guidelines / Twinning manual and of the specificities and steps of the tendering process for different types of contracts;
- Ensure familiarisation with the rules and procedures regarding the flow of funds (planning, requesting, channelling, transferring, suspension and reallocation) and improving the theoretical and practical knowledge of planning the EU and co-financing funds;
- Raise IPA staff awareness of the procedures, principles and responsibilities regarding the accounting of IPA funds and related co-financing, creating a practical knowledge of preparation / control of financial statements for IPA funds;
- Ensure a sufficient understanding of risk assessment and management and the efficient communication of risk management activities among IPA actors;
- Improve IPA Units capacities in preparing Tender documents and in Tender evaluation procedures;
- Improve IPA Units capacities in monitoring and reporting;

- Enhance communication between all IPA actors for a more effective functioning of the IPA management and control system (ensuring all actors receive information necessary to fulfil their role).;
- Ensure the successful implementation of the findings/recommendations by audits for more effective functioning of the IPA management and control system.

As regards the participation in Union Programmes, the following actions should be taken in the future:

- Ensure “Continuity and New Momentum” - consolidating and continuing the legacy of the already achieved results;
- Work on preparing for the programming process for participation of Albania in 2021-2027 cycle;
- Maintain focus on strengthening institutional capacity and capability to participate in Union Programmes and increase local ownership of the process;
- Further determine and enforce clear roles and responsibilities on all levels;
- Strengthen the Network of Contact Points and inter-institutional coordination - as a crucial factor for an effective coordination of Union Programmes
- Establish cross-programme coordination mechanisms to increase complementarity between programmes;
- Strengthen project preparation capacities of Albanian applicants to Union Programmes;
- Need to keep a systematic flow of information to potential applicants in Union Programmes;
- improve interactive online information exchange on Union Programmes in Albania.

Based on the positive results, and not to lose the momentum, the coordination of Union Programmes should go through an assessment programme by programme (since they are quite unique and differ in scope and management) given the closing phase of the 2014-2020 cycle and preparing for the new programming perspective for 2021-2027 which has already started for some of the programmes. The task at hand is also to assess the need to be part of other programmes when the configuration will be set and also to follow the modalities and procedures to become part of the new (reorganized) programmes.

The Twinning Project Enhancing Bank of Albania’s alignment with EU Acquis made the following recommendations for additional actions:

- complete the residual transposition and implementations of EU acquis not covered by the TW programme;
- reduce the remaining data gaps and conduct statistical refinements, including the enhancement of the credit register;
- improve the cooperation with other competent authorities, including the information sharing and – where needed – the definition of a protocol;
- consider the institutional and managerial arrangements recommended by the Twinning;
- improve the external visibility and communication policy along the lines suggested during the Twinning;
- continue implementing or enhancing the technological infrastructure (including the data-warehouse and the payment system roadmap) developed during the programme;

- implementing the strategic EU accession roadmap following the recommendations of the Twinning.

10. Implemented audits – main findings & recommendations and corrective action taken

Several project audits were carried out in the period.

In the case of the completed service contract “Technical Assistance to carry out effective market surveillance in line with the acquis” it was noted that improvements were needed in the monitoring of the activities by the Project Manager in line with the ToR as required in the contract to guarantee effective implementation., including the correct completion of Annex 11 “Check-list Time sheets”. This shall be taken into account for future service contracts.

The audit of the Bank of Albania recommended the preparation of the monthly progress reports on implementation of the Twinning contract; however, given the 3-month suspension of the Twinning and the continuation through an on-line platform, the drafting of quarterly reports was considered sufficient.

An Internal Audit in INSTAT was conducted to monitor the implementation of the IPA II funds. The main findings were related to the preparation of Work Load Analyses with real figures, and better definition of job descriptions; the appropriate corrective measures have been carried out according to the Action Plan drawn up by INSTAT.

II.2. Rule of Law and Fundamental Rights

In the sector “Rule of Law and Fundamental Rights”, 5 actions have been financed under IPA II:

COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2015

1. Action 4. Consolidation of law enforcement agencies - support to the Albanian State Police and Prosecutor’s Office (direct management and indirect management with Albania)

COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2016

2. Action 3. Sector Reform Contract for the Fight against Corruption in Albania (direct Management)
3. Action 4. Consolidation of Justice System in Albania (direct management)

COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2018

4. Action 2. EU for Rule of Law - Fighting organised crime and drugs (direct management and indirect management with entrusted entities)
5. Action 3. EU for Justice Reform (direct management)

In the case of IPA 2020, it is noted that the Financing Agreement has not yet been signed: further information is provided in the section on programming below.

In the table below a snapshot of the progress as regards the implementation of actions in this sector is presented, based on financial indicators.

Detailed information is provided for Sector Budget Support and Actions under indirect Management by Albania.

Sector/IPA Year/Action	EU contribution per FA	Indirect management with Albania	National Contribution	Amount Received from EC (Pre-Financing)	Amount Contracted (IPA)	Total amount disbursed (EU Funds) cumulatively in Euro at cut-off date 31.12.2020
2015 Action Programme for Albania						
Action 4: Consolidation of law enforcement agencies - support to the Albanian State Police and Prosecutor's Office	13,000,000.00				-	-
		7,000,000	3,000,000	2,800,000.00	6,773,486.00	4,741,440.20
2016 Action Programme for Albania						
Action 3. Sector Reform Contract for the Fight against Corruption in Albania – budget support	8,300,000.00					6,730,961.00
Action 3. Sector Reform Contract for the Fight against Corruption in Albania – complementary support	1,700,000.00					
Action 4. Consolidation of the Justice System in Albania	12,500,00.00					
2018 Action Programme for Albania						
Action 2. EU for Rule of Law - Fighting organised crime and drugs	19,000,000.00			-	-	-
Action 3. EU for Justice Reform – Budget Support	34,000,000.00					13,000,000.00
Action 3. EU for Justice Reform – Complementary Support	8,000,000.00					

1. Involvement in programming

The programming process for IPA 2015, 2016 and 2018 Actions under this sector was finalised outside the timeframe of this AIR. Involvement in programming for IPA 2018 for this sector was reported in the AIR 2018.

No actions have been programmed for IPA 2019 under this sector.

During 2020, the NIPAC SO coordinated the process of re-programming for IPA 2020. The actions to be supported under IPA 2020 related to this sector are:

“EU for Rule of Law”, with an indicative amount of EUR 5 million, decreased from the initially envisaged EUR 10 million. The Action will contribute to strengthening the rule of law through:

- Improving the capacities of the Albanian State Police, the Special Prosecution for Anti-Corruption, the National Bureau of Investigation, the General Prosecutor's Office, the High Prosecution Council and relevant law enforcement agencies to ensure trust, security and a safe environment for Albanian citizens;
- Improving the capacity of independent justice institutions to adequately perform their duties.

“International Monitoring Operation (IMO): Support to the process of temporary re-evaluation of Judges and Prosecutors in Albania - Phase II” with an indicative amount of EUR 8.7 million as the continuation of International Monitoring Operation (IMO) started under IPA 2016.

With regard to the IPA 2018 Sector reform contract for the EU for Justice Reform, some modifications to the Financing Agreement concerning the indicators were approved:

- Indicator 1 “The new justice institutions are already established and operational”, target for 2020 “1 "At least a total of 16 out the 19 Supreme Court judges shall be appointed by the High Judicial Council” is substituted with “At least a total number of 10 out of 19 High Court judges are appointed by the High Judicial Council”.
- Indicator 2 “Processing of complaints/appeals against judges and prosecutors by the High Justice Inspector” the target for 2020 “75% of complaints/appeals against judges and prosecutors will be reviewed and addressed by the High Justice Inspector” is substituted with “45% of the complaints processed”.

Furthermore, all targets of the Justice Reform Sector contract foreseen for the year 2020 are postponed by one year (2021) and shall be assessed in 2022.

2. Overview of results in moving towards a fully-fledged sector approach (i.e. targets reached as per sector roadmap in the Sector planning document)²⁸.

In the justice area, three meetings of the Sectoral Steering Committee on Justice Reform / Institutional Mechanism of the Crosscutting Justice Strategy were held on 10.06.2020, 29.09.2020, 06.11.2020. During the first meeting the report of Action Plan of Crosscutting Justice Strategy for the year 2019 was discussed. During the second meeting the approval of the report of the Action Plan of Crosscutting Justice Strategy for the period January until June 2020 was discussed. During the third meeting the new Concept- Document of Crosscutting Justice Strategy 2021-2025 was presented.

Drafting of the Crosscutting Justice Strategy 2021-2025

The Ministry of Justice (MoJ) has started the process of drafting the Crosscutting Justice Strategy 2021-2025. This process is being assisted by the technical expertise of EURALIUS V. In conformity with the standards required by the Manual “On the preparation of national, sector and cross-cutting strategies”, the MoJ is the institution responsible for coordination of the work. In this regard, in mid-January 2020, the Minister of Justice established a Strategy Task force composed of staff from the relevant departments from the MoJ supported by EURALIUS. The task-force established a road map for the drafting of the new strategy, including a stocktaking exercise of the situation in the sector and progress of ongoing strategy implementation, the formulation of the strategy, and finally the strategy validation and approval. Based on the roadmap, a detailed analysis of the current Strategy 2016-2020 and the implementation of its Action Plan were finalised. This document served as a guide for drafting the new Concept Document of the Strategy in order for the measures to be concrete, necessary and applicable

²⁸ With regard to the Sector roadmaps (SARs), during October 2016 – March 2017 NIPAC supported Line Ministries and other beneficiary institutions to draft the document and the package comprising all the sector roadmaps was sent to EUD in March 2017. No further updates have been made as an integrated mechanism for the sector/cross-sector approach has been established under the Integrated Planning System (IPS) , as the main system that defines the tools and mechanisms for integrated public policy planning ensuring effective allocation of financial resources. This mechanism is presented in section II.1.2.

within the set deadlines. Both documents have undergone a public consultation phase during November and December 2020 with the key justice institutions and international actors. Based on the Concept Document, the New Justice Strategy and its Action Plan were drafted based on the IPSIS method and presented on the 22 January 2021. Both documents will be broadly consulted before their approval with all the relevant stakeholders. The Action Plan will stipulate in detail the priority measures planned and the budgets necessary to implement them and achieve the desired results. The draft CJS includes 4 policy purposes and 18 specific objectives. This Strategy will serve as an umbrella strategy for the justice sector. The monitoring of the implementation of this Strategy and Action Plan will be entrusted to the Sectoral Steering Committee on Justice, as a forum of all relevant actors included in the implementation of the Cross-sectoral Justice Reform.

Regarding the anticorruption subfield, four meetings of the Anti-Corruption Thematic Group, were held on 30.04.2020, 10.07.2020, 06.10.2019 and 17.12.2020. The topics discussed in the first two meetings were the Annual Report on the implementation of Action Plan of the Crosscutting Strategy against corruption 2018-2020 and the quarterly and semi monitoring reports of this Action Plan. The Final draft of the new action plan (revision of the AP) has been part of the April meeting, too. At the meeting in October 2020, the semi-annual report of the action plan 2020-2023 was discussed, and in the last meeting in December 2020 the third quarterly report of Action Plan for Crosscutting Strategy against corruption, July-September 2020 was discussed. The Coordination Committee for the Implementation of the Crosscutting Strategy against corruption 2015-2023, held 4 meetings on 30.04.2020, 10.07.2020, 06.10.2020 and 17.12.2020.

Crosscutting Strategy against Corruption and Action Plan 2020-2023

Albania has developed an Anti-corruption Policy at the inter-sectoral level, consisting of a threefold approach of the Crosscutting Strategy for the Fight against Corruption through a three-fold approach consisting in prevention, punishment and awareness-raising.

The Action Plan 2020-2023, is a strategic document consisting of 83 measures that includes 22 institutions, which will work together for more transparency, accountability and efficiency in the pace of the fight against corruption in the country. The objectives of this Action Plan include, among others: strengthening the transparency of public authorities, increasing the online public services progressively, setting up and implementing anti-corruption instruments in the public administration, strengthening cooperation of authorities and law enforcement agencies in the fight against corruption, increasing the punitive actions against corruption by special institutions in the field, increased interaction of authorities receiving anti-corruption denunciations and, strengthening public awareness and increased public awareness.

The Ministry of Justice in its capacity as the National Coordinator against Corruption has completed the drafting and adoption of two instruments, the "**Methodology for integrity risk assessment for the central administration**" and "**Integrity Plan of the Ministry of Justice, 2020-2023**", the latter by order no. 33 dated 7.10.2020. These two instruments serve to implement the two specific objectives of the Cross-cutting Anti-Corruption Strategy 2015-

2023, objectives A8 and A9. The Integrity Risk Assessment Methodology for Central Government Institutions was approved by Order No. 334, of the Minister of Justice. The developed methodology is relevant for integrity risk assessment in all central government institutions and will contribute to strengthening the process of planning and managing integrity risk in the public sector in Albania. The methodology was piloted in the Ministry of Justice and the areas of functioning of the Ministry of Justice are included in the methodology for this purpose.

Furthermore, a *Network of Anticorruption Coordinators*, subordinated to the Ministry of Justice as the National Anticorruption Coordinator, has been established in 17 central service-providing agencies where there is a high risk of corruption, including customs, tax, property registration, etc. The network follows any indication of corruption in coordination with the Anti-Corruption Directorate of the Ministry of Justice.

In order to tackle petty corruption, Albania has significantly increased the number of e-services. There are currently 759 online services being offered, which encompass the most corruption-sensitive sectors. The online complaints and denunciations platform established by the Government www.shqiperiaqeduam.com has dealt with around 80,000 complaints, and 57% of the cases have already been resolved.

The fight against organized crime is a key priority of the Government defined by major improvements in the legal framework on the confiscation of assets derived from organised crime activities and the establishment of new institutions in 2019 such as the SPAK (including the NBI). In this regard, the Albanian Parliament adopted Law No 18/2020 dated 5.3.2020 countering organized crime, terrorism, and serious crimes with the purpose of tackling the economic and financial sources of organized crime in the country.

With regards to the new policy framework, the Ministry of Interior formally established an internal working group in March 2020 and work started for the preparation of the new Cross-cutting Strategy on the Fight against Organized Crime, and Illicit Trafficking (SFOCIT) 2021-2026 (including the Action Plan 2021-2023) and the new Public Order Strategy (POS) 2021-2026. The main policies' objectives include the following:

- Set up effective systems to establish and strengthen existing track records of investigation, prosecution, and conviction for organised crime;
- Dismantle criminal networks and their economic bases effectively, making systematic and proactive use of financial investigations and applying asset confiscation;
- Increase the seizure and confiscation of assets in organised crime, corruption, money laundering and terrorism cases, and combat including online, criminal groups and their economic power (which will be determined through final convictions for organised crime or money laundering).

3. Coordination with other instruments and/or donors/ IFT's within the sector

In the **Justice** sector the EU has provided substantial support to the Albanian authorities in the areas of Justice Reform, Fight against Corruption and other topics affecting these areas.

Previous IPA assistance focused on key institutional reforms and capacity building of the various actors of the justice sector, primarily through assistance to the modernisation of the justice system (EURALIUS projects). In addition, a number of infrastructure projects have considerably increased the capacity of the judicial and penitentiary system to comply with international standards. The EU stands as a leading donor also in relation to the promotion of human rights as a result of several projects financed under the civil society facility and in the framework of the European Instrument for Democracy and Human Rights. IPA I assistance in the sector amounted to over EUR 86.5 million. Various other donors are providing support in the area of justice and fundamental rights, e.g. Sweden, Italy, Netherlands, as well as the United States and the United Nations.

Enhancing donor coordination is one of the activities planned in the framework of the **SRC Fight against Corruption**. This result is achieved through activities carried out both under the first and the second complementary action envisaged which is interlinked with the sectoral monitoring to be undertaken in the relevant IMPG, where relevant donors are represented. Partners, donors and civil society representatives have been invited in all meetings of the Inter-Sectoral Coordination Committee for the implementation of the Anti-Corruption Strategy, in order to discuss achievements and challenges in the sector.

Under the UNDP with support from Italy and Austria, the Institute for Democracy and mediation (IDM) is supporting the development of integrity plans, which are one of the preventive measures foreseen in the Inter-sectoral Strategy against corruption, through the Project “Strengthening the Integrity of Central Government: Integrity Plan for the Ministry of Justice of the Republic of Albania”.

In addition to PAMECA V (April 2017 – August 2020), which provides support to the Ministry of Interior, Albanian State Police and Prosecutor Offices, current EU funded assistance includes:

- The Multi-Country Action Programme 2019 “Supporting a More Effective Administration of Justice in Corruption and Organised Crime Cases in the Western Balkans through Trial Monitoring” will focus on supporting a more effective administration of justice in organised crime and corruption cases in the Western Balkans through trial monitoring. It will implement trial monitoring, establish a track record of the judicial response in organised crime and corruption cases, provide actionable recommendations to authorities, and disseminate findings. The objective of the action echoes the Sofia Declaration, the Sofia Priority Agenda, and the Western Balkans Strategy, that refer to the introduction of trial monitoring in the field of serious corruption and organised crime as a means to create a track record and ultimately make progress in strengthening the Rule of Law in the region. Albania benefits from this Action which has a total EU-funded budget of EUR 6 million.
- The regional project IPA MC 2019 “Countering serious crime in the Western Balkans” implemented by GIZ, CILC and the Italian Ministry of Interior is a continuation of the first implemented phase under IPA 2017 which was completed in March 2020. The specific objectives of the action are to (1) to strengthen the operational capacities of

Western Balkans law enforcement and security authorities to fight serious and organized crime and terrorism; (2) to strengthen the capability of Western Balkans law enforcement and security authorities to effectively participate in and contribute to EU and regional cooperation structures and mechanisms; and (3) to strengthen the capability of Western Balkans law enforcement and security authorities to exchange information.

- iPROCEEDS -2 Targeting crime proceeds on the internet and securing electronic evidence in South East Europe and Turkey started in January 2020 following on from the first phase, to further strengthen the capacity of authorities in project countries and areas to search, seize and confiscate cybercrime proceeds and prevent money laundering on the Internet and to secure electronic evidence.

Other donors in this sector are the Organization for Security and Cooperation in Europe (OSCE), the International Criminal Investigative Training Assistance Program (ICITAP), the United Nations Office on Drugs and Crime (UNODC), the Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT), the Export Control and Related Border Security (EXBS) Programme as well as bilateral donors, among them Austria, France, Italy, Spain, Sweden, the United Kingdom and the United States. The key assistance projects financed by these other donors are as follows:

- Respond to the organized crime, USAID;
- Strengthening the Community Policing in Albania, SIDA;
- Improvement of capacities for the criminal information analysis and for the investigations with initiative in the region, between Kosovo Police and Albanian State Police, DCAF.

EURALIUS is also actively cooperating with USAID/Justice For All in assisting the High Judicial Council (HJC) and the High Prosecutorial Council (HPC) in setting-up and their first year of activity.

4. The impact of IPA II actions within the sector on the development of the relevant national administrative capacity in the sector, strategic planning and budgeting

The new institutions established following the constitutional amendments and specific organic laws as of 2016 such as High Judicial Council (HJC), High Prosecutorial Council (HPC), Justice Appointments Council (JAC), High Inspector of Justice (HIJ) are fully operational and have shown clear commitment and results in improving transparency, accountability, professionalism, and efficiency in the justice system. Moreover, apart from the justice governance institutions, a fully-fledged system of institutions in the fight against corruption has been established. The Special Prosecutor's Office against Corruption and Organized Crime (SPAK) and the National Bureau of Investigation are successfully performing their functions along with the Court of First Instance for Corruption and Organized Crime, and the Court of Appeals for Corruption and Organized Crime. SPAK has conducted criminal proceedings in several high-profile cases, including the one former Prosecutor General, nine former High Court and the Constitutional Court judges.

The IPA 2016 Action on the Consolidation on Justice System in Albania (EURALIUS) continued to assist the institutional strengthening of the Ministry of Justice. In the Justice area, EURALIUS V activities have effects both from the perspective of administrative capacity in the sector and of strategic planning and budgeting. National administrative capacity in the sector was strengthened through institutional building, organisational development, training/workshops (e.g. on strategic planning and budgeting) and new legislation prepared and adopted. In institutional and organisational terms, the Justice Monitoring Commission (JMC) started functioning, the Justice Appointment Council 2019 was established as well as the High Judicial Council (HJC) and of the High Prosecutorial Council (HPC). These councils were supported in their first year of activity by EURALIUS. Major support was also provided to the School of Magistrates (SoM).

The IPA 2016 Action on the Consolidation on Justice System in Albania (EURALIUS) continued to assist the institutional strengthening of the Ministry of Justice. In the Justice area, EURALIUS V has extended its objectives to cover support to increasing of the capacities of the Ministry of Justice and further develop the legislative framework in the area of justice, as well as building the capacities of the governance bodies of the judicial and prosecutorial system, strengthening the independence, transparency, efficiency and effectiveness of the court/prosecution system organisation and management and judicial/prosecutorial proceedings, including the Special Anti-Corruption structures. The objectives also include increasing the capacity of the School of Magistrates and other training institutions responsible for training of the judicial civil servants at courts and prosecution offices, lawyers, notaries and bailiffs as well as strengthening the managerial capacities and democratic and transparent procedures of the chambers of free legal professions. The project has achieved significant results.

As regards strategic planning and budgeting, EURALIUS assisted the MoJ in the process of revising the Action Plan of the Cross-Sector Justice Strategy, including a costing of the actions. With a view of enhancing the IT support of Albanian justice institutions, EURALIUS continued to assist the governance institutions, courts and prosecution offices in several IT related matters. The team of experts of the EURALIUS V Project has actively cooperated with the Ministry of Justice, the High Judicial Council, the Council of Europe and Justice for All regarding the drafts of the new Cross-sector Justice Strategy 2021-2025, the new judicial map, as well as other areas within the framework of the justice reform. EURALIUS V will end in March 2021; support is now focused on priority areas and ensuring the sustainability of all EURALIUS actions and deliverables achieved and knowledge transfer to beneficiaries.

As regards the **International Monitoring Operation**, the sustainability of the intervention depends on political, financial and structural factors. The comprehensive and thorough justice reform as approved with the amendments to the Constitution is the result of political negotiations and agreement between all political parties, with significant support of the international community. The implementation of the on-going justice reform is undergoing and, as mentioned above, has already achieved good progress. The re-evaluation of all judges and prosecutors (vetting process) has started and is delivering first tangible results. This process has cross-party support, is carried out by an independent authority, is subject to international monitoring and its compatibility with the European Convention on Human Rights has been

confirmed by the Venice Commission. Under the aegis of the European Commission, an International Monitoring Operation has been deployed to oversee the process throughout its implementation. A Council for Legislation, composed as a bipartisan structure with equal representation from the majority and opposition, is set up in Parliament to give its opinion on the draft laws as requested by other Committees of the Parliament. The Council for Legislation is working to address interventions needed in some of the key laws of the justice reform following their review by the Constitutional Court. Political sustainability of the reform is thus generally secured, but full political will and ownership for the implementation of the reform still needs to be ensured from all political parties.

The impact of IPA assistance in the Home Affairs sector in 2020 has been:

- Improvement of infrastructural capacities of ASP; facilitation of road traffic with regard to the movement of persons and goods, more efficient and effective customs and border controls;
- Modernization of the Albanian State Police structures with 196 new vehicles which will be used by general patrol structures for standard and specialized operations;
- Capacities of Albanian authorities in fighting cannabis cultivation and trafficking strengthened;
- Assessment reports and legal reviews;
- A number of training workshops;
- Advisory support on the legislative and structural review provided.

These aspects are described in more detail below.

Regarding IPA 2015 - “Consolidation of Law Enforcement Agencies - Support to the Albanian State Police” the activities implemented have increased the professional capacities of law enforcement agencies for proactive investigation in the fight against organized crime and fight against money laundering and drug trafficking through the technical assistance provided until now. The main goal of this component is to provide support to the high-level officials to translate policy decisions into strategic and operational plans consistent with EU integration requirements and best practices in the area. Key activities include support to develop further target group’s capacities to identify priorities, draft strategic and action documents, support EU integration structures and their work practices regarding inter-institutional cooperation, identify priorities and needs for donor funding as well as improvement of IT and communication infrastructure.

PAMECA V, Consolidation of law enforcement agencies, provides support to the Ministry of Interior, Albanian State Police and Prosecutor Offices. PAMECA V has assisted the beneficiaries with advisory support, in several in-house and regional trainings, workshops, study visits, legal assessment reports, expert opinions, advisory support in the fight against organized crime, financial crime and corruption and fight against terrorism. Its implementation was planned to end in August 2020; upon request of the EUD, PAMECA V Components 1 and 4 have been extended by 9 months until May 2021 without additional costs. Key areas covered are the fight against serious and organized crime, financial crime and corruption, fight against terrorism, integrated border management, strategic planning and coordination, human and

financial resources. During 2020, PAMECA V continued assisting the beneficiaries, respecting all health measures related to the Covid-19 pandemic; several foreseen activities including trainings, workshops and study visits were postponed or redesigned. However, 8 trainings were conducted on corruption, anti-mafia, organized crime, etc., attended by cadets of the Security Academy, training coaches, judges and prosecutors. PAMECA also assisted in the preparation of 12 documents, related to the Investigation of Cases of Exploitation of Prostitution, decentralization of the interception system, measures against terrorism, etc. Capacities have been built in Integrated Border Management through training on interviewing techniques, on trafficking in human beings and fingerprinting.

The supplies of vehicles for the ASP through the contract “Supply of vehicles for standard and specialized operations for the Albanian State Police” has allowed the provision of a timely response to requests from the community for public safety. These supplies also supported the ASP to reduce the opportunities for illegal activities and drug trafficking.

In order to effectively deal with improvement of the capacity of the Albanian State Police (ASP) the General Prosecutor Office (GPO) and relevant agencies and ministries in meeting the Albanian Government objectives of tackling serious and organised crime and drug trafficking and cannabis cultivation, three closely interconnected intervention areas are foreseen under the IPA 2018 Programme “EU for Rule of Law - Fighting organized crime and drugs”:

- i) Border controls to fight cross border organised crime and drugs trafficking;
- ii) Financial investigations and asset recovery;
- iii) Services deliveries to communities vulnerable to cannabis cultivation and trafficking.

The actions are implemented in two parallel interventions: a) building and equipping priority facilities and infrastructure and b) training, education and supporting professional development of relevant staff. Complementarities and synergies are achieved with ongoing and planned regional programmes such as “Countering Serious Crime in the Western Balkans”, which provides operational mentoring to law enforcement and prosecutors as well as the “Financial Investigation In-Service Training Programme”. The actions seek to apply EU standards and strengthen Albania's cooperation with Europol and alignment with the EU policy cycle EMPACT.

The Twinning project “Strengthening the capacity and efficiency of the Security Academy” with the Security Academies Finland / Estonia started implementation on 13 January 2020. However, the COVID-19 pandemic has led to delays in implementation and some activities have been postponed to 2021.

The “Capacity building for effective management of blue and green borders” project implemented by the International Centre for Migration Policy Development has started and during July 2020 two assessment missions were conducted at the Border Crossing Points in Albania by ICMPD experts, who drafted a detailed report on the current logistical capacities of the blue and green borders. The evaluation report was submitted in September 2020 and the final list of procurement equipment is pending discussion.

Online meetings were held in 2020 with representatives of the Spanish law enforcement agencies and the EU Delegation to discuss the identification of funding needs, the progress of the implementation of this project and the follow-up of further procedures for the project ‘Support for the effective fight against organized crime with special investigative tools and forensic analysis’.

The first call for proposals for the grant scheme EU fight against drugs/support to Municipalities was published in July 2020, for the benefit of grants worth from EUR 50,000 – EUR 300,000 with a duration of 18-36 months. The submitted project proposals are currently under evaluation at the EU Delegation (Contracting Authority); MoI is represented by a non-voting observer.

5. Operating structure(s) in place and related changes (if the case) relevant

The table below presents the Operating Structure / implementation institutional arrangements for the actions under indirect management covered by this report in the sector “Rule of Law and Fundamental Rights”:

IPA Programme/Action	Operating Structure
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2015	
Action 4. Consolidation of law enforcement agencies - support to the Albanian State Police and Prosecutor’s Office	(i) Contracting Authority (CFCU) (ii) NIPAC SO (iii) IPA Unit of Beneficiary institution (Ministry of Interior, Albanian State Police)
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2016	
Action 3. Sector Reform Contract for the Fight against Corruption	Direct management Implementation responsibilities: Ministry of Justice, Ministry of Finance and Economy
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2018	
Action 2. EU for Rule of Law - Fighting organised crime and drugs (direct management and indirect management with entrusted entities)	Direct Management Indirect Management with entrusted entities Implementation Responsibilities: Ministry of Interior
Action 3. Sector Reform Contract EU for Justice Reform	Direct management Implementation responsibilities: Ministry of Justice, Ministry of Finance and Economy

There is one vacant specialist position in the IPA Project and Donors Sector in the Ministry of Justice.

6. Information on the implementation of programmes in the sector

Information regarding the implementation of the Sector Reform Contracts for the Fight against Corruption in Albania and for Justice Reform and on the contracts implemented under indirect management by Albania in the sector is presented below.

Sector Reform Contract for the Fight against Corruption in Albania

In line with the Financing Agreement for the IPA 2016 Programme for Albania, one request for disbursement of the third variable tranche of the Sector Reform Contract for the Fight against

Corruption in Albania was submitted in April 2020. The request amounted to EUR 2,700,000. The European Commission concluded that the general criteria were confirmed and the compliance against specific variable tranche indicators was considered met and in the case of indicator 3.3 not met. Therefore, a payment of EUR 2,400,000 was disbursed.

During 2020, the Ministry of Justice, in the role of the National Anti-Corruption Coordinator, reviewed the Crosscutting Anti-Corruption Strategy Action Plan 2018-2020, and drafted a new Action Plan with concrete anti-corruption measures for the period 2019-2023. The new Crosscutting Anti-corruption Strategy Action Plan 2019-2023 is approved through the decision of Council of Ministers no. 516 dated 1.7.2020.

Two other documents related to the implementation of the Action Plan were approved during 2020, Integrity Plan 2020-2023, approved by Order No.33 dated 7.10.2020 of the Minister of Justice and Methodology for Risk Assessment in Central Institutions approved by the Order of Minister of Justice No. 334 dated 07.10.2020.

In the framework of the complementary support in the Sectoral Contract for the Fight against Corruption, the Technical Assistance project for the National Coordinator against Corruption, Sectoral Reform Contract for the Fight against Corruption in Albania started in February 2020 and will end in February 2022. The assistance is focused on policy planning and development, coordination and strengthening cooperation. Due to COVID-19 precautionary measures, most of the experts have communicated and interacted online with the Anticorruption Directorate.

EU for Justice Reform

Based on the Financing Agreement for the IPA 2018 Action Programme for Albania, EU for Justice Reform, the request for disbursement of the second fixed tranche and first variable tranche was made on 30 September 2020, as foreseen in the Sector Reform Contract. The second fixed and first variable tranche of EUR 6 million was approved to be disbursed by the EU. As stated above, amendments were approved for 2 indicators.

IMBC Actions

The “Supply of vehicles for standard and specialized operations for the Albanian State Police” contract for the provision of a total of 196 vehicles in two lots for patrolling, policing, transport of police officers of frontline service and to conduct frontline operations such as antidrug, border and migration police activities. Is the only contract in this sector under IMBC in the IPA 2015 Action Consolidation of Law Enforcement Agencies.

The Directorate General of State Police has set up a working group to follow the necessary procedures in cooperation with the IPA Sector/MoI, during the implementation phase until the signing of the provisional and final acceptance certificate.

LOT 1: Vans

- **96 pcs** - Mono brand two-wheel drive Vans (8+1 seats)- Ford Tourneo
- **51pcs** - Mono brand four-wheel drive Vans (8+1 seats) - Ford Transit

LOT 2: Off Road SUV

- **49 pcs** - Mono brand off road four-wheel drive SUV - Land Rover Discovery delivered in 2019.

As reported in the AIR 2019, the 96 units of the two-wheel drive Vans were expected to be delivered in January 2020 but there was a slight postponement and delivery was made on 06.02.2020. The Provisional Acceptance certificate was signed on April 10, 2020.

The 51 units of the four-wheel drive Vans were expected to be delivered in January 2020 but it was postponed to March 2020. In March 2020 the contractor adapted the vehicles based on the needs of the Albanian State Police and delivered them on 29.04.2020. The Provisional Acceptance certificate was signed on June 30, 2020.

Regarding LOT 2, as reported in the AIR 2019, in November 2019, the Contactor delivered all the vehicles and the Provisional Certificate of Acceptance was signed on December 3, 2019.

Upon the end of the 1-year warranty period for the contract no. IPA 2015/AL/05, the General Directorate for Financing and Contracting of EU, World Bank and other Donors Funds of the CFCU sent to MoI/IPA the Final Acceptance Certificate for approval/rejection in December 2020. MoI is currently following the necessary procedures in close collaboration with ASP, and after the necessary tests to verify if any defect or deficiency is identified, based on the report will approve or reject the Final Acceptance Certificate.

7. Main achievements in the sector

IPA 2015 Consolidation of law enforcement agencies - support to the Albanian State Police

Under the indirect management supply component, the 96 units of the two-wheel drive Vans 51 units of the four-wheel drive Vans were delivered and the Provisional Acceptance certificates were signed for both consignments.

IPA 2016 Sector Reform Contract to support fight against corruption

In the framework of the SRC for the Fight against Corruption, the overall implementation of the Action Plan 2018-2020 is on track and progress was satisfactory during 2019. Referring to the letter of 30.10.2020 of European Commission the general eligibility criteria were confirmed as met.

In 2020, according to the draft Monitoring Report January-December 2020, which monitors the implementation of the crosscutting Strategy against Corruption 2019-2023, the following targets were achieved:

Indicator	Target	Achievement
1. Implementation of the Law on Whistle-blowing and whistle blower protection	80% of external reports submitted by whistle-blowers in 2019 filed for administrative investigation and completed within the legal time	100% achieved

Indicator	Target	Achievement
	limit.	
2. Political party finances audited in line with EU/ACFA recommendations	Annual finance reports and if applicable campaign finance reports plus preliminary and final audit reports of the five biggest political parties are published by the CEC in line with amended Electoral Code and Law on Political Parties and followed up in line with the law (number of sanctions imposed and documentation of important instances thereof). Sufficient number of verifications of independent audit reports conducted by CEC and followed up as necessary (number of sanctions imposed and documentation of important instances thereof).	100% achieved.
3. Access to information for police and prosecution to improve efficiency of investigations.	Police has access to 1 additional database; Prosecution Office has access to 3 additional databases. Police have access to the Albanian Notary Register. Prosecution services have online access to Electronic Register of the Institute of Social Security, Register with refund electronic subscriptions, insurance burden register.	Not achieved
4. 100% of eligible cases received by the Financial Inspection Unit of the Ministry of Finance and Economy are inspected by the end of March 2020.	Carry out 100% financial inspections by March 2020.	100% achieved
5. Share of contracts awarded by negotiated procedure without publication of the contract.	Less than 8%	100% achieved

IPA 2018 EU for Justice – Sector Reform Contract

Regarding the main achievements for the Sector Reform Contract EU for Albania regarding the general eligible criteria for the second fixed tranche are:

- a) Establishment and functioning of Justice System Governance bodies:
 - High Judicial Council (HJC)

- High Prosecutorial Council (HJC)
- Special Prosecution Office, Special Court against Corruption and Organised Crime, National Bureau of Investigation
- Justice Appointments Council (JAC)
- Constitutional Court
- High Court
- High Inspector of Justice (HIJ)

b) Judges' and prosecutor's re-evaluation process

The Independent Qualification Commission has inspected the subjects of re-evaluation based on three criteria: a) Assets verification; b) background check; c) professional skills assessment. Specifically, during the period January - December 2019, the Independent Qualification Commission has issued 129 decisions, of which:

- 52 decisions confirming in office 19 judges, 28 prosecutors and 5 legal assistants;
- 48 decisions dismissing 28 judges, 19 prosecutors and 1 legal assistant;
- 12 decisions terminating re-evaluation process of 9 judges and 3 prosecutors;
- 16 decisions terminating re-evaluation process of the HIJ chief-inspector, 10 judges and 5 prosecutors;
- 1 decision suspending from duty the subject of re-evaluation.

During the period January - December 2019, the Appeal Panel recorded 62 cases and announced 34 decisions of the Re-evaluation Competence. Concerning the total 34 cases that have been finalised, the Special Appeal Panel has ruled:

- i. Upholding 23 Decisions of the Independent Qualification Commission;
- ii. Modifying one decision of the Independent Qualification Commission, regarding the content of the operative part prohibiting the subjects of re-evaluation from being appointed as judges or prosecutors of any instance, members of the HJC or HPC, High Inspector of Justice or Prosecutor General for a period of 15- years;
- iii. Modifying 8 decisions of the Independent Qualification Commission dismissing the subject of re-evaluation;
- iv. Revoking 1 decision of the Independent Qualification Commission and dismissing the subject of re-evaluation;
- v. Dismissing the processing of the case because of withdrawal of the appeal by the appellant - in 1 decision.

During the period January - December 2019, the Public Commissions have been notified by the Independent Qualification Commission (IQC) of 127 decisions, 13 of which have been appealed. 3 IQC decisions were being reviewed. 361 denunciations were recorded in the public denunciations' registry, during the period January - December 2019.

c) Monitoring report of the Action Plan of the Cross-Sector Justice Strategy 2019-2021.

Based on the Cross-Sector Justice Strategy, the Ministry of Justice has continuously monitored the process of the implementation of the Strategy and Action Plan. The following data on each of the 8 Strategic objectives provide an overview of the progress achieved thus far:

Objective 1 "Strengthen independence, efficiency and accountability of the justice system institutions": 23% of the measures implemented, 62% of the measures under implementation, and 15% of the measures will be implemented in the future by the responsible institutions;

Objective 2 "Consolidate legal education and training as well as the specialization of magistrates and Court staff": 50% of the measures implemented, 25% of the measures under implementation, and 25% of the measures will be implemented in the future by the responsible institution;

Objective 3 "Strengthen independence, efficiency and accountability of the justice system institutions": 40% of the measures implemented, 40% of the measures under implementation, and 20% of the measures will be implemented in the future by the responsible institution;

Objective 4 "Increase the efficiency of the criminal justice system and anti-corruption measures by consolidating the mission, status and functions of criminal justice institutions": 25% of the measures implemented, 50% of the measures under implementation, and 25% of the measures will be implemented in the future by the responsible institution;

Objective 5 "Improve functioning of the justice system by providing modern electronic systems, procedures and facilities for the development of robust international cooperation": 18% of the measures implemented, 73% of the measures under implementation, and 9% of the measures will be implemented in the future by the responsible institution;

Objective 6 "Improve the protection of human rights in the penitentiary institutions": 80% of the measures implemented, and 20% of the measures under implementation;

Objective 7 "Improve the functioning of the Ministry of Justice and its subordinate institutions": 45% of the measures implemented, and 55% of the measures under implementation.

Details on the achievement of the indicators for the variable tranche are reported in section IV.2.

8. Any significant problems encountered in implementing the tasks entrusted e.g. delays in contracting, and subsequent measures taken/planned

Despite the progress made in the framework of justice reform, achievements recognized both by the European Commission, certain SRC indicators in the field of Justice risked not being fulfilled due to objective reasons for delays such as the complexities of the processes, lack of candidates for some institutions or the delayed establishment of some institutions. It should be noted that some of the independent institutions, that have an obligation to achieve a specific target under this Contract, were not established at the time of its drafting and as a consequence, were not part of the consultation process. Moreover, the impact of COVID-19 pandemic has slowed down or suspended temporarily many administrative and public activities, that have affected the timely implementation of the indicators targeted in this Contract.

Taking the above into account as described above, 2 indicators were revised and the targets for the year 2020 postponed for one year.

Minor delays were encountered due to unforeseen circumstances related to the import and installation of the additional police equipment from the contractor in the case of the Supply of vehicles for standard and specialized operations for the Albanian State Police, and in the case of Lot 2 a change in the country of origin. Furthermore, an issue was reported concerning the respect of the EU visibility rules; the MoI has undertaken remedial action requesting the State Police (ASP) to reinstall the EU visibility markings on the vehicles without visibility stickers; this has been remedied and the visibility markings are placed as per the contractual obligations. Final Acceptance Certificate for LOT II: the following issues have been identified and reported to the contracting Authority CFCU in order to take further corrective measures:

- Inconsistency of the rate of fuel consumption consumed with that declared by the contractor in the technical specifications of the contract with about 4.3 litres /100km more;
- Defects in the electrical system found in some of the vehicles. They have been repaired by the operator, who according to the contract has the obligation to repair defects and perform services during the 1-year warranty period;
- Deformation of the first braking discs have recently been identified as a problem, of which the operator has been informed.

9. Recommendations for further actions

With regard to the Sector Reform Contract Fight against Corruption, the following recommendations were made by the EUD in letter Ref. Ares(2020)6141628 - 30/10/2020 approving the disbursement of the third variable tranche:

- In terms of policy dialogue, areas that remain a priority are: improving the access to relevant electronic databases for law enforcement authorities; stepping up efforts in order to increase the number of financial inspections; further enhancing actions on preventing money laundering and countering terrorism financing (MONEYVAL), and stepping up efforts to fully and timely implement the FATF Action plan.

Furthermore, with regard to institutional capacities:

- The newly set up structure for anti-corruption within the National Coordinator against Corruption (NCAC)/Ministry of Justice is in need of adequate financial and human resources. In addition, effective cooperation between the newly established structures, including the specialised anti-corruption bodies, will have to be ensured.
- The link between policy planning and the annual budget allocation is crucial in order to ensure the financial sustainability of the reform process, especially in the new Action Plan 2019-2023: costing of the policy and quantification of the financial gap should be better addressed.
- The capacities of the institutional framework to monitor and report on the implementation need to be improved, while the participation of all relevant civil society and oversight bodies in the implementation and monitoring of the activities needs to be enhanced.
- Finally, in line with the upcoming good governance budget support programme, which will start at the end of the year, the policy dialogue should in future also focus on the drafting and implementation of integrity plans (both at central and local level) as well as on the correct implementation of transparency programmes for all institutions.

Regarding the overall implementation of the Sector Reform Contract EU for Justice, the most important recommendations are:

- Make progress on a comprehensive Work Plan to finalise the establishment of an improved Case Management System;
- Ensure further cooperation with Euralius to adopt means and methods which enhance efficiency to reduce the backlog of cases for the High Court;
- Make further progress in collecting and reporting statistical data related to the judiciary, in view of having possibility to measure progress periodically;
- Ensure adequate budgetary distribution in order to increase the capacity support for Courts functionality;
- Make further progress to cooperate and share data in view of the adaption of the judicial map as much as speed up the adaptation; and
- Ensure training of the judicial staff and administrative staff of the courts at the School of Magistrates with themes related to court administration, judicial efficiency (CEPEJ tools) and access to courts.

The following Operational Conclusions were approved in the Sector Monitoring Committee for sector 2 – Rule of law and fundamental rights – 2nd round of the year 2020 by written procedure.

Justice

- An Action Plan of priority actions addressing the specific issues hindering the efficiency of the justice system to be endorsed by all concerned justice institutions.
- Continued efforts are needed with a view to the establishment of an Integrated Case Management System. A road-map for its establishment to be finalised and related legal framework to be drafted.
- The MoJ and HJC to finalise the new judicial map, including with priority measures of temporary nature if necessary.
- Continued efforts and follow-up are needed – in close cooperation with Euralius – to adopt means and methods which enhance efficiency to reduce the backlog of cases for the High Court.
- An adequate monitoring capacity for the Justice Sector Reform Contract to be put in place at the MoJ.
- A strategic communication plan for the justice reform should be adopted and implemented.

Home affairs

- The MoI should ensure adequate use of the IPA assistance – namely PAMECA and the Security Academy Twinning – as regards legislation, policy making including for human resource strategies and sector coordination (including donor coordination).
- Regarding the support provided for the effective management of blue and green borders under the project EU4SAFEALB, the Ministry of Interior is to: a) allocate adequate trained staff for the operation of the newly provided equipment, b) enhance the

logistical capacity of the Border and Migration Police and c) ensure proper budget allocation for the maintenance of the equipment donated by the EU.

- In view of the upcoming support to fight against organised crime in Albania through criminal and financial investigation, Ministry of Interior, SPAK, GPO and FIU²⁹ should ensure proper coordination between structures dealing with tax fraud and tax evasion. New legislation to tackle unexplained wealth should also be introduced.

10. Implemented audits – main findings & recommendations and corrective action taken

During 2020, the IPA Unit in the Ministry of Interior was subject to audit by the Internal Audit Directorate in the Ministry of Interior and a verification visit by the NAO Support Office. The main findings and recommendations related to:

- The contract for the purchase of vehicles for the State Police funded under IPA 2015, require a specific procedure to be put in place for the receipt of services, works or goods by the beneficiary as well as for the accounting of tangible and intangible assets procured through EU IPA funds. The recommendation was implemented as follow: in order to adjust the procedure in accordance with the recommendations, the CFCU (MoFE) and the Supporting Directorate of the National Authorizing Officer (NAO / MoFE) have been asked for support to fulfil the recommendation;
- Performance appraisal at the end of each phase of each project and at the end of each project;
- The IPA Unit should carry out documented monitoring of project implementation and technical management, for the vehicles distributed in the police structures;
- The excessive workload of the staff working on IPA projects. The IPA Projects sector should request at least one additional position in the organizational structure. The reorganization of the organisational structure is ongoing and the request for additional staff will be submitted to the Department of Human Resources/MoI and the Department of Public Administration.

Based on these findings and recommendations, the HIPAU and IPA Unit in the Ministry of Interior have drafted the Action Plans with the responsible structures and concrete deadlines for addressing them.

The Audit Agency for the EU Accredited Assistance Programmes has reported on the examination of the procurement procedure for the contract “Supply of vehicles for standard and specialized operations for the Albanian State Police and found all phases of the procurement legal and regular.

II.3. Environment, Climate Action and Energy

²⁹ Albanian Financial Intelligence Unit.

In the sector “Environment, Climate Action and Energy”, 2 actions have been financed under IPA II:

COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2016

1. Action 5. Support to the Water Management Sector (indirect management by entrusted entities)

COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2018

2. Action 4. EU for a cleaner environment (Indirect management through delegation agreement to Kreditanstalt für Wiederaufbau (KfW))

In the table below an overview of the actions in this sector is presented, based on financial indicators.

Sector/IPA Year/Action	EU contribution per FA	Indirect management with Albania	National Contribution	Amount Received from EC (Pre-Financing)	Amount Contracted (IPA)	Total amount disbursed (EU Funds) cumulatively in Euro at cut-off date 31.12.2019
2016 Action Programme for Albania						
Action 5. Support to the Water Management Sector	4,000,000					
2018 Action Programme for Albania						
Action 4. EU for a cleaner environment	24,100,000.00					

The IPA 2016 Action Support to the Water Management Sector is made up of two components:

- EU Support to Integrated water management (EUSIWM);
- EU Support to Wastewater management and treatment services (EUSWAM).

1. Involvement in Programming

The programming process for IPA II in this sector has been finalised.

The originally-envisaged IPA 2019: EU for Circular Economy and Green Growth, for an indicative value of EUR 20.65 million was cancelled and the available funds allocated to the EU for Social Inclusion Action to allow for immediate measures to address COVID-19 relief.

2. Overview of results in moving towards a fully-fledged sector approach (i.e. targets reached as per sector roadmap in the Sector planning document)³⁰

Water and waste water Sector

The Government of Albania has declared ensuring access to safely managed drinking water and sanitation as a high priority and considers support to these services as vital for sustainable national development; raising the living standards and well-being of the population and

³⁰ With regard to the Sector roadmaps (SARs), during October 2016 – March 2017 NIPAC supported Line Ministries and other beneficiary institutions to draft the document and the package comprising all the sector roadmaps was sent to EUD in March 2017. No further updates have been made as an integrated mechanism for the sector/cross-sector approach has been established under the Integrated Planning System (IPS), as the main system that defines the tools and mechanisms for integrated public policy planning ensuring effective allocation of financial resources. This mechanism is presented in section II.1.2.

substantial health improvement. The Government reforms are designed to have a transformational impact on improved water supply and sewerage service delivery which will help to reduce poverty and inequity and contribute to economic growth and sustainability. The National strategy for water supply and wastewater 2020-2030 has been drafted, with the support of the German Government through GIZ, and is currently published for public consultation; the new draft law for water supply and wastewater sector including its Regulatory Impact Assessment, has also been drafted, with the support of the German Government through GIZ, and is currently published for public consultation³¹.

The water sector is organized as a two-tier system.

The water supply and sewerage sectors are governed by different primary and secondary legislation, which turn into a complex legal framework, considering that the water supply and sanitation is a decentralized function carried out by the local government units (Municipalities), and leading in some cases to overlapping of competencies between different institutions.

With regards to Albania's preparation for Chapter 27 "Environment and Climate Change" negotiations with the EU, it is essential not only to transpose waste related legislation in Albania, but to develop best practice for the implementation of the Extended Producer Responsibility (EPR) system. The EPR system shall be in line with the EU directives (especially the WFD) and shall fit into the present system in Albania as far as possible to assure efficient operations and setup. The EPR system shall be transparent, clear in responsibilities, provide incentives for all stakeholders, and shall assure measurable outcomes, and shall carry out extended producer responsibility without the distortion of the market's distortion.

The approval of the new **Waste Management Strategy and action plan (2020-2035)**, by DCM no.418, dated 27 May 2020 is a significant achievement, with national government being responsible for sector strategies and policy development, and local governments for service provision. The Central Government has the primary role of channelling donor and treasury funds for capital improvements, based on needs assessment through National Master Plans and needs expression by local governments. It also provides sovereign guarantees on loans from international financial institutions and operating subsidies to water utilities to cover their energy costs. The Government of Albania has also developed a long-term Financing Strategy for the Water Supply and Sewerage Sector in Albania, which includes setting National Sector Policy Objectives and Targets and lining up investments priorities. The Strategy, prepared by the MoTE assisted by GIZ, sets out the transition from a linear to a circular economy. As such, the proposed actions will contribute to "closing the loop" of product lifecycles, among others through life-time extension (re-use; maintain/repair; re-manufacturing and refurbishment), source separated collection and greater recycling.

Overall coordination of the sector is conducted through the IPMG - "Integrated Water Management", whose function is carried out by the National Water Council. Two thematic groups have been established under the IPMG, respectively for water resources and water & sanitation reform.

³¹<https://www.konsultimipublik.gov.al/Konsultime/Detaje/252?fbclid=IwAR19QgL8WKiOOtqfj8ShaliKieHNvbMwkmPSsTrcWGWc7iqAbTPuP4-1n1E>
https://www.konsultimipublik.gov.al/Konsultime/Detaje/226?fbclid=IwAR0w8gSlelii7fvobYNFz1PrllpmzMXmpcXlRvjUmGtd1Y1GqIMEe_nnoMM

In the water sector many steps forward have been taken. The National Strategy on Water Resources Management (NSWRM) was adopted (DCM No. 73 dated 7.2.2018) and is currently under implementation. The National Sector Programme (NSP) for water was finalized in 2017 with the valuable contribution of all the stakeholders, and although still not adopted, it is used currently as reference document for the Albania water sector overall panorama and the identification of medium and long term needs in the sector.

During 2020, three meetings of the Thematic Group for Water Resources took place focusing on the implementation of the NSWRM, financial and budgetary issues, including flood risk, water quality EU legal framework transposition, donor contributions in Albania, and MTPB compliance with NSWRM. One meeting of the IPMG took place focusing on the approval of the River Basin Management Plan for Drin - Buna and the River Basin Management Plan for Seman, and the approval of the Decision "On the adoption of application forms for approval, in principle, for the concession of use of water resources, the permit / authorization to use water resources, construction activities on the coast, construction activities in the bottom of water resources, the discharge of liquids, use and reuse of wastewater, polluted water, associated documents, review and decision-making procedure, permission and authorization formats, of particulate conditions and terms of their validity".

The most recent National Plan for European Integration (NPEI), 2020-2022 in the water resource management sector foresees the adoption of the River Basin Management Plan for Drin - Buna and the River Basin Management Plan for Seman, respectively adopted by DCM No. 849, dated 4.11.2020 "On the approval of the Drin – Bunë River basin management plan" and DCM No. 453, dated 10.06.2020 "On the approval of the Seman River basin management plan".

Energy Sector

The Sector Steering Committee on Connectivity enables cooperation at the political level and inter-institutional coordination regarding the energy sector, while the Energy Thematic Group enables cooperation at technical level as well as with the development partners, within the specific sectors of the respective priority areas.

3. Coordination with other instruments and/or donors/ IFI's within the sector

Water and waste water Sector

The water sector is supported by many donors and there is a strong need for donor coordination in the sector. **ADA** and **SIDA** are donor coordinators serving as focal point donors for water resources management, under the IPMG mechanism. The main donor-funded programmes in the sector are the '**Water Resources and Irrigation Project**' **World Bank / SIDA**, the **GIZ water and waste water programme for Albania**, the **PRONEWS** Project, and the **SIDA-funded SANE 27 Project**. Coordination meetings have been organised with the IPA 2016 Action, the World Bank / SIDA water programme, the GIZ water programme for Albania, the SIDA funded SANE 27, and the EU funded PRONEWS Project. A common agreement with

World Bank and SIDA to cooperate on providing institutional support to the Water Resource Management Agency (WRMA) towards the EU integration (Screening / Accession / Negotiations) process was signed.

The main objective of the project “**On the establishment of institutional and regulatory platform for governance and functioning (IRP) of the National Water Resources Cadaster in Albania**”, financed by the World Bank and SIDA, is to provide consultancy services and support to the water sector in Albania by establishing an institutional and regulatory reform for governance and functioning of the water resources cadaster. The platform will ensure the functioning of 3 main pillars for operating the national for water resources cadaster related to: a) data generation; b) data processing, analyses and validation; c) data interlinkages, publishing and their access. The implementation of this project creates synergies with the activities foreseen by the EUSIWM especially those linked with the expected result 2 and 3 of the project. The overall objective of **PRONEWS** is to ensure increased resilience to floods by strengthening National Early Warning System of Albania and improving disaster prevention in line with EU Good Practices. In relation to Component 3, where the Water Resource Management Agency is a beneficiary, this programme aims to provide support for the creation of a flood risk map, in compliance with the EU Floods Directive, through technical support and training for the preparation and use of Flood Risk maps.

In January 2020 a grant agreement between Albania and Sweden was approved (DCM no. 2 dated 6.1.2020) to strengthen the capacities of the Water Resource Management Agency. The main objectives of the project are: a. Improve the internal functioning of the WRMA; b. Improve the external interaction of the Agency with other sector stakeholders; c. Increase levels of awareness of safe, equitable and legally acceptable water resource usage. The implementation of this project creates synergies with the activities foreseen by the EUSIWM.

Cooperation is ongoing with the **regional GIZ programme “Asset Management Advisory Services to Water Utilities in South-Eastern Europe”** which started in January 2019. The ‘EU Support Waste Water Management and Treatment Services’ (EUSWAM) and the bi-lateral project ‘**Customer and Performance Oriented Drinking Water and Sanitation Services**’ (CPWS,) funded by the German government, are working closely in the area of developing asset registers at Water Utilities (WUs) and Wastewater Treatment Plants (WWTPs) for performance improvement in operation and planning. WUs involved in the EUSWAM Action are included in the GIZ asset management project.

The project ‘**SANE 27**’ through the Swedish Environmental Protection Agency aims at improving the legal and regulatory framework in the environmental sector in Albania under the Chapter 27 of the EU accession negotiations with Albania. Synergy is expected regarding the approximation of the Urban Wastewater Treatment Directive (UWWTD) as well as the Sewage Sludge Directive. Activities proposed under EUSWAM for UWWTD implementation are closely coordinated with SANE27.

Close cooperation is established already between GIZ and KfW regarding several towns covered by the IPA 2016 EUSWAM action. The municipality and Water Utility (WU) of Himara is a pilot town in the bi-lateral CPWS project for support to improve management, institutional, financial and technical skills and increase water supply and sanitation services.

The improvement of the water supply and sewer network and the WWTP of Himara are planned through the KfW **Integrated Waste Management of North Vlora Waste Areas (2020 – 2023)** project (EUR 40 Million loan), which should be managed by the WU Himara. KfW is also supporting the town of Orikum (a subdivision of Vlora municipality) regarding investments planned to improve the sewer system.

The national sector stakeholders are ensuring ongoing coordination with the **WBIF project Technical Assistance for Two Functional Waste Areas in Albania ELBASAN & FIER** which requires close coordination between the central level administrations and the relevant municipalities. Following the online Kick-off meeting with all partners involved in project organised by Infrastructure Project Facility (IPF9) team of consultants on 16 September 2020, the National Agency for Water Supply and Sewerage and Waste Infrastructure (AKUM) organised an online meeting of the key central stakeholders on 12 October 2020. AKUM has also facilitated the contacts between the consultants and the focal points in the Municipalities, through an initial presentation meeting of the IPF local consultants' team with the focal point network including all 14 Municipalities on 28 October 2020. The first site visits of the IPF9 local consultants' team to the concessionaires of Elbasan & Fier Waste Treatment Plants was facilitated by AKUM (on 22 October 2020 in Fier and 15 October 2020 in Elbasan). The coordination mechanisms already set up provides a strong basis for the successful completion of the next steps after the feasibility study for functional waste areas is finalised.

Energy Sector

The EBRD is assisting MIE and AEE for the establishment of the Albania – Secondary legislation implementing the Energy Performance of Buildings Directive - PHASE 2. Under this assistance, the specification for a National Calculation Methodology has been finalised on February 2020. This assistance is part of the agreed programme of work in Albania under REEP Plus to review the specifications for energy calculations contained in the report 'Consulting Service for Codification of Building Energy Certification and Registration of PEN Certificates.' Also, under this assistance the specification of a National Calculation Methodology (NCM) for energy calculations in buildings has been prepared, assisting MIE to establish the necessary Regulation required under the Law on the Energy Performance of Buildings.

EBRD under “Western Balkans Regional Energy Efficiency Programme Phase II – Policy Dialogue Window (REEP Plus)” is assisting MIE and AEE for the amendment of the EE Law. The Energy Efficiency Directive 2012/27/EU (EED) was adapted and adopted by the Ministerial Council of the Energy Community in October 2015 and had a deadline for transposition of 15 October 2017. This Directive repeals the Energy Services Directive 2006/32/EC (ESD). The Law on Energy Efficiency for Albania was adopted in November 2015 and transposes many of the EED and the technical assistance assist MIE by identifying all elements of the EED that remain missing from the current Law, revising the EE Law, which actually is in the process of approval by the Albanian Parliament.

EBRD supports municipal EE: Tirana Municipality benefitted from support by the Covenant of Mayors and EBRD for the development of a Sustainable Energy Action Plan and Green City Action Plan. The municipality invests according to those plans and within its financial capabilities. Energy efficiency is already a procurement requirement. A public buildings inventory including an energy assessment was developed by the University of Arizona in 2015. EBRD is supporting the development of energy performance contracting, commencing with pilot projects in Tirana as PPP.

The World Bank prepared for four Municipal EE Action Plans for Berat, Sarande, Permet and Gjirokaster in 2017 in the frame of the Project for Integrated Urban and Tourism (PIUTD). All these plans are approved from the respective Council of Municipalities and some progress is done related to implementation few measures related to efficient lighting for public buildings. Three feasibility studies for lighting of three cities have been finalised and the implementation has started based on the grants of the WB for Saranda, Permet and Gjirokastra.

Currently the World Bank is preparing a financing mechanism for EE in public buildings. The expected results are as follows: (i) assessment of the country-wide public and municipal buildings stock and the related energy consumption profiles and overall energy efficiency potentials for this sector; (ii) identification and assessment of key (technical, financial, institutional) barriers that are hampering energy efficiency improvements in the public/municipal buildings sector; (iii) conduction of walk-through energy audits for a set of representative buildings (climate zone, usage, etc.) (iv) analysis of the current and planned institutional set-ups to support EE policy formulation; (v) assessment of the relevant policy and regulatory framework for the budgetary sector; (vi) analysis of the EE supply market (e.g., potential ESCOs, etc.); (vii) evaluation of the situation for financing EE projects, including availability of budget or donor-funded resources as well as access to commercial financing; (viii) Matrix of key barriers identified for EE and a long list of potential remedies/ options to address these barriers based on international/regional experience; (ix) provision of a roadmap that includes a summary of the selected financing options, including a description of time-bound actions to operationalize the mechanism, necessary technical assistance, legal implications, energy reduction and climate change mitigation scenarios as well as investment demand and financial and economic analysis for the public buildings sector.

Under leadership of the World Bank, the MoTE will develop a new Nationally Appropriate Mitigation Action (NAMA) and apply funding from NAMA facility in the energy field, and consists of four actions, specified in the list below, aimed to reduce GHG emissions. The core of the action is the provision of financial support, through grants or subsidized loans to EE upgrades in buildings. These measures are: i) a financing mechanism providing grants and low interest loans for investments in EE in buildings (in cooperation with International Financial Institutions –IFIs – and donors); ii) technical support to the projects financed by the fund in all phases of the project from design to implementation and management and operation of the buildings. The technical support includes MRV; iii) outreach and awareness raising, promoting

the advantages of EE and RE investments, as well as promoting the financial opportunities provided by the fund itself; and iv) support to improved building management.

SECO/SDC's energy efficiency engagement in Albania: While traditionally SECO has focused on the supply side with a particular emphasis on public hydro power plants rehabilitation (including some investments in rehabilitation and expanding of the transmission network), SECO now focuses on municipal services and demand-side energy efficiency.

KfW's energy efficiency engagement in Albania: KfW has been very active in EE in public buildings with three kindergartens on first EE/RES KfW programme on 2007-2011, then completed a first student dormitory retrofit in Tirana, which started in 2014 and is now in the final stage of commissioning (Student City 2). KfW is now in the process of preparing the rehabilitation of Student City 2 in a phased approach for which a total amount of EUR 30 million (mostly grant financed) is allocated. KfW also informed that it has received EUR 30 million under the EU REEP+ program. The funds have to be leveraged by KfW loans with a leverage ratio between 1-3 in WB6 countries. In order to disburse those loans KfW is looking for countries with strong investment pipelines. KfW expressed interested to collaborate with the World Bank on the set up and potential capitalization of the EEF.

GIZ also plans to support EE through its **Open Regional Fund** for the Western Balkan region between 2018-2021. GIZ has prepared a new web tool for monitoring, verification and evaluation of the implementation of the National Energy Efficiency Action Plan (NEEAP) 2017-2020. The EE monitoring procedures follow the requirements of the EU Energy Efficiency Directive that was incorporated into the Albanian legislation. GIZ implements a Regional Programme: ORF Energy Efficiency on the relevant political and civil society actors in South Eastern Europe to take advantage of regional networks for the implementation of EU standards in the field of climate protection.

4. The impact of IPA II actions within the sector on the development of the relevant national administrative capacity in the sector, strategic planning and budgeting

Water and waste water Sector

As reported above, in the sector, progress has been made in strategic terms in 2020 (the adoption of the River Basin Management Plan for Drin - Buna and the River Basin Management Plan for Seman, Waste Management Strategy and action plan (2020-2035)). With regard to implementation of the respective water legislation, in 2020 EUSIWM has supported WRMA in the design and preparation of a realistic River Basin Management (RBM) planning process as well as supporting the implementation of accompanying institution strengthening & capacity building activities.

A Roundtable on the Transposition and Implementation of Water Legislation was held on 24 November 2020, organised by WRMA and supported by the EUSIWM project team to present and introduce the new legal developments to the water sector stakeholders in Albania. The new

legal framework, once into force, will set the stage for the WRMA to prepare river basin management plans (RBMP) as key mechanisms to ensure effective integrated water management. This Roundtable can be considered as the starting point for the strengthening of the much-needed inter-institutional cooperation and knowledge-exchange on integrated water management – in order to facilitate the establishment of a fully EU WFD compliant legal system for water resources management in Albania.

Institutional capacity-building has been hampered by the lack of face-to-face training and on-the-job training due to the COVID-19 pandemic but the virtual training events organised during the year have been successful. The capacity development programme (CDP) was updated and finalised in late June 2020 and training events have been organised at basin / local (RBAO) and central (WRMA) level. The work for developing a longer-term training platform continued in 2020.

Under EUSWAM, the activities carried out to support local water utilities (trainings, study tours, integration into the customer service portal developed by GIZ) have contributed to strengthen the administrative capacities at local level. At central level, continuous support was provided for the functioning of the new structure within AKUM; a well-designed capacity development plan for the new assigned tasks is crucial. In this respect, EUSWAM has supported AKUM in preparing a new Internal Regulation and job descriptions which have been approved; the Manual of Procedures approved by the management of AKUM has been provided to every employee of AKUM assisting in their daily tasks. Training has been provided to AKUM Staff. The Study on implementation of the UWWTD has been completed and presented to AKUM staff including training on different elements such as agglomeration, sensitive areas etc. The Strategic development plan for AKUM 2020-2025 has been finalised and approved by the management of AKUM; the first monitoring report is under preparation.

Energy Sector

The following major developments are reported in the Sector.

The MIE, with the assistance of the European Bank for Reconstruction and Development (EBRD,) is reviewing the existing Law “On Energy Efficiency”, aiming its full approximation with the provisions of the Directive 2012/27/EU. The amendments include elements currently absent from the Law No 124/2015 and will exclude the Articles about the Energy Efficiency Fund. The Draft law has been sent for comments to other ministries.

Based on the Decision of the Council of Ministers No. 349 of 12.06.2018 and the objectives of the National Renewable Action Plan 2019 – 2020, the MIE has developed the bidding procedure to select the developer of the project for the construction of a photovoltaic plant with an installed capacity of 70 MW, as part of the Support Measures, in the Remas - Karavasta (close to the Lushnje area) and Libofsha (close to the Fier area) for the construction of additional capacity of 70 MW, which will not be part of the Support Measures.

The deadline for bid submission was postponed till 30 April 2020 due to the COVID-19 pandemic. 5 bids were submitted. The contracting authority evaluated the bids according to the procedures stipulated in the Decision of the Council of Ministers No 349 of 12.06.2018 “On the

approval of support measures for the promotion of the use of electricity from renewable sources of sun and wind, as well as procedures for selecting projects for their benefit”.

On May 27, 2020, the winner of this competitive procedure was announced as the French company "Votalia" a.s, with the offered price 24.89 Euro/ MWh. The offered price 24.89 Euro/ MWh is 50% lower than the current average annual price of electricity of 55 Euro / MWh. The Ministry of Infrastructure and Energy and Votalia a.s have signed the Project Development Agreement.

Based on the Law No 116/2016 of 10.11.2016 “On energy performance in buildings”, the secondary legislation is approved or under preparation:

- The DCM No. 256, dated 27.03.2020 “On the approval of the methodology for calculating the optimal cost levels for the minimum energy performance requirements of buildings, units and building elements”;
- The DCM No.537, dated 08.07.2020 “On the approval of minimum requirements of the energy performance for buildings and building elements”;
- The draft DCM “On Procedures and conditions for certification of energy performance of buildings and the model, content, conditions of registration of the “Energy Performance Certificate” of the respective buildings and draft DCM “On the Approval of the National EPC Software. The draft DCM referred to was prepared by MIE at the end of March 2020 and the consultation process is ongoing. The COVID-19 pandemic has complicated this issue and might cause some delays.

The IPA 2014 “Support in the Energy Efficiency Sector and the Renewable Energy Sources (RES) Development” consisting of 2 Components related to Energy Efficiency (EE) and Renewable Energy (RE) will support both the EEA and the MIE in their functional and technical capacities; in particular, in the case of the Ministry, capacity in the RE sector will be developed supporting the establishment of technical schemes and regulatory framework in RES.

In the EE component, the project supports the EEA to strengthen its capacity on their functioning process and work flow. In more detail, certain policy support is provided in the following:

- Preparation of the EEA’s work programme for the year 2020 and 2021.
- Review of the draft decisions on the approval of categories, conditions, qualification requirements and professional experience for certification of the energy auditor and energy manager.
- Establishment of a mechanism for testing and certification of the energy auditors and energy managers.
- Review and further analysis of the sectorial programs included in the NEEAP.
- Preparation of a draft mechanism to identify large energy consumers and the M&V of the obligatory scheme for large energy consumers.
- Preparation of a draft regulation to clarify the obligations of all large energy consumers to implement the EE measures within 2 years.
- Drafting of simplified energy service contract models.
- Development of a simplified model of voluntary agreement with industry.

In the RE component, the project supports the MIE to further develop its capacity in the RE sector. In more detail, certain policy support is provided in the following:

- Critical assessment of the action plans, strategies and targets for RES together with an assessment of the investments plans of the TSO and DSO.
- Drafting of the Balancing Obligation scheme to the RES producers.
- Assessment of the current draft legal acts for the implementation of the net metering scheme already prepared by MIE and provide recommendations to improve them.
- Reconsideration of monthly net balancing and billing and possibility of annual balancing
- Gap analysis of the existing legal and regulatory framework for the deployment of RES and recommendations to the relevant authorities as regards the necessary legal and administrative changes needed.

Other details on the project are provided in Section II 1 Democracy and Governance, as it is financed under the European Union Integration Facility.

5. Operating structure(s) in place and related changes

No actions in the water sector are implemented under indirect management. **In the energy sector the Support in the Energy Efficiency Sector and the Renewable Energy Sources (RES) Development is implemented under the EUIF under indirect management.**

The table below shows the implementing structures for this Action.

IPA Programme/Action	Operating Structure
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2016	
Action 5. Support to the Water Management Sector	<p>Entrusted entities selected for the implementation: Austrian Development Agency and GiZ</p> <p>Implementation responsibilities:</p> <p>Ministry of Infrastructure and Energy</p> <p>Secretariat of the Water Resources Management Agency (WRMA/AMBU)</p> <p>National Agency for Sewerage and Waste Infrastructure/AKUM</p> <p>Ministry of Agriculture and Rural Development</p>

The IPA 2016 Action Support to the Water Management Sector is made up of two components:

- EU Support to Integrated water management (EUSIWM);
- EU Support to Wastewater management and treatment services (EUSWAM).

The Water Resources Management Agency (WRMA) is the direct beneficiary for the EUSIWM project based on the Agreement between the Government of Albania and ADA signed on 14 November 2018. Currently four water basin administration offices (WBAO) are operational.

The main partners and beneficiaries of EUSWAM include (i) implementation partners: these are essentially selected WUs and AKUM at the central level but also to a lesser extend the Agency for Water Resource Management (WRMA), the Water Regulatory Authority (WRA), the Water Supply and Sewage Association of Albania, the Ministry of Tourism and

Environment and the National Environment Agency and (ii) Beneficiaries: these include the population and households of the coastal municipalities targeted by the action which are served by water and sewerage services delivered by the WUs. Those areas dependent on tourism will particularly benefit from the expected improved waste water services and resulting coastal receiving water quality improvement.

6. Information on the implementation of programmes in the sector

The EUSIWM Project (first component of the action) aims to support Albania by assisting the national authorities to align national legislation in the area of water management with the EU water related legislation and in particular the Water Framework Directive 2000/60/EC (WFD) and Floods Directive (FD) and to strengthen administrative capacities. An overview of the implementation progress in 2020 is provided below.

Regarding **Expected Result 1** “Legal framework in the field of water management is improved in an inclusive and evidence-based manner, and implemented and enforced in line with the EU requirements”, after an intensive and comprehensive preparatory process, the EUSIWM experts in cooperation with the WRMA-based legal working group drafted the new legal framework on integrated water management. Fully compliant with EU Water Directives, the new legal acts were prepared following a two-phased approach:

- (i) Assessment of approximation level for the national existing legislation (Gap Analysis);
- (ii) Transposition of nine EU water-related Directives into the national legislation.

A Roundtable on Transposition and Implementation of Water Legislation was held on 24 November 2020, organised by WRMA and supported by the EUSIWM project team to present and introduce the new legal developments to the water sector stakeholders in Albania. The new legal framework, once into force, will set the stage for the WRMA to prepare river basin management plans (RBMP) as key mechanisms to ensure effective integrated water management. This can be achieved only in collaboration with other relevant institutions, including the Ministry of Tourism and Environment, Ministry of Infrastructure and Energy, Ministry of Agriculture and Rural Development and related governmental agencies.

The finalised (new) Draft Law on Waters (LoW), the Draft Law on Marine Waters and the 13 related draft Decisions of Council of Ministers (DCMs) were finalised in October 2020 and translated into Albanian in December 2020. This legal package will be further adapted in 2021 to meet the national legal requirements. This mandate will be taken over by the Inter-institutional Legal Working Group (LWG), which is expected to be fully operational in early 2021 (to be established and led by WRMA).

Regarding **Expected Result 2** “River Basin Management Plans are implemented for the selected River Basins, and in line with the EU requirements”, significant work was conducted by the EUSIWM experts during 2020 regardless of the challenges of the availability of data (missing / partially available) and the data validation process (different formats requiring harmonisation).

A draft RBMP framework report was presented to WRMA staff as a harmonised and EU WFD compliant template ready to be replicated to the remaining river basins in the country. The objective is that WRMA staff shall be enabled to actively manage and implement the RBM

process for the 2022-2027 period, using the knowledge and capacities gained during the EUSIMW project implementation.

Significant steps in the framework of public participation and consultation in the RBM planning process were made. In addition to consultation meetings with key water stakeholders and the wider public related to the use and protection of water resources, technical documents were prepared highlighting significant water management issues for the Mat and Ishem-Erzen river basins and officially circulated to line ministries and governmental agencies by WRMA; both documents were published in 2020 on the WRMA official website available for public information and consultation.

The EUSIWM team has finalized the full framework RBMP structure for the preparation and detailed elaboration of the Mat, Ishem and Erzen RBMPs and started with the Gap Analysis work for the Vjosa river basin. The RBMP framework report mentioned above shall serve as the baseline template reporting format for all seven RBMPs of Albania.

As regards the 2019 Decision of the Council of Ministers on the designation of seven river basins in the country, WRMA requested the project team to separate the Ishem and Erzen river basins implying the preparation of two separate river basin management plans and two draft RBMPs were prepared.

The assessment of the water resources was completed in December 2020. Meanwhile, the analysis of essential RBMP implementation issues is being elaborated and finalisation is rescheduled to September 2021.

Regarding **Expected Result 3** “Institutional capacity at river basin level, to implement Integrated Water Management, is enhanced”, challenges related to the COVID-19 pandemic have impacted the implementation of activities; field visits with many participants were put on hold and working meetings, workshops and trainings were delivered online.

In spite of the difficulties, the technical Training Modules under the Capacity Development Programme were successfully finalised mid-2020 and delivered to the beneficiary. It was agreed with the WRMA that technical-based trainings with WRMA and local office staff would be organised on-line and the first workshops were rolled out online from September 2020:

- 1st workshop on general hydrology for 28 WRMA staff;
- 2nd workshop targeting the RBM process – pressures and impact of hydropower for 32 WRMA staff which processed real data from a selected operational Hydropower plant located in the Erzen River.
- 3rd workshop was held targeting the economic analysis of water use including concepts of tariffs/charges/fees for water for more than 30 participants WRMA and the Albanian Water Regulatory Authority.
- 4th discussion workshop on the draft legal acts for more than 30 participants also considering specific legal/institutional arguments of relevance for the legal follow-up process, from consultation-adoption-implementation.

Supporting the development of a training database / platform at WRMA, the training materials have been provided to WRMA both in electronic and hard-copy format which shall facilitate cascade training to newly recruited staff.

Regarding **Expected Result 4** “The budgetary framework and economic analysis of water extraction and water use at basin level is improved in line with Water Framework Directive

principles, including review of the tariff structures and review of respective enforcement procedures”, the implementation for this component continued to be behind schedule during 2020. In the first quarter of the year intensive work was performed mostly collecting data, establishing connections with the economical water-related institutions in the country and the screening of the information/data necessary to streamline the economic analysis process for the RBMP for selected river basins.

Substantial data were collected during 2020 from various institutions. Some discussions took place between the EUSIWM economic expert and WRMA staff on water resource tariffs/fees/charges for both abstraction and discharge. A recommendation paper was drafted and delivered. Additionally, a dedicated work plan was prepared by the expert to work jointly with WRMA staff on economic aspects of water use; however, its implementation was affected by the travel restrictions due to the COVID-29 pandemic. A draft chapter of economic analysis to be integral part of the draft RBMPs for selected RBs was prepared and shared with WRMA for consultation. Despite the above-mentioned activities and achievements, the overall implementation of this component is significantly slower than the others and all the activities planned for 2020 are extended to be completed by 2021.

The second component, EUSWAM, aims to reduce pollution in Adriatic and Ionian coastal waters via strengthened capacities and the operation and maintenance of waste water infrastructure along the coast and in selected municipalities that have benefited from EU support for the development of their waste water management infrastructure. The following activities were carried out in 2020.

Regarding **Expected Result 1** “The performance of selected wastewater utilities along the coast of Albania has improved”, capacity development activities for WUs and WWTPs according to the newly defined action plan, business plans (including training programmes) are ongoing. These included:

- Webinars:
 - o Emergency Response of WU towards emergency situations (Covid-19)
 - o Safety and organisation of staff for dealing in sewers/WWTP during maintenance / repairs
 - o Emergency preparedness in WWTP labs: special precautions for sampling and analysing; Quality adherence
 - o Coping with the bad financial situation due to Covid-19 pandemic
 - o Operation and Maintenance of Sewage System and Pumping Station
 - o Sludge Management Concept
- On the Job Training:
 - o Training Health and Safety
 - o Vocational Electrical Maintenance
 - o Vocational Mechanical Maintenance
- Establishment of three drinking water laboratories for WUs of Vlora, Kavaja and Shkodra, including OJT of the respective staff (ongoing).

- Specific training programme and on-the-job trainings for management, technical and financial staff of coastal WUs, WWTPs and staff of the laboratories (for also for additional WUs) in sampling, analysis and interpretation of results.
- Presentation of the finished business plans to the WUs managerial staff. (Co-financed with BMZ) including preparation of the development plans for each WU.
- Continuing monitoring of implementation of the Action Plan and KPIs at 6 Coastal Water Utilities.
- Continuation of the support of Water Utilities on IAM Programme through SHUKALB.
- Training "Capital Infrastructure Investment Projects in the Water Sector" through RCDN (BMZ financed).
- Contract on elaboration of Emergency Plans for 10 selected WUs signed and implementation begun (Included WUs Vlora, WU Saranda and WU Himara).

Regarding **Expected Result 2**, “the new National Agency for Water Supply, Sewage and Solid Waste (AKUM) was strengthened, with a particular focus on the wastewater subsector” the Institutional Strategic Development Plan of future AKUM (Report 2 and 3) was finalised, presented to AKUM through an online workshop organised on 19.11.2020 and has been approved. The Manual of Procedures was finalised and distributed in 50 printed copies to AKUM. A second online training was organised with Water Supply and Sewerage Association of Albania under Regional Capacity Development Network for Water and Sanitation Services (RCDN) with the active participation of AKUM selected staff.

4 out of 6 planned Training Workshops on UWWTD implementation were organised:

- WS1- 25.09.2020: The Requirement of the EU UWWTD and what is important for AKUM staff to prepare for it under EU accession dynamics.
- WS2- 16.10.2020: The concept of “agglomeration” under the UWWTD, how it is applied and how it will impact on costs for wastewater services operators (UKs) as well as serviced population.
- WS3- 06.11.2020: The concept of “sensitive areas” under the UWWTD, how they should be defined and validated and how it will impact on the level of treatment and related cost for the government, the operators and the services population.
- WS4- 26.11.2020: The importance of a wastewater municipal ordinance for effective wastewater management in Albanian municipalities and what it should entail and cover.

Regarding **Expected Result 3** “Existing coastal WWTPs are properly operated and maintained”, On-the-Job Trainings were carried out on:

- Sampling and analysis of influent / effluent as well as process control parameters.
- WWTPs – Preparation of O&M tasks lists.
- Sludge Treatment Processes (ongoing).
- Wastewater Sampling Programmes (ongoing).
- Health and Safety.
- Vocational Mechanical Maintenance.

WWTP laboratories were supplied with the necessary additional equipment for performing analyses and existing equipment was calibrated. A detailed report was prepared on electrical and SCADA status for each WWTP. Automatic Stationary Samplers (ASS) were installed on 4

WWTPs (Shiroka, Shengjin, Vlora, Saranda), as well as the repair and reinstallation of already installed ASS on Kavaja and Velipoja WWTP with the training of the respective staff (Ongoing).

The updated O&M manual for the WWTPs was presented, including Preventive Maintenance, Health and Safety Procedures, Sampling and Analyses Methodology. A list of operation tasks was prepared specifically for each treatment step and technique. The implementation of the QR Codes Wastewater technology in Vlora WWTP is ongoing. Work was conducted to conclude the contract for screening needs for Environmental permits for coastal WWTP. Recommendations for necessary capital investments for each WWTP were prepared.

Regarding **Expected Result 4** “The awareness and participation of all stakeholders in the sector has increased in line with the EU acquis requirements and the principles of public administration” activities continued on the Follow up survey: Public readiness to pay more on improved Waste Water (WU) services in target WUs. The ToRs were drafted and tender for the survey conducted. The survey questionnaires and methodology were prepared and the survey conducted in 11 cities. The project coordinated with the WUs for the implementation of pilot actions in Shkodra, Vlora and Saranda (co-financed by BMZ). The on-line presence of WUs and the water programme was extended. The WasteWater Educational package was launched in schools in Shkodra, Lezha, Durrës, Kavaja, Vlora and Saranda (Co-financed with BMZ) for 9th-year pupils with 3 videos:

- One video on: “tips on saving water”.
- One video on: “wastewater and WWTP”.
- One video on: “the importance of paying water bills”.

The “Dropby worldwide adventure” book was promoted in schools through coastal WUs.

Support for the national campaign was provided through the design of the campaign and campaign materials, design and printing of flyers and bags, open days in 7 coastal cities to increase visibility of national Partners, preparation of labels and promotional plaques for the investments in the laboratories and WWTPs and distribution of flyers on Wastewater importance in WWTP and WUs.

The communication activities and online presence of local Partners were supported through information provision, the distribution of TVs for customer care units of WUs, the preparation of USBs with information materials for the TVs and assisting the WUs to prepare info packages for customers.

7. Main achievements in the sector

During this year significant progress was made regarding WRMA, in the context of a fully functional, effective and efficient institution in fulfilling its legal functions, tasks and responsibilities. The four Water Basin Administration Offices (WBAO) were fully functional during this year, as new staff were recruited. The support of the EUSIWM project on capacity building prospective has been crucial for their capacity development. Further progress was made in the implementation of a wide sectoral / cross-sectoral approach; WRMA is responsible for the Water Resource Thematic Group and 2020 meetings focused on the implementation of

the NSWRM, financial and budgetary issues, including flood risk, water quality EU legal framework transposition, donor contributions to IWRM in Albania, and MTPB compliance with NSWRM. The River Basin Management Plan for Drin - Buna and the River Basin Management Plan for Seman were approved.

Decision of the Council of Ministers no. 550, dated 15.7.2020 “On the adoption of application forms for approval, in principle, for the concession of use of water resources, the permit / authorization to use water resources, construction activities on the coast, construction activities in the bottom of water resources, the discharge of liquids, use and reuse of wastewater, polluted water, associated documents, review and decision-making procedure, permission and authorization formats, of particulate conditions and terms of their validity ” has been adopted. The licenses can now be applied via e-albania platform, where transparency for the public has been raised and strict timelines for the application have been set for both parties.

Decision of the Council of Ministers no. 1014, dated 16.12.2020 "On the approval of tariffs for administrative expenses for requests for use, discharge of water and construction of facilities and water works" and Decision of the Council of Ministers no. 1015, dated 16.12.2020 "On the content, development and implementation of the national strategy of water resources management, water basin management plans and flood risk management plans" have been adopted, transposing four other EU directives.

Under the focus of improving the water cadastre, Decision of the Council of Ministers no. 1122, dated 30.12.2020 "On the approval of requests, conditions, procedures, necessary budgetary funds for the creation, maintenance, management and updating of the National Cadastre of Water Resources", has been adopted.

With these DCM the obligations for all the constructed Hydro Power Plants to install their own Hydromet stations and to report data frequently on NWRC and IGEWE have been met which shall lead to an improvement of the monitoring network.

Under EUSWAM, the activities carried out to support local water utilities have contributed to strengthening the administrative capacities at local level. At central level, continuous support was provided for the functioning of the new structure within AKUM. The Strategic development plan for AKUM 2020-2025 has been approved. EUSWAM has supported AKUM in preparing a new Internal Regulation and job descriptions which have been approved, and the Manual of Procedures widely distributed. The staff of AKUM has been trained. The Study on implementation of the UWWTD has been completed and presented to the staff of AKUM including training on different elements such as agglomeration, sensitive areas etc.

Specific attention has been paid to awareness-raising and communication on occasion of the World Environment Day for national and local stakeholders and the general public with regard to water and waste-water management and treatment services. Environmental education campaigns are ongoing with 9th-year school students and high schools in coastal areas on water monitoring through experiments and science projects. School visits to wastewater treatment plants in Durres and Vlora have been conducted and will be an ongoing educational activity.

Awareness and Communication Plans for the Water Utilities of Vlora, Durrresi and Saranda have been prepared to guide them in better communication with their customers.

8. Any significant problems encountered in implementing the tasks entrusted e.g. delays in contracting, and subsequent measures taken/planned.

Both components of the IPA 2016 Action were impacted by the COVID-19 pandemic which limited on-site work and daily / direct co-operation. This has led to some changes and extension of planned project activities.

In the case of EUSIWM, with the notable exception of two international expert missions to Albania, all other scheduled missions have been cancelled after March 2020; with the intention to (re)start full on-site project implementation after April/May 2021. However, it is recognised that some delays had accumulated prior to the pandemic and some consultancy activities were duly extended, in particularly regarding support for the legislative framework. The full package of the drafts acts was provided by the EUSIWM on to the WRMA on 12.10.2020 and the translated version in Albanian language was finalised in December.

Other problems were identified related to the implementation of Expected result 2, as the following:

- Data collection continued to be a major issue throughout 2020. Hydrometeorological data, rainfall data, groundwater quality/quantity and surface water quality data are key input requirements for a meaningful characterisation of the river basins. The WRMA has entered into an agreement to exchange and secure access to data with IGEWE (Institute for geo-science, energy, water and environment) which has large data sets on both hydrometeorological and rainfall data.
- Data on water quality was limited due to the small number of operational monitoring stations.
- No recent INSTAT data available on population and social – economic aspects for the selected river basins; the official population data refer to the Census completed in 2011. In order to proceed with the characterisation, the EUSIWM experts considered an estimation of population figures as calculated for the purpose of water supply and sewerage analysis, at municipal level.
- Limited data on irrigation (water) quantities provided by the Ministry of Agriculture. Estimations applied to continue with the analysis of water balance in selected river basins.
- Lack of data on protected areas and biodiversity. A dedicated local expert joined the EUSIWM team in November 2020 to perform this assignment.

Regarding the implementation of Expected Result 3 the following problems were identified:

- Delays in finalising the Capacity Development Plan Training Modules. Due to the COVID-19 pandemic related travel restrictions, ADA has faced challenges in contracting international expertise. Several contract amendments were made to enable

the international experts to work from home. The delays with the amendments to respective contracts affected the delivery of outputs in due time to the beneficiary.

- Only few trainings were performed and those organised were all held virtually due to limitations under the COVID-19 pandemic crisis.

Regarding the implementation of Expected Result 4 the following problems were identified:

- Contributions of the international expert has been limited since March 2020 due to contract amendment delays and days limited available to work from home. Limited response has been provided to WRMA requests on supporting the process of revision of tariffs and fees for water resources use. Alternative solutions are being evaluated by the EUSIWM project team regarding additional expertise to be procured to foster the implementation of activities.

9. Recommendations for further actions

Water and waste water sector

The Operational Conclusions of the 2nd Sectoral Monitoring Committee in 2020 on Environment & Climate Action provide recommendations for the sector by sub-sector:

Sub-sector: Waste

Sector monitoring

- The project “Technical Assistance for Integrated Solid Waste Management Systems for selected Municipalities of Albania” has completed the feasibility studies for Kukës & Gjirokastrë Waste Zones. The Ministry for Infrastructure and Energy and AKUM, together with the Ministry for Tourism and Environment, should guide and assist the municipalities involved in this project in completing the next steps after the completion of the feasibility study.
- AKUM should coordinate the work with MIE and MTE:
- Completion of the activities for the Environmental and Social Impact Assessments for all related facilities and completion of all required permitting procedures for the investment in the Integrated Solid Waste Management Systems (ISWMS) infrastructure;
- Preparation for approval by the National Territory Council of the file for the investment in the ISWMS infrastructure in the Kukës and Gjirokastrë Waste Zones.

Policy and legislation implementation, and sector capacities

- Progress on EU acquis transposition and implementation of the Waste Framework Directive should increase.
 - The MTE should inform on the implementation of the new 2020-2035 national strategy for integrated waste management which was approved on 27 May 2020;
 - The MTE should clarify the policy on how Albania will move up the waste hierarchy;

- The GoA should inform and clarify on how Albania intends to finance the implementation of moving up the waste hierarchy and reaching EU recycling targets once the country opens negotiations.
- AKUM should report on the completion of the new organizational structure including the waste sector, which is foreseen to be approved indicatively in Q1 2021.

Communication

- The main central level institutions in the waste sector (MTE, MIE, AKUM) should coordinate their policies and actions in the sector with EUD and other international actors. More work is needed to inform and raise awareness on sector issues, challenges and the need to harmonise with, and implement EU acquis, and to foster a participatory approach with the public or specific groups.

Sub-sector: Water

Sector monitoring

- The NIPAC should ensure that the project internal risk assessment tool introduced in November 2020 also covers sustainability issues in addition to implementation issues, and that the monitoring of projects with identified sustainability issues or/and formulated action plans is extended for at least 3 years after project completion.
- The implementation of outputs and recommendations produced by sector programmes, approved by beneficiary institution(s) and with a significant impact on the sector should be monitored and reported for a period of 3 years at least.

Policy and legislation implementation, and sector capacities

- All main national stakeholders of the sector should fully engage in 2021 in the process launched by AMBU in view of the adoption of a legal package enhancing substantially the transposition and implementation of the EU acquis, and satisfactory progress should be reported in 2021.
- MIE should ensure that the water supply & sewerage strategy 2020-30 and the water supply and sewerage services law are adopted in 2021, while AKUM should ensure that the water code is revised in 2021.
- PMO, MIE, MTE, MoD should support in 2021 the elaboration and implementation of capacity development plans for all national agencies under their responsibility. This includes the adoption by MIE and the implementation of AKUM Institutional Strategic Development Plan (elaborated with IPA support), and the elaboration and adoption of similar plans for the other agencies when missing.
- Water utilities performance and capacity to operate and maintain properly water and wastewater infrastructures, including treatment plants, should increase in 2021.

Communication

- All sector agencies and more utilities should have in 2021 communication and outreach plans with dedicated internal resources.

Regarding the EUSIWM Project the Project Steering Committees made specific recommendations as follows:

- stronger and closer cooperation between the EUSIWM project team and experts with the WRMA staff should continue;
- further progress with activities under expected result 3 – capacity development and the needed support with technical aspects related to RBM process;
- the expected result 4 needs to restart progressing urgently and to finalise on time the products;
- the need for improving the cooperation with relevant institutions for water in particular with National Environmental Agency for water quality monitoring data and identify possibilities for support.

Energy Sector

The Operational Conclusions of the two Sectoral Monitoring Committees held on Transport and Energy held in written procedure provide recommendations for actions in the energy sector:

- Albania should rapidly fully align its Energy Efficiency Law with the acquis, to not be in breach of the Energy Community Treaty provisions. The draft of the amended Law on Energy Efficiency should be shared with the EU for consultation.
- Albania is strongly encouraged to establish incentives for energy efficiency measures in the private sector and for households, and set up an energy efficiency fund or equivalent.
- Considering the EU Green Agenda for the Western Balkans, and the large investments planned for the post-earthquake reconstruction, Albania should also speed up the adoption of the drafted secondary legislation to align with the Directive on the Energy Performance of Buildings.
- Albania should accelerate the establishment of the new Energy Agency and allocate sufficient resources for its full staffing and operation, in order to accelerate the implementation of the Energy strategy and of the EE and RE action plans.
- With regard to the Energy connectivity and market, Albania should provide information on the timeline of the Power Exchange Operator (ALPEX) becoming operational, and on progress of the 400 kV interconnection line Elbasan (Albania) – Bitola (North Macedonia).

10. Implemented audits – main findings & recommendations and corrective action taken

N/A.

II.4. Transport

In the “Transport” sector, one (1) action has been financed under IPA II:

COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2016

1. Action 6. Sector reform contract for transport sector (direct management)

In the table below an overview of the progress as regards the implementation of actions in this sector is presented, based on financial indicators.

<u>IPA Year/Action</u>	EU contribution as per FA	National contribution	Amount Received from EC (Pre-Financing)	Amount Contracted	Total amount disbursed (from EU Funds)
2016 Action Programme for Albania					
Action 6. Sector reform contract for transport sector (DM – budget support)	21,000,000.00	N/A	-	-	13,373,942.00
Action 6 – Complementary actions (DM)	3,000,000.00	N/A	-	-	-
TOTAL	24,000,000.00	N/A	-	-	-

1. **Involvement in programming**

The programming process for IPA 2016 Actions was finalised in 2017, thus outside the timeframe of this AIR.

2. **Overview of results in moving towards a fully-fledged sector approach (i.e. targets reached as per sector roadmap in the Sector planning document)³².**

The role of the Integrated Policy Management Group (IPMG) for the transport sector is played by the Connectivity Sectoral Steering Committee (SSC), which is also the Sectoral Monitoring Committee (SMC) for IPA. This Committee is supported by the Thematic Group (TG) on Transport and its Technical Secretariat, established by the Orders of the Minister of Infrastructure and Energy, as follows:

- Order no. 77 dated 19.02.2019 “On the establishment of Technical Secretariat of the Connectivity Sectoral Steering Committee and of the Technical Secretariats of the Thematic Groups on Transport, Energy and Telecommunication and Broadband”;
- Order no 78, dated 19.02.2019, “On the composition of the Thematic Groups on Transport, Energy and Telecommunication and Broadband”.

The Connectivity SSC, the TG on Transport and its secretariat are fully operational. Progress on the implementation of the strategy of transport and its action plan 2016-2020 is reported in the annual Monitoring Report. The 3rd annual Monitoring Report on the Implementation of the Transport Strategy and Action Plan 2016-2020 was prepared and endorsed by the

³² With regard to the Sector roadmaps (SARs), during October 2016 – March 2017 NIPAC supported Line Ministries and other beneficiary institutions to draft the document and the package comprising all the sector roadmaps was sent to EUD in March 2017. No further updates have been made as an integrated mechanism for the sector/cross-sector approach has been established under the Integrated Planning System (IPS), as the main system that defines the tools and mechanisms for integrated public policy planning ensuring effective allocation of financial resources. This mechanism is presented in section II.1.2.

MIE/Thematic group on Transport in July 2020, following several meetings during which the preparation of monitoring report of the strategy was discussed. The report is published in the website of MIE³³.

The new Transport Strategy and its action Plan covering the years 2021-2026 is being drafted internally by experts in the MIE and is still in the process of preparation. It is expected to be ready by the beginning of 2021. The draft will then be consulted with JASPERS.

3. Coordination with other instruments and/or donors/ IFI's within the sector

Financial support by the European Union and other international donors has been mobilized over the years for the Road transport sector in various areas such as road network development, preparation of legislation, capacity development and other areas. It has been delivered mainly in the form of grants from EU and loans from IFI, as the WB, being the leading in transport, the European Bank for Reconstruction and Development (EBRD), the Central European Bank (CEB), the European Investment Bank (EIB).

Currently, the road sector is being supported by the World Bank “**Road Maintenance and Safety Project (RRMSP)**” (February 2017- February 2022). Under this project, five-year performance-based maintenance contracts have been signed with four private contractors for the periodic and routine maintenance of 1,392 km of Primary and Primary-Secondary roads of the national road network. All four contracts are under implementation. The results-based approach is consistent with the Government’s on-going strategy to grant concessions for the operation and maintenance of a number of highways.

Under the Connectivity Technical Assistance Facility - **CONNECTA** – financed under the WBIF, a three-year Road Safety Inspection plan for each of the Western Balkans countries and 580 km of roads were inspected on the indicative extension of TEN-T Road Core/Comprehensive Network in the Western Balkans. Based on the findings and recommendations from the Study, a list of priorities of road sections for immediate road safety improvements has been identified. The inspected road segments are included in the list of priority roads in the above-mentioned RRMSP. The Albanian institutions are working to improve the existing national system for continuous Road Crash Data Collection, in line with the CONNECTA recommendations. The Roadmap for the improvement of the existing national system for road crash data will be developed and implemented with the assistance of the World Bank. This assistance started its assignment in January 2019.

The Agreement between the Government of Albania and the World Bank for the project: “**Provision of support to introduce the ITS on the maritime transport through the deployment of a VTMS including but not limited to a) preparation of a Feasibility study; b) support to implementation of the VTMS along the whole coastal sea**”, value EUR 5.6 million, was signed on 19 June 2019; this was ratified by Parliament with Law 62/ 2019 “Facilitation of trade and transport in Western Balkans with a multi phases programme

³³ https://www.infrastruktura.gov.al/wp-content/uploads/2020/07/3rd-Monitoring-Report-of-Sectorial-Transport-Strategy-and-Action-Plan-2016-2020_June-2020.pdf

approach” which approved the loan for three projects, including the VTMS project - totalling 17.6 million euro.

The **European Investment Bank (EIB) / European Bank for Reconstruction and Development (EBRD)** is supporting Albanian institutions with several technical assistance projects:

- Technical Assistance for supporting the Project Implementation Unit in Albania, strengthening its capacities on some issues related to FIDIC contract or different donors’ procurement procedures. Beneficiary: ARA.
- Technical assistance for preparation of the Albanian Strategic Document in Road Tolling. Beneficiary: MIE.
- Technical assistance for preparation of the Albanian Sustainable Transport Plan. Beneficiary: MIE.

The technical inspection for road vehicles is conducted by the concessionary Swiss company Société Générale de Surveillance SASGS) (under a 10-year concession contract). The MIE monitors the implementation of this contract through the General Directorate of Road Transport Services (GDRTS).

Donor coordination is assured through the participation of donors in the Connectivity Sectoral Steering Committee.

4. The impact of IPA II actions within the sector on the development of the relevant national administrative capacity in the sector, strategic planning and budgeting

The overall objective of the “Sector reform contract for transport sector” is to contribute to an efficient transport system, integrated in the region and in the EU network, which promotes economic development and the citizens’ quality of life by focusing on road transport. Implementing the Transport Strategy and Action Plan 2016-2020 at specific objective level, the programme supports the improvement of Albania’s international accessibility and competitiveness.

Progress in implementing the overall transport sector strategy 2016–2020 has been satisfactory: legislation is being reformed and road conditions are improving. Railway reform is under way as the entire railway legal package is nearing finalisation, supported by the IPA-funded Technical Assistance for the preparation of the legislation for the rail sector for Albania, and in the civil aviation sector, the new Air Code of the Republic of Albania was approved by law no. 96/2020, dated 23.07.2020.

The "Second Review of the National Transport Plan (PKT3)", funded by Delegation of the European Union to Albania was approved by Order of the Minister of Infrastructure and Energy no. 40, dated 21.01.2020.

The legislation on road transport has been drafted and continues to be prepared in line with the EU acquis. In January 2020, Instruction no. 8, dated 19.12.2019, "On the criteria, rules and documentation for the issuance of licenses, authorizations and certificates for the exercise of

activity in international road passenger transport" and was approved the Order of the Minister of Infrastructure and Energy no. 185, dated 18.06.2020 "On the Implementation of the Strategy for the application of Intelligent Systems in Road Transport ".

Road safety policies are defined in the National Road Safety Strategy 2011 - 2020 approved by Decision of the Council of Ministers no. 125, dated 23.02.2011 "On the implementation of objectives for improving road safety". According to this document, the baseline of the year 2009 was 378 casualties /per year. The target for the year 2020 is 250 casualties /per year. According to the data of the State Police, road accidents in the eight months of 2020 have decreased by 24.6% compared to those that occurred in the same period of 2019. The number of fatalities in the eight months of 2020 has decreased by 16.7%, compared to the previous year, while the number of injured respectively by 32.3%.

Albania continues its efforts to align with the transport safety acquis and develop its enforcement capacity. In 2017, Albania partially aligned its legislation on the qualification of road transport operators with the EU's acquis. After the adoption of guidelines and certification for inspectors, road safety inspections (RSI) and road safety audits (RSA) are obligatory. Pilot road-safety inspections and roads safety audits are now being implemented along the 'core' road network. Implementation of the legislation on roadside checks of commercial vehicles is at an initial phase. The national system for continuous road-crash data collection is being improved in line with recommendations given by the EU Connecta technical assistance.

In May 2020, the Joint Instruction of the Ministers responsible for Transport and Interior was approved "On the control for technical readiness on the road of commercial vehicles", (no 639 Prot., dated 17.01.2020) which fully approximates the directive 2014/47/EU of the European Parliament and of the Council of 3 April 2014 on the roadside technical control for the technical readiness of commercial vehicles circulating in the European Union and repealing Directive 2000/30/EC.

Investments in roads sector during 2020 are mainly concentrated on the Albanian Core Network. The projects are designed to integrate the national network into the regional and pan-European TEN-T network. Among the most priority projects of the Government of Albania is the Adriatic – Ionian Corridor for which the Feasibility Study was completed during 2020. Other important investments are: the construction of Fieri By-pass (Part of the North – South Corridor) which was opened for the traffic for all the types of users in June 2020. Construction of Qukës - Qafë Plloçë, Construction of Vlora by-pass road, Shkodër by-pass, Vlora River Road, Tepelena by pass were in the focus of the Ministry's work as well.

An important contribution to administrative capacity and the effective use of public finance in the sector is provided by the service contract "Capacity Building for Public Private Partnership (PPP) Management Skills Development in the Albanian Transport sector" which is strengthening the capacities of a wide pool of Albanian staff working in the public administration and relevant agencies through training and coaching in procurement and contract management in the context of roads PPP preparation and management. More specifically, the project aims to support the public administration in: modifying the project selection system under the PPP scheme; improving the tendering procedure and contract conditions; and

involving agencies other than the PPP sectors in the Ministry to expand their vision of implementing PPP schemes.

The Twinning “Strengthening the capacity of the Albanian Road Authority in applying good governance practices for planning, managing, procuring, implementing and maintaining road investments” will contribute to improving the sector governance including strengthening of capacities for planning, implementation monitoring and reporting of the Albanian Road Authority; the latter is especially important in view of the need to report on the achievement of outcomes and impacts.

5. Operating structure(s) in place and related changes

No actions in this sector are implemented under indirect management.

The following structure is in place for the implementation of the Sector Reform Contract.

IPA Programme/Action	Operating Structure
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2016	
Action 6. Sector reform contract for transport sector	<p>Direct management for Sector Budget Support and Direct management for complementary technical assistance (EU Delegation to Albania)</p> <p>Implementation responsibilities: Ministry of Infrastructure and Energy Coordination for all Sector Budget Support: Ministry of Finance and Economy (MoFE)</p>

6. Information on the implementation of programmes in the sector

In this section, the progress on the Sector Reform Contract and the complementary support are presented.

Based on the Financing Agreement for IPA 2016 Action Programme for Albania, “Sector Reform Contract for Transport Sector with focus on roads”, the Ministry of Infrastructure and Energy (MIE) in June 2020 submitted the request for disbursement of the second variable tranche for the year 2019 through the Ministry of Finance and Economy/MFE. for EUR 3,750,000 out of EUR 5,000,000 following the achievement of 6 out of 8 indicators foreseen for 2019. During 2020 two compliance review missions were held for the monitoring of the implementation of the SBS. As far as the transport sector is concerned, the general conditions were found to be met. The EUD disbursed EUR 3,437,500 in December 2020, following compliance review as five of the eight specific indicators have been met, and one (4.3³⁴) partially met.

³⁴ Number of Black spots in the National Road Network – target 150 black spots in the National Network.

Under complementary support of the IPA 2016 Sector Reform Contract, the implementation of the contract "Capacity Building for Public Private Partnership (PPP) Management Skills Development in the Albanian Transport sector" started on 19.11.2018 and was completed in April 2020. The overall objective is to improve the capacities of the Ministry of Infrastructure and Energy and Albanian Roads Authority (ARA) on developing skills and legislative framework concerning Private Public Partnership financing methods in the road transport infrastructure construction, operation and maintenance. A group of about 30 experts were established with the participation of institutions involved in Public Private Partnership (PPP) contracts: MEI; Albanian Road Authority; Ministry of Finance and Economy; Concession Treatment Agency; Public Procurement Agency.

Another project funded under complementary support of the IPA 2016 Sector Reform Contract is the Twinning "Strengthening the capacity of the Albanian Road Authority in applying good governance practices for planning, managing, procuring, implementing and maintaining road investments" with the Polish Road Organisation. Implementation started on 19 October 2019.

Under the complementary support of the IPA 2016 Sector Reform Contract, the procurement process for the "Supply of laboratory and field testing equipment for the Albanian Roads Authority" was completed during December 2020.

Investments in the roads sector during this reporting period are mainly concentrated on the Albanian Core Network. Among the priority projects of the Government of Albania is the Adriatic – Ionian Corridor (Route 2b/Corridor VIII/ Route 2c), which is 305 km long. This highway/expressway in Albanian territory includes the following projects:

- Construction of the Lezha By-pass, 4 km, estimated cost 24.6 million euro. The ToRs for the Feasibility Study for the construction of the Lezha By-pass in Albania funded under WBIF, with a grant of 350,000 euro, are pending revision. Implementation of the grant has been put on hold pending revision of the ToRs;
- Construction of the Tirana By-pass (Kashari – Vaqarri – Mulleti), 22 km, an estimated cost 109 million euro. The Detailed Designs are under preparation. In the 5th call for investment under WBIF, in December 2019, the MIE applied for the construction of the Tirana By-pass.
- Construction of the Tepelena Bypass, 3.5 km, estimated cost 38 million euro. The works started in July 2018, financed by the Albanian state budget, and the contract duration is 22 months;
- Construction of the Gjirokastra By-pass, 8.7 km, estimated cost 14 million euro. The Feasibility Study, Detailed Design and Environment Impact Assessment are completed.

7. Main achievements in the sector

The service contract "Capacity Building for Public Private Partnership Management Skills Development in the Albanian Transport sector" has improved the capacities of a pool of about 30 Albanian experts working in the public administration and related agencies from the MIE; Albanian Road Authority (ARA); Ministry of Finance and Economy; Concession Treatment Agency; and Public Procurement Agency concerning Private Public Partnership financing

methods in the road transport infrastructure construction, operation and maintenance. The group received in-class training on the job training and attended study visits.

The Twinning “Strengthening the capacity of the Albanian Road Authority in applying good governance practices for planning, managing, procuring, implementing and maintaining road investments” as focused on Components 1 and 2 as a priority. Component 1. The assistance has been streamlined i.e. i-) on the external public procurement legislation and providing trainings and guidelines on the best practices, tools to detect fraud and infringements and improve transparency in public procurements, and ii-) delivery of trainings and workshops on contract management, feasibility studies, strategic planning and programming etc.

Component 2 as the most crucial part for the Beneficiary has advanced with the elaboration of the Concept Paper on ARA reform and drafting of the Action Plan, a document phasing out the implementation of the reform based on some strategic initiatives and milestones.

In the case of Component 3, preliminary work has been done in data analyses regarding ARA’s inventory of road network and GIS system in order to prepare a very good tool for road safety ranking in Albania.

Under the project "Technical Assistance for monitoring, communication and visibility of the Sector reform contract" a Visibility and Communication Plan was prepared, based on five pillars that reveal the importance of the progress of the National Transport Strategy and Sector Reform Contract as 1) EU Integration; Transport Legislation approximation/ harmonization with EU acquis; 2) Road Safety: elimination of black spots, undertake road safety inspections, plan and implement intelligent transport systems (ITS); 3) Regional Connectivity Agenda, Connectivity reform measures, e.g. border crossing improvements, plans to improve railway interoperability through ERTMS, road core network maintenance planning and implementation; other ITS implementation, etc.; 4) Good governance: improvements in procurement, works quality implementation and supervision to ensure investment sustainability; 5) Progress in implementing the road transport strategy and the related reforms. Due to the COVID-19 pandemic, the approach to the project’s communication strategy was adjusted and activities oriented towards increased video production: Two videos to raise awareness in terms of safe driving by the active population and especially young people, considering the high number of road accidents; a video to explain the EU’s contribution to improving connectivity, roads and road safety.

8. Any significant problems encountered in implementing the tasks entrusted e.g. delays in contracting, and subsequent measures taken/planned.

The COVID-19 pandemic and emergency measures and restrictions in Albania have resulted in additional difficulties for all IPA-funded projects in carrying out some of the foreseen tasks and activities according to the planned schedule.

Organising meetings with the affected stakeholders had to be postponed due to the pandemic. These meetings resumed partially during Q2 2020. However, intermittent traveling restrictions

and social distancing measures and guidelines continue to be in place and have continued to affect negatively the stakeholder engagement needed in some projects during the last quarter. Some assistance is being provided remotely where possible. The restrictions already mentioned have also delayed the progress of the surveys and investigations on site that required the physical presence of experts.

Regarding the implementation of the Vlora bypass (IPA 2011), due to the COVID-19 pandemic and expropriation issues, the Contractor submitted a draft Work Programme which foresees that the completion of the works will be in August 2021 which is within the deadline for IPA 2011. The available budget (including savings) for the supervision contracts (financed through IPA II) will cover the services until August 2021 and if necessary, ARA in due time will seek additional funds through the GoA or the IFI involved in the project.

9. Recommendations for further actions

The 2nd Sectoral Monitoring Committee for sector 4 – Transport and Energy approved through written procedure the following operational conclusions for the Transport sector which include any pending operational conclusions from the first round in 2020.

- The EU welcomes the establishment of the MIE working group on the preparation of the extended National Strategy for Transport Sector (NTS) beyond 2020 (i.e 2021-2026) and the start of its work. The working group should take into consideration the following important elements for extending the NTS:
 - o Strengthen the link between NTS and its Action Plan and the medium-term to long-term budget forecasts.
 - o Enhance the mechanism for strategy implementation monitoring and reporting, review the NTS performance indicators, and use the monitoring report analysis and data on indicators performance for sector policy guidance.
 - o Plan priority actions to continue progress on regional connectivity and for implementation of connectivity reform measures, implement ARA reform and plan for road safety & black spot elimination programme.
 - o Include Transport Community Action Plans priorities.
- Adopt the Action Plan prepared through ARA twinning project and speed up the process of the approval of the Concept Paper regarding the reform of ARA including the new business model.
- The thematic group in charge of NTS implementation monitoring reporting should draw conclusions and lesson learned from the implementation of the NTS and AP 2016-2020, and recommend improvements in the next period strategy.
- ARA should support addressing the outstanding issue of expropriations at Vlora bypass project and continue monitoring timely completion of Vlora bypass works taking into consideration the deadline for IPA 2011 (30 November 2021).
- ARA Internal Audit Department should consider implementation of previous audit recommendations in addition to systemic weaknesses on public procurement, contract management, arrears, control standards, quality assurance.

- In the area of rail transport, Albania should speed up the process of adoption of the related legislation for setting up of the relevant agencies in line with the new rail code.
- The Ministry should provide appropriate funding under its national budget for the Rail Maintenance Plan.
- In the area of maritime transport, the Ministry is encouraged to take all necessary measures to improve the quality of Albanian flag vessels to go back to the Gray List under the Paris Memorandum of Understanding on Port State Control.
- Albania should improve the quality of the management system used for flag-State related activities.
- In the area of air transport, Albania should finalise the first transitional phase of the European Common Aviation Area (ECAA) Agreement.
- The Ministry should continue to align its legislation with the EU acquis on aviation.

10. Implemented audits – main findings & recommendations and corrective action taken

N/A.

II.5. Competitiveness and innovation, agriculture and rural development

In the sector “Competitiveness and innovation, agriculture and rural development”, 4 actions have been financed under IPA II:

COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2016

1. Action 7. Support to Food Safety, Veterinary and Phytosanitary Standards (direct management)
2. Action 8. Support to the Fishery sector (direct management)

COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2017

3. Action 4. EU support to a tourism-led model for Local Economic Development (indirect management with EBRD and GIZ/SIDA)

COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2018

4. Action 5. EU Economic Development - Tourism-led local economic development, with focus on cultural heritage (indirect management with an entrusted entity)

In addition, one special support measure for post-earthquake reconstruction and rehabilitation relating to this sector was financed from the General Budget of the Union 2020.

In the case of IPA 2020, it is noted that the Financing Agreement has not yet been signed: further information is provided in the section on programming below.

In the table below an overview of the progress as regards the implementation of actions in this sector is presented, based on financial indicators.

Sector/IPA Year/Action	EU contribution per FA	Indirect management with Albania	National Contribution	Amount Received from EC (Pre-Financing)	Amount Contracted (IPA)	Total amount disbursed (EU Funds) cumulatively in Euro at cut-off date 31.12.2019
2016 Action Programme for Albania						
Action 7. Food safety and veterinary	5,000,000.00	-	-	-	-	-
Action 8. Support to the Fishery sector	3,700,000.00		1,400,000.00			
2017 Action Programme for Albania						
EU support to a tourism-led model for Local Economic Development	46,600,000.00					-
2018 Action Programme for Albania						
EU for Economic Development - Tourism-led Local Economic Development, with focus on Culture Heritage	6,000,000.00					
2020 Second special measure in favour of Albania for post-earthquake reconstruction and rehabilitation for the year 2020						
Action 2 Post-earthquake rehabilitation of damaged cultural heritage sites	40,000,000 ³⁵					

1. Involvement in programming

The programming process for IPA 2016, 2017 and 2018 Actions under this sector was finalised outside the timeframe of this AIR.

No actions have been programmed for IPA 2019 under this sector.

During 2020, the NIPAC SO coordinated the process of re-programming for IPA 2020; this included a new Action to be supported in this sector: the Sector Reform Contract EU for Economic Recovery (EUR 26 million) as part of the EU response to the devastating effects of the COVID-19 crisis in support of Government's measures. The Government of Albania (GoA) has established a phased approach to reopen the economy following overall lock-down measures, which became effective in mid-March 2020. The first response package focused on immediate needs of vulnerable groups, medical needs in the health sector, some employees in private sector and self-employed, and a sovereign guarantee loan for large businesses in need of liquidity to pay salaries of employees. The second response package addressed a larger category of employees in the private sector and liquidity needs for business operation. The Minister of State for Recovery, a role established following the 2019 November earthquake, is

³⁵ No Financing Agreement has been signed for the second special measure in favour of Albania for post-earthquake

reconstruction and rehabilitation for the year 2020.

.

in charge of coordinating the COVID-19 response in close cooperation with the Ministry of Finance and Economy and other key stakeholders. The policies underpinning this budget support programme are both the GoA's COVID-19 response package and the corresponding normative acts³⁶, and the ERP policy guidance recommendations.

The budget support component consists of a fixed tranche (EUR 10 million) to be disbursed indicatively upon signature of the financing agreement (envisaged Q1 2021); and a fixed (EUR 3 million) and a variable (EUR 13 million) tranche in the second half of 2021.

2. Overview of results in moving towards a fully-fledged sector approach (i.e. targets reached as per sector roadmap in the Sector planning document)³⁷.

Competitiveness and Innovation

Policy coordination in the sector is ensured through the Integrated Policy Management Group (IPMG) 'Competitiveness and Investments'. This IPMG ensures that the relevant supported policies are aligned with the central planning guidance through the Integrated Planning System and the sector's coordination system.

The MoFE is continuing work on the strategic framework post 2020 for the following strategies: 1) National Strategy for Intellectual Property 2016-2020 (NSIP), 2) Roadmap on Free Movement of Goods, and 3) Business and Investment Development Strategy (BIDS) 2014-2020.

- National Strategy for Intellectual Property 2016-2020 (NSIP): The drafting process has begun for the new time horizon and the preliminary research phase is being finalized.
- Roadmap on Free Movement of Goods: work has started on drafting of the roadmap in the area of free movement of goods, which will include aspects of harmonization of legislation and the establishment / strengthening of the institutional framework responsible for its implementation. The whole roadmap preparation process is supported by the SANECA Project implemented by GIZ with the financial assistance of the German Government. The operational plan has been finalized, and a legal gap assessment and institutional gap assessment carried out. The roadmap is envisaged to be finalized by the end of 2022.

The PMO is responsible for coordinating the Inter-institutional Working Group for Innovation. This group will coordinate policies on Innovation and Start-ups at national level, supporting also the implementation of the National Programme on "Start-ups and Innovation", and

³⁶ Act No. 6 dated 21.03.2020, CoM Decision No. 254 dated 27.03.2020, CoM Decision No. 277 dated 06.04.2020; Act No. 15 dated 15.04.2020, CoM Decision No. 305 dated 16.04.2020 (amended by Council of Ministers Decision No 13, dated 22.4.2020 and 28.04.2020).

³⁷ With regard to the Sector roadmaps (SARs), during October 2016 – March 2017 NIPAC supported Line Ministries and other beneficiary institutions to draft the document and the package comprising all the sector roadmaps was sent to EUD in March 2017. No further updates have been made as an integrated mechanism for the sector/cross-sector approach has been established under the Integrated Planning System (IPS), as the main system that defines the tools and mechanisms for integrated public policy planning ensuring effective allocation of financial resources. This mechanism is presented in section II.1.2.

providing coordination with other important ongoing processes such as the S3 process, BIDS, etc.

Some of the concrete steps taken by the government so far are:

- Drafting a National Programme on “Innovation and Start-ups” which is a nation-wide programme intending to support the innovation and start-up ecosystem development in Albania. The Development Programmes and Cooperation Unit, Department of Development and Good Governance, at the PMO, has been coordinating the work for this initiative. Once approved, this Programme will serve as the policy framework for the area of innovation and the Start-up ecosystem development,
- The draft Law "On supporting and developing innovative Start-ups" was endorsed by the joint working group between the Ministry of Finance and Economy and the State Minister for the Enterprises (set up by Order No. 4231 dated 26.02.2020) and has been submitted for public consultation and sent to line ministries for their opinion. The draft-Law is envisaged to be adopted in first half of 2021.

Business and Investment Development Strategy (BIDS) 2014-2020: work began in February 2020 on drafting the new BIDS, which will create conditions for the development of small and medium enterprises and attract foreign investment, focusing on three main priority areas:

- Investment attraction and internationalisation
- SME development, entrepreneurship and innovation
- Human capital development

Progress on the Strategy continued during the COVID-19 pandemic with remote working groups on the three areas, supported by GIZ. The Strategy is envisaged to be adopted in 2021.

Agriculture and Rural Development

Agriculture and rural sector priorities are defined in the Inter-Sectoral Strategy for Agriculture and Rural Development (ISARD 2014-2020), also aligned with the EU-supported IPARD programme 2014-2020. The Thematic Group of Agriculture and Rural Development is established under the IMPG mechanism for coordination in the sector.

The ISARD provides for interventions in three policy areas: i) rural development policy; ii) national support schemes for farmers, development of rural infrastructure and ensuring equal opportunities; and iii) institutional development, implementation and enforcement of EU regulatory requirements.

The rural development policy has four priorities for the period 2014-2020:

- Enhancing farm viability and competitiveness of agriculture and food-processing, while progressively aligning with Union standards;
- Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry
- Balanced territorial development of rural areas promoting social inclusion, poverty reduction and balanced economic development in rural areas;

- Transfer of knowledge and innovation in agriculture, forestry and rural areas and assistance with implementation of rural development policies.

The current ongoing projects with focus on food safety, veterinary and phytosanitary standards, and support to fishery sector under implementation are in line with the national strategic objectives.

3. Coordination with other instruments and/or donors/ IFT's within the sector

Competitiveness and Innovation

With regard to the effect of the COVID-19 pandemic, Albania received EUR 174 million support from the IMF through a Rapid Financing Instrument (RFI) to address Albania's urgent balance of payments need, approved by the IMF board on 10 April 2020. The European Commission adopted on 22 April 2020 a proposal for a EUR 3 billion macro-financial assistance (MFA) package to ten enlargement and neighbourhood countries, to help limit the economic fallout of the Covid-19 pandemic. The loan allocation for Albania is EUR 180 million. The GoA requested a loan from the World Bank amounting to EUR 14 million to support the health sector, including widespread COVID-19 testing. Close monitoring of the situation will be performed in coordination with the IMF and other partners such as the World Bank.

The German Federal Ministry for Economic Cooperation and Development is supporting the MoFE through the project **Support to Accession Negotiations for Albania in Economic Chapters of Acquis (SANECA) 2019 to 2022** - implemented by GIZ.

As regards the 2017 Action “**EU support to a tourism-led model for Local Economic Development**”, the EBRD will make available additional resources up to EUR 65 million (EUR 60 million under a sovereign guarantee loan and EUR 5 million for small loans via local participating local institutions). The latter committed an additional TA, under which a Scoping Study was prepared to identify the potential investments to be financed through this programme.

The Italian Agency for Development Cooperation is supporting the Albanian Ministry of Culture through the bi-lateral programme **Develop Community Resources through the Valorization of Cultural and Natural Heritage** (EUR 900,000). The expected results are:

- Increased usability and accessibility of the archaeological site of Antigonea;
- Increased usability and accessibility of the traditional village of Benje (Permet);
- Increased managerial-operational capacity of institutions responsible for the protection and enhancement of the country's cultural heritage.

Agriculture and Rural Development

Coordination between multiple donors supporting agriculture and rural development has been followed up by MARD interactively, to avoid overlapping and ensure complementarity of

donor's support. The last donor meeting on agriculture sector was held online on 24 September 2020, due to the COVID -19 restrictions, organized by the Ministry of Agriculture and Rural Development with the coordination of Lead Donors for the agriculture sector: Development Cooperation at the German Embassy and the EU Delegation. The discussion focused on recent developments and priorities related to Agriculture and Rural Development and updates from on-going and upcoming projects (including post – earthquake reconstruction in the productive sector of agriculture).

In the rural development sector, the following projects are currently under implementation:

- **“Sustainable Development of Rural Areas in Albania”** project (10 million€) financed by the Government of the Federal Republic of Germany and implemented by GIZ. The objective is to improve the preconditions for sustainable income opportunities in rural areas. Economic diversification in rural areas and increased competitiveness of the agricultural sector will contribute to a creation of more income of the rural population. The project focuses on four areas of intervention which include:
 - Policy & Strategy Advice for Rural Development: support to need-based strategies and policies for an agricultural and rural development aligned to EU requirements and absorption of IPARD funds;
 - Promotion of selected Value Chains in Agriculture & Rural Tourism: selection of value chains to be supported through the project (market-oriented agricultural value chains and traditional products; rural tourism products);
 - Improvement of Education & Training in Agriculture & Rural Tourism: based on existing training providers' improvement of needs-based trainings in agriculture and rural tourism;
 - Strengthening Knowledge on Agriculture & Rural Development: support to advisory services; NGOs, and other relevant actors to strengthen transfer of knowledge and innovation in agriculture and rural development.

A financial extension of EUR 8 million committed by the Federal Republic of Germany funds was approved on May 2020. The main support has been focused on:

- Preparation of the sector analysis as a solid ground for the preparation of IPARD III programme and of Strategy for Agriculture, Rural Development and Fishery 2021-2027.
- Preparation of new sectorial strategy of agriculture, rural development and fisheries 2021 – 2027.
- Support on preparation the packages for three new IPARD II (to be accredited by DG Agri) measures as follows:
 - Measure 5: Implementation of local development strategies - LEADER approach.
 - Measure 4: Agri-environment-climate and organic farming measure.
 - Measure 10: Advisory services.
- Enhancement of capacities for Managing Authority and Agency for Rural Development (ARDA) on implementation of IPARD II.
- Promotion of agro tourism (AgrotimeAL application) and value chains product, etc.

- **“Programme for the reinforcement of the Agriculture and Rural Development Agency for the disbursement of grant in agriculture”** – (EUR 3 million), financed by Italian Government as a soft loan in line with the financing agreement signed in June 2013. The main expected result will cover the establishment of Farm Register by Registration of farmers and establishment of IACS (Integrated Administration and Control System) including LPIS as a requirement for the adequate management of IPARD funds and other schemes.

This activity is ongoing through the support of Italian Government funds (grant + loan PROMAS Programme). The purchase of the software for Farm Register has been procured by Italian Ministry of Agriculture. Meanwhile a pilot system to consolidate the data collected for farmers by ANES service has been prepared and started to be populated. Preparatory work has been performed on the establishment of the legal basis on the farm register functionality.

A complementary donor-funded project currently implemented in the fishery sector is:

- **“Institutional assistance for the development of the Albanian Maritime Economy”** (EUR 1.6 million) funded by the Italian Agency for Development Cooperation and implemented by CIHEAM Bari which aims to strengthen the Albanian institutions through activities related to human resources, training and skills development in the fisheries, aquaculture and eco-systemic goods and services sectors for coastal tourism development. Several activities have been implemented: training on techniques for stock assessment for the small-scale fishery and knowledge on GIS and ArchGIS systems; census of small-scale fisheries, preparation of the design for port of Durres; Stock Assessment for the small pelagic species. The project has prepared the preliminary design for the infrastructure interventions of three main ports (Durres, Shengjin and Vlora).

In addition, financial support is foreseen in 2021 through the Italian Protocol: soft loan 25 million euro that will be mainly oriented to the investment infrastructure for the improvement of 3 fishing ports of Durres, Shengjin and Vlora and the modernization of the fishing fleet and 3 landing sites.

4. The impact of IPA II actions within the sector on the development of the relevant national administrative capacity in the sector, strategic planning and budgeting

Competitiveness and Innovation

The preparation of the Smart Specialization Strategy (S3) is part of the regional commitments within the Multi-annual Action Plan on a Regional Economic Area in the Western Balkans (MAP REA). The strategy is expected to be completed in 2022. Its preparation is supported by the EC Joint Research Centre (JRC). The revision of the mapping report was necessary as a consequence of the Covid-19 pandemic and the finalisation of the qualitative phase is foreseen within Q1 2021. With the support of the IPA II EU for Innovation programme, a platform on Brain circulation is being finalised as part of the S3 process in collaboration with the team of the Minister of State for the Diaspora, not only to identify the human capital in Diaspora, but

also to create the opportunities to enhance collaboration with the Diaspora involving them in the future development of the country. The Project Preparation Facility Support programme has supported a study on clusters “Assessing opportunities for cluster development in Albania” in May- July 2020 and the final report is under EC evaluation. A study on skills and qualifications gaps in the different sectors is foreseen. The Government plans to launch in Q2 2021 the next EDP (Entrepreneurial Discovery Process) phase in order to be able to finalise the S3 by Q2 2022 as by provisions in the roadmap updated and agreed with JRC. Considering the involvement of the different actors, the Prime Minister’s Office (PMO) will lead this process and a draft order of the PM is being finalized.

The Start-up and Innovation Ecosystem in Albania is still in the early stages, however there is a great potential for creating a strong ecosystem that will attract start-ups with high growth potential. Having understood that potential and the impact the innovation ecosystem can have in boosting the economy, technology and overall country development, the Government of Albania is now focusing on start-up & entrepreneurship support and development. Consequently, starting from last year, concrete steps have been taken to move the start-up ecosystem development forward. The Development Programmes and Cooperation Unit at the PMO, Minister of State for the Protection of Entrepreneurship, and Ministry of Finance and Economy (MoFE), in cooperation with other line ministries and agencies and the EU for Innovation Project implemented by GIZ, along with other stakeholders from the start-up community, academia, etc. are working jointly to develop further start-ups, entrepreneurship and innovation in Albania.

Agriculture and Rural Development

The IPA 2016 “Support to Food Safety, Veterinary and Phytosanitary Standards” project has progressed in 2020. Support has been provided on drafting a new Plant Health Law, to be aligned with ‘Regulation (EU) 2016/2013 on protective measures against plant pests’, with support also addressing the new official control requirements for plant health under Regulation (EU) 2017/625. The project provided comments on the proposed amendments to the existing food law and veterinary law in Albania, with a recommendation that further work on new framework food and animal health laws would be required. The project has proposed a 14-point legislative agenda to the Ministry and plans to proceed with support to GMO regulation, a new Feed & feed Safety Law and new Plant Protection Products law in 2020.

In March 2020 the Council of Ministers approved an amendment to the Food Law. This amendment will be the basis for drafting the secondary legislation based on the transposition plan of Chapter 12.

Furthermore, the adoption of this law will enable the finalization of National Food Authority restructuring in order to enhance the performance of the institution.

Specific activities are detailed in section 6 below.

Additional support was provided to the sector under IPA II EUIF 2017 through two additional contracts for the control and eradication of rabies (under direct management).

- Supply Contract: Control and eradication of rabies – phase III.

The project “Monitoring of Rabies vaccination” (MRV) prepared a Monitoring plan for Oral Rabies Vaccination (ORV) campaigns foreseen in 2020 and 2021. The Monitoring plan prescribes the common procedures to assess the arrangements made by the vaccine supplier to implement the ORV campaign, to monitor the implementation of each ORV campaign, and to assess its quality and effectiveness. The provisions from this Monitoring plan are aligned with the Special Conditions of the contract for supply and distribute vaccine baits. The basis was the plan prepared by the PAZA project in 2018. Certain aspects were revised, reassessed and updated, based on the experience from the implementation of the previous ORV campaigns.

The ongoing pandemic of COVID-19 and the restriction measures that are in place have influenced the timing of the implementation of the project activities. The project activities are strictly related to the implementation of the ORV campaigns.

With regard to the supply contract “Control and eradication of rabies” - III phase, the first round of 560,000 from 1,680,000 vaccine baits for the vaccination of red fox against rabies across the whole territory of Albania was delivered in November 13-23, 2020.

IPA 2016 Support to Fishery sector: as a consequence of the COVID 19 pandemic, the project was forced to organize and implement a plan of restricted activities during the period March-April 2020, in accordance with the indications and suggestions received by EU Delegation to Tirana.

Support was provided for:

- The identification of AZA / Allocated Zones of Aquaculture.
- Analyses and assessment of the general condition of the Albanian fishing vessels in the ports of Shëngjin, Durrës, Vlora and Saranda (realized).
- Preparations of the technical specifications for the two fishing patrol vessels (the EU delegation has carried out the tender).
- The development of the Grant measure scheme.

Details are provided in section 6 below.

5. Operating structure(s) in place and related changes, if relevant

No actions in this sector are implemented under indirect management.

IPA Programme/Action	Operating Structure
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2016	
Action 7. Food safety and veterinary Action 8. Support to fishery sector	Implementation responsibilities: Ministry of Agriculture, Rural Development and Water Administration
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2017	
Action 2. EU support to a tourism-led model for Local Economic Development	Indirect Management: The European Bank for Reconstruction and Development (EBRD) for component 1 and 2 The German Society for Development Cooperation (GIZ) and the Swedish International Development Cooperation Agency (SIDA) for component 3 Implementation responsibilities: Albania Development Fund

IPA Programme/Action	Operating Structure
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2018	
Action 5: EU Economic Development - Tourism-led local economic development, with focus on cultural heritage	Indirect management by an entrusted entity Implementation responsibilities: Ministry of Culture

During the reporting period, the structure of MARD has been changed based on the DCM no 150 dated 09.11.2020 “On the re-structured organigram of MOARD”. The IPA Unit has not been reorganized. The number of staff for the Directorate of Conception and Feasibility of Projects remains the same (1+9) and the IPA Unit (IPA sector) has a total staff of 3 members (1+2).

6. Information on the implementation of programmes in the sector

Competitiveness and Innovation

IPA 2017 EU support to a tourism led model

The delays in the Action for Components 1 and 2, due to the lengthy negotiation procedures for the preparation of the Loan and Grant Agreement with EBRD that is required for the implementation of the action, were reported in the AIR 2019. The Loan Agreement and Grant Agreement on the Albania Infrastructure and Tourism Programme between the EBRD and MoFE was signed on 8 October 2020. The Grant Agreement on the "Tourism-Led Model for Local Economic Development Support Programme" project EUR 40 million managed by EBRD and implemented by the Albanian Development Fund (ADF), was signed on 8 October 2020. A Scoping Study was prepared by the EBRD identifying the potential investments to be financed. A consultancy service for the “Development of a private sector led Sector Skills Council (SSC) for Tourism and Hospitality” was launched by the EBRD and the ToRs for three tenders financed with IPA funds were prepared by the ADF and submitted for No Objection to EBRD in 2020³⁸. Consequently, the project is now fully operational.

In the case of Component 3, EU for Innovation, the following activities were carried out aimed at strengthening the capacity for innovation among the innovation ecosystem actors addressing 3 main target groups:

- Target group start-ups: through Open consultation hours for start-ups; Flexible Start-up Support Workshops; Webinar Workshops; Challenge Fund bootcamps (physical and virtual); hackathons; Ecosystem Safari to Estonia; Regional Start-up Ecosystem Development in Korça; Flexible Start-up Support Regional Edition – Shkodra; Matchmaking and Exposure Programme – Pitching Day; 1st Innovation Management Academy; JAVA Training Bootcamp – Korça.
- Target group Innovation Support Organisation: Innovation Challenge Fund 3rd Call for proposals, Entrepreneurial University Masterclass.

³⁸ Submitted for No Objection to the EBRD. The Two Stage Open Competitive Selection – Invitation to submit Expressions of Interest – consultancy services - Albania Infrastructure and Tourism-Enabling Project was published on 12.01.2021 <https://www.albaniandf.org/en/2021/01/12/tourism-led-model-for-local-economic-development/>

- Target group policy makers: support to the Ministry of Finance and Economy and Minister of State for Protection of Entrepreneurship for the draft Law for the development and support of Start-ups.

In terms of funding innovation support organizations, a Call for Proposals was launched in 2020; 13 teams (9 start-up teams and 4 Innovation Supporting Organization) were selected for the 3rd Challenge Bootcamp in September 2020.

The EU for Innovation project supported the Government with some studies to assist in the S3 Strategy development and other support for the Start-up and Innovation Ecosystem.

Due to the COVID-19 pandemic, from mid-March – September the activities were delivered virtually.

IPA II 2018 EU Economic Development – Tourism-led local economic development with focus on cultural heritage

The aim of this project is the protection, safeguarding and restoration of cultural heritage, improvement of sustainable tourism in the project area, while revitalizing the economy and local environmental conditions. The qualitative improvement of touristic attractions will enable revenue generation prolonging the touristic season and offering employment for the local population. This project will be implemented through the Italian Agency for Development Cooperation – Tirana Office (AICS)³⁹.

This programme is implemented in the areas of Berat, Fier-Mallakaster, Korçe and Shkoder.

The main activities consist of (i) capacity building to prepare the file of archaeological park in Bylis as a UNESCO world heritage site (ii) preparation of a study in the administrative area of Hekal regarding the economic management plan of the area (iii) networking for the archaeological parks and touristic roads in the 100 villages of the programme (iv) strategic planning for the cultural heritage protection and promotion at national and local level (v) producing a marketing campaign for the cultural heritage of the area and sustainable tourism entrepreneurship development.

In 2019⁴⁰, during the procurement phase of the action, the EUD, Ministry of Culture and the involved institutions revised the ToRs and other related documents for the procurement file “Conservation and restoration works and improvement of touristic infrastructure in the Archaeological park of Bylis”. In 2020, the National Institute of Cultural Heritage collaborated on the preparation of the ToRs in the framework of a preparatory study of the current situation in the project sites and the future strategy related to the implementation of the action.

IPA 2020 – Second special measure in favour of Albania for post-earthquake reconstruction and rehabilitation for the year 2020 - EU4Culture

³⁹ The EBRD was initially identified as the Implementing partner but negotiations were not concluded successfully so the EUD launched a call for expression of interest for an Implementing Partner which closed in late 2019.

⁴⁰ No information was reported on this Action in the AIR 2019 so the overall information is reported here.

The EU4Culture project provides EUR 40 million for the rehabilitation of cultural heritage sites through UNOPS. This Programme started in October 2020 and shall be reported in the AIR 2021.

Agriculture and Rural Development

IPA 2016 “Support to Food Safety, Veterinary and Phytosanitary Standards”

Support has been provided on drafting a new Plant Health Law, to be aligned with ‘Regulation (EU) 2016/2031 on protective measures against plant pests’, with support also addressing the new official control requirements for plant health under Regulation (EU) 2017/625. The project provided comments on the proposed amendments to the existing food law and veterinary law in Albania, with a recommendation that further work on new framework food and animal health laws would be required. The project has proposed a 14-point legislative agenda to the Ministry and plans to proceed with support to GMO regulation, a new Feed & feed Safety Law and new Plant Protection Products law in 2020.

In March 2020 the Council of Ministers approved an amendment to the Food Law. This amendment will be the basis for drafting the secondary legislation based on the transposition plan of Chapter 12.

Furthermore, the adoption of this law will enable the finalization of National Food Authority restructuring in order to enhance the performance of the institution.

A Concept on White Paper on Food Safety for Albania, has been proposed with the following contents:

- 1) A policy statement, a brief high-level strategy level description of the targets and benefits which will arise from the improvement of food safety for the Albanian society. A commitment for further work with key stakeholders (government institutions, farmer’s representatives, representatives of the food business operators) within a given timetable. A commitment to inform and listen to the consumers and citizens.
- 2) A description of the further work process, who is going to do what, who is taking the lead, who is to be consulted and how decisions are going to be made after the preparatory work. A rough timetable for the preparatory work.
- 3) A list of key work areas, a) critical areas and costly investments for the government, b) critical areas and costly investments for the food business operators due to the pandemic restrictions affected the maximum performance of the activities.

The proposed concept on the white paper is being further developed by the technical directorates in MARD and the project team.

IPA 2016 Support to Fishery sector

The following activities have been carried out:

- the identification of AZA / Allocated Zones of Aquaculture.
- Analyses and assessment of the general condition of the Albanian fishing vessels in the ports of Shëngjin, Durrës, Vlora and Saranda (realized).
- Preparations of the technical specifications for the two fishing patrol vessels (the EU delegation has carried out the tender).

- Grant measure scheme, which contains elements as: Measure description, Objectives of the measure, Applicant, Eligibility criteria, Maximum cost and aid intensity, Eligible actions, Selection criteria, Categories of eligible expenditure, Categories of not eligible expenditure, Commitments and Obligations of the beneficiary. The grant scheme was launched in December 2020 and the final deadline for the applicants is 31.01.2021.

Regarding the Supply of equipment to Albanian institutions to enable effective control by fisheries inspector, following the modification to the Financing Agreement for the IPA 2016 Action 8, the service contract on detailed design was replaced with a supply contract without changing the amount of procurement namely EUR 300,000. The contract was signed within the contracting deadline of December 14th, 2020. The supply contract will serve to purchase the equipment necessary for the fishery inspection service, in compliance with the objectives of the Action Document. The delivery of the supplies will be implemented under direct management within August 2021.

7. Main achievements in the sector

Competitiveness and Innovation

The IPA 2017 EU for Innovation has accomplished the following achievements over the first 2 years of implementation:

- Capacity development for more than 150 Albanian start-ups & innovation support organisations.
- Workshops and training for more than 240 young entrepreneurs with local and international experts.
- Financial support for 15 innovative start-ups and 4 innovation support organisations.
- Support for the draft Law for the development and support of Start-ups in Albania.

The first two components of the IPA 2017 Action need to speed up the implementation in 2021.

Agriculture and Rural Development

The COVID-19 pandemic has hindered some aspects of the planned implementation of activity in the period.

However, the following achievements can be stressed:

- Support by the food safety project provided on drafting a new Plant Health Law, to be aligned with ‘Regulation (EU) 2016/2031 on protective measures against plant pests’, with support also addressing the new official control requirements for plant health under Regulation (EU) 2017/625. The project of the Food Safety IPA 2016 provided some comments on the proposed amendments to the existing food law and veterinary law in Albania, with a recommendation that further work on new framework food and animal health laws would be required. The project has proposed a 14-point legislative agenda to the Ministry and plans to proceed with support to GMO regulation, a new Feed & feed Safety Law and new Plant Protection Products law in 2020.
- The amendment to the Food Law approved by the Council of Ministers will be the basis for drafting the secondary legislation based on the transposition plan of Chapter 12.

Furthermore, the adoption of this law will enable the finalization of National Food Authority restructuring in order to enhance the performance of the institution.

- The amendment of the Law on Veterinary Service was approved by the Council of Ministers in June 2020. This amendment opens the path for the implementation of veterinary reform. This reform will increase the number of veterinarians (400 young veterinarians) by providing veterinary services closer to the farmer.

Under the EU funded project: Support and Transfer of Expertise to Fisheries in Albania:

- a) the identification of AZA / Allocated Zones of Aquaculture.
- b) the first call of Grant scheme for the fishery sector to be implemented (1.5 million Euro) to support modernization of the Albanian fishing fleet is launched and the final deadline for the applicants is up to January 31st, 2021.
- c) finalisation under the contracting deadline December 14th, 2020 of the supply contract “Supply of equipment to Albanian institutions to enable effective control by fisheries inspectors”.

In June 2020 to mark International Food Safety Day, there was collaboration between the Food Safety Project and MoARD to produce a joint TV spot featuring EU Ambassador Soreca and Minister Çuçi aired during the Food Safety Week 2020⁴¹. The production highlighted the opportunity and importance of food safety, with positive reinforcement of EU support to Albania in this sector.

8. Any significant problems encountered in implementing the tasks entrusted e.g. delays in contracting, and subsequent measures taken/planned.

In the case of the EU for Innovation project, the activities seamlessly transitioned to virtual and hybrid modalities; webinars and on-line consultation support were offered and workshops and hackathons also organised remotely where necessary. As one example, the Matchmaking and Exposure Programme – Pitching Day (17-18 September 2020) was hybrid; 19 start-ups pitched their business concepts in the fields of tourism, agri-tech and clean-tech to a jury of experts from EU for Innovation and Social Impact, part of whom followed the presentations virtually. The COVID-19 pandemic has inevitably delayed the implementation of specific activities planned to be performed on site for all projects. Concerning the IPA 2016 project “Support to Food Safety, Veterinary and Phytosanitary Standards”, the team leader tendered his resignation at the end of August 2020; the project has appointed an acting team leader in order to ensure a smooth implementation of the project activities. The nomination of a full time Team Leader for this project is pending.

9. Recommendations for further actions

Competitiveness and Innovation

⁴¹ <https://www.facebook.com/138734771522/posts/10157843196596523>

The Operational Conclusions of the 2nd round of the Sector Monitoring Committee for sector 5 – Competitiveness, innovation, agriculture and rural development (sub-sector: Competitiveness & innovation) held in written procedure made the following recommendations:

- The Government should a) adopt the Order of Prime Minister for setting up the Inter-institutional Working Group on Innovation, b) adopt the National Programme on “Innovation and Start-ups”, c) finalise the qualitative phase of the S3 strategy, and d) submit to Parliament the draft law "On supporting and developing innovative Start-ups".
- As regards the "Tourism-Led Model for Local Economic Development Support Programme" managed by the EBRD and implemented by the Albanian Development Fund (ADF), the MoFE should step up efforts to a) launch the tenders on technical assistance and mature infrastructure projects and b) finalise and approve the amending legal agreements of the Albania Agribusiness and Tourism Support Facility.
- The Ministry of Culture, in close collaboration with Ministry of Tourism and Environment and Local Government, should maintain its support for the implementation of the EU4Culture Programme, started in October 2020, which aims at the rehabilitation, restoration and revitalisation of culture heritage sites damaged by the earthquake.
- Albania should review the budgetary allocation for the financing of the policy framework for Research and Innovation, in line with its own commitments and European Research Area priorities with the objective of increasing investments in scientific research funds to 1% of GDP by 2022.
- The Ministry of Education, Sports and Youth should continue its efforts to relaunch the legislative process of the new Draft Law on Scientific and Research activities of Higher Education in Albania.
- The MoFE should continue to revise/draft the following strategies: 1) National Strategy for Intellectual Property 2016-2020 (NSIP), 2) Roadmap for the Free Movement of Goods 2020-2027, and 3) Business and Investment Development Strategy (BIDS) 2014-2020. The drafting process should take into account the latest Economic Reform Programme priorities.
- Albania should maintain an active dialogue with stakeholders on trade facilitation issues and continue implementing the recommendations of the December 2020 National Trade Facilitation Committee meeting that was held in the framework of 2020 CEFTA week.
- In the next SMC (in 2021), the GoA (National Authority for electronic certification and cyber security) should provide an update on approval of the National Strategy for Cyber Security 2020-2025 and on the improvements the Cyber Security Law 2/2017 for the operators of critical infrastructure and its alignment with the EU NIS Directive⁴² on the security of network and information systems.

Agriculture and Rural Development

⁴² Directive (EU) 2016/1148 of the European Parliament and of the Council of 6 July 2016 concerning measures for a high common level of security of network and information systems across the Union.

Recommendations for further actions are related mostly to the latest Operational Conclusions from the two rounds of the Sectorial Monitoring Committee on Agriculture and Rural Development in 2020, under written procedure due to the COVID 19 restrictions.

Further actions will be focused on addressing the issues raised for the sector such as:

- The Ministry for Agriculture and Rural Development (MARD) should speed up the implementation of the reform in the food safety, veterinary and phytosanitary sector in accordance with legal and institutional framework. It is recommended that the important elements of the reform including the structure, tasks and staffing of the relevant services consider the basic principles of the White Paper Policy as drawn in the concept note that is still to be finalized and agreed.
- For the preparation of new inter-sectorial strategies for the sector for the period 2021-2027, MARD should assess through progress indicators the implementation of current sector strategies (prepared with support of IPA programmes).
- Considering also COVID-19 restrictions, MARD should strengthen the cooperation and communication with the IPA project “Support to food safety, veterinary and phytosanitary standards” for the preparation of strategic documents (White Policy Paper, Chapter 12 negotiation roadmap) and main legislation on official food control, animal health and plant health. Clear deadlines for achieving targets must be established.
- MARD should coordinate the work and embed as early as possible the main substance and elements of the new strategy in the new draft IPARD programme.
- Regarding the establishment of a fully functional Farmers' Register, no progress is noted since the last SMC. MARD is encouraged to continue working with its partners towards the establishment of a fully functional Farmer's Register, which continues to be a priority. The IPARD Managing Authority and ARDA should be involved in all aspects regarding the design and implementation of the Farmers' Register.

10. Implemented audits – main findings & recommendations and corrective action taken

The audit finding concerning “Technical Assistance to carry out effective market surveillance in line with the acquis” has been reported in section II.1.10 as implemented under the EUIF.

II.6. Education, employment and social policies

In the sector “Education, employment and social policies”, 3 actions have been financed under IPA II:

COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2014

1. Action 6. Economic and social empowerment of Roma and Egyptian communities (indirect management with UNDP)⁴³

COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2015

2. Action 5. Sector Reform Contract for Employment and Skills (direct management and indirect management with Albania).

COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2019

3. EU for Social Inclusion

In addition, two special support measures for post-earthquake reconstruction and rehabilitation relating to this sector were financed from the General Budget of the Union 2020.

In the table below a snapshot of the progress as regards the implementation of actions in this sector is presented, based on financial indicators. Detailed information is provided for Sector Budget Support and Actions under indirect Management by Albania.

Sector/IPA Year/Action	EU contribution per FA	Indirect management with Albania	National Contribution	Amount Received from EC (Pre-Financing)	Amount Contracted (IPA)	Total amount disbursed (EU Funds) cumulatively in Euro at cut-off date 31.12.2019
2014 Action Programme for Albania						
Action 6. Economic and social empowerment of Roma and Egyptian communities	4,000,000.00	-	-	-	4,000,000.00	3,642,688.00
2015 Action Programme for Albania						
Action 5. Sector Reform Contract for Employment and Skills	27,500,000.00					22,849,997
Complementary Technical Assistance to coordinate and implement the national reform in the field of employment and skills		2,500,000.00				
2019 Action Programme for Albania						
Action 1 - EU for Social Inclusion - Budget support	50 650 000 ⁴⁴					
Complementary assistance direct management	18,000,000					
Complementary assistance Indirect management		2,000,000				
2020 Special measure on supporting Albania in post-earthquake reconstruction and rehabilitation to be financed from the general budget of the Union for 2020⁴⁵						

⁴³ It can be noted that this Action refers to two ELARG Sectors, namely: Fundamental Rights and Employment, Vocational Education and Training, Social Inclusion; however, the DAC Sector indicated is 11330 – Vocational Training and the activities are considered to be more related to this sector.

⁴⁴ Based on the MoFE self- assessment for the fulfilment of the preconditions and general conditions, the disbursement request of the first fixed tranche was submitted to the EU Delegation in October 2020 for the amount EUR 15,650,000.

⁴⁵ No Financing Agreement has been signed for the special measures in favour of Albania for post-earthquake reconstruction and rehabilitation for the year 2020.

Post-earthquake reconstruction and rehabilitation of education facilities	15,000,000					
2020 Second Special measure on supporting Albania in post-earthquake reconstruction and rehabilitation to be financed from the general budget of the Union for 2020						
Post-earthquake reconstruction and rehabilitation of education facilities	60,000,000					

1. Involvement in Programming

During 2020, the NIPAC SO coordinated the process of re-programming for IPA 2019. The scope and budget of the originally planned EU for Social Inclusion was extended to provide increased outreach and targeted cash assistance support to families responding to the COVID 19 crisis; extended support to the most vulnerable families through the relief operation responding to the COVID 19 crisis and increased outreach and targeted measures to the unemployed responding to the COVID 19 crisis.

2. Overview of results in moving towards a fully-fledged sector approach (i.e. targets reached as per sector roadmap in the Sector planning document)⁴⁶.

Inter-institutional coordination for this sector is assured through the IPMG for Employment and Skills. The IPMG on employment and skills performs the role of sectoral monitoring of the IPA Sector on Education, Employment and Social Policies, Chapters 2, 3, 19 25, 26 and 28 of the EU Acquis, and the Sustainable Development Goals (SDGs 4, 8, 5, 10). The IPMG is comprised of two Thematic Groups: (i) Employment and Training and (ii) Inclusion and Social Protection.

The Government of Albania is already in the fifth year of implementing the sector approach for Employment and Social Policies, and in this framework the IMPG has played a very important role in the coordination of strategic functions and operations through the integration of the key functions of budgetary and administrative policies, associated with the implementation of government priorities and membership in the EU.

Since 2015, the annual report on the implementation of the National Employment and Skills Strategy (NESS) were discussed in thematic groups of IPMG and endorsed in the IPMG meetings. The 2019 progress report on NESS was presented and consulted with civil society at the meeting which was held on June 16, 2020. The 2019 Progress Report on the NESS was approved in the IPMG meeting on 30.09.2020.

⁴⁶ With regard to the Sector roadmaps (SARs), during October 2016 – March 2017 NIPAC supported Line Ministries and other beneficiary institutions to draft the document and the package comprising all the sector roadmaps was sent to EUD in March 2017. No further updates have been made as an integrated mechanism for the sector/cross-sector approach has been established under the Integrated Planning System (IPS), as the main system that defines the tools and mechanisms for integrated public policy planning ensuring effective allocation of financial resources. This mechanism is presented in section II.1.2.

The 2019 Annual report & Mid Term Review of the National Social Protection Strategy (NSPS) 2015-2020 were produced in consultation with civil society, discussed in thematic groups of the IPMG and endorsed in the IPMG meetings. The process will continue accompanied by the financial report, monitoring of financial aspects of social inclusion and sector budget support indicators.

3. Coordination with other instruments and/or donors/ IFI's within the sector

The sector is supported by multiple bilateral and multilateral donors, including the Swiss (Swiss Development Cooperation – SDC), German, Austrian, Italian Cooperation, UNDP, and the European Union.

Currently-running projects in the Employment and Skills sector include:

- **SDC-funded UNDP Skills Development for Employment (SD4E) project (2019-2022 - CHF 2.5 million):** will support the MoFE in the process of revising the National Employment and Skills Action plan 2019-2022, preparing the necessary bylaws to functionalize the National Agency for Employment and Skills, further the reform process of the Active Labour Market programmes, and support NAVETQ in leading the first self-assessment process of the 44 public VET providers.
- **The SDC-funded RISI Albania project (2018-2021 - CHF 7.5 million)** provides more employment opportunities to young women and men in Albania, aged 15-29, in a socially inclusive and sustainable way.
- **The SDC-funded Swisscontact Skills for Jobs (S4J) project (2019-2023 - CHF 10 million):** The project focuses on four economic sectors with growth and job creation potential: Hospitality & Tourism, ICT, Textile and Construction.
- **The German-funded GIZ ProSEED programme (2017-2020: EUR 19 million in total)** builds on achievements and results of the GIZ VET Programme 2010-2016, which introduced the model MFC in Kamza as a new type of VET provider, development and support to implementing the 24-days training programme “Basics of didactics” to several hundred VET teachers and instructors and introduction of a tracer system for VET graduates.
- **The Austrian Development Cooperation is financing ALTOUR** that is supporting the development and of quality tourism education in Albania focusing on the Tourism School in Korça and Saranda.
- **The Kreditanstalt für Wiederaufbau (KfW) bank from Germany** is planning to invest € 4.5 million in the upgrading of facilities and workshop equipment in VET in Albania.
- **The European Training Foundation (ETF)** supports policy dialogue and monitoring for the employment and skills sector, and related programme or project design and implementation as a service to the European Commission/ EU Delegation and IPA in Albania.

The Social Inclusion Sector Working group (with the participation of bilateral, multilateral donors and UN organizations) is used extensively for bringing on board new partners and maximizing the impact of project interventions.

In terms of social protection, EU has provided support to this sector through IPA I, to promote the social inclusion of minorities and other disadvantaged groups, in particular the Roma and Egyptian communities in Albania. This has been done through tailored interventions with limited scope under the national action programme or alternatively, through specific actions funded from the Civil Society Facility and the European Instrument for Democracy and Human Rights. The EU supported the IPA 2014 project "Economic and social reintegration of Roma and Egyptians - a booster for social inclusion (ESERE)", implemented by UNDP, the Promoting Good Governance and Roma Empowerment at Local Level (**ROMACTED**) programme managed by the **Council of Europe**, and the **ROMA Integration 2020** programme managed by the **Regional Cooperation Council (RCC)** and other regional projects.

The **World Bank** under a USD 48 million Social Assistance Modernisation Project has been supporting reforms in cash assistance and disability programmes with a focus on improved equity and access for the poor, enhancing capacity, simplifying complex application processes and establishing management information systems.

The **Swiss Development Cooperation** is a key partner in this sector through support towards a social inclusion programme, **Leave No one Behind** (2017-2021), implemented through One UN in Albania. The **Italian Agency for Development Cooperation** is supporting this sector through two programmes:

- **Strengthening of Social Entrepreneurship in Albania (EUR 1.36 million)** focusing on improving the effectiveness and inclusiveness of policies to support social entrepreneurship and the reuse of confiscated assets from organized crime; promoting experimental training and job placement initiatives for disadvantaged people and strengthening the capacity of civil society organizations in the field of social entrepreneurship.
- **WE CAN DO: pathways to social inclusion and promotion of rights of people with mental disabilities in Albania (EUR 633,539.00)** supporting the creation of a day rehabilitation centre in Tirana and the provision of individualized paths of social reintegration.

A number of other development partners - including Swiss Development, Sweden, Italian Development Cooperation, and USAID provide financial and technical support to a range of NGOs that focus on people disabilities, children at risk, Roma and Egyptians through smaller-scale support. Municipalities are being assisted by **UN agencies**, mainly the **Leave No One Behind Project and UNICEF**, as well as national and international non-profit organizations in drafting their social plans.

4. **The impact of IPA II actions within the sector on the development of the relevant national administrative capacity in the sector, strategic planning and budgeting**

Employment and Skills

The National Employment and Skills Strategy (NESS) 2019-2022 and its related action plan have been revised and extended until 2022 (as approved by a Decision of Council of Ministers no 659/2019, of the Council of Ministers in October 2019). The main objective of the National Employment and Skills Strategy 2019 - 2022 and its action plan is to identify and design the

appropriate incentive policies in the country for employment and vocational training of the workforce in order to create quality jobs and opportunities for employment and skills throughout the life cycle. The action plan focuses on enhancing decent work opportunities through efficient labour market policies, providing quality youth and adult education and training, fostering inclusion and social cohesion, and strengthening the labour market and qualifications system. In line with the government's vision, this strategy looks at vocational training and employment linked together, with the aim of providing vocational education and training services closely linked to employment.

Within the NESS action plan, the reforms seek to enable better profiling of jobseekers through the revamped information system of National Agency for Employment and Skills (NAES) and the development of individual employability plans. The revision of Employment Promotion programmes is provided in order to achieve a better response to the needs of unemployed jobseekers, particularly the most vulnerable and harmonize the interactions and interventions of NAES, State Social Service and local authorities.

For the first year of implementation of the revised NESS 2019 -2022, more than 70% of the activities have already started and are ongoing. Priorities for Government action are defined in the National Employment and Skills Strategy 2019-2022 (NESS 2022) and the related Action Plan. The NESS 2022 was adopted by the Council of Ministers in October 2019. The four strategic objectives in the revised Action Plan are:

- A. Foster decent job opportunities through effective labour market policies;
- B. Offer quality vocational education and training to youth and adults;
- C. Promote social inclusion and territorial cohesion; and
- D. Strengthen the governance of the labour market and qualification systems.

The Council of Ministers approved the establishment of the NAES in July 2019 (DoCM 554/2019), and the approved structure of the new Agency envisages a significant increase in human resources at the central level (from 36 to 90).

Due to the COVID-19 pandemic, the NAES staffing process started later than envisaged, in June 2020. Despite the fact that the completion of staffing is expected to extend until 2022, at the end of 2020, 54% of vacancies in the General Directorate have been filled. At the end of December 2020:

- 19 vacancies had been filled.
- Competitions for 5 vacancies are on-going.
- 6 vacancies have been announced and are in the application phase.
- 12 vacancies are waiting to be announced by the Department of Public Administration.

The complementary support to the SRC **Technical Assistance to support the reform on Employment Policies and Vocational Education and Training** (IPA 2015) has been contracted and implementation started in October 2020. The overall objective of the TA is to strengthen the capacity of the Government and especially the MoFE and other stakeholders to implement the revised NESS strategy. It will also provide assessment, policy advice, capacity

building etc. to the MoFE and other stakeholders involved in relation to the implementation of the reforms process.

Pursuant to the Order no. 107, dated 13.08.2020 of the Prime Minister, NAES started the restructuring procedures of the Regional Employment Directorates and the Regional Directorates of Vocational Training. The relevant Restructuring Commission was engaged in systematizing the current employees of the subordinate units based on:

- Job descriptions,
- Job evaluations,
- Education/qualifications (field).

The process of restructuring the Regional Employment Directorates and Regional Vocational Training Directorates was completed in November 2020.

In order to increase the cooperation with local institutions, with the aim of supporting the reform in the field of employment and skills development, the National VET Council has been established,. In addition, at the beginning of 2021, the first Sector Skills Committee is expected to be established, with multiple stakeholders, including from the private sector. This committee will contribute to the drafting of new curricula and the improvement of existing ones. Moreover, it will support the drafting of national qualification standards in the frame of the Albanian Qualifications Framework.

To increase the cooperation with the private sector, providers of vocational education and vocational training have signed cooperation agreements with businesses, depending on the VET offer, enabling work-based learning. To streamline this process, the relevant bylaw was approved by the Minister of Finance and Economy in 2020. In addition, all VET providers have Governing Boards, which are composed of representative of all local actors with a vested interest in skills development and employment, and which without exception are headed by private sector representatives.

The Employment Advisory Council was established in accordance with Law 15/2019 "On the promotion of employment", as the tripartite advisory body with social partners, with representation of employers' organizations, trade unions, and state institutions and exercises the following duties: a) discusses issues related to employment services and employment promotion programmes; b) promotes effective cooperation between employers' organizations and trade unions on employment promotion issues; and c) advises on the manner of use of the Social Employment Fund, according to the provisions of the law.

The first (online) meeting of the Employment Advisory Council was held on 05.08.2020. The Employment Advisory Council, with Decision no. 1, dated 05/08/2020 decided the following:

- Approval of the "Draft - Regulation on the Functioning of the Employment Advisory Council of the National Employment and Skills Agency";
- Information on the transfer from National Employment Service (NES) to the NAES;
- Approval of the Draft - Internal Functional and Organizational Regulation of NAES; Introduction of the NAES Structure and consultation of the Draft - Instruction "On the manner of appointment and dismissal of NAES employees who are treated with the Labour Code";
- Approval of the 3-year plan of NAES;

- Approval of the report for determining the monitorable indicators for 2020;
- Approval of the Draft - Instruction "On the criteria and planning priorities of unemployed jobseekers that will be included in employment promotion programmes" and the distribution of funds in implementation of the Instruction;
- Approval of the Draft Regulation "On the Implementation of Employment Promotion Programmes through employment, on-the-job training and professional practices" and the forms of employment promotion programmes in implementation of the Regulation;
- Approval of the Draft Regulation "On the procedures, criteria and rules for the implementation of the employment promotion programme through the employment of unemployed persons as a result of COVID 19" and the forms of employment promotion programmes for the implementation of the Regulation;
- Approval of the Draft Regulation "On the Implementation of the Employment Promotion Programme through self-employment" and the forms of the employment promotion programmes in implementation of the Regulation;
- Approval of the Draft Regulation "On the Implementation of the Community Public Works Programme" and the forms of employment promotion programmes in implementation of the Regulation;
- Approval of the voluntary work package.

Ensuring the effectiveness of labour market policies has been one of the Albanian Government priorities. The criteria, rules, and procedures for the implementation of the Employment Promotion Programmes (EPP) were reconceptualized based on the needs of the individual unemployed jobseekers, type of employers and situation of the labour market in Albania. 5 employment promotion programmes drafted in accordance with the new employment promotion law 15/2019 were adopted by three Decisions of the Council of Ministers (DCM 17, 348, 535) during the first half of 2020. To support the labour market reintegration of those laid off as a result of COVID-19, the Council of Ministers, through DCM no. 608 dated 29.7.2020 approved new EPPs. There was a delay in the implementation of these programmes due to the COVID-19 pandemic. The Programmes were launched in September 2020 and implementation started in October 2020. The 7 approved programmes are as follows:

- DCM No. 608/ALMP - Labour market reintegration of recently unemployed jobseekers laid off during the period 10 March and 23 June 2020 as a result of the COVID-19 pandemic., identified by the General Directorate of Taxation (GDT), two additional and temporary employment promotion programmes for recently unemployed jobseekers laid off during the peak period of quarantine measures between 10 March and 23 June.
- DCM No. 608/ALMP - A Formalization measure for informal workers aiming to reintegrate into the labour market unemployed jobseekers not identified by the GDT, who self-declare that they were laid off during the period 10 March - 23 June 2020 as a result of the COVID-19 pandemic.
- DCM No. 17/ALMP Subsidized Employment, which is part of DCM 17, aims to adapt the profile and needs of unemployed jobseekers to vacancies. The programme prioritizes vulnerable groups by providing special bonuses according to the type of group.
- DCM No. 17/ALMP On-the-Job Training aims to integrate unemployed jobseekers into the labor market by working on preferred professions. The programme subsidises an employee

appointed by the employer as a mentor for the training period. The programme prioritizes vulnerable groups by providing special bonuses according to the type of group.

- DCM No. 17/ALMP Internships aims to guarantee a rapid transition to the labour market, in the same or in a similar field in which the graduate studied. Beneficiaries of the programme are all unemployed jobseekers who have just graduated, up to 2 years after graduation.

- DCM No. 348/ALMP The Self-Employment Programme aims to support new ventures; entrepreneurship training and business plan development is provided to applicants, and grants to beneficiaries. Beneficiaries may be any unemployed jobseeker who has a business idea which does not infringe to the principle of competitiveness.

- The DCM 535/ Community Employment aims to include long-term unemployed jobseekers in the labour market through the provision of training and part-time employment, in activities focused on community service. Employers appoint supervisors for participants during the implementation of the programme. The programme provides vouchers for the training of unemployed jobseekers, if the training is not provided by VET providers.

Furthermore, the new employment promotion programmes subsidize the following vulnerable groups:

- orphan beneficiaries even after they have reached the age of 25, according to the legislation in force;
- single parents with children under 6 years old;
- parents of children with disabilities;
- victims and potential victims of trafficking;
- victims of domestic violence or gender-based violence;
- beneficiaries of economic assistance;
- Roma and Egyptians.

Social Inclusion

The implementation of the updated NSPS for 2020 – 2023 (DCM 866/December 2019) ensures the continuation of the social care service reforms started since 2016. In particular, as regards Social Inclusion and Territorial Cohesion, and effectiveness of social care services delivery, a specific objective is also the establishment of an integrated system of social and health services at the local level for families/individuals in need, with the link between "health services" and "social services".

Recently the MoHSP has started the implementation of the National Plan of Deinstitutionalization 2020-2022 (approved with DCM 706/September 2020) and the National Policy Document of Elderly 2020-2023 (approved with DCM 8647/December 2019).

COVID-19 relief

The Government of Albania adopted two support packages for people and businesses affected by the COVID-19 pandemic of a combined size of ALL 45 billion (2.8% of GDP):

- Support package 1: (i) additional funding for the health sector for the amount of ALL 3.5 billion (ii) ALL 6.5 billion for the support of small businesses /self-employed that

were forced to close activities (iii) ALL 2 billion reallocated toward humanitarian relief for the most vulnerable, (iv) ALL 11 billion (0.6% of GDP) sovereign guarantee fund for companies to access overdrafts.

- Support package 2: (i) ALL 7 billion (0.4% of GDP) fund to pay for a one-off transfer to employees of small businesses affected (ii) a sovereign guarantee of ALL 15 billion (0.9% of GDP) to provide loans for all private companies that were tax-compliant and solvent before the pandemic.

To support the labour market reintegration of those laid off as a result of COVID-19, the Council of Ministers, by DCM no. 608 dated 29.7.2020, approved a new Employment Promotional Programme (EPP) targeting this category of unemployed jobseekers to support unemployed jobseekers who were previously employed, insured and uninsured, and who have been laid off due to the COVID-19 pandemic. The programme started implementation in October 2020.

Social Protection

In recognition of the central role played by social protection, the Government of Albania has adopted a series of social protection measures to mitigate the negative socio-economic impact of the pandemic. Subsequent to DCM no. 236, dated 19.3.2020 "On taking measures to provide housing assistance to the needy in the conditions of the pandemic caused by COVID-19" it was determined that the state structures would provide assistance for housing for people in need, including the delivery of payments benefited from the social protection and social security programme, the delivery of food and non-food products and reimbursable medicines. An inter-ministerial committee chaired by Ministry of Defense was established to organize and deliver food and other support items at home for about 600,000 individuals identified by local governments as vulnerable. Pensioners were offered all services at their homes, including food aid, as the most at-risk category from Covid-19 due to age-related pathologies and to enable their complete isolation.

76,757 families received economic aid delivered at home; 18,144 Roma / Egyptian families and 54,980 elderly people were assisted in 61 municipalities in Albania.

In addition, the government doubled the amount of the cash assistance per recipient. The first support package (27 March 2020) included financial support for those benefitting from economic assistance , targeting 63,510 families, who received double benefit payments in April, May and June 2020.

The MoHSP has started to operationalise the social fund launching the first call for proposals. 80% of the municipalities have approved and budgeted for social care plans, so far. The disbursement of funds (149.800.000 ALL, including 9 regional social services) was executed in March 2020. The second call for proposal was launched on 20 October 2020 for the Social Fund for 2021.

The social welfare staff of 61 Municipalities have been trained on the use of the Management Information System for social care services with support from UNICEF.

The increase of the fund for the budget programme “Social Protection and Inclusion” of the MoHSP for the revision of the cash assistance allowance is approved in the budget law for the year 2021.

Progress was made regarding the inspection and quality assurance of social care services and the consolidation of the Order of Social Workers alongside with a plan on continuous education for the workforce of social services:

- DCM no. 848, dated 28.10.2020 “For the standards, criteria and accreditation procedures of the activities of continuing education of social care service professionals, as well as their providers”;
- DCM no. 625, dated 29.07.2020 On the criteria and procedures for certification of social care service professionals”.

On 16 November 2020, the Albanian Parliament approved the law “On some amendments and additions to law no. 163/2014 "On the Order of Social Workers in the Republic of Albania, amended”.

5. Operating structure(s) in place and related changes (if the case) relevant

The Operating Structure (in the case of complementary technical assistance under the Sector Reform Contract under indirect management by Albania) in the sector is set out in the table below:

IPA Programme/Action	Operating Structure
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2015	
Action 5. Sector Reform Contract for Employment and Skills - complementary technical assistance –indirect management with Albania (TA)	(i) Contracting Authority (CFCU) (ii) NIPAC SO (iii) IPA Unit of Beneficiary institutions Ministry of Finance and Economy National Agency for Employment and Skills
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2019	
EU for Social Inclusion	(i) Contracting Authority (CFCU) (ii) NIPAC SO (iii) IPA Unit of Beneficiary institutions Ministry of Finance and Economy Ministry of Education, Sports and Youth Ministry of Health and Social Protection National Agency for Employment and Skills

6. Information on the implementation of programmes in the sector

IPA 2015 Sector Reform Contract for Employment and Skills - complementary technical assistance –indirect management with Albania

The contract “Technical Assistance to Support the Reform on Employment Policies and Vocational Education and Training” under indirect management foreseen under the Sector Reform Contract IPA 2015 started on 20 October 2020 for 24 months. Information on its implementation will be provided in the AIR 2021.

IPA 2019 EU for Social Inclusion

This Action aims to contribute to strengthening social inclusion by increasing coverage, inclusiveness and effectiveness of social care services, the provision of inclusive education and employment opportunities. The action supports populations at risk of poverty and social

exclusion - including at risk youth, men and women, people with disabilities and minorities. The action supports the implementation of the Social Protection national strategy by improving the accessibility and quality of social care services at the local level through new funding, regulatory and quality assurance mechanisms; and by improving levels of child well-being in pre-university education in accordance with EU inclusive education standards and enhance inspection, pedagogic, social work and psychological interventions. It also supports the Employment and Skills national strategy by promoting employment and employability through new service delivery models, the introduction of a new employment programme for young people not in employment, education or training (NEET), expanding coverage of welfare-to-work programmes, and strengthening vocational and educational training programmes in municipalities. The action will respond to the crisis situation caused by COVID 19 through targeted measures in the social protection and employment sectors in order to preserve employability and ensure protection of the groups at risk of vulnerabilities and exclusion.

Municipal Level Service Delivery Partnerships will be supported to create, support and improve capacities for the design and delivery of services, enhance the availability of integrated social care services, employment measures and inclusive education and foster inter-municipal collaboration.

An Economic and Inclusive Learning Pathways Grant for Roma and Egyptian will improve the life chances and social inclusion of both young and adult Roma and Egyptian communities in selected municipalities by supporting municipalities and local civil society organisations to deliver integrated community-based services that focus on access to inclusive education services for Roma and Egyptian children. In addition, the grant will enable a more targeted approach to sustain EU investments in the area of Roma inclusion and strengthen synergies with the sector approach in social inclusion. The grant scheme will enable provision of integrated services to the most at risk groups affected by the recent COVID 19 crisis.

Implementation through indirect management foresees a Grant Scheme for Teacher Training in new Competence-Based Learning Curriculum and Improved Inclusive Education. This will support the MoEYS to train teachers, social workers, psychologists and education managers in the new pre-university curriculum on life-long learning and on EU standards in inclusive education. The grant scheme was launched with a suspension clause on 23.09.2020 prior to the signature of the Financing Agreement 2019. The Specific Objectives of the Grant Scheme are:

- Review and update the professional development curriculum for in-service teachers based on the new key competency-based curriculum in pre-university education, and design the training plan and methodology for training at least 15,000 teachers in new competency-based curriculum in 24 educational profiles for Grades 1-5 and 15,000 teachers and education managers in EU inclusive education teaching methods.
- Deliver a Training of Trainers (ToT) programme of a minimum length of 22 training days for at least 320 teacher trainers, support and monitor the roll-out of training for 15,000 teachers and education managers.
- Specific support to refurbish rooms and install basic equipment devices for the provision of social work and psychological services in 320 schools across the country in close coordination and complementarity with the initiatives addressed to the schools affected by the earthquake under EU4Schools Programme (tasked to UNDP).

- Provide support to the School for Deaf children and the School for Blind children as part of their transformation into resource centres for inclusive education.

2020 First and Second Special measures on supporting Albania in post-earthquake reconstruction and rehabilitation to be financed from the general budget of the Union for 2020

A total of EUR 65 million has been allocated to rehabilitate and reconstruct education facilities, and to provide essential furniture and equipment for the full recovery of vital education services for children and youth through the two special measures. The EU4Schools Programme provides 75 million to rebuild and repair 58 educational facilities in the 11 earthquake affected municipalities through the UNDP. The educational facilities targeted are part of the Post Disaster Need Assessment (PDNA), which indicated that a total of 321 public Crèches⁴⁷, Pre-Schools, Basic Schools, and Secondary Schools were fully destroyed, partially damaged or lightly damaged in the 11 affected municipalities in Albania.

7. Main achievements in the sector

Given the signature of the Financing Agreement on 17 December 2020, no achievements can be reported; the assessment of the achievement of the budget support targets for 2020 will be reported in the AIR 2021.

8. Any significant problems encountered in implementing the tasks entrusted e.g. delays in contracting, and subsequent measures taken/planned
N/A

9. Recommendations for further actions

The following Operational Conclusions were approved in the Sectoral Monitoring Committee for Sector 6 – Education, Employment and Social Policies – 2nd round of the year 2020 by written procedure.

- The EU encourages the MoFE and MoHSP to continue the implementation of the NAES 2020-2022 and NSP 2020-2023. In particular, as regards Social Inclusion and Territorial Cohesion, and the provision of employment and VET services at local level and for the most vulnerable groups.
- MoFE and MoHSP should ensure that Annual Monitoring reports on the implementation of relevant strategies are accompanied by the financial report that ensures a sound monitoring of financial aspects of the two reforms and related sector budget support indicators.
- The EU encourages the Ministry of Finance and Economy (MoFE) to continue the consolidation of human resources, improve business continuity of the National Agency

⁴⁷ Child Care Centres.

for Employment and Skills (NAES), and make good use of resources of the newly deployed EU technical assistance.

- The EU encourages the MoFE and MoHSP to strengthen policy coordination and monitoring functions of the Directorate for Employment and Skills and the Directorate for Social Policies; and promote stronger evidence-based analysis and research that will foster coordination of sector policies, stakeholders and donor's initiatives.
- The EU encourages MoHSP to prepare and ensure adequate human resources to be able to make good use of the assistance under the EU Social Inclusion programme and further leverage on the support provided by the EU. Coordination with the MoFE and MoEYS will be key in ensuring an effective implementation of the TA.
- MoFE is encouraged to step up efforts in the implementation of the Employment Promotion measures to mitigate the COVID19 crisis impact.
- The EU encourages Albania to continue the alignment of the Albanian legislation with the EU directives in the field of employment and VET (in particular the remaining OSH directives), ensuring implementation and enforcement of the Labour Code, to streamline the Decent Agenda in the implementation of the employment and VET reform.
- The MoFE is encouraged to finalise the adoption of the secondary legislation on the implementation of the VET law and the Albanian Qualifications Framework (AQF) law, to strengthen the multi-functional training centres, promote lifelong education and adult learning, adapt to the lessons learnt from the epidemiological crisis on system functioning, and to promote learning in VET curricula.
- The EU recognises the strategic importance of the Optimisation Plan realised by the Albanian Authorities at local level to address the mismatch between the competences of the Albania VET students and the needs of the private sector. The MoFE is encouraged to finalise the Optimisation Plan of the VET providers and to start its implementation.
- The MoHSP and the Agency on Public Procurement are encouraged to coordinate on developing the sublegal framework on public procurement on social care services and raise awareness and provide training to service providers such as local government and civil society organizations.
- The MoHSP is encouraged to ensure that all local government units have established and consolidated the Municipal Social Care Plans costed and budgeted into the local mid-term budget and continues funding of social care services through the mechanism of the Social Fund with transparent and effective criterias. Local government units should establish the Needs Assessment and Referral Units.
- The MoHSP is encouraged to continue supporting local government in the implementation of the Management Information System (MIS) on social care services as a basis for documenting the practice of Case Management and analysis of needs and services provided to citizens in need.
- The EU notes that the Covid 19 pandemic crisis will continue to affect the most vulnerable groups. It will be important that the Government undertakes an analysis on the adequacy on the cash assistance scheme in order to ensure that such groups are adequately supported.

- The MoHSP is encouraged to continue efforts on the inspection and quality assurance of social care services and the consolidation of the Order of Social Workers alongside with a plan on continuous education for the workforce of social services.
- The EU encourages the MoEYS to assess the specific needs and tailor targeted measures to support and ensure inclusion of children in need and mostly affected by the COVID 19 pandemic, in particular, children with disabilities, Roma and Egyptian children, children in rural areas, children living in extreme poverty.

10. Implemented monitoring and evaluation activities, audits – main findings & lessons learned, recommendations, follow-up and corrective action taken

N/A

II.7. Territorial cooperation and regional cooperation

1. Involvement in programming

Special attention in 2020 has been dedicated to the programming process of Territorial Cooperation covering the years 2021-2027 funded by IPA III, where the Ministry for Europe and Foreign Affairs has taken all the necessary actions to successfully participate in this joint programming activity for Albania.

Throughout this process, it has been borne in mind that the new programmes should finance projects that will contribute to the implementation of political, economic and institutional reforms in Albania and in the same time, help Albania to move ahead in the process of European integration. In this respect, cooperation with EU Member States is particularly valuable.

IPA-IPA programming started immediately on receiving the EC communication asking Albania to start preparing the draft-programming document for CBC programmes. The establishment of the National Task Force for each CBC Programmes was completed in July 2020 by the NIPAC. Several Task Force meetings were organised for each programme during July – December 2020.

The purpose of these Task Force meetings was to contribute to the effectiveness and quality of strategic planning and programming for the future implementation of the 2021-2027 programmes, in particular by identifying needs in eligible areas, elaborating the programme strategy and future allocations for each of the priorities agreed in the programme based on the 9 priorities proposed by European Commission.

In addition, face-to-face meetings were organized by the Operating Structure in MEFA with high-level representatives of the local authorities of the eligible areas per each bilateral IPA CBC programme. Online workshops with representatives of line ministries as part of the Task Force, stakeholders in the eligible areas and different NGOs were organised to present the main directions of the draft programme. A high interest was shown by all participants and contributions provided for the programming documents.

As a result of these consultations, it was decided in a common agreement with the Programme partners and Joint Task Force group across the border that the surface of the eligible territories of each programme will remain the same. Likewise, the selection of the most relevant Thematic Priorities/Clusters for each of three IPA CBC Programmes was agreed, based on Thematic Priorities proposed by EC.

The whole programming process has been developed and consulted in close collaboration with all relevant actors such as: the NIPAC, members of the Task Force, local actors in the eligible area etc. The process was facilitated by EUD representatives, the Cross-border Institution Building Plus project (CBIB+) experts and a dedicated programming expert.

During September – December 2020 the programming process was very intensive to ensure the proper and timely preparation of the Strategy and First Draft Document 2021-2027 for all of

three bilateral IPA – IPA Programmes; this was successfully finalized and sent to the European Commission by the IPA National Coordinators according to the deadlines agreed with the EC. At the same time, the preparation of Interreg 2021-2027 transnational programmes has progressed. Since October 2019, following receipt of the EC Border Orientation Paper, internal consultations have taken place with the organisation of the first informal Task Force meetings in last quarter of 2019. The Ministry for Europe and Foreign Affairs designated its task force representatives and has contributed to this process with ERDF and other IPA partners. The main contribution has been in relation to the selection of most relevant policy objectives and the overall architecture of these programmes. Public online Surveys were launched addressed to all stakeholders in the eligible area in order to gather their opinion on the different options for the design of the future Programmes.

Interreg programmes managed by EU Member States, unlike external cross-border cooperation programmes, have different programming cycles in terms of deadlines for submission of the draft programme document. Following intensive work on these programmes by the Task Force members, online meetings and consultation, it is expected that the Managing Authorities of the respective programmes will send the first draft to the European Commission in the first quarter of 2021.

2. Progress made in implementing the CBC programme and in particular in achieving the specific objectives per thematic priority (including qualitative and quantitative elements indicating progress in relation to targets)

The main developments are presented below.

Interreg IPA CBC Greece-Albania

The implementation of the "FIRE PREP" project financed under the 5th Call for Proposals with the focus "Protection of forests from fire" with a value of EUR 2.4 million (Albanian beneficiaries - Ministry of Tourism and Environment, Ministry of Defence (General Directorate of Civil Emergencies) and the Municipality of Berat) started in September 2020.

From the 4 previous calls of the programme, 78 projects are still under implementation with a total value of about EUR 10 million (for Albanian partners).

In terms of implementation during 2020, there have been numerous requests to extend the deadlines for the implementation of activities due to the COVID-19 pandemic. The 46 projects from the 1st and 2nd calls are expected to be completed in early 2021 while the COMOBILION project from the 3rd call and projects from the 4th call are expected to be completed by the end of 2021.

Interreg IPA CBC Italy-Albania-Montenegro

Most of the projects financed from the 1st Call of this Programme (32 projects with a total value around EUR 9 million for the Albanian partners) are still in implementation due to the pandemic as they requested extensions for the implementation of their activities. It is foreseen that all the projects of the 1st Call will be completed by the second half of 2021. The projects

financed from the 2nd Call are in total 8 Thematic Projects with a total value for the Albanian beneficiaries around EUR 12 million. All these projects are still under implementation. It is foreseen that these projects conclude their activities within 2021 and 2022. The projects financed under the 3^d Call are in total 34 projects out of which 17 medium scale projects with a total value of EUR 2 million and 17 small scale projects with a total value of EUR 370.000,00. All these projects are under implementation. During 2020, the Albanian beneficiaries under this Programme have been assisted through on-line meetings, email, phone, due to the pandemic situation created by COVID-19.

Interreg Balkanmed

Currently, 30 projects from the first call (40 Albanian partners) with a budget of EUR 3.7 million are under implementation. The projects were expected to be completed by the end of 2020 but due to the COVID-19 pandemic and delays in the certification of expenditures by the CFCU, are expected to be completed within June 2021.

Interreg MED

Currently 32 projects are still in implementation under this Programme with a total value of around EUR 4 million for the Albanian beneficiaries. During this period the Albanian beneficiaries have been assisted through on-line meeting and email. There was a partner change in one of the projects implemented under this Programme due to some problems and delays in the implementation of the activities from the Albanian partner.

INTERREG ADRION

22 projects (26 Albanian partners) are implemented under the 1st call with a value of EUR 2,356,504. On 17 July 2019 22 successful projects from the 2nd call for project proposals were approved with a total allocation of 33.3 million euros (for all participating countries), of which are 27 Albanian partners with a budget total of EUR 2.9 million.

The 3rd call for project proposals focused on Priority Axis 1 - Innovation (Innovative and Developed Region) and Priority Axis 3 - Transport (Interconnected Region) was launched. The call was closed at the end of July 2019. On 29 June 2020, the ADRION Monitoring Committee conditionally approved 5 projects out of 13 applications received under the 3rd Call for Proposals, the last call for the current programming period.

IPA CBC Montenegro-Albania

The projects financed from the 1st Call of this Programme are under implementation and are expected to be completed in early 2021, with the exception of the project "Green Lands" which was completed in October 2020. The projects financed through the second call are under implementation. Information on implementation, monitoring and problems incurred is reported in the specific sections below.

IPA CBC Albania-Kosovo

Under the Cross-Border Cooperation Programme Albania-Kosovo 2014-2020 two Calls for Proposals have been launched, which resulted in 7 projects contracted (5 projects from the 1st

Call with a total budget of EUR 2 million and 2 projects from the 2nd Call with a total budget of EUR 1.9 million). Regarding the projects contracted under 1st Call, out of 5 projects contracted, 4 have completed their activities during 2020 while the last one remained is under implementation until January 2021. The two strategic projects from the 2nd Call started their implementation on the 15 January 2020 and currently are under implementation.

IPA CBC North Macedonia – Albania

All the projects from the first call have been completed and the final narrative and financial reports are in the process of evaluation.

5 projects were contracted under the 2nd call which are under implementation. The progress of their implementation is constantly monitored and there have been no significant problems in their implementation, on the contrary all project partners are taking the necessary measures to continue with the implementation of activities, despite the situation created by the Covid-19 pandemic. The Second Call projects have submitted interim narrative and financial reports for the 1-year period, and are requesting from the EU Delegation as the Contracting Authority, the second transfers of funds.

Regarding the contracted funds for the first and second call for proposals, the situation is as follows:

- 99.12% of contracted funds for the first call for projects
- 91.77% of the contracted funds for the second call for projects

The Third Call for project proposals was announced on 11 November 2020 with the deadline for submission of the "concept note" on 15 February 2021. The total amount allocated for this call is 4,930,000.00 Euro (financial allocations for 2018-2019-2020).

3. A summary of problems encountered in implementing the CBC programme and any corrective actions taken, as well as recommendations for further corrective actions

From February 2020, the former Department of EU Funds within the Ministry for Europe and Foreign Affairs (where CBC body used to be located) has been divided in two different Directorates: Directorate for the Coordination of IPA National Action Programmes and Directorate for Territorial Cooperation Programmes. After the division, the position of the director of the Directorate of Territorial Cooperation remained vacant until July 2020. In August 2020, a new director was appointed by DoPA (Department of Public Administration). In September 2020, the director of Directorate of Territorial Cooperation was also appointed as the Head of Operating Structure (order of the Minister No. 432, date 16.09.2020). During the vacancy period, some problems in coordination have been noted for the implementation of all the Programme related issues.

It should be noted that the problems related to the implementation of projects/Programmes are very similar for all the Programmes where Albania participates. Based on the continuous monitoring of implementation, unsatisfactory progress in the implementation of projects has

been observed, accompanied by a low level of absorption of dedicated funds for each project and of funds available in general at Programme level. This situation comes not only as a result of the internal problems of Albanian beneficiaries but also as a consequence of bureaucratic rules and procedures determined by the Ministry of Finance and Economy for the implementation of foreign assistance projects.

In general, the main problems for the implementation of the Territorial Cooperation projects are related to the extremely prolonged procedures followed by the Ministry of Finance and Economy for opening of project bank accounts and transferring of funds/tranches between foreign and Albanian project partners. Additionally, the reimbursement of VAT for expenditures incurred under EU financed projects and ensuring of the co-financing by beneficiaries still remains unsolved. To guarantee the financial liquidity of projects, MEFA has repeatedly proposed to the Ministry of Finance and Economy the establishment of a National Co-financing Fund (or emergency fund) to cover all the co-financing of Albanian beneficiaries implementing Territorial Cooperation projects. A draft Council of Ministers Decision has been prepared for this purpose but it has not been approved yet.

Furthermore, the lack of human (and qualified) capacities in the beneficiary institutions has negatively impacted on implementation.

In short, the facilitation of procedures by the Ministry of Finance and Economy to reduce the legal and financial burden on Albanian beneficiaries is essential, as this situation directly and seriously affects the absorption of EU Assistance funds dedicated to IPA Territorial Cooperation Programmes.

4. Monitoring, including data collection arrangements and where applicable evaluation activities

Monitoring is an on-going process and has an important role to play in the management of all the CBC programmes, in confirming that each Programme is making good progress, determining whether or not the programme continues to pursue the original targets and in identifying potential problems occurring, so that corrective action can be taken.

Due to the problematic progress in implementation of many projects financed by the IPA CBC Greece-Albania Programme, during the periods June-July and September-October 2020, the Directorate of Territorial Cooperation in MEFA conducted a number of monitoring visits in the Region of Berat, Vlora, Gjirokastra and Korça in order to support the most problematic beneficiaries. Beneficiaries were also offered support through on-line meetings and consultations. To avoid the failure of some of the projects, the replacement of some partners facing significant difficulties in implementation with other partners (from public institutions) to successfully implement the project was agreed with the Greek Managing Authority. Currently, MEFA is in the phase of discussions with potential beneficiaries and once agreements are reached, the replacement of partners will be formalized.

During December 2020, the Directorate of Territorial Cooperation conducted monitoring visits for some of the beneficiaries of the IPA CBC Montenegro-Albania programme. It is worth noting that in general, problems related to the inability of public institutions to absorb project

funds were identified. More specifically, some of these institutions, due to lack of human and financial capacity, had allocated their dedicated budget for management to other Albanian project partners (NGOs). The Ministry for Europe and Foreign Affairs will continue to take measures to avoid such practices which have a very negative impact on the absorption of EU funds by public institutions.

5. Communication and visibility activities

During the reporting period, a significant number of communication and visibility activities took place with the aim to promote the Programmes and raise awareness of the public on the possibilities offered through the Programmes as well as to build capacities of potential applicants for the participation in the CfPs launched under the Programmes.

For all the Programmes that have launched Calls for Proposals during 2020, Info Days and Visibility events have been organized mainly online.

6. Coordination with the partner country/ies

During 2020 period, MEFA had a very smooth cooperation and coordination with all the Managing/National Authorities of partner countries. No obstacles or problems have been identified.

Indirect management

1. Operating structure(s) in place and related changes, if relevant.

Albania participates in only one CBC Programme under indirect management, namely the IPA CBC Montenegro-Albania 2014-2020, managed by Montenegro. The Operating Structure on Albanian side is composed of:

- Head of OS (MEFA)
- CBC Body (MEFA)
- Control Body (CFCU, Ministry of Finance and Economy)

2. Any significant problems encountered in implementing the tasks entrusted e.g. delays in contracting, and subsequent measures taken/planned.

With reference to First Level Control for CBC MNE-AL, upon approval of the Programme Level Control Procedures in November 2019, CFCU Albania has started to verify the expenditures for the Albania partners implementing projects under this programme. Until November 2019, the validation of expenditures for Albania partners had been performed by the CFCU MNE.

A bilateral meeting took place on 16-17 January 2020 with the aim of establishing better cooperation with colleagues from the participating countries, the initiation of verification of expenditures by Albania for expenditures incurred by Albanian partners; as well as sharing experience, status and opinions regarding verification of the Financial reports received and verified by CFCU MNE so far.

Serious delays in certification of expenditures for Albanian beneficiaries were identified during the first half 2020. This problem has also been identified by the Audit findings for which corrective actions should be taken from the Albanian Control Body to increase the number of staff engaged in the verification process for this Programme.

The new structure of the CFCU Albania was approved in February 2020 and entered in force on 7 May 2020; it also responded to the needs for the workload for the CBC Programme. Two staff have been dedicated to the CBC MNE-AL Programme within the Financial Management for IPA and First Level Control in the ETCP Directorate.

The process has been challenging and time-consuming since it comprised the transfer of all contracts and information regarding the Albanian partners as well as what has previously been validated by CFCU MNE. The problems faced during the process have been addressed through continuous on line meetings held between the two CFCUs as well as additional experienced staff nominated in October 2020 to the control body to assist in performing the validation of expenditures for CBC MNE programme. The control body has validated 19 reports out of the 26 pending, all information has been received regarding the contracts under the Second Call of CBC MNE-AL and is fully acquainted with the applicable rules and procedures.

3. Recommendations for further actions

The recommendations for further actions have been reported above.

4. Implemented audits – main findings & recommendations and corrective action taken

Serious delays in certification of expenditures for Albanian beneficiaries under the CBC MNE-AL as identified by the Audit findings recommending corrective actions to be taken from the Albanian Control Body to increase the number of staff engaged in the verification process for this Programme. Additional experienced staff were nominated in October 2020 to the control body to assist in performing the validation of expenditures for the programme.

III. PERFORMANCE INDICATORS

III.1. Democracy and Governance

Financing Agreement/Programme reference	Indicator for sector Democracy and Governance	Source	Baseline	Milestone (2017)	Target (2020)	Value (2020)
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2014						
IPA 2014 Sector Reform Contract on Public Finance Management	Arrears clearance (as per ICSP)	MoFE	2013 stock of arrears: 72.57 billion Lek / approx. EUR 500 million (equivalent to 5.3 % of the GDP)	Stock of arrears entirely cleared out	Stock of arrears entirely cleared out	The stock of arrears increased in 2019 as compared to 2018, but remained within the defined target.
	Government Effectiveness World bank indicator (as per ICSP)	Government Effectiveness World bank indicator	2013 Government Effectiveness index: - 0.33	Positive trend in the Government Effectiveness index	Positive trend in the Government Effectiveness index	According to latest available data, positive annual values (the world average based on countries is 0.00 points) were reported from 2015 to 2018 (+0.11 in 2018) and a negative value (-0.06) in 2019. The overall trend is positive improving from – 0.32 in 2013 to -0.06 in 2019.
IPA 2014 EU integration	Number of integrated policy management groups (IPMGs) to	Prime Minister's Office	0 IPMGs (2014)	5 IPMGs	10 IPMGs	5 IPMGs and 5 SSCs established and operational.

Financing Agreement/Programme reference	Indicator for sector Democracy and Governance	Source	Baseline	Milestone (2017)	Target (2020)	Value (2020)
facility*****	coordinate full sector reform cycle and to develop national sector programmes					
	Number of Government's strategies and action plans based on cost analysis and effectively reflected in the midterm budget plan (MTBP)	Government's MTBP	n/a	5 sector strategies effectively reflected in the MTBP: PFM; Employment; Investment and Business Development; Settlement of Arrears; Border Management	5 additional sector strategies effectively reflected in the MTBP	Measurement of alignment made within the framework of the PAR budget support programme (2019): 37 %. The estimated alignment figures in previous years were the following: 38% in 2018, 56% in 2017 and 42% in 2016. The indicator is measured by SIGMA and reflects the Ratio between total funds estimated in the sectoral strategies and total funding identified for corresponding sectors within the MTBP. The ratio is calculated as a percentage (0% being the minimum and 100% the maximum), illustrating the

***** For consistency the CSP indicator is tracked on the basis of the Revised Country Strategy Paper – reported under IPA 2017 EUIF.

Financing Agreement/Programme reference	Indicator for sector Democracy and Governance	Source	Baseline	Milestone (2017)	Target (2020)	Value (2020)
						differences in planned funding in the last five strategies adopted and the MTBF. The outcome value of the indicator is the average of the five cases.
	Number of grants to civil society organizations successfully completed in order to expand knowledge about the EU	Final reports approved by the contracting authority	N/A	5	20	As of 31.12.2020, one grant contract “Building the path for European Entrepreneurs and SMEs” concluded with the final payment of EUR 5,037.86. Due to COVID-19 and other delays in implementation, the grant contracts have been extended, hence final payment of the remaining grants is expected In 2021.
IPA 2014 EU Integration Facility Support to the Implementation of Population and Housing Census 2020 activities in Albania	No. of trainings, workshops and consultations organized	Inception report	Census 2011	N/A	At least 10	9 (4 trainings, 2 workshops, 3 study visits)
	No. of INSTAT staff trained	Project Progress Report (every 6-months)	Census 2011	N/A	At least 50	60
	Compliance with the EU regulation on Population Census (No 2017/543) and EUROSTAT and UNECE	New Census Law and Council of Ministers decisions; and census questionnaire	Draft New Census Law to be approved EU Census regulation	N/A	Fully compliant with EU regulation on Population Census (No 2017/543) and EUROSTAT and UNECE	The Census Law approved on 26 November 2020 by the Parliament and published in the Official Journal on

Financing Agreement/Programme reference	Indicator for sector Democracy and Governance	Source	Baseline	Milestone (2017)	Target (2020)	Value (2020)
	recommendations				recommendations	28/12/2020.
	Pilot Census questionnaires and other materials (instructions manuals and training materials) prepared	<ul style="list-style-type: none"> •Pilot Census results •Main Census results • PES results 	Last census 2011	N/A	Final version of questionnaires as well as other census materials on time	Pilot Census questionnaires finalized.
	Number of publicity campaign activities, roundtables, print media, spots and radio and TV announcements, advertising inserts and pages, internet site installations etc.	Census website, TV and radio spots, social media, Progress report (every 6-months)	Handbook of Census 2020 round	N/A	Publicity campaign; website dedicated section; conferences and press releases.	INSTAT communication strategy prepared. Census sub-web page prepared and in use. Technical Specification for the publicity campaign prepared.
	Number of applications developed for data collection, monitoring, implementation of Census activities and applications for data processing and dissemination.	INSTAT website- main results Data quality assessment	Strategy, Census of Population and Housing 2020 in Albania Last Census of Albanian Population and Housing conducted in 2011	N/A	IT systems are available on time. IT equipment's are in place, for the implementation of Census activities. Applications for data processing and dissemination are available on time.	Three monitoring systems developed and tested for the pilot with the support of Technical Assistance. CAPI applications tested during census pilot: <ol style="list-style-type: none"> 1. CAPI application for enumerators 2. Monitoring application for controllers 3. Monitoring application for supervisors and overall monitoring used by

Financing Agreement/Programme reference	Indicator for sector Democracy and Governance	Source	Baseline	Milestone (2017)	Target (2020)	Value (2020)
						INSTAT HQ staff.
	Updated of enumeration areas (EA) for entire country	Census 2011 geo-database and other administrative data	An up to date geographic information for census	N/A	Publications of geospatial census data and online web-GIS information	98% of enumeration areas updated. 90 % of EAs geospatial information has been edited up to 31.12.2020.
	Number of staff recruited	Census Strategy and Planning document	INSTAT structure	N/A	8575 staff recruited	244 staff recruited. The postponement of the Census impacts on the recruitment plan.
IPA 2014 Public Administration Reform	Advancement in the IPA II Country Strategy Paper composite indicator for government and PAR, notably the average of the index for Government Effectiveness, Burden of Government Regulation and Regulatory Quality (distance from EU average = 100)	World Bank and World Economic Forum	75.37 (2010)	85.29	89.54	Government Effectiveness: 57.7 (2018) Burden of Government Regulation Latest available value 2017: 4.64 (on a scale 1-7) Regulatory quality Latest available value 2019: 0.27
	Increase of public administration employees registered in HRMIS	Department of Public Administration annual report	0%	All central administration and 50% of local administration	100% of central and local administration	As of 31.12.2020 HRMIS contains personnel files for 60,222 for 831 institutions

Financing Agreement/Programme reference	Indicator for sector Democracy and Governance	Source	Baseline	Milestone (2017)	Target (2020)	Value (2020)
	Increased number of state administration institutions who maintain a document registry and database	Annual report of Commissioner of Data Protection and Right to Information	n/a	Central registry and 80% of state administration registers in place	All state administration institutions have and maintain registries in place	As of 31.12. 2019, 189 public authorities have published the register of requests and responses.
IPA 2015 Sector Reform Contract on Public Administration Reform *****	Adoption of full regulatory impact assessment (RIA) methodology and its increased application and quality	PAR Strategy implementation report			3.3 Full Payment: All impact assessments of important legislation prepared in 2019 receive a good average score for quality (PAR Strategy indicator 2a) Partial payment: At least 50% of impact assessments of important legislation prepared in 2019 receive a good average score for quality (PAR Strategy indicator 2a)	64% the average score for the quality of impact assessment of acts submitted for the approval to the CoM for the period January - December, 2019. This indicator is fully achieved.
	Increased rate of implementation of the	DoPA annual report for 2019 (prepared in			5.3 Full Payment: The Annual	The Annual Recruitment Plan for

***** Indicators reported in the AIR 2020 relate to 2019.

Financing Agreement/Programme reference	Indicator for sector Democracy and Governance	Source	Baseline	Milestone (2017)	Target (2020)	Value (2020)
	annual recruitment plan in line with the Law on Civil Servants and its secondary legislation	February 2020)			Recruitment Plan for 2019 is implemented to the rate of at least 90% (in line with the Law on Civil Servants and its secondary legislation) Partial payment: The annual recruitment plan for 2019 is implemented to the rate of at least 85%	2019 in the State Administration Institutions, part of the civil service defines 650 vacant positions. Until the end of the year, a total number of 771 positions were filled (119%). This indicator is fully achieved.
	Decrease in the proportion of final court decisions confirming unlawful dismissal of civil servants	DoPA Annual report	Data for 2018		7.3 Full Payment: The rate of final court decisions (taken in 2018) confirming unlawful dismissal of civil servants is reduced by 7% compared to the baseline of 2018.	According to the data, there is information on 35 cases for which the Court of Appeals has given a final decision during 2019, out of which 17 were in favour of the civil servant. Thus, the rate of unlawful dismissals is 48.57%, a decrease of 15.53% in comparison to 2018 (64.1%). This indicator is fully

Financing Agreement/Programme reference	Indicator for sector Democracy and Governance	Source	Baseline	Milestone (2017)	Target (2020)	Value (2020)
						achieved.
	Increased enforcement of the backlog of final court decisions in relation to civil servant appeals	DoPA annual report			8.3 Full Payment: 60% of the total backlog of final court decisions in relation to civil servant appeals is enforced by the relevant institutions.	From 2013 until 31.12.2019, there have been 242 executed court decisions and 122 still to be executed. Hence, the percentage of implementation of court decisions is 66.5%. This indicator is fully achieved.
	Increased number of public services provided at a higher level of automation	PAR Strategy implementation report			9.3 Full Payment: 150 public services provided at a higher level of automation. Partial Payment: At least 100 services are provided at a higher level of automation	For the period January - December 2019, 313 Services offered at a higher level of automation. This indicator is fully achieved.

Financing Agreement/Programme reference	Indicator for sector Democracy and Governance	Source	Baseline	Target 2020	Final Target	Value (2020)
IPA 2016 European Union Integration	Number of draft laws and by-laws	EC Annual Country Report	0	+ 10	+ 10 (2022)	N/A

Financing Agreement/Programme reference	Indicator for sector Democracy and Governance	Source	Baseline	Target 2020	Final Target	Value (2020)
Facility	National sector/inter-sectorial strategies adopted	EC Annual Country Report; IPA II Monitoring Committees; Implementation review of the National Strategy for Development and Integration (2015-2020)	22 (2016)	+ 5	+ 5 (2022)	The indicator for 2020 was met.
	Number of evaluations of EU funded projects and actions completed	IPA II Monitoring Committees	0 (2016)	+ 5	+ 5 (2022)	No evaluations of IPA II were completed in 2020 due to the impact of COVID-19 delaying the envisaged field missions of the Sustainability of EU-funded projects in Albania - Programme evaluation (FWC SIEA 2018 - RfS 2019/409-004). The ex-post evaluation has been completed in early 2021 and covers 17 IPA I actions. The launch of the mid-term IPA II IMBC evaluation has also been delayed but is expected in early 2021.
IPA 2017 European Union Integration Facility	% of implementation of the National Plan for European Integration	Regular NPEI implementation reports (MEFA); IPA monitoring committees	56.7 (January 2017)	90%	90%	87% (NPEI 2020-2022 for year 2020)

Financing Agreement/Programme reference	Indicator for sector Democracy and Governance	Source	Baseline	Target 2020	Final Target	Value (2020)
	Extent to which reporting provides information on the outcomes achieved	SIGMA 2015 Baseline measurement report and subsequent SIGMA monitoring/assessment reports	3 (2014)	6	8	N/A Principle 5 was not analysed in the 2019 Monitoring Report.
	Extent to which policy development process makes the best use of analytical tools.	SIGMA 2015 Baseline measurement report and subsequent SIGMA monitoring/assessment reports	2 (2014) "Only simplistic techniques are used (e.g. intermenstrual meetings and consultation with interested parties) but on a regular basis"	5 "Comprehensive ex ante analysis is carried out regularly".	5	N/A Principle 10 was not analysed in the 2019 Monitoring Report.
	Extent to which public consultation is used in developing policies and legislation.	SIGMA 2015 Baseline measurement report and subsequent SIGMA monitoring/assessment reports	2 (2014) "Regulation is in place that sets out clear procedures for public consultation, but its enforcement is sporadic or inconsistent".	5 "Regulation is in place that sets out clear procedures for public consultation. Its execution is regular and a mechanism exists to check the execution and its outcomes. Outcomes of consultations are also made public"	5	N/A Principle 11 was not analysed in the 2019 Monitoring Report.
	Gender Inequality Index	Global Gender Gap Report (World Economic Forum)	0.704 (2016)	0.725	0.725	0.769 (2020)
	World Press Freedom Index Score	Reporters Without Borders WPF Index	29.92 (2016)	24	20	30.25 (2020)
IPA 2018 EU Support for the Participation in Union Programmes and Agencies	Number of Programmes for which an International Agreement has been concluded	European Commission	N/A		9 (2020)	9 - Fully achieved

Financing Agreement/Programme reference	Indicator for sector Democracy and Governance	Source	Baseline	Target 2020	Final Target	Value (2020)

III.2. Rule of Law and Fundamental Rights

Financing Agreement/Programme reference	Indicator for sector <i>Rule of Law and Fundamental rights</i>	Source	Baseline	milestone	Target (2020)	Value (2020)
IPA 2015 Consolidation of law enforcement agencies - support to the Albanian State Police	Advancement in the IPA II Country Strategy Paper composite indicator for judicial reform, notably the average of the index for access to justice and judicial independence.	IPA II Country Strategy Paper	69.36 (2010)	73.29	87.94	No update for 2020 available.
	Advancement in the IPA II Country Strategy Paper composite indicator for fight against corruption and organized crime, notably the average of the index for global corruption and control	IPA II Country Strategy Paper	49.31 (2010)	59.92	72.66	No update for 2020 available.

Financing Agreement/Programme reference	Indicator for sector <i>Rule of Law and Fundamental rights</i>	Source	Baseline	milestone	Target (2020)	Value (2020)
	of corruption.					
	Annual increase of final convictions as per article 333 (Criminal Organizations) of the Criminal Code	Statistics for Progress Report	(2014) 0 convictions	Positive track record from baseline	Positive track record increase from baseline	0 convictions
	Annual increase of final convictions and sanctions as per article 257 and 257/a (Conflict of Interest and Asset Declaration) of the Criminal Code	Statistics for Progress Report	(2014) 7 convictions	Positive track record increase from baseline	Positive track record increase from baseline	0 convictions.
	Annual increase of final convictions on drug trafficking, as per article 283/a (Traffic of narcotics), and 284/a (Organizing and leading criminal organizations)	Statistics for Progress Report	(2014) Art. 283/a: 141 convictions Art. 284/a: 7 convictions	Positive track record increase from baseline	Positive track record increase from baseline	Number of final decisions of first instance court: 6, number of final decisions of first instance court non appealed: 6. Number of final decisions of appeal court: 6, number of persons convinced with final decisions of appeal: 5

Financing Agreement/Programme reference	Indicator for sector Rule of Law and Fundamental Rights	Source	Baseline	Target (2020)	Final Target (year)	Value (2020)
IPA 2016 Sector Reform Contract for the fight against corruption	Implementation of the Law on Whistle blowing and Whistle-blower Protection	HIDAACI	0	80% of external reports submitted by whistle-blowers in 2019 filed for administrative investigation and completed within the legal time limit		This indicator is fully achieved.
	Political party finances audited in line with EU/ACFA recommendations	Central Electoral Commission		Annual finance reports - and if applicable campaign finance reports - plus preliminary and final audit reports of the five biggest political parties are published by the CEC in line with amended Electoral Code and Law on Political Parties and followed up in line with the law (number of sanctions imposed and documentation of important instances thereof) Sufficient number of verifications of independent audit reports conducted by CEC and followed up as necessary (number of sanctions imposed and documentation of important instances thereof)		This indicator is fully achieved.

	Access to information for police and prosecution to improve efficiency of investigations	Police and Prosecutor		Police to have access to another database, while the Prosecution to have access to three databases (total nr of access to databases 31). Police to have access to the Notary Register. Prosecution to have access to the electronic register of Social Insurance Institute, electronic register for reimbursement of electronic prescriptions and register of insurance burden		Not achieved
	Number of financial inspections by the Financial Inspection Unit of the Ministry of Finance and Economy	Financial Inspection Unit of the Ministry of Finance		Carry out 100% financial inspections by March 2020		100% financial inspections carried out.
	Share of contracts awarded by negotiated procedure without publication of the contract	Agency of Public Procurement		The number of awarded negotiated procedures without prior publication versus total number of awarded contracts (electronic and negotiated procedures without prior publication) is less than 8 %.		The share of the number of contracts awarded through negotiated procedures, without prior publication, compared to the total number of contracts awarded is 3.2%. 100% achieved.
IPA 2018 Sector Reform Contract EU for justice reform in Albania	New Judicial institutions are established and operational	Ministry of Justice		The HJC and the HPC established in 2019,		Both institutions are established and are fully operational.

	Processing of complaints against judges and prosecutors within the legal provisions in place enhanced	HJI		Establish the High Inspectorate of Justice” in 2019		High Inspectorate of Justice is established and fully operational.
	Improved quality of performance for the School of Magistrates	School of Magistrates		A Methodology adopted by the School of Magistrate including three quality components (quality of curricula, quality of staff and quality of continuous training.		The methodology used by the School is well defined, including desk review and quality empirical research, all supported by international expertise. In cooperation with USAID Justice for All Project, a curriculum of initial vocational training for chancellors has been developed.
	Improved capacity for legal education by the School of Magistrates	School of Magistrates		Temporary or final solution for premises for the School of Magistrates with 10 classes provided. In case of temporary solution, the tender (construction, reconstruction, purchase or other) for the premises for the School of Magistrates is published.		The building "Pole of Justice" was inaugurated, and it accommodates justice institutions including: High Prosecutorial Council, High Judicial Council and the School of Magistrates, in a single location. The School of Magistrates is waiting for measures to be taken to designate the

						construction site and allocate the investment fund for its construction.
	Backlog of cases at the High Court is reduced	High Judicial Council		At least 6 out of 19 High Court judges appointed by the High Judicial Council.		23 candidates applied for the 4 announced positions, 4 of them stepped down and 11 were disqualified for failure to meet the formal legal criteria. The list of 3 candidates proposed for appointment to the High Court from the ranks of prominent jurists was submitted to the President of the Republic of Albania on 5.03.2020, who issued the respective decree on 11.03.2020. Following the appointment of three new judges in March of this year, the minimum legal conditions have been created for the High Court to start performing a significant part of its judicial function.
	Use of alternative non-custodial means of	HJC and HPC		Three percentage point increase for 2019		Referring to the target set for 2019 for

	conviction enhanced			compared to the data for 2017		indicator 6, the number of alternative sentences for 2019 has increased by 9.8% compared to 2017.
	Free legal aid services are functional	Ministry of Justice		95% for primary legal aid and 40% for secondary legal aid		Annual rate of primary legal aid (96%). Annual rate of secondary legal aid - 93%.
IPA 2018 Action Programme for Albania “EU for Rule of Law - Fighting organized crime and drugs”	CSP: Progress made towards meeting accession criteria	EC Annual Country Report	Some level of preparation (2018)	Progress	Progress	Fight against organised crime - The country has some level of preparation in implementing the EU acquis in this area. Good progress was made in meeting last year’s recommendations (EC Country Report 2020)
	Number of criminal proceedings concerning organised crime cases	GPO Annual report	5 (2017)	7	15	Data for 2020 not yet available.
	Number of detected illegal acts on the borders	ASP Border Police reports	226 (2017)	300	400	Data for 2020 no yet available.
	Number of plants of cannabis eradicated	UNODC Drug reports INSTAT data	4634 (plants identified in 2015)	2000	1000	Data for 2020 not yet available.

III.3. Environment, Climate Action and Energy

Financing Agreement/Programme reference	Indicators for sector	Source	Baseline (2014)	Target 2020	Target (final year)	Value 2020
<i>COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2016</i>						
Action 5. Support to the Water Management Sector Priority Area 1 – Integrated water management	Staffing not completed (2015) River basin agencies	General Directorate of Water Administration annual report	Staffing not completed (2015) River basin agencies		Staffing completed All functions ensured	The recruitment of staff continued throughout 2020; all 4 RBAOs are now staffed and functional. DoPA is finalizing the recruitment process for the remaining vacancies in WRMA. As of 31.12.2020 RBAOs have 31 employees and 9 vacancies.
	Plan of progressive approximation of EU legislation	WRMA MIE	-	-	Approximation plan endorsed by authorities	The EUSIWM experts in cooperation with the WRMA-based legal working group drafted the new legal framework on integrated water management. Fully compliant with EU Water Directives, the new legal acts were prepared following a two-phased approach: (i) Assessment of approximation level for the national existing

Financing Agreement/Programme reference	Indicators for sector	Source	Baseline (2014)	Target 2020	Target (final year)	Value 2020
						legislation (Gap Analysis); (ii) Transposition of nine EU water-related Directives into the national legislation. A Roundtable on the Transposition and Implementation of Water Legislation on 24 November 2020, organised by WRMA and fully supported by EUSIWM to present and introduce the new legal developments to the water sector stakeholders.
	RBMP prepared for selected river basins;	WRMA MTE RBAO	1 basin (2015) (Mati river)	3 basins (Mati, Drin-Buna; Semani)	5 basins	3 RRBPs The Drin – Bunë River basin management plan approved by DCM No. 849, dated 4.11.2020 The Seman River basin management plan approved by DCM No. 453, dated 10.06.2020.
	River basin authorities capacity of operation and monitoring increased	WRMA MTE RBAO	-	-	4 basins Following the recent institutional changes on 2018, the river basin offices (6) are merged into four water basin administration offices.	Under the implementation of EUSIWM, a detailed training programme for the RBAOs and for the WRMA were developed. Training programmes

Financing Agreement/Programme reference	Indicators for sector	Source	Baseline (2014)	Target 2020	Target (final year)	Value 2020
						performed during September-December 2020, for the Mati/Ishem/Erzen Offices
	Budgetary framework geared towards river basin management updated, the tariff structure is reviewed and enforced	WRMA, MEI RBAO	-	-	Budget mechanism approved	DCM no. 993, dated 9.12.2020 “For the approval of tariffs for the use of water, cross-border waters, administrative payments for the discharge of water and their reuse “.
Priority Area 2: EU Support to Wastewater management and treatment services	Number of KPI-s improved for the selected utilities Council Directive 91/271/EEC of 21 May 1991 concerning urban waste-water treatment Commission Decision 93/481/EEC concerning formats for the presentation of national programs as foreseen by Article 17 of Council Directive 91/271/EEC	MIE, WRA	63 (2013) 4	Strategy on water supply and sewerage sector 2019-2030 Water supply and sewerage sector Master Plan, up to 2040	National program for implementation of the UWWTD Directive on midterm perspective	Draft strategy on water supply and sewerage sector 2019-2030 Draft on water supply and sewerage sector Master Plan, up to 2040
	Setting up and operation of the new agency	MIE	(2015) Agency not established	Agency set up and working satisfactorily Positive trend ⁷ in operation and performance of the agency	Agency set up and working satisfactorily Positive trend in operation and performance of the agency	AKUM was established by DCM No.504 dated 06.07.2016. Strategic Development Plan 2020-2025 approved.

Financing Agreement/Programme reference	Indicators for sector	Source	Baseline (2014)	Target 2020	Target (final year)	Value 2020
						New internal regulation, Job Descriptions, Manual of Procedures adopted in 2020.
	Existence of a plan for compliance with EU UWWTD, including estimates of investment costs, with specific focus on WWTP along the coast	MIE	No plan	Plan produced for the selected utilities	Plan produced for the selected utilities	Study on the implementation of the UWWTD completed. 4 out of 6 Training Workshops on UWWTD implementation organized.
	Quality of WWTP effluent discharged for the selected water utilities	MTI, WRA, Water and sewerage utilities	DSIP on Urban Waste Water Treatment Directive 91/271/EEC. INPAEL project. 2009.	Positive trend of aggregate indicators	National program for implementation of the UWWTD Directive on midterm perspective	Monitoring plan/program of effluent discharges at the point of discharge Reporting on the monitoring results Investment strategy for environment and climate change
	Number of awareness events on EU water management principles	MIE, Local governments	No data	Positive trend measured (surveys)	Positive trend measured (surveys)	The COVID-19 pandemic has affected this indicator in 2020 hampering physical awareness events; there has been an increase in online presence, also for WUs. Video campaign for children organized with schools. Open days in 7 coastal cities
	Cost coverage/willingness to pay for water/ waste	MIE, Local governments	No data	Positive trend measured (surveys)	Positive trend measured (surveys)	The ToRs and tender procedures for follow-up survey Public readiness

Financing Agreement/Programme reference	Indicators for sector	Source	Baseline (2014)	Target 2020	Target (final year)	Value 2020
	water services in the territory covered by the selected water utilities					to pay more on improved Waste Water (WU) services in target WUs completed. Preparation of survey questionnaires and methodology. Conducting survey in 11 cities.

III.4. Transport

Financing Agreement/Programme reference	Indicator for sector [Transport]	Source	Baseline	Milestone (2017)	Target (2020)	Value (2020)
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2016 Action 6. Sector reform contract for transport sector	1. Number of legislations approximated and adapted to EU	MIE	13 legislation in road transport adopted and published (2014).	16 legislation published	18 legislation published	This indicator is fully achieved. Order of Minister of Infrastructure and Energy no. 196 of 09.07.2020 “On implementation of Regulation on the Union guidelines for the development of the trans-European transport network”. (OJ of the Republic of Albania no. 136 of 21.07.2020.

Financing Agreement/Programme reference	Indicator for sector [Transport]	Source	Baseline	Milestone (2017)	Target (2020)	Value (2020)
	2. Share of works supervision contracts which include the requirement for providing confirmation on adherence to technical specifications quality and quantity control records into the supervision reports and are time based (instead of lump sum).	ARA Procurement and Contracting Departments	0% (2015)	New Procurement law approved and in force, requiring works supervision time-based payment conditions (instead of lump sum) and supervision progress report to confirm adherence to technical specifications and contain quality and quantity control records	Data 2020, assessment in Q2 and disbursement by Q3 2021 100% of the supervision contracts published in 2020 include quality and quantity control reporting requirements and time based payment conditions	Although the supervision contract that ARA enters into, considers time based payment (the time sheets for each of supervisor's staff are submitted together with IPCs) and the supervision progress report includes all records on quality and quantity checking record, attached to IPCs, in order for this indicator to be meet a change in the procurement law is required. In regards to the possible amendments to the procurement law, MIE has consulted with the Public Procurement Agency, requesting changes in the procurement legislation in order to provide payment for supervision works on the basis of hours worked (instead of fixed-term contracts). After discussion it was

Financing Agreement/Programme reference	Indicator for sector [Transport]	Source	Baseline	Milestone (2017)	Target (2020)	Value (2020)
						<p>defined that the tariffs for the supervision service are not defined in public procurement legislation, but are regulated by specific legislation, namely DCM no. 354, date 11.05.2015 “On approving the tariffs of the manual for territorial planning services, design, supervision and certification of acceptance”.</p> <p>A change in the law may not be needed. An amendment to Council of Ministers decision DCM 354 of 11 May 2015 would be sufficient. No such amendment has yet been made but a special ad hoc working group, established in 2019, continues to work on the matter.</p> <p>The target required that all supervision contracts entered into during 2019 and 2020 must be time-based in</p>

Financing Agreement/Programme reference	Indicator for sector [Transport]	Source	Baseline	Milestone (2017)	Target (2020)	Value (2020)
						order to consider achieved; this target is almost certain to be missed in 2020 too. The secondary requirement of the indicator for better reporting of works progress, could be complied with, but in any case, this would not be enough to consider the target achieved, given that the contracts are not yet time-base. Not achieved.
	3. ARA Internal Audit is operational	ARA	Not in place	ARA Internal Audit Department is in place and submits a summary about its operation to ARA, MIE and MFE	ARA Internal Audit Department submits 2019 annual report to ARA, MIE and MFE covering systemic weaknesses on public procurement, contract management, arrears, control standards, quality assurance and implementation of previous audit recommendations.	ARA Internal Audit Sector established and started its activity on July 2017 and since several audits missions carried out and reports produced. The Internal Audit Department of the Albanian Road Authority (ARA) is continuing the "Compliance Audit" all regions. During the assessment mission, the reports was made available to

Financing Agreement/Programme reference	Indicator for sector [Transport]	Source	Baseline	Milestone (2017)	Target (2020)	Value (2020)
						the Consultant for an in-depth analysis. This indicator is fully achieved.
	4. Number of Black spots in the National Road Network	ARA	191 (2014)	175 black spots in the National Network	150 black spots in the National Network	The definition of the black spots lead to discussions last year on the existing number of the black spots on the national road network and the elimination of the black spots. The list of the black spot elimination should include those eliminated only by the physical intervention on the road. During 2020, the Albanian Road Authority has carried out a number of safety improvement works and successfully eliminated lack spots along the national road network. In that, a large volume of Improvement works involving preparation of the design and the intervention on simple intersections have been executed through Work

Financing Agreement/Programme reference	Indicator for sector [Transport]	Source	Baseline	Milestone (2017)	Target (2020)	Value (2020)
						During this year (2020) ARA has completed the elimination of 10 black spots the detailed design to eliminate 10 black spots under the design project prepare by the IPA 2016 project “ Technical Assistance for Improvement of Standards of Road Safety “ project. Co-financing of Albanian government of IPA 2013 road safety fiche). Partially achieved.
	5. Length (Kilometres) of national road network covered by ITS systems in operation	MIE-road safety department & ARA	0 km (2015)	The instruction "On the framework for the deployment of Intelligent Transport Systems in the field of road transport and for interfaces with other modes of transport" which partially approximate Directive 2010/40/EU, is approved.	200 km of the National Network are covered under the operational ITS	For 2020 the focus was on the implementation of this system. The Intelligent Transport Systems are extremely complex as they are a series of components that need to be integrated. ARA would administer the ITS, as well as the traffic control monitoring centre which is incorporated in the GIS system that ARA already has. To

Financing Agreement/Programme reference	Indicator for sector [Transport]	Source	Baseline	Milestone (2017)	Target (2020)	Value (2020)
						date, two contracts have been concluded, regarding the traffic monitoring system and vehicle weighing system Not achieved.
	6. Length (km) of national roads updated as a result of Road Safety Inspections (RSIs)	MIE-road safety department & ARA	0 km (2015)	Certification of RSI auditors / inspectors completed	600 km of national roads network inspected and RSI report completed.	The road safety auditors throughout 2020 carried out a number of inspections along the national roads. Accordingly, the report was prepared and issued for each road section that was inspected. This indicator is fully achieved.
	7. Length (km) of the National road network with status in good condition	ARA/MIE	1200 km of the National Network (2015)	1218 km of the National road network with status in good condition	1420 km of the National road network with status in good condition	Based on the World Bank's Project "Results and Safety - Based Road Maintenance" (RRMSP), contractors have carried out measurements for calculating IRI and FWD for all segments covered by Output Performance Road Contracts. The Albanian Road Authority, through its the Directorate of

Financing Agreement/Programme reference	Indicator for sector [Transport]	Source	Baseline	Milestone (2017)	Target (2020)	Value (2020)
						<p>Construction and Maintenance with its own budget performs inspection on the road classification. According to the collected information through ARA and the WB project working in the road maintenance there are high chances that the target will be met.</p> <p>The OPRC contractors (World Bank project) have made extraordinary efforts in continuing data collection throughout the road network despite the ongoing Force Majeure situation caused by the COVID-19 crisis. Thus despite a slight delay, the target for 2020 is considered achieved. (Source of data: The supervisor of the World Bank Maintenance Project and the supervisors of maintenance contracts of the three Regional</p>

Financing Agreement/Programme reference	Indicator for sector [Transport]	Source	Baseline	Milestone (2017)	Target (2020)	Value (2020)
						Directorates.)
	8. Length (km) of roads (National roads network) yearly surveyed, including inventory and status of the relevant components	ARA	0 km (2015)	1500 km surveyed	3000 km surveyed	Under the four OPRC contract co-financed between the The World Bank's Maintenance Project (RRMSP) project includes in its contract ongoing field investigations to provide all the information needed to update the data on road assets throughout the lifespan of the project. The GIS system has been installed for the inventory of the national road network including all the road elements. So far in this system has been upload, the lengths of the axes of the national road network, as well as the widths of the roads have been laid. After collecting these data, they will be uploaded into the GIS system, in order to create a data log for the entire National Road Network and its elements.

Financing Agreement/Programme reference	Indicator for sector [Transport]	Source	Baseline	Milestone (2017)	Target (2020)	Value (2020)
						The Albanian Road Authority, through its the Directorate of Construction and Maintenance performs inspection with its own budget regarding the inventory of the road and its components. This indicator is fully achieved.

III.5. Competitiveness and innovation, agriculture and rural development

Financing Agreement/Programme reference	Indicator for sector	Source	Baseline	Target (2020)	Final Target	Value (2020)
<i>COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2016</i> Action 7: Support to Food Safety, Veterinary and Phytosanitary Standards	Progress made towards meeting the accession criteria	Progress reports	Albania has some level of preparation in food safety, veterinary and phytosanitary policy. (2015 report)			Albania has some level of preparation in this area. Albania made some progress in implementing relevant measures in the food safety and veterinary sectors, as well as in the animal register. However, so far, the restructuring of the veterinary sector is still to be

Financing Agreement/Programme reference	Indicator for sector	Source	Baseline	Target (2020)	Final Target	Value (2020)
						implemented. (report 2020)
	Total investment generated via IPA II in the agri-food sector and rural development (EUR)			-	104 million	Data not available, yet, as implementation has not gained momentum.
	Number of citizens affected by food borne diseases, health status of animals and plants	Public health report	3240 cases i.e. 0.1% of the population affected by severe cases (2014) Not mentioned in AD	-	Reduction by at least 30%	Data not available, yet, as implementation has not gained momentum.
	Number of staffs of the food safety, veterinary and phytosanitary services in place in accordance with the organigramme	Department of Human Resources reports; Ministry of Agriculture and Rural Development, Department of Public Administration (PAD)	18 Food safety (FS): 10 Phytosanitary (PH):3 Veterinary (VET):5 (2010) 2	-	36	During 2020 As per re-structured organigram of MOARD DCM no.150 dated 05.11.2020 Food safety (FS): 9 Phytosanitary (PH):3 Veterinary (VET): 7 (in 1 directorate of MARD) DCM.no. 683, date 2.9.2020 on National Authority for Veterinary and Plant Protection, PMO no. 165. Date

Financing Agreement/Programme reference	Indicator for sector	Source	Baseline	Target (2020)	Final Target	Value (2020)
						16.12.2020 "On the approval of the Structure and Organics of the National Authority of Veterinary and Plant Protection" (43 staff)
	Number of civil actions taken by consumers and their organisations	Media reports	2	-	5	Data not available, yet, as implementation has not gained momentum.
	Number of national legislative acts in the field of food safety, veterinary and phytosanitary standards aligned with the acquis.	Official Journal EC Annual report	FS: 5 PH: 3 VET: 1	-	FS: 12 PH: 14 VET: 8	During 2020 FS : Law No 16 of 12.2.2020 "For some additions and amendments to the Law No 9863 of 28.1.2008 "On Food", as amended Veterinary (VET): 1) Regarding the reform in the veterinary sector, the Law No 71 of 4.06.2020 "On some changes and additions to the Law No 10 465 of 29.9.2011 "On veterinary service in the Republic of Albania", as amended, was

Financing Agreement/Programme reference	Indicator for sector	Source	Baseline	Target (2020)	Final Target	Value (2020)
						<p>approved Plant Health (PH) The following legal acts were approved: The Joint Order of Minister of Agriculture and Rural Development and the Minister of Tourism and Environment No 1 of 10.3.2020 “On rules and measures for the treatment of wooden packages and pallets”. This joint order is partially approximated with the International Standards for Phytosanitary Measures ISPM 15 “On regulation of wood packaging material in international trade”;</p> <p>The Order of Minister of Agriculture and Rural Development No 26 of 22.1.2020 “On updating of the Order No 72 of 02.03.2017 “On approval of</p>

Financing Agreement/Programme reference	Indicator for sector	Source	Baseline	Target (2020)	Final Target	Value (2020)
						active substances of plant protection products". This order updated the list approved with order No 72 of 02.03.2017, 2 active substances for renovation of registration, 10 active substances for extension of registration and removing from the list 2 active substances
<i>COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2016</i> AD- Support to the fishery sector	Existence of fishery statistics on catch weight over estimated biomass of stock and on catch per unit of effort;	MARD report	No (foreseen to be performed under activity 1.2 (especially 1.2.3 and 1.2.4)	Not operational in 2016 and 2017	Yes	Data not available, yet, as implementation has not gained momentum.
	Economic performance expressed as net profit/total earnings	MARD report (survey based)	0.30 (as estimation of 2012)	Not operational in 2016 and 2017	0.324	Data not available, yet, as implementation has not gained momentum.

Financing Agreement/Programme reference	Indicator for sector	Source	Baseline	Target (2020)	Final Target	Value (2020)
---	----------------------	--------	----------	---------------	--------------	--------------

Financing Agreement/Programme reference	Indicator for sector	Source	Baseline	Target (2020)	Final Target	Value (2020)
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2017 Action 2: EU support to a tourism-led model for Local Economic Development	Doing Business - Distance to frontier (score) 1 (Best) - 100 (Worst)		(63.79 2010)			67.748 (2019)
	NSDI: - Direct contribution of Tourism to GDP (percentage of GDP)	WTTC	2016 – 8.4 %	9.4 %	9.8 %	8.49% (2018)
	NSDI: - Direct contribution of tourism to employment (percentage of total employment)	WTTC	2016 – 7.7 %	8.8 %	9.3 %	7.7% (2018)
	Average length of stay per tourist in target territories per year (nights)	INSTAT	(2016) Berat: 2,4 Fier: 2 Korca: 2 Shkoder: 3	3.5	5	N/A
	Number of tourists visiting CH/natural assets in target destinations per year	Municipal statistical data	(2016) Berat: 59,327 Fier: 35,000 / 182,000 Korca: 30,000 Shkoder: 200,000	Berat: 65,260 Fier: 238,700 Korca: 33,000 Shkoder: 220,000	Berat: 72.000 Fier: 262,600 Korca: 36,300 Shkoder: 242,000	N/A
	Number (with amount) of completed infrastructure investment projects supported by this action.	Project/programme reports	0(0 M EUR)	2(8 M EUR)	10(40 M EUR)	N/A

Financing Agreement/Programme reference	Indicator for sector	Source	Baseline	Target (2020)	Final Target	Value (2020)
	Number of innovative start-ups created (disaggregated by women-led)	Project/programme reports	0 (of which W-led:0)	60 (of which W-led: 20)	140 (of which W-led: 50)	There is as yet no formal definition of a start-up in Albania or a Start-up register. A start-up is considered as a business entity not older than 5 years (for the Challenge Fund: 3 years), with the potential for scalability and an innovative business idea, approach, service or product. - OECD-Eurostat,2005 Baseline Study September/October 2019 - number of operating start-ups in Albania: 257. An end-line survey will be conducted in Autumn 2021.
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2018 Action 5: EU for Economic Development - Tourism-led Local Economic Development,	Number of tourists visiting CH/natural assets in target destinations per year	Municipal statistical data	(2016) Berat: 59,327 (Castel Fier: 35,000 (Apollonia and beaches); 182,000 (Divjake National Park) Korca: 30,000 average Shkoder: 200,000 (including Velipoja sun	Berat: 65,260 Fier: 238,700 Korca: 33,000 Shkoder: 220,000	Berat: 72.000 Fier: 262,600 Korca: 36,300 Shkoder: 242,000	N/A

III.6. Education, employment and social policies

Financing Agreement/Programme reference	Indicator for sector	Source	Baseline	Target (2020)	Final Target	Value (2020)
<p>COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2019 Action 5. Sector Reform Contract for Employment and Skills - complementary technical assistance –indirect management with Albania (TA)</p> <p>“Technical Assistance to Support the Reform on Employment Policies and Vocational Education and Training”</p>	<p>1. Labour market participation and employment is increased, especially for women and youth</p> <p>2. Marginalized and disadvantaged population are better included in the labour market and in the VET system</p> <p>Employment rate of population of 15 to 64 years, total %</p> <p>Employment rate of population of 15 to 29 years, youth</p> <p>Gender gap in employment of 15 to 64 years</p>	<p>• EU progress reports • Policy documents and national strategies prepared by GoA • Reports of international donor organisations • INSTAT data and reports • Eurostat data and reports • Reports prepared by social partners and NGOs • Progress Reports on NESS 2019-2022</p>	<p>Labour force participation rate 69.8% (Q3/2020)</p> <p>• Employment rate of population of 15 to 64 years, total % 61.3% (Q3/2020) • Employment rate of population of 15 to 29 years, youth % 42.3% (Q3/2020) • Employment rate of population of 15 to 64 years, total % for women 54.2% (Q3/2020)</p>		<p>Labour force participation rate 69.6% (NESS 2019-2022)</p> <p>Employment rate of population of 15 to 64 years, total % • 61.5% (NESS 2019-2020)</p>	No data available yet.

III.7. Territorial Cooperation and Regional Cooperation

The indicator tables for Cooperation are included in the individual Programme Annual Implementation Reports.

IV. OVERVIEW AT THE ACTION LEVEL

IV.1. Democracy and Governance

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2014	Action 2: European Union Integration Facility	Support for the implementation of Population and Housing Census 2020 activities in Albania (direct grant) – under implementation	<ul style="list-style-type: none"> - Detailed analyses of pilot findings were prepared; - Census revised questionnaires finalized; - CAPI applications revised; - IT staff trained with an intermediate and an advanced course on CSPro; - The Census mapping and geospatial activity for pre-enumeration phase has continued. 90 % of EAs geospatial information 	Most of the Census activities have been delayed due to the pandemic situation. All experts' missions and activities were postponed due to the 3-month suspension of the TA contract. In this regard, parts of activities such as expert missions/workshops have been conducted remotely to avoid further delays or	<ol style="list-style-type: none"> 1. As a result of the COVID Pandemic there is a risk that technical assistance from abroad cannot be provided resulting in delays or reduction in quality in the multiple census project; 2. Possible problems in the development of the CAPI application due to the change of the CAPI application platform switching from Survey Solution to CSPro; 3. Delays on the 	<ol style="list-style-type: none"> 1. For any TA support which cannot be delivered remotely INSTAT will try to conduct on site missions with appropriate protection measures and quarantine (on return) rules. 2. Four tests regarding the CAPI application are planned to be conducted in the period March-June 2022. 3. INSTAT will

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			<p>has been edited up to 31.12.2020.</p> <ul style="list-style-type: none"> - A dedicated Census web-page under INSTAT official web site was developed and filled in with information, news and activities implemented from the start of the project. - Census Law approved by Parliament on 26.11.2020 (Law no.140/2020, published OG 28.12.2020) - INSTAT staff trained on management and grant implementation procedures and reporting; -Workshop on project management procedures and controls, including 	affect the quality of the implementation of the Census activities.	<p>implementation of Census activities if there is not a timely approval of the revised Census budget and action plan;</p> <ul style="list-style-type: none"> 4. INSTAT HQ staff absence due to COVID -19 infections/quarantine and isolation requirements; 5. Force majeure; 6. Staff turnover. 	<p>seek commitment from EUD and CFCU for the approval of the revised budget and action plan submitted on 2nd of December 2020, in due time. Also, meetings with the CFCU and EUD to address the problem and discuss potential consequences will be held.</p> <ul style="list-style-type: none"> 4. Provide remote working and video calling facilities, and ensure that the workplace is COVID-safe. 5. Ensure near-term planning, backup procedures and keep everyone informed on the project implementation. 6. Ensure work continuation by the segregation of duties

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			<p>project planning, monitoring and risk management systems carried out.</p> <p>-Four day study visit organized for the methodology team at NSI of Czech Republic, in January 2020;</p> <p>- SIM Cards and mobile internet 4G for pilot Census were purchased;</p> <p>- IT hardware and software for Publication and Dissemination Unit were purchased;</p> <p>-Server/Cloud for data storage” for computer and mobile application for map updating was purchased;</p> <p>- 272 laptops and some accessories funded by UNFPA</p>			<p>and tasks within the working team dealing with the implementation of Census activities. Relevant training delivery and learning by doing.</p>

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			were purchased;			
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2014	Action 2: European Union Integration Facility	Grant scheme - Support to civil society organizations 12 contracts completed in 2020	6 Final Technical Reports approved. I grant contract closed with final payment disbursed.	One problem is related to the low capacities of Albanian CSOs in implementing the grant contracts, in particular related to the procurement procedures. Training for grant beneficiaries had been organized in 2019; in 2020, the CFCU organised on-line training sessions with the Support to the Albanian system for indirect management with the beneficiary country – IMBC to IPA units concerning procurement and implementation of grant contracts. Due to the COVID-19 pandemic some activities in the grants		The grant contracts have now been finalized but lessons learnt for future similar grant schemes include the provision of more training on implementation and procurement rules for beneficiaries.

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
				had to move to online modalities. The contracts were also extended on request of the beneficiaries.		
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2014	Action 2: European Union Integration Facility	Support in the Energy Efficiency Sector and the Renewable Energy Sources (RES) Development – under implementation	<ul style="list-style-type: none"> - the development and finalization of the website of the EEA; - completion of the first testing procedure for the certification of the first energy auditors, - preparation of draft Energy Service/Energy Performance Contracts templates; - preparation of the Balancing obligation scheme to the RES producers, finalization of the collection of data for hydro Power Plants (PPs), PV PPs and Wind PPs (and the draft relevant 	Delays in the implementation of activities due to the impact of the COVID—19 pandemic, international experts unable to travel to Albania and restrictions on face-to-face meetings. Remote modalities are used.		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			map), collection of data of all RE Power Plants, the transmission network and respective substations, initial identification of all institutions involved in RES development and integration and the degree and method of their involvement.			
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2014	Action 2: European Union Integration Facility	Technical Assistance in carrying out effective market surveillance in line with the acquis (service contract) – under implementation	The improvement of product safety and reliability legislation in the field of Legal Metrology; - The increased knowledge and awareness of employees of the MSI and DoED of MoFE in new principles of market surveillance gained during the Study Visit to EU MS authorities; - Increased knowledge	Delays in the implementation of activities due to the COVID-19 pandemic.		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			and awareness and strengthened capacities of MSI employees to perform market surveillance activities in particular product fields through trainings and assistance in drafting guidelines; - An increased understanding and awareness of the importance of Market Surveillance for the promotion of product safety and reliability and consumer protection in society			
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2014	Action 3: Support to public administration reform	The service contract "Implementation of civil service reform across the public administration" is under implementation.	- Policy Paper on the new salary reform for the civil servants - Improving and further enhancing the harmonization of job descriptions based on successful practices and lesson learned,	The project implementation was significantly delayed from mid- March due to the COVID-19 pandemic. The project resumed with remote working modalities as follows:	The prolongation of the pandemic and its impact means the measures adopted shall continue for the foreseeable future.	DoPA has taken some mitigation measures to manage project risk effectively and to ensure the successful implementation of the project such as: 1. Continuous and intensive

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			<p>adapted to the civil service legislation of Albania and the spirit of the career system.</p> <p>3. More clarity in the main work processes in the Line Ministries through the design of a methodology for determining processes' workflows associated with the respective needed document management and preparation of a manual of procedures.</p> <p>4. Improvement of two important processes in the civil service i.e. the performance appraisal process through the preparation of the Manual for performance appraisal and job classification</p> <p>5. Unification and</p>	<p>1. DoPA approves the monthly home-based working plan for the international experts.</p> <p>2. Regular online meetings with the experts in order to discuss issues & documents</p> <p>3. A flexible approach towards the extension of the timeframes for some activities/sub activities.</p> <p>4. Re-conceptualize/prepare new approach/scenario for the implementation of some planned activities such as workshops, coaching sessions, trainings and study visits.</p>		<p>communication with line ministries and LGUs, LGU association. Capacity building and cooperation enhancement activities to facilitate the reforms.</p> <p>2. Establishing and maintaining continuous communications and relation with the key institutions involved.</p> <p>3. Setting deadlines and monitoring their implementation.</p> <p>4. Extending the duration of activities affected by the quarantine within the existing project timescale and take measures to develop some of the activities and meetings online. This has demonstrated</p>

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			standardization of Human Resources management procedures in the civil service (local and central level) through the upload of legal basis, templates, modules in the integrated communication platform adminitrata.al and their extended use.			the need for proactive risk management and flexibility and adaptability.
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2015	Sector Reform Contract for Public Administration Reform (PAR)	Under implementation.	The Albanian Government continues to be committed to implementing public administration reform as one of the five key priorities related to European Union integration and with the competencies of the public administration reform process under the responsibility of the	The Department of Public Administration periodically monitors and reports on the work towards the achievement of the indicators. The following challenges have been identified that need to be addressed in order to have better compliance: 1. Increase capacities	In order to extend the generation of payroll to the whole public administration, including local level, an upgrade of the HRMIS to face the raise in the data population is required. Moreover, due to the LGU's way of financing and their specific formats in the salary system that are	

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			<p>Deputy Prime Minister, there is a greater political weight and emphasis on PAR, thus ensuring the pursuit of the highest-level political dialogue in the sector. In this regard the main achievements have been:</p> <ol style="list-style-type: none"> 1. More than 90% of implementation of the annual recruitment plan in line with the Law on Civil Servants and its secondary legislation, overachieving the target set for the specific indicator. 2. Progress has been made in making the HRMIS operational and enabling the generation of staff salary and payroll reports for the state 	<p>of the Policy and Strategic Planning units across the state administration institutions to improve the quality of draft policies and ensure coherent strategic framework for the further reforms across all sectors.</p> <ol style="list-style-type: none"> 2. Strengthen policy monitoring and particularly policy evaluation capacity in both line ministries as well as in the centre of the government in order to ensure that - the implementation of reforms is thoroughly analysed using advanced analytical tools and techniques, - the progress towards achieving the policy goals is evaluated, 	not directly comparable to the state administration institutions, the harmonisation of the latter needs efforts and time.	

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			<p>administration institutions. Furthermore, work has been intensive to enhance the capacity of state administration institutions in using the HRMIS, with HR and finance employees being trained yearly by DoPA.</p> <p>3. Significant efforts have been made to support the state administration institutions in the implementation of the final court decisions, thus ensuring a higher percentage of implemented court decision. DoPA has been assisting, guiding and supporting the institutions on the matter.</p>	<p>- the revision and drafting of new policies is evidence-based and takes into account the evaluation results.</p> <p>3. Information on the number of final court decisions is not complete, making it difficult to assess the compliance of the related indicator. To address this issue in September 2018, DoPA launched an electronic platform which aims not only to collect data for DoPA but also serves as a tool for data collection and analysis for the state institutions themselves. Measures have been taken to ensure the functioning of the new system and</p>		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			<p>4. Increase in the number of public services provided at a higher level of automation</p> <p>5. Increase in the requests for information dealt with according to the Article 15 of the Law.</p>	<p>work continues to ensure that all institutions upload their judicial data.</p> <p>4. Even though progress has been made towards the generation of payrolls through the HRMIS, this indicator was not met. In order to address this issue, DoPA in cooperation with NAIS, plans to conduct a self-assessment exercise after reaching the level of 100 state administration institutions using the HRMIS for generating payroll reports. DoPA and NAIS gathered considerable experience in 2018 and the HRMIS payroll module has been improved to</p>		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
				<p>accommodate various specific individual cases. The self-assessment is meant to analyse the previous work experience and to build the further efforts on the lessons learnt. Furthermore, the self-assessment is also supposed to analyse if all specific features and specific individual cases of pay systems have been included in the HRMIS software. The conclusions of the self-assessment would help to plan and design further software improvements.</p> <p>5- Due to the number of institutions that currently generate payroll reports and the continuous trainings</p>		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
				that need to be held to include even more institutions, the Unit currently dealing with the HRMIS lacks in human resources to afford all the work. To address this matter it will be requested and discussed with NAIS the expansion of this unit. Albania has demonstrated the continuation of the improvement of the functioning and capacities of the public administration during 2019 but d the post-earthquake and Covid-19 context have slowed down the progress undertaken in public administration and public finance management. In order to support the efforts		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
				of the Albanian administration to respond to the health, social and economic crisis caused by the earthquake and the COVID-19 crisis, Annex IA "Sector Reform Contract (SRC) for Public Administration Reform (PAR)" of the Financing Agreement was amended; three indicators, specifically: Indicator 1 "Increased share (ratio) between total funds estimated in the last five adopted sector strategies and total funding identified for the corresponding sectors within the MTBP", indicator 2 "Increased annual rate of implementation of the		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
				National Plan for European Integration” and indicator 4 “Increased quantity of legal acts which have passed through an extensive public consultation process and show evidence of involvement of the public and stakeholders in the process” were suspended. The funds related to those indicators were reallocated to indicators that were not affected by the crisis.		
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2015	European Union Integration Facility	Enhancing the Bank of Albania’s alignment with EU Acquis (Twinning) – under implementation	- In the area of Supervisory and Macroprudential regulation, new provisions aligned with EU standards relating to capital adequacy have been	Due to the COVID-19 pandemic, the Twinning was suspended from 11th March -30th June 2020, prior to restarting on July 1st using		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			<p>introduced, including some post-COVID-19 EU provisions. Several recommendations issued by the European Systemic Risk Board were implemented, producing specific policy papers.</p> <p>- A new version of the Monetary Policy Report has been produced, and a statistical data warehouse for macroeconomic analysis and forecasting has been introduced. Monetary and financial statistics were refined and expanded and a more robust and efficient data management system implemented. Going beyond the</p>	<p>videoconferences and on-line platforms for the implementation of the activities.</p>		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			<p>expected results, a roadmap for an integrated data-handling infrastructure has been designed.</p> <p>- The relevant provisions of the Payment Accounts Directive (PAD) were implemented, and significant progress was made towards the adoption of ECB standards in the domain of payment system oversight and in increasing awareness of cyber-risks in online payments. A roadmap was drawn up for adapting the Albanian payment system to the Eurosystem's TARGET2 platform; in addition, indications was given</p>			

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			<p>on a possible adaptation of the IP towards a system like TIPS.</p> <ul style="list-style-type: none"> - As regards the BoA's organization, an upgrading of the Internal audit manual, and a review of the HR functions were made in order to harmonize them with ECB/ESCB standards. - A brand-new HR manual was produced to enhance the capabilities of the HR Department, in line with best ECB and international standards. On the role of the European Integration Office, a comprehensive policy paper was drafted, with a wide range of recommendations concerning the BoA's 			

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			European integration process.			
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2015	European Union Integration Facility	Support to the Albanian Competition Authority (ACA) to increase skills for planning and conducting inspections and solve competition cases and capacity building actions in order to prepare accession negotiations (Twinning) – completed	<ul style="list-style-type: none"> - Legal Framework and approximation with the EU legislation improved through assistance for the revision of the Law no. 9121/2003 “On protection of competition” in line with EU legislation, drafting of secondary legal legislation, improving the methodology and techniques of legal approximation of the national law with the EU Acquis of ACA’ staff and Regulatory Impact Assessment, State Aid and Advocacy Regulatory Framework - Administrative capacity of the ACA strengthened 			

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			<p>regarding the fight against Cartels, merger control, best practices and the recent methodologies used by EU Competition Authorities with regard to General Data Protection Regulation, methodologies used in analyzing abuse of dominant position in exclusive rights cases, best practices and the recent methodologies used by EU Competition Authorities with regard to data gathering for market studies/sector enquiries</p> <p>- ACA's capacity to reach out to different relevant stakeholders increased, through</p>			

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			analysis of the effects of the recommendations of the Competition Commission and establishment of the right mechanisms to make them obligatory for central and local government/independent institutions /market regulatory bodies, strengthening relations with regulatory bodies for competition matters in different sectors of economy, awareness activities, increased competition culture in academia, education system, business environment, chamber of commerce, consumer associations, NGOs, legal firms and administration in			

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			central/local level.			
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2015	European Union Integration Facility	Support to the General Directorate of Standardization in aligning legislation and work procedures with the Union acquis and CEN&CENELEC criteria, aiming to prepare DPS to become full member of CEN&CENELEC (Services)	<ul style="list-style-type: none"> - Revision of the DPS internal regulations and work procedures for compliance with the CEN/CENELEC conditions for full membership; - assistance for revision of existing DPS documents and preparation of missing ones, including translation from Albanian to English for CEN-CENELEC auditing purposes; - facilitation of the active participation of Albanian economic operators and industry in technical work and in influencing the process of developing standards at European level; support for the National Standardization 	The contract was affected by the COVID pandemic and extended in order to address the delays in implementing activities.	The continuation of the pandemic will impact the smooth delivery of planed activities.	A further extension is necessary.

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			Strategy.			
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2015	European Union Integration Facility	Building capabilities of the Albanian Public Administration on free movement and fight against illicit trafficking of Cultural goods (Services) - under implementation	<ul style="list-style-type: none"> - Guidelines “on Conditions and Procedures of Licensing for Trading in Cultural Property”. - Guidelines “on the conditions and procedures for the international circulation, export and import of cultural property”. - Decision and its annexes “on the establishment and management of the stolen and smuggled cultural property database”. - Guideline on the inventory of cultural property, procedures and methods for its registration and cataloguing, according to paragraph 2, Article 56 of the law; 	The COVID 19 pandemic led to the approval of home-based days and has impacted on the planned delivery of activities; however, remote working practices have been adopted between the Key experts and the beneficiary and other institutions.		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			<ul style="list-style-type: none"> - Guideline on the functioning of the cultural database digital system, according to paragraph 8, Article 56 of the law; - Guideline on the establishment and functioning of the cultural trading register, according to paragraph 7, Article 116 of the law; - Guideline on update of the stolen goods database, according to paragraph 6, Article 130 of the law; - Common guideline on the cultural property objects subject to commercial activity for which a more detailed description is compulsory, in accordance with 			

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			paragraph 8 of Article 116 of the law.			
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2015	European Union Integration Facility	Support to civil society organizations for the implementation of capacity building actions to increase policy dialogue and awareness on European Integration process – Grant scheme (13 contracts) – under implementation	The majority of the grant contracts are ongoing.	The COVID-19 pandemic has significantly impacted on the activities and many have been delivered through online modalities. The majority of contracts have been extended due to consequent delays in implementation. Difficulties in contract implementation and procurement are also noted.		
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2017	European Union Integration Facility	Twinning Contract Support to the Albanian Customs Administration in Relation to the Implementation of the EU Customs Code and Increase of Operational Capacities in the Area	N/A – the contract started in November 2020			

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
		of Counterfeit Goods – under implementation				
		Twinning Contract “Strengthening the Protection and the Enforcement of Intellectual Property Rights” – under implementation	N/A – the contract started in October 2020			
		Twinning Contract “Institution-building for alignment with the Union acquis on the protection of personal data”	N/A – the contract started in October 2020			
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2018*****	EU Support for the Participation in Union Programmes and Agencies	Active participation in 9 programmes	The Albanian actors have an increased awareness towards these programmes and invest more efforts as relates to finding partners and networking in order to increase ensure	The National Contact Points (NCP) network needs to be strengthened. The level of responsibility and seniority of NCPs is not uniform. The NCP system does		Ensure “Continuity and New Momentum” - consolidating and continuing the legacy of the already - achieved results Work on preparing for the programming

***** Entry tickets were paid for 2019.

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			<p>competitive applications in Union Programmes. The Albanian actors have an increased awareness of these programmes and invest more efforts relating to finding partners and networking in order to increase competitive applications in Union Programmes.</p> <p>Albanian institutions managing Union Programmes in Albania have increased their level of involvement in terms of coordinating and organizing information and capacity building and networking events when calls for proposals are</p>	<p>not capitalise the networking potential of established connections to the full– there is still considerable room for improvement, and in particular in an active approach to promotion within network and project generation. Monitoring of participation should be more proactive – there is a need to adopt measures to receive more feedback from the community, either through incentives or compulsory measures.</p>		<p>process for the participation of Albania in the 2021-2027 cycle</p> <p>Maintaining focus on strengthening institutional capacity and capability to participate in Union Programmes and increase the local ownership of the process.</p>

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			launched. Generally, the level of participation has increased.			

IV.2. Rule of Law and Fundamental Rights

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2015	Consolidation of law enforcement agencies - support to the Albanian State Police – ASP/MoI Technical Assistance under direct management	Under Implementation	During 2020, PAMECA continued assisting the beneficiaries in carrying out all those activities which did not require direct contact.	Regarding some sub-activities under Component 4- Strategic planning and coordination capacities of direct beneficiaries they are postponed for the next	No problem identified	Close collaboration between the stake holders involved until the end of the implementation of this project

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
	implemented through PAMECA V,			reporting period due to the beneficiaries not committing staff on the grounds of their workload. Several activities were postponed due to the COVID-19 pandemic. The assistance on 2 components has been extended for 9 months.		
	Service Contract “Support to Anti Cannabis Strategy - Air Surveillance”	Completed – 13 January 2020	For 2019 the Italian side has these indicators; Total 94 Reports. - 44 monitoring reports (camera + sensor) - 50 Extra monitored reports (camera only). - 1098 suspected sites in total (coordinates). - 891 confirmed coordinates (sites) in which narcotic plants were found - 207 coordinates	There were no problems encountered. Under the project SANCAS (Cooperation with Albanian Authorities aimed at countering illicit cannabis cultivation) it was not possible to procure the geodata laboratory and the component for the Joint Investigation Team was not fully exploited by Albania.	Capacity building of the State Police to increase efficiency.	Increased air monitoring, more complete control of the territory especially in high risk areas. It is important to ensure a better use of the opportunities.

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			(locations) where no narcotic plants have been found - 25,639 plants annihilated. - 3350.136.59 km2, controlled surface. As part of the SANCAS 2019 project, the Guardia di Finanza has carried out: - 40 hours flight - about 165,870 hectares of supervised Albanian territory			
	“Consolidation of Law Enforcement Agencies, Support to the Ministry of Interior, Albanian State Police and Prosecutor Office” “Supply of vehicles for standard and specialized operations for the Albanian State Police”	Under Provisional Acceptance	Delivery of the vehicles LOT I. - 96 units of the two-wheel drive Vans delivered by the contractor on 06.02.2020. - 51 units of the four-wheel drive Vans delivered by the contractor on 29.04.2020.	Minor problems encountered due to unforeseen circumstances. Delays of approval of tender documents and in signing the contract. Extension of the period of the implementation of the tasks. Remedial actions have	Improve performance and increase technical readiness of the of the fleet of Albania State Police road transport vehicles.	Shortening the procurement and delivery process

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
				been taken in collaboration with the CFCU, contractor, ASP, MoI/IPA Unit, to avoid delays and implement the project as planned.		
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2016	Sector Reform Contract to support fight against corruption	Completed	4 indicators fully achieved as reported	Problems encountered during the implementation of indicator 3.3 of Sector Reform Contract in the Fight against corruption are high costs for access to required databases for 2019 and protection of personal data as a legal obstacle for accessibility in the required databases.		In terms of policy dialogue, areas that remain a priority are: improving the access to relevant electronic databases for law enforcement authorities; stepping up efforts in order to increase the number of financial inspections; further enhancing actions on preventing money laundering and countering terrorism financing (MONEYVAL), and stepping up efforts to fully and timely implement the FATF

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
						<p>Action plan.</p> <p>Furthermore, with regard to institutional capacities:</p> <p>The newly set up structure for anti-corruption within the National Coordinator against Corruption (NCAC)/Ministry of Justice is in need of adequate financial and human resources. In addition, effective cooperation between the newly established structures, including the specialised anti-corruption bodies, will have to be ensured.</p> <p>The link between policy planning and the annual budget allocation is crucial in order to ensure the financial sustainability of the</p>

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
						reform process, especially in the new Action Plan 2019-2023: costing of the policy and quantification of the financial gap should be better addressed. The capacities of the institutional framework to monitor and report on the implementation need to be improved, while the participation of all relevant civil society and oversight bodies in the implementation and monitoring of the activities needs to be enhanced.
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2018	EU for Justice Reform	Under Implementation.	The general criteria of the Sector reform Contract "EU for justice reform" is assessed as fully achieved, the specific	Two indicators were revised and the targets for 2020 were postponed for one year	Possible amendments of the targets for the indicators of the Sector reform contract "EU for justice reform"	During the first trimester of 2021 in collaboration with the institutions responsible for the implementation of the

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			criteria are assessed as partially achieved.			indicators will be drafted the amendments of the targets for the seven indicators of the Sector Reform Contract "EU for justice reform"
	Consolidation of law enforcement agencies - support to the Albanian State Police – ASP/MoI Supply Contract "Supply of vehicles for standard and specialized operations for the Albanian State Police.	Under Implementation	In November 2019, Contactor has delivered all the vehicles, 49 pcs - Mono brand off road four-wheel drive SUV - Land Rover Discovery. All the supplies delivered comply fully with the Technical Specifications (TS) of the Contract / Technical Offer in terms of quantities and nature of the supplies and they are available for use in ASP structures.	Minor problems encountered due to unforeseen circumstances. Delays of approval of tender documents and in signing the contract. Extension of the period of the implementation of the tasks. Remedial actions have been taken in collaboration with the CFCU, contractor, ASP, MoI/IPA Unit, to avoid delays and implement the project as planned.	Improve performance and increase technical readiness of the of the fleet of Albania State Police road transport vehicles.	Shortening the procurement and delivery process
IPA 2018 Action	Strengthening the	Under		Due to the COVID-19		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
Programme for Albania “EU for Rule of Law - Fighting organized crime and drugs”	capacity and efficiency of the Security Academy	implementation.		pandemic, some activities foreseen in the work plan have been postponed to take place in 2021. Other activities are conducted online		
	Capacity building for effective management of blue and green borders	Under implementation.	Two assessment missions on equipment needs conducted by ICMPD experts at the border crossing points. Evaluation Report consigned.	Suspension of activities from March-May due to the COVID-19 pandemic; the project resumed in June 2020.		Need to: a) allocate adequate trained staff for the operation of the newly provided equipment, b) enhance the logistical capacity of the Border and Migration Police and c) ensure proper budget allocation for the maintenance of the equipment donated by the EU.
	EU fight against drugs/support to Municipalities	Grant scheme launched.	The first call for project proposals was published in July 2020. The applications are under evaluation.			
	Support for the	Proposal under	During 2020, online			

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
	effective fight against organized crime with special investigative tools and forensic analysis	preparation.	meetings were held with representatives of the Spanish law enforcement agencies and the EU Delegation to discuss the project.			

IV.3. Environment, Climate Action and Energy

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2016	Action 5. Support to the Water management Sector	Under implementation				
		Component 1	Significant progress has been made regarding the capacities of WRMA and new staff were recruited to the four Water Basin Administration Offices (WBAO) becoming fully functional in 2020. All the sectors have been structured and the main positions are filled so EUSIWM was able to progress progress with the	The main challenges occurred were due to COVID-19 restrictions, considering that on-site work and daily / direct co-operation between AMBU and EUSIWM expert staff has been very limited. The intention is to (re)start full on-site project implementation after April/May 2021. Other problems were identified related to	Throughout 2020 the EUSIWM project focused mainly on ER 1 and 2 having regards to the COVID-19 restrictions on implementation of activities related to ER 3. Subsequently a reduction in the project activities has been present since March 2020 affecting as such the overall yearly performance of the project.	The Project Steering Committees made specific recommendations as follows: <ul style="list-style-type: none"> • stronger and closer cooperation between the EUSIWM project team and experts with the WRMA staff should continue; • further progress with activities under expected result 3 – capacity development and the needed support with technical

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			<p>capacity building activities also through online workshops. The River Basin Management Plan for Drin - Buna and the River Basin Management Plan for Seman, have been approved.</p> <p>The finalised (new) Draft Law on Waters (LoW), the Draft Law on Marine Waters and the 13 related draft Decisions of Council of Ministers (DCMs) were delivered to WRMA on October 2020 and translated into Albanian in December 2020.</p> <p>A draft RBMP framework report was presented to WRMA staff as a harmonised and EU WFD compliant template.</p>	<p>the implementation of Expected result 2:</p> <ul style="list-style-type: none"> • Data collection continued to be a major issue throughout 2020. Hydrometeorological data, rainfall data, groundwater quality/quantity and surface water quality data are key input requirements for a meaningful characterisation of the river basins. The WRMA has entered into an agreement to exchange and secure access to data with IGEWE (Institute for geo-science, energy, water and environment) who is known to be in charge of large data sets on both hydrometeorological 		<p>aspects related to the RBM process;</p> <ul style="list-style-type: none"> • the need to enhance the cooperation with relevant institutions for water in particular with National Environmental Agency for water quality monitoring data and identify possibilities for support.

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			Draft RBMPs prepared for the Ishem and Erzen RBs. The assessment of the water resources was completed in December 2020.	and rainfall data. <ul style="list-style-type: none"> • Data on water quality was limited due to the small number of operational monitoring stations • No recent INSTAT data available on population and social – economic aspects for the selected river basins; the official population data refer to the Census completed in 2011. In order to proceed with the characterisation, the EUSIWM experts considered an estimation of population figures as calculated for the purpose of water supply and sewerage analysis, at municipal level. • Limited data on irrigation (water) 		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
				<p>quantities provided by the Ministry of Agriculture.</p> <p>Estimations applied to continue with the analysis of water balance in selected river basins.</p> <ul style="list-style-type: none"> •Lack of data on protected areas and biodiversity. A dedicated local expert joined the EUSIWM team November 2020 to perform this assignment. <p>Regarding the implementation of Expected Result 3 the following problems were identified:</p> <ul style="list-style-type: none"> • Delays to finalise the CDP (Capacity Development Plan) Training Modules affected the delivery of outputs in due time to the beneficiary. 		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
				<ul style="list-style-type: none"> • Trainings w held virtually due to the COVID-19 pandemic. Regarding the implementation of Expected Result 4 the following problems were identified: • Contributions of the international expert has been limited since March 2020 due to contract amendment delays and days limited available to work from home. Limited response provided to WRMA requests on supporting the process of revision of tariffs and fees for water resources use. Alternative solutions being evaluated by EUSIWM project team regarding additional expertise to be procured to foster 		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
				the implementation of ER4 activities.		
		Component 2	The main central institution benefiting from EUSWAM is AKUM. This reporting year was quite active in terms of providing continuous support for functioning of the AKUM. A new Internal Regulation, Job Descriptions, Manual of Procedures, and New Strategic Development Plan 2020-2025 are in place and trained staff of AKUM are implementing their tasks based on these important documents. 4 workshops have been organised for implementation of the	The COVID-19 pandemic meant that some activities were carried out on-line. In terms of communication and visibility, specific attention was paid to enhancing the online presence of the institutions and local WUs.	Draft strategy on water supply and sewerage sector 2019-2030 Draft law on water supply and sewerage sector Draft Master Plan on water supply and sewerage sector, up to 2040	DSIP on Drinking Water Directive 98/83/EC

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			UWWTD. Under the BMZ financed programme, a new digital document management system is currently under implementation including a considerable package of hardware and scanners.			

IV.4. Transport

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
COUNTRY ACTION	Action 6. Sector	The transport sector	For the year 2019, 5	An ad hoc working		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
PROGRAMME FOR ALBANIA FOR THE YEAR 2016	reform contract for transport sector	was granted EUR 24 million from IPA 2016 "Sector reform Contract with focus in road/SRC" covering the years 2018 – 2020, by DCoM no 740 date 13.12.2017. SRC is in the third year of implementation.	indicators have been met fully and I indicator partially met out of 8 in the SRC.	group, established in 2019, continues to work on modifications to the DCM no. 354, date 11.05.2015 "On approving the tariffs of the manual for territorial planning services, design, supervision and certification of acceptance" to allow for time-based payment contracts. The Intelligent Transport Systems are extremely complex as they are a series of components that need to be integrated. ARA would administer the ITS, as well as the traffic control monitoring centre which is incorporated in the GIS system that ARA already has. To date,		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
				two contracts have been concluded, regarding the traffic monitoring system and vehicle weighing system.		
	Capacity Building for Public Private Partnership (PPP) Management Skills Development in the Albanian Transport sector	Completed	Capacities built of a pool of about 30 Albanian experts working in the public administration and related agencies from the MoEI; ARA; MoFE; Concession Treatment Agency; and Public Procurement Agency concerning Private Public Partnership financing methods in the road transport infrastructure construction, operation and maintenance through in-class training, on the job training and attended study visits.			

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
	Strengthening the capacity of the Albanian Road Authority in applying good governance practices for planning, managing, procuring, implementing and maintaining road investments	Under implementation.	<p>Component 1: assistance on the external public procurement legislation and providing trainings and guidelines on the best practices, tools to detect fraud and infringements and improve transparency in public procurements, and ii-) delivery of trainings and workshops on contract management, feasibility studies, strategic planning and programming etc.</p> <p>Component 2: elaboration of the Concept Paper on ARA reform and drafting of the Action Plan.</p> <p>Component 3, preliminary work on data analyses</p>	Some delays in implementation due to the impact of the COVID-19 pandemic and use of online modalities as applicable. Prioritisation of assistance to priorities in Components 1 and 2.		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			regarding ARA' inventory of road network and GIS system.			
	Technical Assistance for monitoring, communication and visibility of the Sector reform contract	Under implementation.	Production of 3 videos.	Need to adjust the communication strategy due to the COVID-19 pandemic with orientation to video production.		

IV.5. Competitiveness and innovation, agriculture and rural development

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
COUNTRY ACTION PROGRAMME FOR	Action 7 Support to Food Safety,	Under implementation,	- Initial Training Needs Analysis	Impact of COVID-19 pandemic has delayed		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
ALBANIA FOR THE YEAR 2016	Veterinary and Phytosanitary Standards		<ul style="list-style-type: none"> - sampling planning sub-projects - Supported 'Albania Works the Land' and International Food Safety Day events which generated opportunities for consumers to get more information on food safety matters - identification of the needs need for new framework laws (food, animal health, plant health & official controls) and support for legislative gap analysis. 	some activities. Need to instate a new Team Leader – acting Team Leader nominated.		
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2016	Action 8: Support to Fishery Sector	Under implementation,	<ul style="list-style-type: none"> The identification of AZA / Allocated Zones of Aquaculture completed; - organization chart for the fishery administration and including proposed tasks Report; 	Impact of COVID-19 pandemic has delayed some activities.		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			<ul style="list-style-type: none"> - Report on scientific data definition and overview on required resources for stock assessment and defining needed resources; - equipment needs assessment and TA support to the EUD in the set up of the technical specifications for the tender documents for the purchasing of the equipment for MARD to enable effective control by fisheries inspectors; - Grant Measure Scheme developed 			
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2017	EU support to a tourism-led model for Local Economic Development	Under Implementation	<p>Components 1 and 2:</p> <ul style="list-style-type: none"> - Scoping Study prepared by the EBRD identifying the potential investments to be financed 	Implementation of the project Components 1 and 2 were put at risk due to complexities in finalizing signatures of the Loan		<p>Activities need to speed up under Components 1 and 2 to ensure timely implementation.</p> <p>As regards the "Tourism-Led Model</p>

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			- consultancy service for the “Development of a private sector led Sector Skills Council (SSC) for Tourism and Hospitality was launched by the EBRD - ToRs for three tenders financed with IPA funds were prepared by the ADF and submitted for No Objection to EBRD. Component 3 – EU for Innovation:	Agreement and Grant Agreement which were resolved on 8 October 2020.		for Local Economic Development Support Programme" managed by the EBRD and implemented by the Albanian Development Fund (ADF), the MoFE should step up efforts to a) launch the tenders on technical assistance and mature infrastructure projects and b) finalise and approve the amending legal agreements of the Albania Agribusiness and Tourism Support Facility.
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2018	EU for Economic Development - Tourism-led Local Economic Development, with focus on Culture Heritage	Under implementation	- Revision of the procurement file “Conservation and restoration works and improvement of touristic infrastructure in the Archaeological	Implementation of the activities was initially delayed pending the approval of the Strategy on Culture (a pre-condition). Furthermore, as		Activities need to speed up to ensure timely implementation.

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			park of Bylis” - preparation of the ToRs in the framework of a preparatory study of the current situation in the project sites and the future strategy related to the implementation of the action	negotiations with the EBRD for implementation of the Action did not conclude positively, a call for expression of interest for an Implementing partner was launched in late 2019.		

IV.6. Education, employment and social policies

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2015	Sector Reform Contract for Employment and Skills - Technical Assistance to Support the Reform on Employment Policies and Vocational Education and Training	Under implementation	In inception phase.			
COUNTRY ACTION PROGRAMME FOR ALBANIA FOR THE YEAR 2019	EU for Social Inclusion	Under implementation	No achievements can be reported – the FA was signed on 17 December 2020.			

IV.7. Territorial Cooperation and Regional Cooperation

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
Financing Agreement 2014 – 2017	IPA II CBC Programme North Macedonia - Albania	<p>Two Calls for Proposals:</p> <p>1st CfP was launched on 16 September 2016 and closed on 1 November 2016</p> <p>2nd CfP was launched on 27 November 2018 and closed on 1 February 2019</p> <p>3rd CfP was launched on 11 November 2020 with the deadline for submission of the "concept note" on 15 February 2021.</p>	<p>1st CfP: 9 projects were financed with a total budget of EUR 2.98 million.</p> <p>2nd CfP: 5 projects were financed with a total budget of EUR 2.89 million.</p>	<p>VAT reimbursement and co- financing remain an issue for implementation.</p> <p>Regular official communications with Ministry of Finance and Economy on this issue to monitor the implementation of the new Guidance No. 34 of 5.12.2019 of the Minister of Finance and Economy on VAT reimbursement.</p> <p>Due to the COVID pandemic activities had to be implemented online in many cases.</p>	N/A	N/A
Financing Agreement 2014 - 2017	IPA II CBC Programme Albania – Kosovo	<p>Two Calls for Proposals:</p> <p>1st CfP was launched on 11 January 2017 and closed on 16</p>	<p>1st CfP: 5 projects were financed with a total budget of EUR 2.04 million.</p> <p>2nd CfP: 2 projects</p>	<p>VAT reimbursement and co- financing remain an issue for implementation.</p> <p>Regular official</p>	N/A	N/A

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
		March 2017 2 nd CfP was launched on 3 May 2019 and closed on 14 August 2019	were financed with a total budget EUR 2.04 million.	communications with Ministry of Finance and Economy on this issue to monitor the implementation of the new Guidance No. 34 of 5.12.2019 of the Minister of Finance and Economy on VAT reimbursement.		
Financing Agreement 2014 - 2017	IPA II CBC Programme Montenegro – Albania	Two Call for Proposals: 1 st CfP was launched on 15 July 2016 and closed on 15 September 2016 2 nd CfP was launched on 27 February 2019 and closed on 27 May 2019	1 st CfP, 8 projects were financed with a total budget of EUR 2,757,020. The 2 nd Call is still under evaluation process.	VAT reimbursement and co- financing remain an issue for implementation. Regular official communications with Ministry of Finance and Economy on this issue to monitor the implementation of the new Guidance No. 34 of 5.12.2019 of the Minister of Finance and Economy on VAT reimbursement. Delays in first level	N/A	The Ministry for Europe and Foreign Affairs will continue to take measures to avoid such practices which have a very negative impact on the absorption of EU funds by public institutions. During December 2020, the Directorate of Territorial Cooperation conducted monitoring visits for some of the

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
				<p>control for Albanian partners; the CFCU has allocated additional experienced staff.</p> <p>Due to the problematic progress in implementation of many projects, during the periods June-July and September-October 2020, the Directorate of Territorial Cooperation in MEFA conducted a number of monitoring visits in the Region of Berat, Vlora, Gjirokastra and Korça in order to support the most problematic beneficiaries.</p> <p>Beneficiaries were also offered support through on-line meetings and consultations. To avoid the failure of</p>		<p>beneficiaries of the IPA CBC Montenegro-Albania programme. More specifically, some of these institutions, due to lack of human and financial capacity, had allocated their dedicated budget for management to other Albanian project partners (NGOs). The Ministry of Foreign Affairs will continue to take measures to avoid such practices which have a very negative impact on the absorption of EU funds by public institutions.</p>

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
				some of the projects, the replacement of some partners facing significant difficulties in implementation with other partners (from public institutions) to successfully implement the project was agreed with the Greek Managing Authority. Currently, MEFA is in the phase of discussions with potential beneficiaries and once agreements are reached, the replacement of partners will be formalized.		
Financing Agreement 2014 -2020	Interreg IPA II CBC Programme Greece – Albania 2014 – 2020	Five Calls for Proposals: 1 st CfP was launched on 12 February 2016 and closed on 16 May	1 st CfP: 4 projects financed with a total budget of EUR 5.2 million.	VAT reimbursement and Co- financing, opening of the Bank Accounts from Albanian beneficiaries, delays for the transfer		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
		<p>2016</p> <p>2nd CfP was launched on 17 May 2016 and was closed on 5 September 2016</p> <p>3rd CfP was launched on 2 August 2018 and closed on 1 October 2018</p> <p>4th CfP was launched on 18 November 2018 and closed on 28 February 2019</p> <p>5th CfP was a targeted call – 1 project has been selected and is under implementation.</p>	<p>2nd CfP: 41 projects financed with a total budget of EUR 9.5 million.</p> <p>From the 3rd call for proposals only one project (targeted call) was financed with a total budget of EUR 4 million.</p> <p>4th CfP: 31 projects contracted with a total budget of EUR 9 million.</p>	<p>of pre-financing, lack of cooperation between Greek and Albanian Beneficiaries. Due to the problematic progress in implementation of many projects financed by the IPA CBC Greece-Albania Programme, during the periods June-July and September-October 2020, the Directorate of Territorial Cooperation in MEFA conducted a number of monitoring visits in the Region of Berat, Vlora, Gjirokastra and Korça in order to support the most problematic beneficiaries. Beneficiaries were also offered support through on-line</p>		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
				meetings and consultations. To avoid the failure of some of the projects, the replacement of some partners facing significant difficulties in implementation with other partners (from public institutions) to successfully implement the project was agreed with the Greek Managing Authority. Currently, MEFA is in the phase of discussions with potential beneficiaries and once agreements are reached, the replacement of partners will be formalized. Regular official communications with Ministry of Finance and Economy on this		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
				issue to monitor the implementation of the new Guidance No. 34 of 5.12.2019 of the Minister of Finance and Economy on VAT reimbursement.		
Financing Agreement 2014- 2020	Interreg IPA II CBC Italy - Albania - Montenegro	<p>Three Calls for Proposals:</p> <p>1st CfP was launched on 16 March 2017 and closed on 30 May 2017</p> <p>2nd CfP was launched on 4 April 2019 and closed on 4 June 2019</p> <p>3rd CfP was launched on 4 April 2019 and closed in 20 June 2019.</p>	<p>1st CfP: 32 projects were financed with a total budget of EUR 30 million.</p> <p>2nd CfP: 8 thematic projects were financed with a total budget of EUR 40 million.</p> <p>3rd CFP: The budget available for this call is approximately EUR 13.5 million. This call is under the contracting phase.</p>	<p>VAT reimbursement and co- financing remain an issue for implementation.</p> <p>Regular official communications with Ministry of Finance and Economy on this issue to monitor the implementation of the new Guidance No. 34 of 5.12.2019 of the Minister of Finance and Economy on VAT reimbursement. During this period the Albanian beneficiaries have been assisted</p>	N/A	N/A

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
				through on-line meetings, email, phone, due to the difficulties caused by the COVID-19 pandemic.		
Financing Agreement 2014-2020	Transnational Cooperation Programme Interreg Mediterranean (MED)	<p>Six Calls for Proposals:</p> <p>1st Call for Modular projects was open from 1st September to 3rd November 2015</p> <p>1st Call for Horizontal projects was open from 10 November 2015 to 11 January 2016</p> <p>2nd Call for Modular projects (single-module and integrated projects) was open from 30 January 2017 to 31 March 2017</p>	<p>1st call for Modular projects: 61 project approved with an allocation of EUR 3.09 million from IPA funds.</p> <p>From the 1st Call for Horizontal projects proposals, 8 Horizontal Projects (HP) approved with an allocation of EUR 370,000 from IPA funds.</p> <p>From the 2nd Call for Modular proposals, 33 projects were financed with an allocation of EUR 2.6</p>	<p>VAT reimbursement and co- financing remain an issue for implementation.</p> <p>Regular official communications with Ministry of Finance and Economy on this issue to monitor the implementation of the new Guidance No. 34 of 5.12.2019 of the Minister of Finance and Economy on VAT reimbursement.</p> <p>During 2020, the Albanian beneficiaries under this Programme have been assisted through on-line</p>	N/A	N/A

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
		<p>2nd call for Horizontal projects was open from 9 May 2019 to 27 June 2019</p> <p>1st call for Strategic projects was open from 2 April 2019 to 6 June 2019</p> <p>3rd call for Modular projects was open from 30 October 2018 to 31 January 2019</p>	<p>million from IPA funds.</p> <p>From the 2nd call for Horizontal projects, 8 projects were approved and the total budget allocated was EUR 12.5 million (ERDF+IPA+ national co-financing).</p> <p>From the 1st call for Strategic projects are approved 4 projects and the total budget allocated was EUR 12,099,774 (ERDF+IPA+ national co-financing).</p> <p>From the 3rd call for Modular projects, 13 projects were selected, involving a total budget of EUR 37,271,673.53 (ERDF+IPA+ national</p>	meetings, email, phone, due to the difficulties caused by the COVID-19 pandemic.		

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
			co-financing).			
Financing Agreement 2014 - 2020	Transnational Cooperation Programme Interreg Balkan – Mediterranean	One call for proposals was from 16 December 2015 to 26 April 2016	From the 1st CfP, 37 projects were financed and are under implementation with a total budget of EUR 39 million.	VAT reimbursement and co- financing remain an issue for implementation. Regular official communications with Ministry of Finance and Economy on this issue to monitor the implementation of the new Guidance No. 34 of 5.12.2019 of the Minister of Finance and Economy on VAT reimbursement. The projects were expected to be completed by the end of 2020 but due to the COVID-19 pandemic and delays in the certification of expenditures by the CFCU, are expected to be completed within	N/A	N/A

Financing Agreement/ Programme reference	Action	State of play/Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)	Main achievements and their assessment	Significant problems encountered in implementing the entrusted tasks and the measures taken/planned to overcome them	Developments that influence implementation for the future	Recommendations for corrective further actions
				June 2021.		
Financing Agreement 2014-2020	Interreg Adriatic – Ionian (ADRION) Programme	<p>Two Call for Proposals finalised:</p> <p>1st CfP was launched on 1 February 2016 and closed on 25 March 2016</p> <p>2nd CfPs was launched on 26 March 2018 and closed on 26 June 2018</p> <p>3rd CfP was launched on 20 May 2019 and was closed on 30 September 2019</p>	<p>1st CfP: 35 projects were financed with a total budget of EUR 39 million.</p> <p>2nd CfP: 22 projects were financed with a total budget of EUR 33.3 million.</p> <p>The 3rd call is undergoing the selection of submitted applications.</p>	<p>VAT reimbursement and co- financing are an issue for implementation.</p> <p>Regular official communications with Ministry of Finance and Economy on this issue to monitor the implementation of the new Guidance No. 34 of 5.12.2019 of the Minister of Finance and Economy on VAT reimbursement.</p>	N/A	N/A

ANNEXES

Annex 1a. Overview of the functioning of the management and control systems

The National Authorising Officer (NAO) (Deputy Minister of Finance and Economy) bears the overall responsibility for the financial management of IPA Assistance in Albania ensuring the legality and regularity of the expenditure under IPA I and IPA II. The NAO is supported by the management structure which is composed of the National Fund (NF) and NAO Support Directorate (NAOSD). The latter performs as NAO Support Office (NAO SO). Both are separate structures within the Ministry of Finance and Economy, accountable to the NAO for IPA implementation purposes. This responsibility is fulfilled by working in coordination with the central level authorities as the NAO, NIPAC and Head of the Audit Authority (AA) as well as sub-national level authorities, Central Finance and Contracting Unit (CFCU), IPA Unit of Line Ministries, which coordinate their work between them according to the Legal Framework.

Throughout 2020 the main actors of the institutional architecture for the implementation of IPA II assistance have been in place and have performed their responsibilities: the NAO, the NIPAC, the Head of the AA, the Head of the CFCU, the Head of the NIPAC Support Office (NIPAC SO), the Head of the NAO SO, and the Head of NF. In general, IPA Units in Line Ministries have been duly staffed, while the main challenge remains the fluctuation of staff as well as the lack of a suitable retention policy.

In order to ensure the existence as well as effective functioning of the management and control systems and follow-up in line with IPA regulations and requirements during the year 2020, the NAO SO has performed several verification visits in the IPA units in line ministries and beneficiary institutions as well as to the CFCU and NIPAC SO.

The Management Verification Visits were undertaken to provide assurance to the NAO that the management and operating structures meet the minimum requirements of Annex B (ICS) of the IPA II Framework Agreement. The reports and findings were presented to NAO together with the recommendations to be addressed by these institutions.

For 2020 due to the situation caused by the COVID-19 pandemic, the NAO SO conducted a desk review assessment on all the IPA structures included in the Annual Management Verification Visits Plan.

The main problems identified were related to:

- Staff turnover and vacant positions within the different bodies in the Operating Structure.
- Insufficient expertise and skills of staff within the IPA Operating Structure.
- Although a risk management system is in place, Operating Structure staff need training in this area.

The measures planned:

- Further efforts should be made to fill vacancies as rapidly as possible, in collaboration with the Department of Public Administration.

- Training needs are analysed with the technical assistances available and all available training opportunities actively pursued.
- A review of the risk management process in order to properly handle and manage the risks. The NAO SO in collaboration with the CFCU is carrying out the review of the risk process.

Regarding the Supervision of internal audit capacities in beneficiary institutions, the NAO SO has required that all the beneficiaries appoint two internal audit staff for IPA projects.

Furthermore, during the year the NAO SO has performed the following:

- Follow – up of the action plans prepared by beneficiaries audited by Audit Authority.
- Follow –up of the action plans prepared on the base of internal Audit Reports of line ministries, on IPA Units.
- Follow-up of the external verification/audit reports from DG NEAR and the Agency for Auditing of Programmes financed by EU funds.

Overview of IPA staff in the Albanian institutions:

IPA BODY	Current number of staff	Vacant positions	Total number of staff in organizational structure + Vacant Positions
NAO SO	6	2	8
NF	8	2	10
CFCU	24	2	26
NIPAC SO	10	2	12
Ministry of Justice	5	1	6
Ministry of Infrastructure and Energy	10	1	11
Ministry of Culture	3	0	3
Ministry of Finance and Economy	3	0	3
Ministry of Health and Social Protection	2	2	4
Ministry of Interior	4	0	4
Ministry of Tourism and Environment	3	1	4
Ministry of Education and Sports and Youth	3	0	3
Ministry of Agriculture, Rural Development	4	0	4
Ministry of Europe and Foreign Affairs	3	0	3
Bank of Albania	4	0	4
Assembly of Albania	2	2	4
Institute of Statistics/INSTAT	3	0	3
ALSAI (Albanian Supreme State Audit Institution)	3	0	3
Competition Authority of Albania	5	0	5
ADISA (Agency for the Delivery of Integrated Services in Albania)	3	0	3
Department of Public Administration	3	0	3
NAIS (National Agency for Information Society)	3	0	3
IDPC (Information and Data Protection Commissioner)	3	0	3
Total	117	15	132
Percentage	89%	11%	100%

Albania is documenting irregularities through the AFIS-IMS system, with information input by the authorized IPA staff and AFCOS. The implementation of this important process with regard to the IPA structures, related to the identification, reporting and follow-up of irregularities is assured by the National Authorizing Officer, through the NAO Support Directorate.

With regard to irregularities, during 2020, only one irregularity was identified and has been properly reported through the IMS system of OLAF. NAOSO has taken all the actions to follow up and close the irregularities. The Irregularity in *EuropeAid136359/IH/SER/AL tender*

procedure and contract “Support to Employment Vocational Education and Training (VET)” AL/IPA2013/02, has been closed and the recovery procedure has been completed.

The NAO SO notified the European Commission immediately on all the Substantial Changes of the management and operational IPA structures.

The changes since the last report are listed below.

- Pursuant to the Decision of Council of Ministers No. 109, dated 13.02.2020 and by Order No. 43 date 17.02.2020 of Minister of Finance and Economy “On Appointment of the National Authorizing Officer (NAO) in the Republic of Albania” Mrs Adela Xhemali is appointed as National Authorizing Officer (NAO).
- Pursuant to the official letter of Department of Public Administration No.1822 dated 29.04.2020, Mrs Vanina Jakupi is appointed to the position of Director of the National Authorizing Officer Support Directorate (NAO SO) in the Ministry of Finance and Economy.
- Pursuant to the Decision of Council of Ministers No. 422, dated 06.05.2020 “For structures, Regulations of Functioning and Financial Treatment of Negotiator Group and Tasks of Chief- Negotiator for the Development of Accession Negotiations of Republic of Albania to the European Union” Mr ZEF MAZI will exercise the functions and the responsibilities of the National IPA Coordinator (NIPAC).
- Pursuant to the official letter of the Department of Public Administration No.5072 dated 19.10.2020, Mrs Diana Voj is appointed to the position of Director of the National Fund Directorate (NFD) in the Ministry of Finance and Economy.

Based on all the above-mentioned actions, the Annual Management Declarations for IPA programmes were prepared and submitted to EC within the respective deadline.

Annex 1b. Transparency, visibility, information and communication activities

The legal framework which sets the rules for IPA II communication and visibility is 1) IPA II implementing regulation, 2) IPA CIR Art 24 and Article 25, 3) The Framework Agreement.

The implementation of the originally envisaged communication and visibility activities was disrupted by the COVID-19 pandemic as almost all the planned physical events were cancelled from mid-March 2020. Although it has been challenging to adequately respond, all institutions have rapidly adapted to the new circumstances, increased the use of other communication tools and enhanced their online presence. IPA II assistance was also promoted through visibility in the distribution of products such as disinfectants, gloves and in training on appropriate health and safety practices. As one example, through the IPA 2016 project “Support to Food Safety” project, masks, protective coats, floor distance markings and 2,000 copies of a COVID-19 guide aimed at Food Business Operators and hand sanitisers were distributed, serving a dual purpose of achieving visibility for EU support to the project and supporting the National Food Authority in responding to COVID-19. Significant media coverage and national visibility for the EU were obtained.

Key communication and visibility activities implemented in 2020 are presented below:

- Informative seminars with students/pupils about the European Integration process, Seminars/Workshops/Round tables with Businesswomen strengthening capacity of Women NGOs on the themes Standards build trust, EU/National grant programmes for women entrepreneurs, etc, info sessions on EU policies and Acquis, monthly e-bulletins, interviews and debates in local media, etc – **IPA 2014 Support to CSOs Facility**;
- A new approach to the communication strategy on Road Safety was adopted due to the COVID-19 pandemic, with videos disseminated through social media (August 2020) and TV broadcasting (September 2020) **IPA 2016, “Sector Reform Contract for Transport Sector with focus on roads**;
- Educational and visibility activities on wastewater management – prioritising the use of social media channels to widen reach for the Water Programme and local Water Utilities and ensuring the coordination of the communication activities between the PMO, the MIE, AKUM and other central and local stakeholders; visibility materials and supply of TVs to local Water Utilities for customer care units with information material. Environmental education campaigns are ongoing with 9th-year school students and high schools in coastal areas with the production of educational videos **IPA 2016 - Support to the Water Management Sector**
- Agriculture and Rural Development visibility activities have been organised at a more strategic level. As part of a series of activities to mark International Food Safety Day 2020, during June 2020, the Food Safety Project and the MARD collaborated to produce a joint TV spot featuring EU Ambassador Soreca and Minister Çuçi aired during Food Safety Week 2020, highlighting the importance of food safety, positively reinforcing communication on EU support to Albania in this sector - **IPA 2016 Support to Food Safety, Veterinary and Phytosanitary Standards**;
- Dissemination of information to all Albanian potential applicants to Union Programmes

through the 61 EU Units in Municipalities. Workshops, capacity building, Info days for open calls, Seminars, Toolkits etc;

- Information events on the opportunities under CBC programmes, and capacity-building events for potential applicants.

Annex 2. Success stories

The results of the Twinning Project **Enhancing the Bank of Albania's alignment with EU Acquis** (IPA 2015) were presented in a virtual closing ceremony on 18 January 2021. Twinning assistance was provided by the Banca d' Italia and Deutsche Bundesbank, supported also by

the Banque de France and National Bank of Romania thus helping the economic integration of Albania with the EU. Its primary goal was the improvement of work practices at the Bank of

Albania and their alignment with the practices of the European System of Central Banks. The Bank of Albania remains firmly committed to its road of fast convergence with the model of European System of Central Banks as part of the process of the EU integration.

The main achievements are:

- New provision on capital adequacy introduced, including some post-COVID-19 EU provisions.
- Recommendations issued by the European Systemic Risk Board implemented, through specific policy papers.
- A new version of the Monetary Policy Report has been produced.
- A statistical data warehouse for macroeconomic analysis and forecasting has been introduced.
- A roadmap for an integrated data-handling infrastructure designed.
- significant progress was made towards the adoption of ECB standards in the domain of payment system oversight and increasing awareness of cyber-risks in online payments.
- A roadmap was drawn up for adapting the Albanian payment system to the Eurosystem's TARGET2 platform.
- Internal audit manual updated.
- A brand-new HR manual was produced, in line with best ECB and international standards.
- A comprehensive policy paper was drafted, with a wide range of recommendations concerning the BoA's European integration process.

The Bank of Albania, through monetary policy instruments, has played a crucial role in preserving and guaranteeing the financial stability of Albania, in the context of the COVID-19 pandemic by offering on an ongoing basis the necessary economic stimuli and thanks to the measures taken by the Bank of Albania, the premises for a more rapid recovery of economy are established in the following period.

The commitment of the Government of Albania to adopting and implementing the justice reform has continued and a total of 26 laws have been adopted so far, as part of the **Justice Reform package**. The newly established institutions - High Judicial Council (HJC), High Prosecutorial Council (HJC), Special Prosecution Office, Special Court against Corruption

and Organised Crime, National Bureau of Investigation, Justice Appointments Council (JAC), Constitutional Court, High Court, High Inspector of Justice (HIJ) are fully functional and are delivering tangible results. The vetting of judges and prosecutors has continued steadily, by producing substantive results, where 62% of the vetted subjects have been either dismissed or have resigned. A fully-fledged institutional architecture for the fight against corruption and organised crime has been established and is entirely functional, including the Special Prosecution against Corruption and Organised Crime, the National Investigation Bureau, The Court against Corruption and Organised Crime of First Instance and the Court of Appeals. 759 online services are now offered including the most corruption-sensitive sectors effectively contributing to counter petty corruption; so far, the online complaints and denunciations platform established by the Government has dealt with around 80,000 complaints, and 57% of the cases have already been resolved. The School of Magistrates' capacities have been improved and the number of accepted candidates for magistrates has increased. By the appointment of three judges of the High Court in March 2020, the backlog of cases has been reduced, despite difficulties represented by the COVID-19 pandemic. The EU assistance has supported this important reform and shall continue to provide assistance to all stakeholders to build on these results.

Annex 3. Annual procurement plan

- a. Procurement Plan for IPA 2015 updated January 2020 – provided separately as an excel file.
- b. Procurement Plan for IPA 2017 updated January 2020 - provided separately as an excel file.
- c. Procurement Plan for IPA 2019 updated January 2020 - provided separately as an excel file.

Annex 4. Sector approach roadmap – achievements

Sector approach roadmaps are no longer used. The integrated mechanism of the sector/cross-sector wide approach under the Integrated Planning System (IPS) as the main system that defines the tools and mechanisms for integrated public policy planning ensuring the effective allocation of financial resources was adopted by Prime Minister's Order n. 157 dated 22 October 2018, consolidating the sector/cross-sector approach following the establishment of Integrated Policy Management Groups (IPMG), Sector Steering Committees (SSC) and Thematic Groups (TG) .