ALBANIA NATIONAL REPORT

MILLENNIUM DEVELOPMENT GOALS

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ALBANIA
NATIONAL REPORT

On progress toward achieving the

MILLENNIUM DEVELOPMENT GOALS

Albania 2004

UN Albania

Albania

In September 2000, at the United Nations, world leaders reached an historic agreement on the Millennium Declaration, giving voice to globally shared values and an unequivocal commitment to halving world poverty by 2015. Further international dialogues worked to transform the Declaration into eight Millennium Development Goals, 18 targets and 48 indicators to track the progress of the MDGs around the world. On July 2003, Albanian parliament passed a resolution in support of the MDGs "…encouraging all stakeholders to track progress in achieving the MDGs on a regular basis through national monitoring and evaluation systems and the preparation of annual progress reports that encourage public debate and offer recommendations on ways to improve national and regional (decentralized) development policies."

In line with international reporting responsibilities and furthering the development framework plans for Albania, the UN and International Organizations Department in the Ministry of Foreign Affairs and the National Strategy for Social and Economic Development (NSSED) Department within the Ministry of Finance are pleased to present The National Report on Progress toward Achieving the MDGs. This Report was prepared in close collaboration with the NSSED Department. Both reports include the emphasis of national ownership, unification of stakeholders and common advocacy campaigns. This Report also takes into consideration the annual SAp Progress Report on Albania published in March 2004, as well as the Action Plan for Albanian European Partnership which was prepared in parallel with this Report.

With this Report come many opportunities to build national capacity; by focusing attention on a core set of inter-related goals and targets specifically relevant to the circumstances in Albania, our development partners can now track progress more easily and measure the impact of development interventions. Moreover, through this Report there is also an opportunity to improve mechanisms for monitoring and reporting.

Finally, it is also hoped that the publication of this and future MDG Progress Reports will also serve as a supporting tool as our country embarks on the important process of European Integration.

Kastriot Islami
Minister of Foreign Affairs

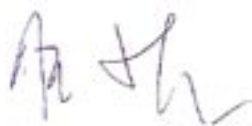**Arben Malaj**
Minister of Finance

This MDG Progress Report reflects the work of nearly two years of consultations and consensus-building with a range of partners from across the country. Its preparation represents one of several nationally-owned processes at the national and local level using the Millennium Development Goals as a comprehensive tool for development in Albania.

National consensus-building working groups comprising all development partners were formed to identify Albania-relevant MDG targets and indicators. Through a validation process covering every region of Albania, over 650 national stakeholders provided feedback and made suggestions on the goals. At the local level, sub-national MDG targets and indicators have been identified and used for regional strategy formulation and planning.

This work has been coordinated in close cooperation with the National Strategy for Social and Economic Development (NSSED) process and preparation of the annual NSSED Progress Report, as well as related long-term development efforts towards European and regional integration through the Stabilisation and Association process. As such, strong links have been formed between global, national and local development agendas.

By using the strategic principles inherent to the MDGs as tools for public awareness and advocacy, consensus and alliance building, long-term planning, and political commitment towards a nationally-owned development agenda, we are doing development differently in Albania. It is only through such new approaches and innovative development partnerships that our common efforts to achieve the MDGs in Albania by 2015 can be successful.

Anna Stjarnerklint
UN Resident Coordinator
UNDP Resident Representative

EXECUTIVE SUMMARY

- United Nations (UN) Global Summits and Conferences held throughout the 1990s on global social, economic and environmental issues facing both developing and developed countries were synthesized in the Millennium Summit of September 2000, where 147 heads of State and Government and 191 nations, including Albania, adopted the Millennium Declaration. This was followed by formulation of a set of eight goals, targets and indicators known as the Millennium Development Goals (MDGs).

- The National Parliament of Albania approved a resolution on the MDGs in July 2003, which recognizes that "responsibilities undertaken before the international community under the Millennium Declaration require the total commitment of both state structures and civil society to achieve the MDGs in Albania by 2015."

- This MDG Progress Report has been prepared as part of broader efforts by the Government and other national partners to use MDGs as a tool for development policy awareness raising, advocacy, consensus and alliance building, and the renewal of political commitment for development agendas. It serves to help build national capacity and increase the effectiveness of participatory monitoring, evaluation and performance based management through integrated development indicator systems.

- The Report emphasizes development principles adopted by the Government to: increase the consistency of national policy frameworks in Albania, including the NSSED[1], MDGs and SAp[2]; localize policy objectives and actions to implement them; increase participation of national stakeholders in the policy debate and development process; strengthen and make more efficient coordination of and partnerships with international partners; and improve good governance

as the enabling environment required for sustainable development of the country and achievement of its long-term objectives.

- The Report identifies four principles upon which the Government's approach to the MDGs in Albania is based: (i) National Ownership: of the process for defining Albanian-relevant MDGs and policies for their achievement through the NSSED; (ii) "On the Road toward European Integration through the MDGs," emphasizing the complementary nature of the MDG and SAp frameworks; (iii) Strengthening local capacities and governance as a pre-requisite for achievement of the MDGs; and (iv) Gender mainstreaming, emphasizing gender equality as a goal in itself, as well as a development factor influencing and influenced by the achievement of other MDGs.

- The Government recognizes, in particular, the successful adaptation and integration of the MDGs into the NSSED, the medium-term strategy for achieving them, as well as further integration of the SAp and NSSED-MDGs. Additional work is now needed to institutionalize linkages between these processes in the area of monitoring and reporting, so as to increase national ownership and avoid overlapping and duplication.

- The Government recognizes that the Albanian-relevant MDGs can also play a role in a formal "long-term visioning for development" process to better define public policies, sequencing of actions and promotion of public engagement in policy prioritization.

- This Report is intended for Albanian decision-makers: Parliament, central and local government, civil society and the media, the business community, the donor community and the general public. It is to be used to support reporting of national, regional and sectoral

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[1] National Strategy for Social and Economic Development for Albania

[2] Stabilisation and Association Process with European Union

indicators, stimulate policy and budget debate, and to better align donor assistance.

- Preparation of this Report has involved nearly two years of consultation with a range of Albanian stakeholders. Following the first, independent "Albanian Response to MDGs" Report in 2002, a national advocacy campaign was initiated by the Government with UN Country Team support to raise awareness of the MDGs and NSSED and to build MDG partnerships. MDG taskforces were created to reach a national consensus and validation on Albanian-relevant MDGs. Report preparation has also been linked closely to preparation of the annual NSSED Progress Report.

- Numerous activities initiated for the regionalization and localization of the MDGs have resulted also in the preparation of MDG Regional Reports (MDG-RR) and Regional Development Strategies (RDS). The MDG-RRs and RDS have been prepared for the regions of Elbasan, Fier, Kukes, Shkodra and Berat. By the end of 2004, the remaining seven regions of Albania will also complete the MDG-RR or MDG-RDS formulation process.

- This sub-national localization aims to utilize MDGs as a tool to mobilize communities, advocate for achievement of the MDGs through the NSSED, link global, national, and regional priorities, and serve as a vehicle for capacity building of local stakeholders.

- According to estimates made as part of a "Costing of the Achievement of the MDGs in Albania," additional resources are required to halve the number of people living in poverty this sum totaling 21.14 billion US$ for the period 2004-2015. This estimation represents the investment needed to support GDP growth rate of 6.5 % per year from 2004 until 2015 - based on the assumption that increased income per capita (GDP) growth will directly benefit the poor. Significant additional resources are also needed to meet non-income MDGs for education, gender, water, sanitation and HIV/AIDS.

- Although domestic funding represents an important source of investment, it will not suffice. The gap must be filled by foreign sources, public and private. Significant efforts are needed to improve the business climate, increase net inflows of Foreign Direct Investment (FDI), and promote Public Private Partnerships. Improved governance is one of the key factors influencing a successful enabling environment for growth.

- Although growth-enhancing policy represents one of the pillars for development policies for Albania, there is no substitute for inclusive growth and targeted poverty reduction programmes, i.e., specific interventions for marginalized groups. In addition to direct funding, achieving the MDGs also depends on the work of local governments, as well as on contributions by communities and volunteers, such as NGOs and community-based organizations.

- More debate is needed on the impact of current efforts to achieve the MDGs and human development through policy and media interventions, institutional strengthening and financing schemes in Albania. There is a need to inform citizens on the way public policies affect their lives, on the way their tax money is used, and their role in advocating for improved policies.

- There is a need to place greater focus on the implementation of regional development policies and decentralization where human development policy results are most needed.

LIST OF ACRONYMS

ANIH	Foreign Investment Promotion Agency
CARDS	Community Assistance for Reconstruction, Development and Stabilisation
COEO	Council of Equal Opportunities, operating under the Prime Minister
COMEO	Committee for Equal Opportunities
CSO	Civil Society Organization
DOTS	Directly Observed Treatment, Short-course (Tuberculosis Control Strategy)
EU	European Union
FAO	Food and Agriculture Organization
FDI	Foreign Direct Investment
GDF	Global Drug Facility
GDP	Gross Domestic Product
HAART	Highly Active Anti-Retroviral Therapy
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immunodeficiency Syndrome
IEC	Information, Education, Communication
INSTAT	National Institute of Statistics
IPH	Institute of Public Health
ITU	International Telecommunication Union
IUATLD	Lung Disease
LSMS	Living Standard Measurement Survey
MDGs	Millennium Development Goals
MDG-RR	Millennium Development Goals - Regional Reports
MDGs–HDPC	Millennium Development Goals – Human Development Promotion Centre
MIS	Management of Information System
MoE	Ministry of Environment
MoH	Ministry of Health
MTBP	Medium-Term Budget Programme
NAP	National AIDS Programme
NGO	Non Governmental Organization
NSSED	National Strategy for Social and Economic Development
OECD	Organization for Economic Cooperation and Development
PLWHA	People Living with HIV and AIDS
RDS	Regional Development Strategies
SAP	Stabilisation and Association Process
TB	Tuberculosis
UBN	Unmet Basic Needs
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNICEF-MICS	United Nations Children's Fund - Multiple Indicators Cluster Survey

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INTRODUCTION

GLOBAL CONTEXT

United Nations (UN) Global Summits and Conferences held throughout the 1990s have addressed global social, economic and environmental issues facing both developing and developed countries in the world today. The related Conventions and Declarations were synthesized in the Millennium Summit in September 2000, where 147 heads of State and Government and 191 nations, including Albania, adopted the Millennium Declaration. Since then a concise set of goals, numerical targets and quantifiable indicators have been formulated. This set of goals is known as the Millennium Development Goals (MDGs), which include eight overall goals and related targets and indicators, selected to ensure a common assessment and understanding of the status of MDGs at global, regional and national levels. Most of the numerical targets are to be achieved over the 25-year period from 1990-2015.

These goals establish specific, quantitatively defined targets for development. To make these goals become reality, intensive and well-coordinated efforts are required on the parts of both developed and developing countries.

Although these goals and their targets have been identified internationally, to be as relevant and objective as possible, in Albania they have been modified and adjusted to national conditions as part of a national MDG consensus and long-term visioning process. In the Albanian context a ninth goal related to Good Governance was added.

WHAT IS THIS REPORT ABOUT?

This MDG Progress Report should be seen as part of broader efforts by the Government to use the MDGs as a tool contributing to awareness raising, advocacy, consensus and alliance building, and the renewal of its political commitment to development agendas. At the same time the MDGs are being used to build national capacity, increase effectiveness, and lay the basis for continued monitoring, evaluation and performance-based management through work on integrated indicator systems.

THE GLOBAL MDGs, TO BE ACHIEVED BY 2015, INCLUDE:

- Halving extreme poverty and hunger

- Achieving universal primary education

- Promoting gender equality and empowerment of women

- Reducing under-five mortality by two-thirds

- Improvement in maternity health

- Reversing the spread of HIV/AIDS, malaria and TB

- Ensuring environmental sustainability

- Developing a global partnership for development, with targets for aid, trade and debt relief

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The MDG Progress Report represents:

- a policy paper addressing some of the priority developmental goals that Albania is working to achieve by 2015. The Report includes "targets" collectively identified and agreed upon to be achieved within the overall framework of the MDGs. The MDGs are to act as basic guidelines and indicators of "direction," as well as "magnitude" of the desired targets;

- a 'baseline', when available, against which to measure the progress towards meeting these human development goals; and

- a set of "benchmarks" for preparation of national executive developmental plans. In a clearly identified and measurable fashion, where possible the Report provides decision makers and planners with numerically clear "starting points" representing the present socio-economic developmental status, "intermediate points" for the purpose of monitoring and evaluation and "end points" representing the status desired to be achieved by 2015.

The Report is intended to reach a broad audience including: Albanian decision-makers, Parliament, central and local government, civil society and mass media, business community, donor community, and the general public.

The Report has been prepared through a participatory manner and consultation process of all Albanian institutions involved in or dealing with the MDGs. Synergies were developed in the preparation of the NSSED progress report, in the concept emphasizing national ownership of the Reports, in the unification of stakeholders as well as in the joint nature of NSSED and MDG advocacy campaigns.

In addition to the Report's role as an advocacy tool for achievement of the MDGs in Albania, this publication is also intended to be used to support the reporting of national, regional and sector indicators, stimulate policy and budget debate, and better align donor assistance.

Limitations of this Report: The purpose of the Report is not to provide comprehensive analysis or projections. Rather, the Report takes as its objective to place the MDGs within the Albanian development context and to describe the main trends and indicators for their achievement by 2015. The Report outlines the roadmap for achieving the MDGs by listing possible policies for achieving them, without going into detailed specifics.

IMPLEMENTATION OF REPORT RECOMMENDATIONS

All national and international partners targeted by this Report need to participate collectively and individually to achieve the MDGs by 2015 in Albania. Some key areas of participation and partnerships this Report identifies include:

- Improving governance, to ensure a better business environment, better services for citizens, less corruption, etc., as an Albanian relevant goal requires the collective actions of government, private sector, civil society and mass media. Support and guidance of the donor community is instrumental in keeping the pace of reforms;

- Sustainable growth and economic development (addressing economic, social and environmental concerns) – requiring a strong partnership between the government, the private sector and the civil society;

- Financing MDG policies, also requiring joint action among the public and private sectors, and donor community given the large amount of resources required;

- Provision of basic public services, such as water and sanitation, electricity, and road infrastructure, all complex problems for Albania, also requiring enhanced public-private partnerships in financing; and

- Provision of social services, such as education and health, also requiring partnerships between central and local government through the decentralization process under way, as well as between public and private sectors.

PREPARATION OF THIS REPORT

A long sequence of events, activities and related studies have taken place leading up to this national MDG progress report. Some of these preparations include:

▪ ALBANIAN RESPONSE TO MDGs

The "Albanian Response to the MDGs" was the first comprehensive document prepared addressing the MDGs in Albania. The Report, prepared by an independent Albanian NGO, assessed the relevance of the MDGs to the Albanian context and offered suggestions with respect to modifications or substitutions. The report also generated important public debates about the lack of data, lack of CSO involvement in policy processes, and low level of awareness of MDGs at all levels.

▪ AWARENESS RAISING, CONSENSUS BUILDING, AND VALIDATION PROCESS

A national MDG public awareness campaign was initiated by the Government with the support of UNDP and the UN Country Team to increase understanding of the MDGs and the importance of partnerships among all stakeholders in Albanian society. All twelve regions of Albania were visited by groups composed of senior representatives of Government, including the NSSED Department in the Ministry of Finance, Parliament, UN or other international organizations, civil society and mass media. A range of media coverage, seminars, brochures, and other materials supported this campaign.

In part as a result of this successful advocacy campaign, an MDG Resolution was adopted by the Albanian Parliament on 30 July 2003 "…encouraging all stakeholders to track progress in achieving the MDGs on a regular basis through national monitoring and evaluation systems and the preparation of annual progress reports that encourage public debate and offer recommendations on ways to improve national and regional (decentralized) development policies."

For the MDGs to be as realistic and objective as possible, they were modified and adapted to national conditions as part of the national MDG consensus and long-term visioning processes. This process began in June 2003. Six national Working Groups were initially formed comprising Government institutions, the UN system, NGOs, and the private sector to reach a national consensus on each Albania-relevant MDG, with one of these Groups focusing on the three health-related MDGs. Working Groups were open to all the stakeholders to guarantee the maximum participation and national ownership. A seventh working group was later established to examine governance issues. These groups identified the set of Albania-relevant goals, targets and indicators, and concentrated on selecting the most reliable and significant baseline data.

After nine months of intensive consultations, the process resulted in a draft template of Albanian relevant MDGs, targets, indicators and baseline data. Local Government and civil society then discussed this draft template through public forums in each of the twelve regions. This national validation process at the regional level was also used to gather feedback for the annual NSSED Progress Report. These feedback sessions took place from February to March 2004. They were led by a team of eight national facilitators supported by six local facilitators in each region comprised of representatives from local NGOs with experience in each of the sectors discussed by the MDG Working Groups, i.e. Poverty, Education, Gender, Health, Environment, and Governance.

Through this consultation process, some 650 national stakeholders participated in the validation process from each region. Feedback received through these consultations has been used for this Report, as well as the national NSSED Progress Report.

In support of the consensus building and validation process, large scale participation, including the establishment of public Internet access points, TV hotline programmes including quite successful live-to-air television call-in programmes, local stakeholder meetings, and a continuous

stream of advocacy and campaigning activities have proved extremely useful in getting the public involved in the Report preparation process.

Special attention was also given to involvement of representatives of the business community in this exercise. The Government considers the business community a major partner in meeting the Albanian MDGs. Businesses can contribute to the attainment of MDGs through: generating more employment opportunities and providing affordable products to help the poor escape poverty, improving working conditions, building school or hospital infrastructures or furbishing them, strengthening women's economic capacities as entrepreneurs and employees, investing in environmentally friendly technologies, or in advocating for a better business environment, better policies for women etc.

RELATED MDG STUDIES, EVENTS AND ACTIVITIES

SCOPING AND COSTING THE ACHIEVEMENT OF MDGS IN ALBANIA

Two related analytical studies were completed in 2003 from which much analysis has been drawn for this Report. The first study on "Scoping the achievement of the MDGs in Albania" represents a comprehensive analytical effort to identify the present status of achievement, gaps and main issues to be addressed further in order to achieve each MDG in the Albanian context. The study addresses requirements in terms of strategic policies, institutional measures and financial resources to achieve the MDGs. This scoping study provided background research for a second study on "Costing the MDGs". This costing exercise represents the first effort to provide costing elements accompanying global actions needed to meet the MDGs in Albania.

ESTABLISHING COMMONALITIES BETWEEN THE MDGS AND NSSED PROCESSES

The Government recognizes that reporting on and monitoring the progress towards achieving the MDGs is an important process that helps renew political commitment on development goals, focuses national development debates on specific priorities, and promotes the inclusion of the MDGs within national and sector development strategies. It is essential to evaluate the progress of the country in fulfilling its obligations towards global conventions.

After several months of participatory dialogue and advocacy, initial steps to integrate the MDGs into the National Strategy for Social and Economic Development (NSSED) and its monitoring systems have been successful. During the same period the NSSED has evolved to cover the work of all line ministries and other state ministries. Albanian institutions are also working to effectively implement a rolling three-year Medium-Term Budget Programme (MTBP). Initial progress has been made in linking MDG-NSSED development priorities more closely with annual MTBP financial allocations.

In view of the above, this Report has been prepared in close cooperation with the latest NSSED Progress Report. It also takes into consideration the annual SAp Progress Report on Albania published in March 2004, as well as the Action Plan for Albanian European Partnership, which was prepared in parallel with this report.

MDG REGIONAL REPORTS[3]

Numerous activities have been made by central and local government with the support of UNDP and other development partners to localize the MDGs at the regional and sub-regional level through the preparation of MDG Regional Reports (MDGRR) and Regional Development Strategies (RDS). Through this work, the MDGs are utilized not solely as a framework adapted to the local level (in terms of regional targets and indicators), but also as a tool to mobilize communities, advocate for the achievement of the MDGs, link global, national (NSSED), and regional development priorities, and serve as a vehicle for capacity building of local stakeholders. The MDGRRs and RDS have been prepared for the regions of Elbasan, Fier, Kukes, Shkodra and Berat. The process of drafting the reports is ongoing in Gjirokastra and Dibra. By the end of 2004, the remaining five regions of Albania will also have completed the MDGRR or RDS formulation process.

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[3] Further in the report there is a section dedicated to use of MDGs in the regions and regional reporting and monitoring

To make the MDGs relevant, the stakeholders prioritized the MDGs taking into account their importance for their region. This was not a simple voting process, but one whereby consensus was built throughout the process[4]. Efforts put in the preparation of different sections and analysis of the MDGRR and RDS are underpinned by the use, to the extent possible, of the "Millennium Project Methodology[5]," a methodology used for the assessment of progress in achieving and especially the costing of MDGs on a world - wide basis.

NATIONAL CONFERENCE: "TOWARD EU INTEGRATION AND THE MILLENNIUM DEVELOPMENT GOALS THROUGH THE NATIONAL STRATEGY FOR SOCIAL AND ECONOMIC DEVELOPMENT"

On March 23 and 24, 2004, over 200 national and international representatives of the public and private sector, civil society, and donor community came together for public discussion and debates at a National Conference, "Toward EU Integration and the Millennium Development Goals through the National Strategy for Social and Economic Development," in Tirana, Albania. The Conference included addresses by the Prime Minister of Albania, his Cabinet Members, and various development partners.

The Conference, hosted by the Ministry of Finance with the technical and financial support of the United Nations Development Programme and the United Nations Country Team in Albania, took as its overall theme the integration of social, economic, and development frameworks in Albania at national, regional, and local levels. Through a series of presentations and working-group discussions, the Conference supported ongoing efforts to advocate for more complementary linkages between three of the country's major development frameworks, the MDGs, SAp, and NSSED, while serving as a vehicle for participatory dialogue on and transparency of national policy issues.

In addition, the Conference allowed for further awareness building and more detailed discussions on challenges and possible next steps to address such inter-related

policy issues as: regional development capacity building needs, resource mobilization, budgeting and financing requirements, integrated monitoring and evaluation, and better harmonization and coordination of stakeholder interventions.

STRUCTURE OF THIS REPORT

The following sections of this Report provide an overview of the national context of each MDG in Albania and the country's progress toward its achievement. Each section deals with MDG status and trends, challenges, recommendations, and the way ahead. Report annexes offer more specific statistical information on the MDGs.

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[4] In the Kukes region, f☐
process, the results of☐
MDG prioritized goals.

[5] The Millennium Project Methodology, also known as the "Sachs Methodology", was commissioned in 2002 by UN Secretary-General Kofi Annan to recommend, by June 2005, the best strategies for achieving the MDGs. It proposes integrated and sector-specific proposals for how the MDGs can be achieved at a global scale with country-level specificity.

GLOBAL FORMULATION

GLOBAL FORMULATION	(National targets)
Target 1. Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	Target 1. Halve, between 2002 and 2015 the proportion of people living in extreme poverty
	Target 2. Reduce, between 2002 and 2015, the proportion of people who suffer from malnutrition
Target 2. Halve, between 1990 and 2015, the proportion of people who suffer from hunger	Target 3. Reduce unemployment, between 2002 and 2015, to reach EU standards
	Target 4. An open trading and financial system for inclusive economic growth
	Target 5. Make information & communication technologies available
	Target 6. Increase availability of electricity for all
Target 3. Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary education	Target 7. Ensure 100% primary school attendance of both boys and girls by 2015
	Target 8. Implementation of measures to assure improved quality of primary education
	Target 9. Approximation of financial indicators for primary education in line with OECD countries
Target 4. Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015	Target 10. Eliminate gender disparity in primary and secondary education preferably by 2005 and at all education levels by 2015
	Target 11. Eliminate gender disparity in elected organs and decision making positions in central and local Government
Target 5. Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	Target 12. Reduce the under-five mortality rate to 10/1000, by 2015.
Target 6. Reduce by three-quarters, between 1990 and 2015, the maternal mortality rate	Target 13. Between 2001-2015, reduce the maternal mortality rate by half
Target 7. Have halted by 2015, and begun to reverse, the spread of HIV/AIDS	Target 14 - Halt and reverse by 2015 the incidence of the HIV/AIDS virus
	Target 15 - Halt and reverse by 2015 the TB notification rate
Target 8. Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	Target 16 - Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environment resources
Target 9. Halve, by 2015, the proportion of people without sustainable access to safe drinking water	Target 17 - Reduce the proportion of people without access to safe drinking water and proper sewage infrastructure
Target 10. By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers	Target 18 - Ensure better harmonized and more effective development partnership with the donor community.
Target 11. Strengthening International Cooperation	Target 19 - Reform overall state system of public administration, legislation, and policies in accordance with EU standards for justice, rule of law, and market economies by 2015

NATIONAL CONTEXT OF THE MDGS IN ALBANIA

GOOD GOVERNANCE

The process of localizing and validating the MDGs has resulted in the identification of an additional goal for Albania: Goal 9 - Good Governance[6].

The Government recognizes that it faces low governance ratings; that there is an increasing demand for better governance and increased participation from different stakeholders, from citizens and civil society at local and national levels, and from the business and donor communities. Good governance is the main condition for European integration and has also become a political conditionality for major donors' assistance to Albania.

Identification of Good Governance as an additional, relevant goal for Albania has complemented the picture of the MDGs framework, setting in motion a process encouraging qualitative and sustainable development in Albania.

The Albanian Government is conscious that good governance is the basic element for sustainable development and better governance in Albania will result in: a more stable political environment, better representation of citizens in government and more citizen participation, more efficient public institutions, less corruption, and stronger rule of law. Improved governance is the key factor for a more prosperous Albanian society, including progress towards the MDGs and EU integration.

LINKAGES BETWEEN MDGs, NSSED, SAp

The Government of Albania has a wide range of policy frameworks which address different economic, social, security and institutional development priorities of the country.

The main frameworks include the National Strategy for Social and Economic Development (NSSED), the Stabilization and Association Process (SAp) detailed lately in the European Partnership for Albania, and the Millennium Development Goals (MDGs). The NSSED and MDGs outline the socio-economic development agenda of the Government, while the SAp provides the strategic guidance toward integration with the EU.

The Government sees strong thematic linkages between the three frameworks. The NSSED, MDGs and the SAp are complementary and mutually re-enforcing, even though the SAp is based on a political agenda focusing mainly on institutional strengthening, while the NSSED and MDGs reflect more mid- and long-term socio-economic targets.

Major features of the current policy and budgetary framework in Albania can be summarized as follows:
▪ the current framework is functioning, but is still fragmented;
▪ a number of well elaborated policy frameworks and strategies are in place, but there is a disparity between policy and fiscal planning;
▪ there is a need to integrate and harmonize further policy, planning and monitoring systems that extend into the medium- and longer-term; and
▪ there is an expressed will and commitment by the donor community to support the government to improve the quality and cohesion of its policy, planning and monitoring systems.

In this context, the Government recognizes the importance of linkages between the MDGs, NSSED and SAp and takes advantage of opportunities to institutionalize such relationships further, increase their national ownership, and avoid overlapping or duplication.

The Government sees that a formal 'visioning' process could play a role in defining and integrating these policy objectives.

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[6] A separate section in the report provides details with regards to Goal 9 – Good Governance as an MDG in Albania

CHALLENGES	WAYS FORWARD
■ Need to increase consistency between NSSED, MDGs and SAp, and policy frameworks with the budgetary planning, MTBP and external aid; ■ Full integration of SAp agenda and instruments, MDGs into NSSED, in terms of joint priorities, programming, monitoring and evaluation system; ■ Improvement of prioritization and costing of priority measures in the NSSED, SAp, MDGs; ■ Need for integrated indicators to avoid many existing duplicated indicators; ■ Further introduction of results-based management, transparency and accountability mechanisms in government institutions; ■ Need to better align SAp with EU human development indicators through the identification of SAp-specific indicators during the national consensus-process for Albanian-relevant MDGs.	■ Development of a national long-term vision on Albanian development outcomes. The MDGs represent an important part of the vision by focusing on long-term nationally-owned development objectives; ■ Creation of an integrated, strategic planning framework to guide Albania's mid- and long-term development including the full integration of SAp agenda and MDGs into NSSED, in terms of joint priorities, programming, monitoring and evaluation systems; ■ Concentration on complementary and mutually re-enforcing linkages, by the harmonization, prioritization, financing, and monitoring and evaluation of key development strategies; ■ Improvement of linkages between the individual policy frameworks and coherence between national, regional and local planning; ■ Full integration of strategic planning and budget formulation; ■ Institutionalisation of a stronger evidence-based policy process with feasible, costed policy options supported by quality policy analysis; ■ Establishment of an Albanian-Donor community partnership to strategically and financially support national priorities identified through visioning process; ■ Increase of support to capacity building in the Albanian public administration, important for results-based management and practical integration of the three socio-economic development frameworks.

A range of actions already taken in this regard have resulted in positive achievements: (i) MDGs have already been incorporated into the NSSED, giving a long-term vision to the Strategy; (ii) initial efforts are put in place for the SAp agenda[7] to come closer to NSSED; (iii) a comprehensive process monitoring system and complementary Management of Information System (MIS) have been developed to monitor implementation of the Government's thirty-five month Action Plan.

ISSUES UNDER FURTHER CONSIDERATION

Monitoring System – The NSSED, MDGs and SAp instruments all require regular monitoring and evaluation. The qualitative and quantitative analysis prepared for each framework can easily be complementary, especially if common indicators are identified, shared and coordinated. Such linked monitoring could also take advantage of shared databases, matrices and responsible institutions. Common monitoring systems would also support efforts to increase the involvement of all state and civil society actors, including Parliament, local authorities, NGOs, mass media, and academia.

Programming - Feedback produced from participatory monitoring and dialogue on the MDGs, NSSED and SAp should be used to influence new policy and programming decisions. This involves the MTBP, the CARDS Programme, as well as other related programmes contributing to the success of the policy objectives and frameworks.

Advocacy – Recent assessments show that there is still a need for continued and broadening advocacy at all levels on issues relevant to the MDGs, NSSED and SAp. These include basic information on the processes, and how these frameworks are related to one another, as well as to other national activities.

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[7] The Government is in the process of preparation of "European Partnership Action Plan" which will detail priority actions related to SAp in short and medium term
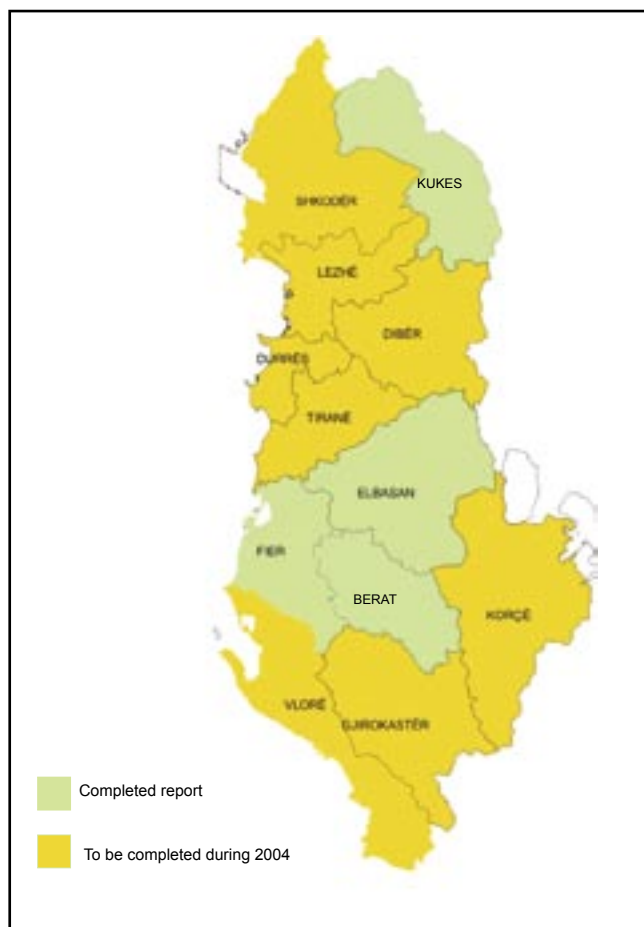
USE OF MDGs AT THE LOCAL LEVEL

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

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

In this context, UNDP, other members of the UN system in Albania, Government counterparts (including representatives from the NSSED Department that presented information on the linkages between the NSSED and MDGs), and well-known Albanian personalities carried out awareness raising campaigns in all regions of Albania to inform the public about the MDGs. The "town-hall" meetings stimulated vigorous debate on the MDGs, whether Albania could achieve the goals by 2015, how the MDGs could support Albania's desire to enter the European Union, and numerous other subjects. Following the visits to the Region, the UN commissioned a report in May 2002 entitled "The Albanian Response to the Millennium Development Goals." The report simultaneously promoted the active collaboration of UN Agencies and all other international agencies assisting Albania to achieve the MDGs, while also offering suggestions in regards to the main issues to be addressed in order to achieve the MDGs.

Numerous activities were initiated by UNDP and other members of the UN system in response to the report, most importantly the localization of the MDGs at the regional and sub-regional level through the preparation of MDG Regional Reports (MDGRR) and Regional Development Strategies (RDS).

The region of Elbasan, supported by the UN system was the first to undertake the preparation of an MDGRR. The main objective of this initiative was the localization at the regional level of the targets and indicators of the MDGs and testing whether the MDGs were useful and

Completed report

To be completed during 2004

relevant at the local level. Detailed analysis of Elbasan's development in relation to the MDGs was provided by relevant specialists from the regional administration, municipalities, and communes, as well as from regional departments that regulate the responsibilities of the central government at the local level; local specialized Non-Profit Organizations, as well as representatives from the faculties of the University of Elbasan and the private sector were also involved. In addition to the comprehensive sectoral analysis, the Elbasan MDGRR provided policy and programme suggestions for a comprehensive regional development process supported by regional economic and human resource mobilization. Key linkages between the NSSED and MDGs at the regional level were also developed especially in regards to education and environment targets. Launched in September 2003, the Elbasan MDGRR represented the first time in Albania that the MDGs were taken to the local level and utilized as a framework for development. Months later, the use of the MDGs at the local level was built upon further by the Fier Region with the preparation of the Fier RDS.

The Fier RDS used the MDGs not only as a framework for development, but also as a tool to inform and mobilize communities to participate in the formulation

process. Indeed, the Fier MDG RDS process began to shape later interventions that used the MDGs as a tool for local development. In Fier, the Regional Council (with capacity building support provided by the UNDP Local Governance Programme) led the entire process in which citizens prioritized the MDGs relevant to the Region. The eight goals were easily understood by citizens (as the MDGs were utilized as a tool for advocacy and awareness) thus encouraging their participation in the formulation of the document. In addition to the detailed sectoral analysis present in the Elbasan MDGRR, the Fier document is a broad programme for achieving the MDGs as prioritized by the citizens of the Region. A regional baseline was set and indicators were forecast to 2015 to increase local government accountability in achieving the MDGs at the Regional level. The launch of the document in November 2003 represented yet another stepping stone in the localization of the MDGs. The Fier MDG RDS represented a significant evolution in the localization of the MDGs for Regional Development and highlighted

the usefulness of the MDGs as a tool for participatory development and a key linkage to the NSSED.

Building upon the successes in Fier, UNDP and local stakeholders in Kukes made significant efforts to formulate the Kukes RDS. As with the Fier document, a widely participatory process was adopted to select priority MDG goals whereby the MDGs once again were incorporated into an easily comprehensible advocacy message. The Kukes RDS built further upon the work in the Fier RDS and linked regional development priorities not only to the NSSED and other national frameworks, but also to EU priorities. The table below is taken from the Kukes MDG RDS section on Poverty (MDG 1) and illustrates how the MDGs served as the key tool for linking the disparate development frameworks.

The Kukes RDS also built upon Fier's success in developing forecasted indicators to monitor achievement of the MDGs at the local level. As with the Fier RDS,

ALIGNED STRATEGIC PRIORITIES			
NSSED AND NATIONAL FRAMEWORKS	**MDG**	**EU**	**KUKES REGION**
1. 50% reduction in the current level of poverty and elimination of extreme poverty	1. 50% reduction in the proportion of people living on less than a dollar a day and those who suffer from hunger	1. Development of the private sector through competitive and internationally integrated enterprise sector in Albania, able to attract forign direct investments (FDI)	1. Reduce by 50% the level of poverty and eliminate extreme poverty
2. Double GDP growth per capita by 2015	2. Investing in human development - nutrition health (including reproductive health), education, water and sanitation - foster a productive labor force that can participate effectively in the world economy	2. Creation of a secure business environment and improved legislative framework, and fiscal regimes aligned with EC and WTO requirements	2. Increase commercial industrial development
3. Address the needs of women in poverty		3. Adoption and implementation of SME and Trade promotion strategies	3. Increase gender balanced employment and credit opportunities
4. Provide women with access to credit institutions		4. Formulating a strategy for promoting the export of agricultural products	
5. Increase women's employment opportunities		5. Strengthening regulatory institutions in the field of food security	

an Albanian national baseline was established to allow comparison regionally and nationally. The Kukes document also provided a unique tool for dialogue by establishing a baseline of EU averages in accordance to the indicators for the Kukes region's forecasted average for 2015 and its current averages. The chart below is taken from the poverty section of the Kukes RDS. For the first time citizens were clearly able to see the progress needed to achieve EU norms with the MDGs. They gained an understanding of the goals, as well as the tools to implement them. In this way, the citizens of the Kukes Region could see how their efforts were assisting Albania in entering the EU.

The Kukes RDS also advanced the use of the MDGs as a programmes formulation tool as was piloted in Fier. Rather than solely developing overall programmes, individual regional targets (incorporating the MDG, NSSED and SAp priorities) were developed for each selected goal with projects formulated specifying estimated costs and potential partners.

At the same time as the Kukes RDS was being formulated, the MDGRR in Berat was completed and launched.

CURRENT AND FORECASTED INDICATORS								
TARGET	INDICATOR	ALBANIA NATIONAL AVERAGE	KUKËS REGION	2006	2009	2012	2015	EU AVERAGE (Data from Eurostat unless otherwise noted)
1.1 1.3	1. Unemployement rate (%)	14.6 (INSTAT 2002)	29.24 (2001, INSTAT)	22	20	14	14	8% (2003 EU average)
1.1 1.3	2. % of families benefiting from social assistance	22.06 (INSTAT 2002)	56.6 (2001 district level)	50	40	30	20	5.97% (1992, based on average of 12 of EU countries)
1.1	3. Infant mortality rate/1000	20.5 (2000, MSH)	16.3 (2002, INSTAT and MoH)	13	10	7	4.5	4.5% (2002)
1.2	4. Water supply within dwelling (%)	46.9 (2002 NHDR)	31.7 (2001, INSTAT)	40	50	60	70	97.14% (1984)
1.2	5. Water running in average day (% of the 24 hours)		38 (2001 district level)	15	40	75	100	98% (200)

WAYS FORWARD

- Further localization and regionalization of MDGs;

- Following the launch of the Elbasan, Shkodra and Berat MDGRRs and Fier and Kukes RDS', the Government, in cooperation with UNDP and the UN system, has begun to scale up the formulation of MDGRRs and RDS' in the other seven regions of the country. Concerted efforts are also underway to move into the implementation of the RDS' and development of strategies for the MDGRRs. Participatory budgeting training, resource analysis, project prioritization initiatives, and multi-source resource mobilization are some of the many forms of assistance that will be offered by UNDP and the UN system to local stakeholders;

- Special note must be made of the upcoming work on the Gjirokastra RDS. As the Gjirokastra Regional Council has already formulated one RDS previously, UNDP will provide support to update the document in line with features mentioned above;

- Support will also be extended to the regional INSTAT office to provide statistical information for the development planning process and training provided to civil society about monitoring such statistics.

COSTING THE MDGS IN ALBANIA

MDG COSTING

The MDG costing represents an expert estimation of the resources required to achieve the MDGs in Albania. It aims at costing the necessary technical interventions to meet the Albanian MDGs. The estimation of additional resources required follows the three stages identified in the methodology of the Millennium Project: (i) specification of targets/goals, (ii) identification of technical interventions needed to achieve the already specified targets/goals, and (iii) estimation of resources required to meet the targets/goals.

While only the technical interventions in terms of investment and services to meet MDGs do not constitute a national strategy, they could be considered a crucial integral part of a longer-term NSSED. For this reason, MDG costing results could be considered as the cost of investment and services for several NSSED exercises up to the year 2015.

MDGs costing findings are intended to:

a) increase awareness of stakeholders - government (central and local), business, civil society, and donor community - on resources required to meet the MDGs; and
b) motivate establishment of large partnerships to contribute to the MGDs.

MDG costing findings are not to be used for programming purposes. In this context, they must be complemented by short term cost estimations in the framework of the NSSED.

MDG COSTING: MAIN FINDINGS

The overall minimum additional resources that need to be mobilized for the period 2004 through 2015 to achieve certain key MDG targets in Albania total some 22 billion US.

The following Table provides cost estimations for reducing income-based poverty (MDG 1) and other dimensions of poverty (MDGs 2-8):

MINIMUM ADDITIONAL RESOURCES 2004 THROUGH 2015 - TO ACHIEVE SELECTED MDG TARGETS[8]				
SELECTED MDG TARGETS IN ALBANIA	MINIMUM TOTAL COST	CURRENT RESOURCE LEVELS	ADDITIONAL RESOURCES REQUIRED	AS PERCENTAGE OF GDP
	in billion USD			
1. Reducing Income Poverty	36,40	15,26	21,14	23,3
2. Achieving Universal Primary and Secondary Education	3,24	2,93	0,31	0,30
3. Ensuring Gender Equality	0,05	very few	0,05	0,06
4. Reducing Infant & Maternal Mortality Rates	2,00	2,00	very few	very few
5. Preventing and Treating HIV/AIDS	0,02	very few	0,02	0,02
6. Increasing Access to Safe Water Supplies	0,24	0,15	0,09	0,10
7. Global Partnerships: Providing telephone lines, computers for schools, etc	0,30	NA	0,30	0,30
Total	42,25	20,34	21,91	24,08

[8] Achieving the Millennium Development Goals in Albania: Costing & Scoping, UNDP Albania, January 2004, http://www.undp.org.al/?elib,605

- Major efforts need to be made to generate more domestic public revenues – both at the central and local level – and to increase the level of domestic private investment. The tax revenue in Albania – being around 20% of GDP - is low and the tax collection at local levels is very low. Public savings is negligible, while domestic private investment is considered low compared to other European countries.
- Current Domestic Savings[9] are not sufficient to fully cover the additional resources required to achieve the MDGs. Therefore, important resources would have to come from foreign sources. Foreign official financing through loans and grants - given Albania's long-term goal of EU integration - will represent important sources of investment funding in the years to come. In any case, attracting foreign direct investment and improving the investment environment must be given stronger priority.
- The additional resources required to halve the number of people living in poverty amounts to 21.14 billion US$ for the period 2004-2015. The estimation represents the investment needed to support the GDP growth rate - 6.5 % per year from 2004 till 2015 - based on the optimistic assumption that increased income per capita (GDP) growth will directly benefit the poor.
- Significant resources are needed to meet non-income poverty goals: education, gender, water and HIV/AIDS, although considerably less than the resources needed to meet the first target for poverty reduction.
- Important resources are required to achieve the global partnership goal. Much of the focus of MDG 8 for global partnerships is on the role of developed countries in improving conditions needed to ensure the achievement of the other seven MDGs in developing or transition countries, such as Albania.
- The Government believes that Albania has the potential to align its long-term poverty reduction strategy with the EU Social Inclusion Strategy. At the same time, Albania is facing development challenges that are not reflected by the global MDGs, such as improved governance. Therefore, Albanian relevant targets and indicators better reflect the Albanian development context. Given Albania's aspirations for integration into the European Union, this consensus process has also identified targets more closely matching development levels among other EU member countries.

MDG COSTING: WAY AHEAD

The mobilization of resources required to achieve the MDGs in Albania represents a real challenge, given the amount of resources required. A number of steps need to be considered in preparing a MDG resource mobilization strategy, but it becomes clear that at least two major issues need to be addressed as a matter of priority:

- Improving governance is a key component of a successful MDGs resource mobilization strategy. The business environment is the most important factor of business development in Albania and is closely related to good governance. Therefore, good governance is a major factor for mobilization of more private contributions (private investment), both domestic and FDI. At the same time, improved governance represents the main conditionality for attracting more foreign official assistance from European Union, World Bank, Millennium Challenge Account of USA, and other bilateral financial assistance. In addition, improved governance will reduce the resource requirements since one Lek under improved governance will have more power and more impact on human development indicators.
- Motivating and building large partnerships is a second key component of a successful MDG resource mobilization strategy. In order to mobilize the large amount of resources required to meet the MDGs in Albania, there is a need to involve all stakeholders. Government – both at central and local level – realizes that more efforts should be done to increase public income generation. The private sector - both domestic and FDI - should be considered a major contributor through private investment, but also through charity building on existing experiences. The Albanian Diaspora should be targeted and brought on board, and civil society organizations are key players in addressing the specific needs of marginalized groups. According to the MDG compact, the international community is supposed to support Albania in reaching a minimum level (threshold) in education, health, gender balance, environment, etc. that will allow for higher levels of sustainable human development.

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[9] Domestic saving is part of disposable income, the other part being consumption.

CONCLUSIONS

The following general conclusions can be made on the MDGs in Albania and what is required if the MDGs are to be met by 2015.

- MDGs in Albania are closely linked. The Government believes that sustainable progress towards the achievement of any of the MDGs in Albania is possible only if there is simultaneous progress made with the other goals, especially poverty reduction. Therefore, the Government gives particular attention to the fact that well-coordinated and thoroughly planned actions should take into account all development aspects: human, economic, environmental and others essential for achieving the MDGs. A formal 'visioning' process could play a role in defining policy objectives, sequencing of actions and promoting public engagement in prioritization.

- Effective and good governance represents the key condition for the feasibility and positive result of development objectives and related actions. Implementation of the SAA, European Partnership, and related European integration reforms represent a chance for the country to bring its governance system in line with development needs and EU standards. Good governance is the starting point and basis of the reform process allowing achievement of goals established by the MDGs, NSSED and SAp.

- Efficient management of resources is also a pre-requisite for achievement of the MDGs. The actions necessary for achieving these goals require substantial resources. Acute shortages in budget resources necessary for maintaining areas critically important for the attainment of MDGs (poverty, education, healthcare, etc.) can be, and should be rectified not only by expanded state budget financing, but also by critical analysis and reallocation of available resources, recognition of development priorities, and attraction of private sector resources. The attraction of external assistance should be subject to rigorous government policy guidance and public accountability ensuring the maximum effective use of resources. The Government is in the process of improving the management of external assistance coordination systems.

- Improved policy coordination and monitoring of all activities aimed at attaining MDGs is required. Positive

steps have been taken in this regard with attempts to align MDG coordinating and monitoring activities with those of the NSSED. More should be done in aligning MDGs and NSSED with the SAp process and objectives. The Government will further invest in those elements that could establish an effective coordination and monitoring system. This Report is an element of such a system.

- Broadening partnerships and the participatory process. Both the fulfillment of monitoring objectives and all actions aimed at the country's development can be successful if they are implemented not only by governmental bodies, but by all parties concerned - including representatives of the private sector and civil society. Only through such partnerships can the MDGs be achieved by 2015.

- Improve gender equality. The Government believes that gender equality should be given extensive attention as an important element for achievement of the MDGs in Albania. Major efforts should be made to gender mainstream development policies.

- Although domestic funding represents an important source of investment, it will not suffice. The gap must be filled by foreign sources, public and private. Significant efforts are needed to improve the business climate, increase net inflows of FDI, and promote Public Private Partnerships. Improved governance is one of the key factors influencing the successful creation of a needed enabling environment for growth.

- Although growth-enhancing policy represents one of the pillars for development policies for Albania, there is no substitute for inclusive growth and targeted poverty reduction programmes, i.e., specific interventions for marginalized groups. In addition to direct funding, achieving the MDGs also depends on the work of local communities and volunteers, such as NGOs and community-based organizations.

- More debate is needed on the impact of current policy, institutional and financing frameworks on efforts to achieve the MDGs and human development in Albania. There is a need to inform citizens of the way public policies affect their lives, on the way their tax money is used, and their role in advocating for improved policies.

- There is a need to focus more on implementation of regional development policies and decentralization where human development policy results are most needed.

ERADICATE EXTREME POVERTY, HUNGER AND OTHER DIMENSIONS OF POVERTY

MDP

GOAL

1

ERADICATE EXTREME POVERTY, HUNGER AND OTHER DIMENSIONS OF POVERTY

GOALS	STATE OF GOAL ACHIEVEMENT[10]	STATE OF SUPPORTIVE ENVIRONMENT
Eradicate extreme poverty, hunger and other dimensions of poverty	On track	Weak

GOAL	DATA GATHERING	STATISTICAL TRACKING	USE OF STATISTICS IN POLICIES	MONITORING & EVALUATION
Eradicate extreme poverty, hunger, and other dimensions of poverty	Fair	Fair	Fair	Fair

Target 1: Halve between 2002 and 2015, the proportion of people living in extreme poverty;	**Target 4:** Establish an open trading and financial system for inclusive economic growth;
Target 2: Reduce between 2002 and 2015, the proportion of people who suffer from malnutrition;	**Target 5:** Make information & communication technologies available;
Target 3: Reduce unemployment, between 2002 and 2015, to reach EU standards;	**Target 6:** Increase availability of electricity for all.

TARGETS	INDICATORS[11]	2002[12,13]	2006	2015	EU AVERAGE
1.	1.1 Proportion of the population below the absolute poverty line	25.4% male 25.9% female 20.4%	22%	13%	No data (Nd)
	1.2. Poverty gap ratio (incidence x depth of poverty)	5.7% male 5.8% female 4.6%	5%	3%	Nd
	1.3 Share of poorest quintile in national consumption	12.7% male 13.1% female 9.6%	11.5%	6.3%	Nd

[10] Assessments on the degree to which Albania is on track towards achieving each MDG target and other relevant monitoring, evaluation, and policy factors p☐   These assessments have
been made more challeng☐
more detailed analysis on these issues.

[11] MDGs and NSSED indicators are the same

[12] Data from INSTAT unless otherwise noted

[13] See footnote 10 on assessment on achievement of goals and baseline data

TARGETS	INDICATORS	2002	2006	2015	EU AVERAGE
2.	2.1 Prevalence of underweight children, under 5 years of age	14% male 17.4% female 9.6%	12.5%	8%	8%
	2.2. Proportion of population below extreme poverty	4.7% male 4.8% female 3.8%	3%	0%	0%
3.	3.1. Unemployment rate (% of unemployed of working age population)	9.8%[14] male 9.9% female 9.6%	9%	7%	8% (2003) male 7.2% female 8.9%
	3.2 Unemployment rate 2 (Includes discouraged/ seasonal/laid off workers)	15.4% male 14.3% female 16.8%	14.5%	10%	Nd
	3.3 Youth unemployment (ratio of unemployed youth between the 14-25 years of age	22.8%	21%	15%	16.6 15-24 yrs old (2003)
4.	4.1 Levels of FDI per year (FDI levels in USD per year/millions USD)	153[15]	300	600	Nd
5.	5.1 Telephone lines and cellular subscribers per 100 population	Lines: 7.4[16] Cell: 27.1	8	58 78	2001[17] Tel 58 Cell 78
	5.2 Personal computers in use per 100 population			35	33.8[18]
	5.3 Internet users per 100 population	0.15	40	35	35
6.	6.1 Increase power generation (generation GWh)	(2001)	1	9342	35 (2001)[19]
	6.2 Reduction of transmission losses (Annual losses GWh (%)	6203[20]	6765	2.0	Nd

[14] Data for indicators 3.1.-3.3 have been gathered from INSTAT & Ministry of Labour sources

[15] Ministry of Economy ANIH, Central Bank, UNCTAD

[16] Data for indicators 5.1-5.3 from INSTAT, Ministry of Transport and Telecommunications, ITU

[17] Global Human Development Report 2003

[18] EU Statistical Indicators Benchmarking the Information Society, 2001: http://www.sibis-eu.org/

[19] Global Human Development Report 2003

[20] Data for indicators 6.1-6.2 received from Ministry of Industry and Energy and the National Agency of Energy

TRENDS AND POVERTY STATUS

According to the poverty baseline[21], 25.4 percent of the Albanian population is poor and 5 percent of Albanian citizens live in extreme poverty (baseline indicator from the food poverty lines)[22]. Although extreme poverty in Albania is not a widespread phenomenon throughout the country, a significant number of households in the country do live close to the poverty line and are likely only barely covering their needs for daily subsistence. However, it should also be noted that, based on the Gini coefficient[23] of 0.28 the rate of income inequity in Albania is at a similar level to other countries in the region.

However, while baseline data is useful in quantifying poverty in Albania, non-monetary aspects are equally important in demonstrating the full dimension and true breadth of poverty in Albania. Issues of infrastructure, lack of access to and poor quality of service delivery in areas of health and education, are challenges that exacerbate the problem of poverty in the country. Rural and semi rural areas are particularly vulnerable to these factors.

TABLE 1. POVERTY AND INEQUALITY IN ALBANIA								
	Tirana		Other urban		Rural		Total	
	Poor	Extreme poor	Poor	Extreme poor	Poor	Extreme poor	Poor	Extreme poor
Headcount	17.8	2.3	20.1	4.8	29.6	5.2	25.4	4.7
Poverty gap	3.8	0.6	4.7	0.9	6.6	0.7	5.7	0.8
Poverty gap squared	1.3	0.22	1.7	0.24	2.1	0.16	1.9	0.19
Mean per capita consumption (in Lek)	9,043		8,468		7,212		7,801	
Gini Coefficient	0.30		0.28		0.27		0.28	

Source: LSMS 2002, INSTAT

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[21] The 2002 Living S☐
scope.

[22] This takes into consideration the FAO recommendations on the minimum calorie consumption according to age and sex, and adjusting these calorie requirements to the population distribution in Albania.

[23] The Gini coefficient is a measure of income inequality measured between 0 (perfect equality) and 1 (perfect inequality)

POVERTY PROFILE - RURAL AREAS

There is a strong regional dimension of poverty in Albania. Rates of poverty are higher in rural and remote as well as mountainous areas of the country[24], with a poverty headcount 50 percent higher in these areas than in urban areas. Per capita consumption in rural areas is approximately 4/5 of urban areas, and the differences are bigger relative to consumption levels in Tirana.

The poorest areas are the North-East region, mountainous areas, and any area distant from infrastructure and urban centers. Approximately half the population in these areas live in poverty while another 20 percent live in extreme poverty. The average level of poverty in Kukes, Has, Tropoje, Diber, Malesi Madhe, Bulqize, Librazhd, and Gramsh is 46 percent. This represents 80 percent of those receiving aid for the whole country. The poor live in big and young families. Moreover, 40 percent of the poor in Albania live in households with seven or more people. Additionally, poverty among youth is more prevalent in these areas than the national average rate of poverty for the same age group which is significant as more than 50 percent of the poor in the country are under 21 years of age.

Furthermore, the elderly are another group vulnerable to increased rates of poverty in the country. The Albanian living standards survey reports a moderate consumption based inequality with a Gini coefficient at 0.28.

Moreover, there is a high correlation between lack of education and poverty, with more than a third of the poor

FIGURE 1. POVERTY DISTRIBUTION
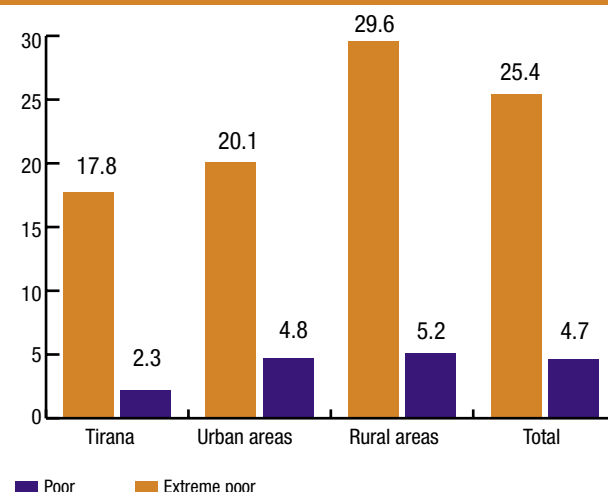
having only obtained an elementary school education. The table below illustrates that poor people spend 67 percent of their budget on nutrition and only 21.2 percent on other goods. Malnutrition, also a consequence of poverty, is particularly prevalent in children under the age of five years old.

THE MAIN CAUSES OF POVERTY

There are a number of factors that contribute to poverty in Albania:

(i) Poverty is above all a rural and peri-urban phenomenon. The situation is worse in the remote and isolated rural areas;

(ii) Unemployment: Albania suffers from high rates of unemployment, a trend especially severe amongst youth and women;

TABLE 2. MAIN BUDGET SHARES BY LOCATION				
Main budget share	Tirana	Other urban	Rural	Total
Food	58.5	59.1	66.3	62.8
Nonfood	24.8	24.0	21.2	22.6
Utilities	14.6	13.7	10.8	12.3
Education	2.1	3.2	1.7	2.3
Total	100.0	100.0	100.0	100.0

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[24] The coastal and the lowland regions of Albania show lower rates of poverty.

(iii) Weak social safety net: The existing social safety net system is weak in terms of mechanisms employed, coverage, as well as amount of support offered;

(iv) Poor service infrastructure in health care, education and social security programme; and

(v) Domestic migration is one of the most neglected phenomena in the country. Regions of emigration have deteriorated while destination or internal regions of immigration have been also significantly affected. Most internal migrants have faced difficulties settling in their new place of residence due to lack of infrastructure such as water supply, sewage, roads, health, education, etc., often living in conditions worse than those they left behind.

UNMET BASIC NEEDS AND POVERTY

The indicator of Unmet Basic Needs (UBN) illustrates the complexity of poverty. It defines people as poor, extremely poor and non-poor according to how many basic needs are left unmet. According to this indicator poverty is three times higher in rural areas than in urban centres.

It should be stressed that basic unmet needs, while important factors in their own right in terms of impairing people's immediate welfare, also have longer-term effects. The lack of clean water and proper sanitation may not only cause ill health, but also impair the ability of citizens to generate income and\or to build human capital (e.g. as reflected in the ability to learn or to attend school). The lack of a reliable supply of electricity hinders the profitability (or outright feasibility) of productive investments thus lowering economic growth, again with long lasting effects.

SOCIAL EXCLUSION AND POVERTY

Some of the most vulnerable groups in Albania are:

▪ Children at risk (0-14 years) including orphans, abandoned children, children of single parent families, the homeless, children who work, are trafficked, and school dropouts account for 5.72 percent of all children in the country.

▪ Youth at risk (14-25 years) include the unemployed, narcotic and alcohol abusers, and those participating in other criminal behavior. These groups account for approximately 22.8 percent of all youth.

▪ Women at risk including divorcees, heads of the household, those women who are physically and sexually abused, victims of prostitution. These groups account for approximately 5.16 percent

TABLE 3. UNMET BASIC NEEDS[25]

Unmet basic needs	Tirana	Urban	Rural	Total
1. Inadequate water and sanitation (*) %	0.5	2.6	28.6	17.5
2. Inadequate housing (**) %	8.5	6.3	16.5	12.5
3. Inadequate energy supply %	1.7	9.0	18.1	13.5
4. Crowding (more than 3 persons/room) %	10.3	15.6	18.6	16.7
5. Education (Household head with primary or less) %	34.7	47.0	74.8	61.2
Poor (two or more UBN) %	11.5	16.6	47.2	33.8
Extreme Poor (three or more UBN) %	2.3	3.2	18.3	11.9
Non poor (one or no UBN) %	88.5	83.4	52.9	66.2

Source: LSMS 2002, INSTAT

(*) Inadequate water and sanitation: running water and piped WC both unavailable for water and sanitation to be defined as inadequate
(**) Subjective assessment (house inadequate for living or under construction)
(***) Inadequate energy supply: power shut off for 6 hours or more per day

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[25] The figures are the percentage of families with these needs not met. The table presents five indicators of non-income poverty to measure what has been termed Unmet Basic Needs (UBN) Poor

of all women.

- People with mental and physical disabilities who represent 1.35 percent of the population.
- Elderly at risk including those living alone, abandoned, with low incomes, and those not capable of looking after them. These groups account for approximately 12.7 percent of the elderly in the country.

ECONOMIC NEED AS THE KEY TO REDUCING POVERTY

Progressive and stable economic growth is considered the most important way to reduce poverty. In the past 5 to 6 years, the Albanian economy has achieved economic growth that has ranged from 4.7 percent to 12.7 percent in line with GDP per capita. The sectors with the highest level of growth are in construction, trade and transport. GDP in 2003 was 6 percent higher, compared to 4.7 percent in 2002 twice as much as in 1998. Growth of GDP in 2003 is in line with that of GDP per capita of US$1950 or 2.4 times more than in 1998. However, these figures still remain lower than other countries in this region and increasing GDP per capita will be the challenge for Albania in the coming years.
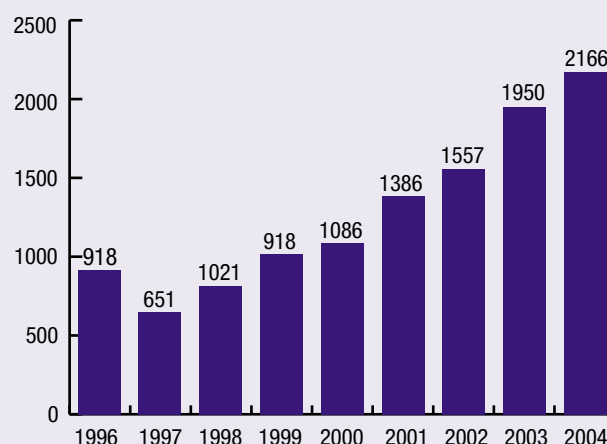
POVERTY AND EMPLOYMENT

The rate of unemployment for those considered in the category of 'poor' in Albania, is approximately double the rate of unemployment for the non-poor in the country. Among those in the 'extremely poor' category, the unemployment rate is virtually triple that of the non-poor. And, among the working poor, a substantial portion have only marginal jobs. The incidence and severity of poverty is much higher in households where the head of household is unemployed. In rural areas, there is even a stronger link between poverty and underemployment, as the standard definition of unemployment does not properly capture the underutilization of human capital, mainly in family farming.
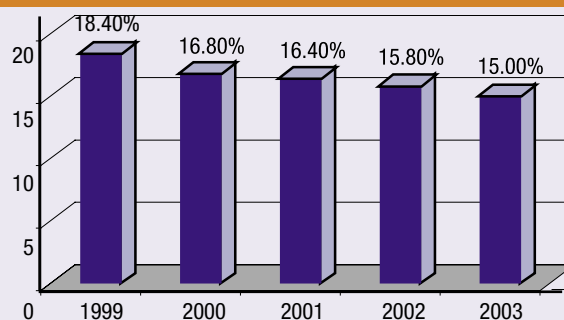
FIGURE 2. GDP - REAL GROWTH (%)

FIGURE 3. GDP PER CAPITA (USD)

Source: Ministry of Finance 2004

FIGURE 4. RATE OF UNEMPLOYMENT BY YEAR

Source: Ministry of Finance 2004

CHALLENGES

- Albania is facing the huge challenge of reducing poverty through: economic growth, as well as direct interventions to increase access to basic services and infrastructure; and increased participation of the poor and strengthening of their voice in the governing institutions through institutional reforms.

- A major burden for the Government in achieving economic growth and alleviating poverty will be the deepening of institutional reforms, the strengthening of macroeconomic stability, support for private sector development and development of the labour market, as well as the strengthening and modernization of the financial sector.

- With respect to poverty alleviation, the implementation of a rural development strategy should be seen as the starting point. Poverty should not be related only to income level, but also to other indicators related to level of education, health, gender equality etc.

- Gender equality has a direct role in reducing poverty and in itself is a precondition for development and economic growth.

WAYS FORWARD

Government actions for the stabilization of the economy and NSSED measures the real annual economic growth of 6 percent in the mid term 2004-2007 are based on:

- Improvement of market instruments and creation of an economic environment that encourages growth and investment especially foreign investment;

- Decentralization and Institutional improvements: Establishment and/or dissemination of the authority to those institutions dealing directly with harmonization and coordination of efforts in the field of poverty reduction, both at central and regional levels. A stronger and more active role for institutions at the regional level is a prerequisite for addressing poverty issues;

- Improvement targeting at-risk groups with better identification of their geographical location during design and implementation of social policies and programmes;

- Focusing more on policies and programmes promoting development rather than programmes for economic aid;

- Improve gender equality as a precondition for development and economic growth;

- Improve the poverty monitoring process to include evaluation of particular policies and programmes;

- Better orientation of budget expenditure to priority sectors including health, education, energy and infrastructure;

- Design and implementation of regional development strategies that could have a strong impact on the development of poor regions;

- Employment of fiscal instruments as a means of income re-distribution;

- Introduce measures to make labor cheaper relative to capital therefore encouraging the employment of more unskilled labor;

- Embarking on a broader programme of major infrastructure investments, especially road infrastructure. Stabilization of energy supply is expected to be solved in the coming years;

- Bringing solutions to land and property issues. This development will have positive effects both in terms of investments, and private sector and rural development, as it will provide in addition to other benefits more crediting opportunities;

- Introduction of more active free trade, export and investment promotion policies especially in cross border regions. Though the effects of free trade in the short run might be arguable, they will have a positive effect from a long term perspective, as they will: provide cheaper consumption goods, contribute to the increase of exports, promote foreign investments, all factors contributing to poverty reduction; and

- Restriction of the shadow economy. Efforts should be made to channel the informal economy, through legislation, enforcement and monitoring towards formal economic activity, in addition to strengthening the economy, will have direct and positive effects for the poor in Albania.

ACHIEVE HIGH QUALITY BASIC UNIVERSAL EDUCATION

GOAL

MDG

2

ACHIEVE HIGH QUALITY BASIC UNIVERSAL EDUCATION

GOALS	STATE OF GOAL ACHIEVEMENT[26]	STATE OF SUPPORTIVE ENVIRONMENT
Universal basic education	On track	In place

Data gathering	Statistical tracking	Use of statistics in policies	Monitoring & Evaluation
Fair	Weak	Fair	Fair

Target 7: Primary school attendance of both boys and girls ensured 100% by 2015	**Target 9:** Approximation of financial indicators for primary education in line with OECD countries
Target 8: Implementation of measures to assure improved quality of primary education	

TABLE 4. EDUCATION INDICATORS AS MEASURED IN ALBANIA						
Targets	Indicators[27]	Years				EU Average
		2001[28]	2002	2006	2015	
7	7.1 Net primary education enrolment ratio	92%	92%	98.5%	100%	No data
8	8.1 Proportion of pupils starting grade 1 who reach grade 5	85%	88%	92%	100%	Nd
	8.2 Literacy rate of 15-24 year olds	98.4%	98.4%	98.8%	100%	Nd
	8.3 Ratio of school dropouts	2%	2%	1.7%	0%	Nd
	8.4 Average years of education	9.7	9.7	10.2	>13.5	Nd
9	9.1 % of the budget for primary education	22.88%	22.88%	19.38%	20.39%	Nd
	9.2 Compared to secondary education	40.36%	40.36%	33.56%	35.2%	Nd
	9.3 Compared to university education	165%	165%	150%	133%	Nd

Source: Ministry of Education 2003, NSSED Strategy and Progress Report, The Albanian Response to MDGs-HDPC

[26] Assessments on the degree to which Albania is on track towards achieving each MDG target and other relevant monitoring, evaluation, and policy factors provided in these tables are subjective and based primarily on qualitative assessments by government and other national experts. These assessments have been made more challenging due to the lack of reliable baseline and other data going back to 1990. Future MDG Progress Reports will attempt to provide more detailed analysis on these issues.

[27] MDGs and NSSED indicators are the same

[28] See footnote 26 on assessment of goal achievement and baseline data

STATUS AND TRENDS

Key objectives in the national education strategy are to increase participation in education, improve the quality of teaching and develop facilities for the period of mandatory education (8 years). For this mandatory period there is a 98 percent rate of enrollment with 96 percent in rural areas and close to 100 percent enrollment rate in urban areas.

Of the 1401 rural secondary schools approximately 90 percent are 'dependant' schools. In these schools classrooms often contain children from different years (mixed classes). This is even more of a problem in rural primary schools (classes 1-4). Even with improvements in the quality of teaching at the primary school level, 13 percent of teachers remain without appropriate education. At the secondary level this figure rises to 18.2 percent (the main lack of education being in the areas of mathematics, biology, history and social education).

The poor and extremely poor, particularly in rural areas, have a low rate of enrollment in schools, especially at the levels of high school and university. Figure 5 shows a more visual representation of the growing gap in age-specific enrollment rates for the poor and non-poor. Additionally, while the trends in secondary school enrollment rates are a matter of concern across the board, regardless of socio-economic status, for the poor the magnitude of the drop-out rates between the ages of 14 and 18 is a particularly distressing phenomenon.

During the academic year 2002-2003 there were 3665

FIGURE 5. ENROLMENT IN MANDATORY EDUCATION ACCORDING TO HOUSEHOLD ECONOMIC STATUS (%)
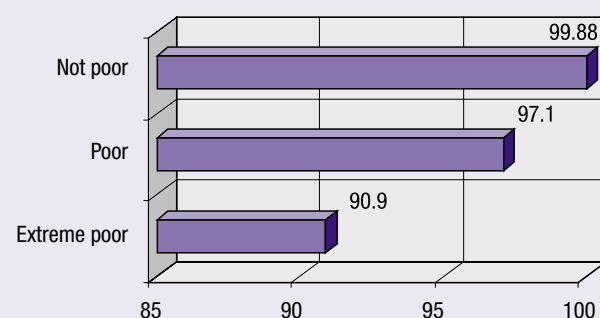
FIGURE 6. POVERTY AND EDUCATION
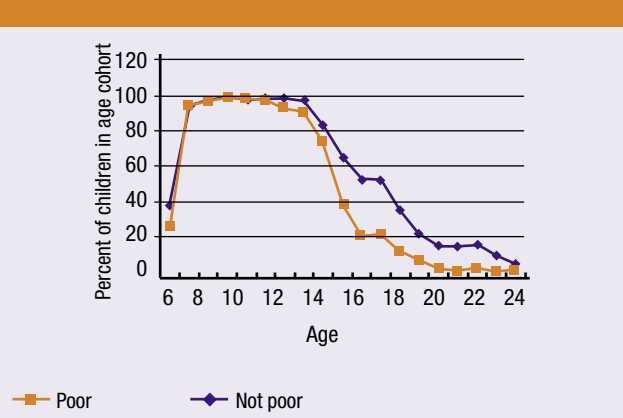
mixed classes of which 2562 were at the primary level and 1103 were at the secondary level. The number of mixed classes is increasing, especially in rural areas. The total number of mixed classes in the secondary schools in Albania totals 20.3 percent. This figure rises to 49.7 percent in primary schools.

TABLE 4. ENROLMENT IN DIFFERENT LEVELS OF EDUCATION (CLASSES 1-8) 2003				
Mandatory education	Number of schools	Number of students	Number of teachers	Number of of students/teacher
Primary education, classes 1-4	1838	255.628	11.792	22
Secondary education, classes 5-8		260.154	16.028	16

Source: Ministry of Education 2003
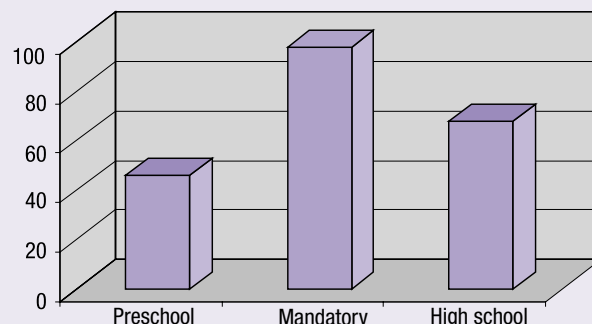
KEY FEATURES OF MANDATORY EDUCATION

Some of the key features of mandatory education during recent years are:

- Poor education infrastructure in rural areas particularly in mountainous regions;
- Dropouts often caused by difficult social and economic situation of most of Albanian households especially in Northeast areas and households that have migrated to the outskirts of big cities and lowland areas;
- Low quality of teaching mainly in the outskirts of cities and in rural areas due to low level of relevant teacher education;
- Use of standard textbooks for all students in mandatory schools with no variation for ability resulting in poor pupil results;
- Overcrowding in urban schools and under-utilization in rural schools; and
- Lack of or poorly maintained facilities and equipment e.g. laboratories, libraries, sports facilities.

CHALLENGES

- Need to reform the education system in order to increase enrollment in mandatory education, particularly for the poor and those in remote areas;

- Improve quality of teaching at all levels by defining and implementing national educational standards;

- Deepening of the decentralization process;

- Increase of public and non-public expenditure in education and increase the transparency of expenditures on education;

- Low Government financing of education is undermining the sector's development. The current tight fiscal constraint does not save public funds; it is transferring some costs to future and current generations (for example, negligible spending on school maintenance amounts to borrowing against the future at high rates of interest); and

- Improvement of the regulatory framework for private schools.

FIGURE 7. ENROLMENT IN DIFFERENT LEVELS OF EDUCATION

Source: INSTAT 2003

FIGURE 8. EDUCATIONAL EXPENDITURES

Educational expenditure as % of GDP

Educational expenditure as a % of total expenditure
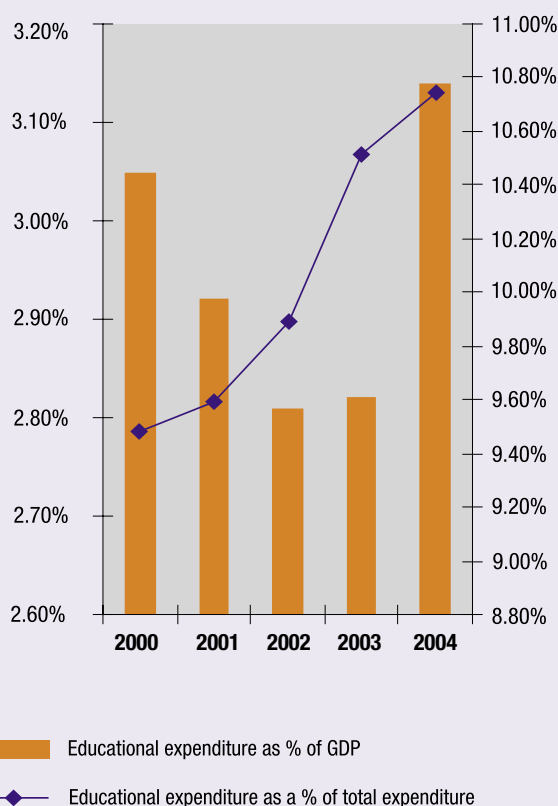
Source: Ministry of Finance 2004

- Increase the length of mandatory education from eight to nine years in order to respond to western standards;

- Increase of the progressively public spending in Education and better management and transparency in the use of funds;

- Decentralization of the mandatory education system in order to support main sectoral and local priorities;

- Establishment of advanced national educational standards;

- Construction or rehabilitation of school premises in order that by 2015, at least 90 percent of students will have the facilities to receive lessons of an international standard;

- Increase the quality of teaching;

- Ensure access to education for children with disabilities and for minorities in compliance with national legislation and international conventions;

- Introduction of special measures for integration of "working street children" and extreme poor into mandatory education;

- Progressive elimination of the worst forms of child labor (working street children, working children in agriculture and child trafficking);

- Development of a curriculum that supports learning through improved information and communication;

- Professional capacity building to improve management and teaching quality at all levels; and

- Establishing a broader consensus for reforms in the education sector.

PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

MDG

GOAL 3

PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

GOALS	STATE OF GOAL ACHIEVEMENT[29]	STATE OF SUPPORTIVE ENVIRONMENT
Gender equality	On track	In place

GOAL	DATA GATHERING	STATISTICAL TRACKING	USE OF STATISTICS IN POLICIES	MONITORING AND EVALUATION
Gender equality	Fair	Fair	Fair	Fair

Target 10: Eliminate gender disparities in primary and secondary education preferably by 2005 and to all levels of education no later than 2015

Targets	Indicators[30]	1995[31]	2000	2015	EU average
10	10.1 Ratio of girls to boys in primary, secondary and tertiary	1.02 - primary 1.00 - secondary 1.10 - tertiary		1.0	1.0 1.04 1.28
	10.2 Rate of literate females to males of 15-24 years		0.9 - urban 0.87 - rural	1.0 1.0	No data

Source: INSTAT 2003, NSSED Strategy & Progress Report(s), The Albanian Response to the MDGs-HDPC, other sectoral studies, UNICEF-MICS.

STATUS AND TRENDS

In Albania there is, in general, no significant disparity between girls and boys in primary and secondary education. However there are reports that indicate a slight disparity especially in some rural areas. There is a decline in school enrollment over the last ten years, however this has applied equally for girls and boys.

With respect to tertiary education, a clear and persisting gap over time exists between the enrollment rate of girls and boys. However, there is a positive trend of increasing enrollment rates for the two categories of pupils.

With reference to official statistical data, the proportion of literate females is approximately 93 percent. The same proportion is valid for men. Moreover, the ratio of females to males between the ages of 15 and 24 is almost 1:1, and no gender disparity in this respect is observable over years.

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[29] Assessments on the degree to which Albania is on track towards achieving each MDG target and other relevant monitoring, evaluation, and policy factors p☐ These assessments have
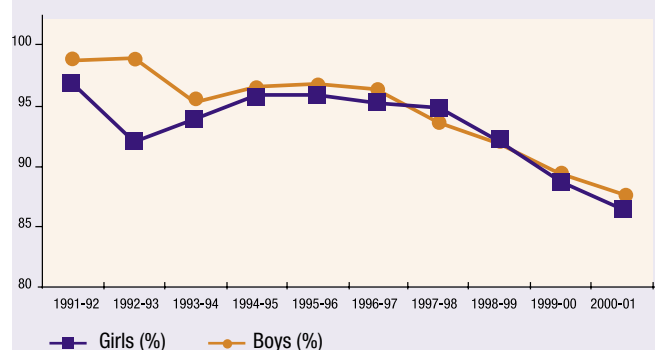been made more challeng☐
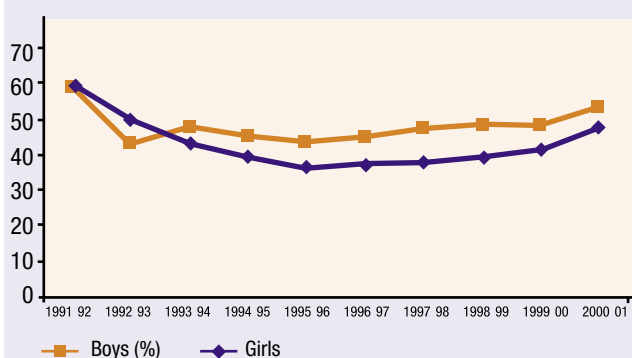more detailed analysis on these issues

[30] MDGs and NSSED indicators are the same

[31] See footnote 29 on assessment of goal achievement and baseline data

FIGURE 9. DISPARITY IN ENROLLMENT RATES IN BASIC EDUCATION

Girls (%)   Boys (%)

FIGURE 10. DISPARITY IN ENROLLMENT RATES IN TERTIARY EDUCATION

Boys (%)   Girls

TARGET 11 - ELIMINATE GENDER DISPARITY IN ELECTED ORGANS AND DECISION MAKING POSITIONS IN CENTRAL AND LOCAL GOVERNMENTS

Targets	Indicators[32]	2000[33]	2001	2015	EU Average
11	11.1 Proportion of seats held by women in national parliament		5.7%	30%	24.3
	11.2 Proportion of female ministers and vice-ministers		10.5%	30%	33.1
	11.3 Proportion of female directors of departments in Albanian Executive	24%		50%	Nd
	11.4 Proportion of women appointed as Prefects		16.7%	30%	Nd
	11.5 Proportion of women Head of Regional Councils	8.3%		30%	Nd
	11.6 Proportion of women in Municipality and Commune Councils	14.2%		30%	Nd
	11.7 Share of women in wage employment in the non-agricultural sector			50%	45.3

Source: INSTAT 2003, NSSED Strategy & Progress Report(s), The Albanian Response to the MDGs-HDPC, other sectoral studies, UNICEF-MICS.

A large discrepancy in the level of employment exists between women and men in Albania. The share of women holding full-time jobs is almost half that of men (23 percent versus 45 percent). The share of women employed in non-agricultural sectors amounts to 25 percent versus 75 percent for men. Similarly, the share of non-agricultural businesses run by women is very low and ranges from 1.9 percent (in transportation) to 25.5 percent (in the service sector). In light of this, it can be said that the majority of women in Albania are unemployed or underemployed,

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[32] MDGs and NSSED indicators are the same

[33] See footnote 29 on assessment of goal achievement and baseline data

and figures are significantly lower compared to those of men.

The situation of women seems more favorable regarding employment in the realm of public administration: 43 percent of those employed in the central administration are women and mostly as subject matter specialists and less as decision-makers; only 33 percent of those employed in the local administration are women.

The situation seems to be deteriorating, or stagnating, with respect to the proportion of seats held by women in national parliament. Women hold 5.7 percent of the seats in the current parliament in contrast to 20.4 percent in 1991.

Some of the major reasons for this situation are:

- Traditional and conservative views regarding the role of women;
- Limited perspective on employment and careers for women; and
- Lack of adequate policy framework to support solving of gender-related issues.

Gender equality and the empowerment of women are not yet a significant part of the government's social and economic policies. The NSSED doesn't include any gender specific related policy statements. However, positive steps have been noted as two important institutions dealing with, but not specifically, gender issues, the Committee for Equal Opportunities (COMEO), operating under the Ministry of Labour and Social Affairs and the Council for Equal Opportunities (COEO), operating under the Prime Minister have been established. In 2002, the COMEO designed the National Platform of Action for Women Empowering (NPAWE) in Albania. However, in actual practice its contributions to date have been limited due to institutional weaknesses, lack of proper authority and a limited budget.

CHALLENGES

- Substantial progress in achieving gender equality is quite dependant on the socio-economic dynamics of the country in the years to come;
- Overcoming traditional conservative views in some parts of Albania that view women as an inferior group in society;
- Need to fill the institutional and policy gaps in ensuring competitiveness, equal opportunities and transparency to promote women in decision-making positions;
- Need for increased public awareness and action by all actors with respect to gender equality as an integral function for the overall progress of the Albanian society.

WAYS FORWARD

- Further inclusion of gender policy aspects into the NSSED. Policy objectives and programmes need to be formulated to better address gender equality;
- Line ministries, through their own sector strategies, to specifically address gender related issues;
- Improvement of legislation aimed at empowerment of women in the social and political life of the country;
- Strengthening of a gender issues monitoring system, including the establishment of a civil society in the process of design, control and evaluation of gender-related programmes;
- Intensify activities related to raising awareness of gender equality.

REDUCE CHILD MORTALITY AND
IMPROVE MATERNAL HEALTH

MDG

GOALS 4 & 5

REDUCE CHILD MORTALITY AND IMPROVE MATERNAL HEALTH

GOALS	STATE OF ACHIEVEMENT[34]	STATE OF SUPPORTIVE ENVIRONMENT
Reduce child mortality	On track	In place

GOAL	DATA GATHERING	STATISTICAL TRACKING	USE OF STATISTICS IN POLICIES	MONITORING AND EVALUATION
Reduce child mortality	Fair	Fair	Fair	Fair

TARGET 12 - REDUCE THE UNDER FIVE MORTALITY RATE BY 10/1000 BY 2015								
Target	Indicators[35]	2001[36]	2006	2009	2012	2015	EU[37]
12	12.1 Infant mortality rate per 1000 live births	17.4	15	13	11	10	4.5
	12.2 Under five mortality rate per thousand	20.1	18	15	12	10	5.4
	12.3 Measles vaccine	>/95%	>/95%	>/95%	>/95%	>/95%	86.9%

Sources: UNDP 2002, RDSs (UNDP) 2003; MoH 2003, NSSED Strategy and Progress Report, INSTAT, WHO Europe, Eurostat, IPH

STATUS AND TRENDS

Albania has, in general, made good progress in the reduction of the child mortality rate. It has been reduced by almost half since 1990, from approximately 42 deaths per 1000 live births in 1990, to approximately 21 deaths per 1000 live births in 2002. Almost three quarters of the total deaths represented are infant (0-1 year old) deaths, more than half represented by deaths in the womb as well as mortalities incurred during and post-delivery. Similar to the under-five mortality, the infant mortality rate also shows a general decline from 28.3 deaths per 1000 live births in 1990 to 17.3 in 2002. Prenatal deaths have increased from 12.5 deaths for 1000 live births in 1990 to 14.1 in 2001. The existing problem in under-reporting

FIGURE 11. % OF UNDER-FIVE DEATHS ACCORDING TO AGE CLASSES
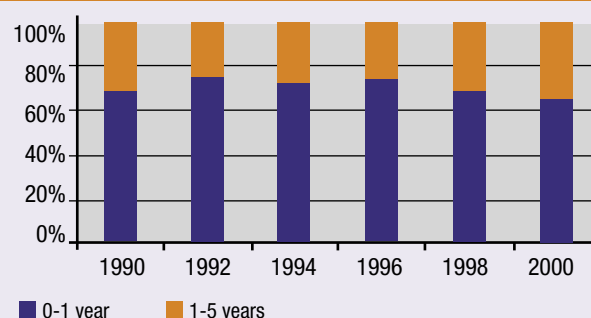
[34] Assessments on the degree to which Albania is on track towards achieving each MDG target and other relevant monitoring, evaluation, and policy factors p☐ These assessments have been made more challeng☐ more detailed analysis on these issues

[35] MDGs and NSSED indicators are the same

[36] See footnote 34 on assessment of goal achievement and baseline data

[37] EU average

of infant mortality should be noted, especially in remote rural areas.

However, in spite of the progress made over the last years, the mortality rate, especially during childhood and for children under five years old, still remains very high and very far from the level of European Countries and the EU average. The main diseases that cause infant mortality are respiratory ailments, followed by newborn diseases (during first 28 days post delivery), congenital anomalies and gastrointestinal diseases.

GEOGRAPHIC DISPARITY IN INFANT MORTALITY RATE

Although there is a significant decrease in the infant mortality rate in the country, a significant difference exists between urban and rural areas. This is caused by: (i) a higher level of poverty in rural areas as compared to urban environments and (ii) a lower level of the health services provided in rural areas.

FIGURE 12. INFANT DEATHS IN URBAN AND RURAL AREAS
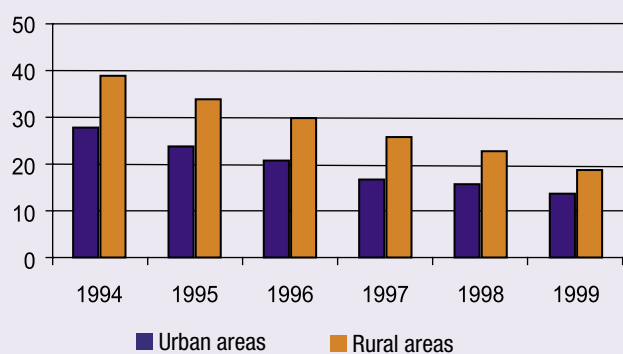
The rate of decrease appears to be slightly lower in urban areas than in rural ones. The massive movement of the population has resulted in an increase in infant mortality in urban areas, due to the increase of pressure on health infrastructure, as well as the transfer of traditional norms, customs, and behaviour from rural to urban areas.

IMMUNIZATION OF CHILDREN

The Albanian Government has made numerous efforts to maintain and improve the vaccination coverage of children in the country. An extended immunization programme has been established and elaborated in recent years and has enhanced the management of vaccination coverage structures. Albania already has an obligatory vaccination scheme against the main diseases such as: Measles, Diphtheria, Tetanus, Pertussis, Tuberculosis, Poliomyelitis, Hepatitis B as well as Rubella, which has also been recently introduced in the scheme. These efforts have resulted in a high level childhood immunization in Albania (more than 95 percent), reducing the infant mortality rate from infectious diseases.

MALNUTRITON AND BREASTFEEDING

Malnutrition, caused by the difficult socio-economic conditions of families, especially in rural and sub-urban areas, has a considerable negative impact on child mortality rates in Albania. However, although figures remain alarming, an improvement in the lowered prevalence of malnutrition in children ages 3 and under, has been observed over recent years.

Breastfeeding has been and, generally, continues to be a tradition in Albania. Between 1990 and 2000, approximately 61 percent of all 3 month old babies in Albania were breastfed. The European average is 60.33 percent. However, during the 1990s industrial milk was introduced to the market as a result of economic liberalization and the increase in confidence of births in a biomedical environment. A national programme to promote breastfeeding was initiated in 1995 with the support of UNICEF that has, as a priority, trained health personnel in maternal health education including breast-feeding.

MAIN CHARACTERISTICS OF CHILD MALNUTRITION

According to MICS 2000, one in seven children under the age of five, or 14 percent, are moderately under weight, while 4.4 percent are classified as significantly under weight. Almost one in three children under the age of five (31.7 percent) have some deficiencies in growth, while 17.3 percent are classified with noted growth deficiencies. In line with other indicators, rural areas are generally worse than urban areas in all three measures. Although the differences are not large, boys appear more likely to be undernourished than girls. The children in the 24 to 35 month age groups represent the highest levels of slowed or arrested growth (according to LSMS 2002).

Target	Indicators[38]	2001[39]	2006	2009	2012	2015	EU[40]
	TARGET 13 - BETWEEN 2001 AND 2015. REDUCE THE MATERNAL MORTALITY BY HALF						
13	13.1 Maternal mortality ratio per 100 thousand live births	22.7	15	14	12	11	5.5
	13.2 Proportion of first prenatal visits by trimester of pregnancy (%)	41.7%	50%	60%	65%	70%	Nd
	13.3 Promotion of births attended by skilled health personnel	>/98%	>/98%	>/98%	>/98%	>/98%	Nd

Source: UNDP 2002, RDSs (UNDP) 2003; Ministry of Health 2003; Eurostat.

STATUS AND TRENDS

The maternal mortality rate in Albania remains significantly high compared to the European average and especially to countries in the European Union. However, it has significantly decreased during the last years from 37.7 deaths per 1000 live births in 1990 to 22.6 deaths per 1000 live births in 2000. Maternal mortality is higher in rural areas, especially in the northeast region of the country where the indicator is 5 to 6 times higher than the national average. Abortions, hemorrhages, eclampsia and complications from anesthesia and infections rank among the major causes of maternal mortality.

One important factor supporting the reduction of maternal mortality may be due to the reduction of illegal abortions and an increase in the contraceptive use in Albania. The prevalence of abortions has fallen by approximately 24 percent from 1990 to 1999 though the number of abortions performed in the country still remains high. According to the MoH data in 1990, approximately 50 percent of maternal mortality cases were caused as a consequence of illegal abortion. In addition, statistics show a reduction in births per woman by approximately 30 percent during 1990 and 2001 (from 3.9 births/women in 1990 to 2.1 births in 2001). The use of contraception is positively correlated to the reduction of maternal mortality cases in Albania.

Family planning is easily accessible for approximately 60 percent of women in Albania. Although family planning services in the country are free of charge, the number of people, especially teenagers, attending the centres is low. This low attendance is indicative of the social and cultural barriers that exist in Albanian society and the necessity to improve the quality of care offered by these services.

[38] MDGs and NSSED indicators are the same

[39] See footnote 34 on assessment of goal achievement and baseline data

[40] EU average

PROPORTION OF BIRTHS ASSISTED BY SKILLED HEALTH ATTENDANTS

The percentage of prenatal visits has declined by 5.1 percent between 1990 and 2001. The periodic visits of pregnant women to specialized medical personnel remain low. Studies show that on average only 18 percent of women have their first prenatal visit in the first trimester of pregnancy, 45 percent were visited in the second trimester, while a high percentage were visited for the first time in the last three months of pregnancy.

Assistance at delivery differs between the rural and urban areas. The percentage of women assisted by professional staff is lower in rural areas.

The maternal mortality rate is affected by general socio-economic conditions, sanitary conditions before pregnancy, various complications during pregnancy and delivery, the state and use of health service equipment for prenatal and obstetrical care, limited physical access to health services, poor quality of basic services as well as the overall unfavorable social conditions that exist for women's health. Lack of trained and motivated health personnel, especially in remote and rural areas also contribute to unsafe pregnancies and child deliveries.

CHALLENGES	WAYS FORWARD
▪ There is a need to improve access to health services, especially in rural and remote areas and in cases of emergency due to: (i) long distances and poor infrastructure (ii) dysfunctional links between the health centres and the reference systems;	▪ Increasing access to mother and child health services in rural areas and improving standards and quantity of services offered;
▪ There is a need to improve the quality of health services at all levels;	▪ Addressing of the child and maternal mortality problems in a "localized" manner in the geographical areas where maternal and child mortality rates are highest;
▪ There are significant managerial and administrative weaknesses that need to be addressed, especially in regard to corruption in the health system, improvement of the regulatory framework and monitoring aspects of the private health sector;	▪ Upgrading the level of professional knowledge and the capabilities of health personnel through continuous training of staff directly involved in the delivery of the services of maternal and child health care, especially in the area of primary health care;
▪ There is a need to address the issue of weak capabilities and outdated knowledge of health personnel, including the poor financial incentives especially regarding the pursuit and treatment of diseases that cause child mortality;	▪ Deepening the integration of maternal and child health services structures in the three levels of health care in Albania through the unification of standard protocols for monitoring maternal and child health;
▪ The poor level of maternal and family education on pregnancy, breastfeeding, and the necessity of family planning still needs to be addressed;	▪ Improving and monitoring of the legal framework in addition to increasing the financing of health care infrastructure in rural areas in order to increase continued access and quality of health services;
▪ The distribution of vaccines and immunization services still remain problematic especially in remote areas.	▪ Improving the routine distribution of vaccination and immunization services especially in remote areas;
	▪ Raising awareness and public education to increase understanding of maternal health and childcare in addition to broadening community education programmes, for families and women with respect to the necessary care for pregnant women;
	▪ Extending the services of Family Planning in rural and especially in remote areas. The improvement of IEC (Information, Education, Communication) on Family Planning.

COMBAT HIV/AIDS
AND TUBERCULOSIS

GOAL
6

COMBAT HIV/AIDS
AND TUBERCULOSIS

GOALS	STATE OF GOAL ACHIEVEMENT[41]	STATE OF SUPPORTIVE ENVIRONMENT
Combat HIV/AIDS and Tuberculosis	On track	Needs attention

GOAL	DATA GATHERING	STATISTICAL TRACKING	USE OF STATISTICS IN POLICIES	MONITORING AND EVALUATION
Combat HIV/AIDS and Tuberculosis	Fair	Weak	Weak	Weak

TARGET 14 - HALT AND REVERSE THE INCIDENCE OF HIV/AIDS VIRUS BY 2015							
Target	Indicators[42]	2003[43]	2006	2009	2012	2015	EU[44]
14	14.1 Percentage of PLWHA[45] needing HAART[46] and receiving it	20%	100%	100%	100%	100%	No data
	14.2 Number of persons voluntarily taking an HIV test	250	10 000	16 000	25 000	50 000	ND
	14.3 Districts having VCT	1	6	15	15	15	ND
	14.4 Number of condoms distributed (in millions)	3[47]	4	5	6	7	ND

Baseline source: NSSED Strategy and Progress Report(s), The Albanian Response to the MDGs-HDPC, Other Sectoral Studies; Ministry of Health National Committee on Condom Safety, National HIV/AIDS program, Institute of Public Health, Infectious Disease Hospital.

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[41] Assessments on the degree to which Albania is on track towards achieving each MDG target and other relevant monitoring, evaluation, and policy factors p☐   These assessments have

been made more challeng☐

more detailed analysis on these issues

[42] MDGs and NSSED indicators are the same

[43] See footnote 41 on assessment of goal achievement and baseline data

[44] EU average

[45] PLWHA- People Living with HIV and AIDS

[46] HAART- Highly Active Anti-Retroviral Therapy

[47] This is an estimated figure. The real value varies between ±10% from this figure since there are annual variations. The goal for the following years is only relevant if the social marketing of condom use is ensured.

STATUS AND TRENDS

Albania is considered to be a low prevalence HIV/AIDS country, with no outbreaks of the disease recorded. However, although the country incidence is low, there is still the potential for increased prevalence in the future due to the demographic, economic and socio-cultural changes in the country. As of the end of November 2003, the number of sero-positives and AIDS cases reported was 117.

Out of the total number of HIV positive cases, 80 percent are male and 90 percent are between 20 and 35 years old. The HIV/AIDS prevalence rate among 15 to 24 year-old pregnant women is under 0.0001 percent, and only four orphaned children are reported to have died because of AIDS. However, it is acknowledged that the real number of HIV/AIDS cases is much higher. Cultural barriers such as silence and the stigma associated with drug use and sexual activity (particularly anal and commercial), are likely to be heavily affecting the recording and reliability of data corresponding to the pattern of transmission. Still, despite the fact that little is known about the HIV epidemiological situation in Albania, the main determinant of the epidemic appears to be unprotected sex.

In the context of quick social and cultural change, it cannot be assumed that traditional behavioural codes will prevail, particularly among the youngest generations. The lack of accurate information and the low level of condom use, as well as the difficulties in reaching the most vulnerable individuals (such as those who are victims of trafficking or who practice anal sex), point to the need of a mass media campaign accompanied by more targeted IEC interventions aiming at reaching specific collectives.

The predominant mode of transmission to date has been sexual (approximately 90 percent of all cases). Though HIV was contracted through infected blood only in four cases, a significant number of paid donors come from vulnerable groups and the awareness for self-exclusion is low. Around 70 percent of the infected people report having contracted the virus abroad. There are two cases of parent-to-child transmission and a trend towards the feminization of the epidemic. This trend towards a feminization of HIV prevalence can be explained by a higher vulnerability of women due to socio-cultural, biological and economic factors. Among the main factors

FIGURE 13. DISTRIBUTION OF HIV/AIDS IN YEARS, 1993-2003
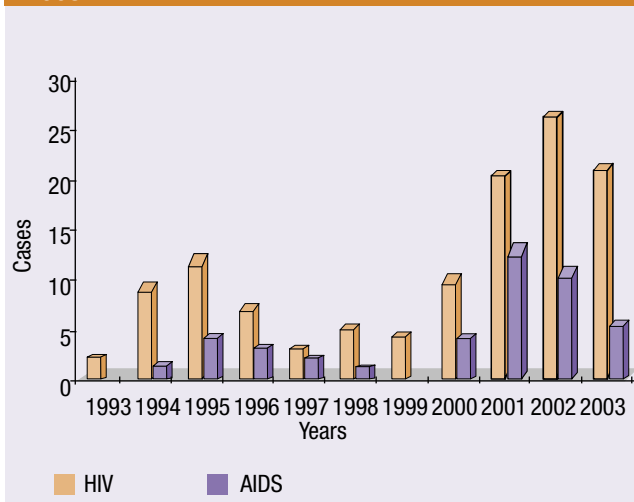
FIGURE 14. MODES OF TRANSMISSION OF HIV/AIDS
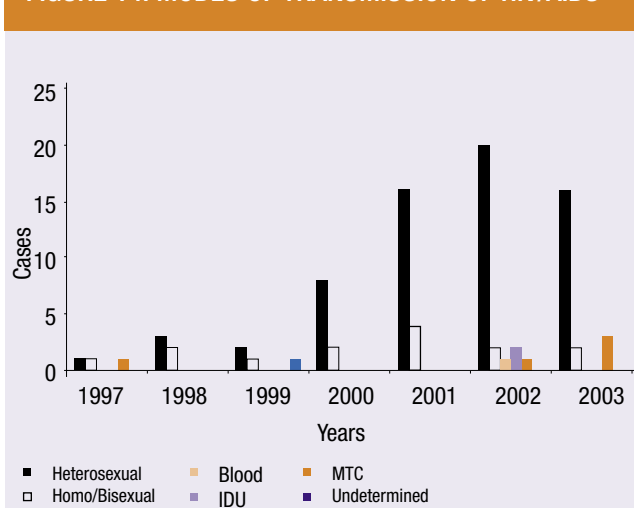
Source: Ministry of Health 2003

influencing safe sexual behaviour is the low possibility of negotiating condom use and the difficulties single women have accessing information and services on sexually transmitted infections.

There are low levels of contraceptive use and other methods of protected sex in Albania. Beginning in 1993, sex education programmes were included in the education curriculum. Despite this positive step, there is still a clear need to deliver training to teachers as well as to parent associations on the issue. Resistance to condom use seems to come from both males and females, as it is associated with "promiscuity."

There are several reasons underlying the assumption that the HIV epidemic might spread further in Albania:

- Ongoing social and economic change;

- High mobility of the population;

- Young population and emergence of new patterns of sexual behaviour;

- Increase in drug use and common practices of sharing equipment and having unprotected sex;

- Increase in the number of commercial sexual workers, all combined with a lack of health and sex education;

- Weak regulatory framework;

- Lack of sufficient information and sexual education, insufficient technical resources and capacity to deal with HIV/AIDS;

- Difficulties in reaching commercial sex workers due to the illegal nature and form of sex slavery; and

- Difficulties in reaching men who have sex with men (MsM) due to stigma and taboo, and the absence of an organized gay movement and the lack of risk awareness of married men with a social heterosexual identity who do not consider themselves to be homosexuals.

Testing. HIV testing is carried out on a voluntary basis and is free of charge for blood donors and individuals referred by clinics. There are only three public testing sites in Tirana: the Blood Bank; the Institute of Public Health (IPH); and the University Hospital of Tirana. In practice, testing can also be obtained through private medical institutions. Outside Tirana, only blood banks in district centres can provide rapid tests for blood donors and volunteers. Confirmatory tests can only be carried out centrally, at the IPH or the University Hospital in Tirana.

Treatment and care. Infections associated with HIV/AIDS can be treated, although health services suffer from a lack of resources and cannot always be delivered. In 2000, a law on HIV/AIDS provided a new opportunity to include anti-retroviral therapy in the treatment of the disease but so far no treatment has been provided through the public health care system. Private treatment can sometimes be organized for some patients, however this remains on an ad hoc basis and the lack of appropriate follow-up might result in the risk of developing resistances.

Counselling. Pre- and post-test counselling is available at the Institute of Public Health, the Infectious Disease Hospital and some NGOs. Still, pre- and post-counselling does not systematically take place.

Drug use. It is difficult to estimate the number of people involved in substance abuse, however this number has been estimated at approximately 30 000 people, most of who reside in Tirana and other urban areas. The number of drug users is increasing and intravenous drug use is becoming more frequent. Sharing equipment and having unprotected sex are common practices.

Various activities, like workshops, conferences, TV and radio broadcasts, meetings and awareness campaigns have been carried out frequently by various institutions, agencies and NGOs aiming to increase awareness about HIV. A recent survey of UNICEF shows that the most relevant sources of information to vulnerable groups come from the media, friends and peers, whereas very little information comes from parents and educators.

- Allocation of more funds and enlargement of the National AIDS Program (NAP) activities;

- Extension of another sentinel surveillance system in other districts, other than Tirana addressing remote areas;

- Better involvement and support of active NGOs as well as media, to develop increased contraceptive use;

- Sexual education in schools should be improved and extended;

- A Management Information System (MIS) for HIV/AIDS should be set up and maintained;

- "Peers" should be trained, identified and monitored;

- Needle exchange programmes should be expanded;

- Actions to increase public awareness of HIV/AIDS should be intensified (including collaboration with the media);

- Efforts to provide treatment and care should be intensified in order to provide incentives to increase test demand, which if accompanied by pre- and post-counselling, could be a highly effective prevention tool; and

- Make HIV testing free of charge and available in all regions of the country.

In 2000, a government decision established an Inter-ministerial Committee to Fight against HIV/AIDS. A National AIDS Plan (NAP) was established under the Ministry of Health and a national strategy of prevention and control of HIV in Albania (2004 to 2010) has also recently been launched. The three main objectives stated in the strategy reflect efforts between the general population and specific groups, as well as between prevention and treatment, and should be viewed as mutually reinforcing strategies. Still, the current health system does not have the necessary capacity, staff and resources to properly implement this recommendation. Scarce resources (both financial and human) have been focused up to this point on setting up a safe blood supply and surveillance system.

TARGET 15 – HALT AND REVERSE THE TB NOTIFICATION RATE BY 2015							
Target	Indicators[48]	2003[49]	2006	2009	2012	2015	EU Average
15	15.1 TB case notification rate per 100,000 population	20/100,000	19/100,000	17/100,000			No data
	15.2 TB mortality rate (%)	4.5%	4%	2.5%	2.5%	2.5%	ND
	15.3 DOTS coverage (%)	30%	60%	100%	100%	100%	ND

Source: Data sent to WHO and EUROTB and compiled at the Central Unit of the programme, using quarterly aggregated data from 30 TB dispensaries.

STATUS AND TRENDS

TB in Albania is perceived as a public health threat, even though the notification rate is at 20 per 100,000 in 2003, mainly due to the association with different factors that can increase the potential risk of the disease. The impoverishment of the population, overcrowding and promiscuity in the main cities (with extensive urban migration), populations living in extremely remote areas, no clear evidence on the number or health status of the Roma population, and an overcrowded prison system all underline the size of the population at risk and the high potential for a rapid increase of the disease.

Between 1990 and 2002, the TB notification rate varied from 22 to 20 with possible underreporting from marginalized populations. In 2002, a total of 612 TB patients were registered. Out of these, 571 were new and 28 were relapsed. A total of 225 smear positive TB pulmonary cases started treatment. Regarding the gender distribution of the patients, men comprised 64 percent and women, 36 percent.

Case notification rate of all forms of TB in 2002 (per 100,000 population)

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[48] MDGs and NSSED indicators are the same

[49] See footnote 41 on assessment of goal achievement and baseline data

By district, the highest number of TB cases registered in Albania is in Mirdite, Malesia e Madhe, Tirane, (from 30 to 45 new TB cases) and the lowest number of cases are in the districts of Saranda, Gjirokastra, Tepelene, Permet and Gramsh (from 3 to 6 new TB cases). (see map)

The mortality rate was 4.5 among the TB cases treated.

In 1999, the National TB Control Programme for 1999 to 2003 was prepared. This programme is still valid as it was approved as a Ministerial order and released in 2000. The programme is based on the WHO/IUATLD recommended strategy for TB control and was supported by the MoH.

The central unit of the programme and the national reference laboratories were established in 2000. The Albanian programme was supported during 2000 and 2001 and the first three months of 2002 by external donation. Beginning in March 2002, the government was in charge of all components of the TB programme. The salaries of the staff, costs for hospitalisation, diagnosis and follow up for TB patients and suspected cases were covered.

In early 2004, the Albanian Government took an extremely important step to show the political commitment for TB control; even though Albania was eligible as a country for free support from the Global Drug Facility, the Government decided to procure the drugs with the national budget, but through the direct procurement mechanism, from GDF.

As already mentioned, DOTS implementation started in 2001 and by the end of 2003, 30 percent of the Albanian population was covered. It is estimated that by the end of 2004, around 60 percent and, by the end of 2008, 100 percent of the population will be covered by DOTS, with increased access for members of different vulnerable groups.

The treatment outcome is monitored through quarterly reports from the TB dispensary level and reported to the central unit level. For patients who started treatment in 2001 and who were evaluated in 2002, 188 pulmonary culture positive TB cases were evaluated and the treatment outcomes that were in the DOTS area cured 62 percent of patients and in non-DOTS areas, 37 percent.

CHALLENGES

- Ongoing social and economic change;

- High mobility of population;

- Poor housing conditions and overcrowding;

- Weak cooperation between lung disease specialists and general practitioners;

- Lack of quality assurance system for laboratory network;

- Lack of sufficient information and health education.

WAYS FORWARD

- Expand and maintain good quality DOTS to 100 percent of the country;

- Introduce and expand the quality assurance for the laboratory network;

- Improvement of the system for data collection and data reporting;

- Maintain and improve the system for supervision and monitoring visits from the central unit to the peripheral level;

- Prevent the development of MDR TB by providing adequate treatment to all TB patients and follow-up to the end of treatment

ENSURE SUSTAINABLE ENVIRONMENTAL DEVELOPMENT

MDG

GOAL 7

ENSURE SUSTAINABLE ENVIRONMENTAL DEVELOPMENT

GOALS	STATE OF GOAL ACHIEVEMENT[50]	STATE OF SUPPORTIVE ENVIRONMENT
Ensure Sustainable Environmental Development	On track	Needs attention

GOAL	DATA GATHERING	STATISTICAL TRACKING	USE OF STATISTICS IN POLICIES	MONITORING AND EVALUATION
Ensure Sustainable Environmental Development	Fair	Weak	Weak	Weak

TARGET 16 - INTEGRATE THE PRINCIPLES OF SUSTAINABLE DEVELOPMENT INTO COUNTRY POLICIES AND PROGRAMMES AND REVERSE THE LOSS OF ENVIRONMENTAL RESOURCES

Targets	Indicators[51]	2003[52]	2015	EU Average
16	16.1 Land area protected to maintain biodiversity	5.8%	To be defined	12.5%
	16.2 Proportion of the land area covered by forests	0.991 ha (2001)	To be defined	ND
	16.3 Reduce number of environmental "hotspots"		To be defined	ND
	16.4 Percentage of the state budget allocated to the environment		To be defined	ND
	16.5 The issue of sustainable development addressed as an issue within school curriculum		To be defined	ND

Source: Ministry of Environment 2003, HDR 2003, NSSED Strategy & Progress Report, The Albanian Response to the MDGs-HDPC

STATUS AND TRENDS

In recent years, there has been an increased awareness by Albanian institutions towards sustainable environmental issues. A number of important policy documents attempt to put more emphasis on these issues. They sanction the Government's commitment for a "healthy and ecologically suitable environment for present and future generations" and for the "rational utilization of forests, pasture and water resources, based on the principle of sustainable development."

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[50] Assessments on the degree to which Albania is on track towards achieving each MDG target and other relevant monitoring, evaluation, and policy factors
p□ These assessments have
been made more challeng□
more detailed analysis on these issues.

[51] MDGs and NSSED indicators are the same

[52] See footnote 50 on assessment of goal achievement and baseline data

AREAS OF LAND COVERED BY FORESTS

The total forest area in 2000 was 0,991 million hectares[53] (or about 37 percent of the country's total area), compared to about 1.07 million hectares in 1990. This represents a forest cover change in the recent years of approximately 8 percent compared to the reported growth of approximately 4 percent between 1980-1990[54]. Over the last ten years, forests have been over-utilized and financial resources for good management have been limited. There has been insufficient control over such illegal activities as indiscriminate woodcutting, overgrazing, and occupation of forest and pasture lands. A significant decrease in forest damage has been noted after 1997. However, this data does not capture much of the illegal logging activity that has continued to occur driven by commercial interests and poverty, especially in more rural areas

AREAS OF LAND PROTECTED FOR BIOLOGICAL DIVERSITY

Albania is a country rich in biological diversity. The total surface of the land area protected for biological diversity has significantly increased over the last decade (from about 3.8 percent of the country's surface area in 1998 to 5.9 percent in 2001). The total surface of protected areas in 2003 was approximately 190,000[55] hectares. The short-term goal is that 14 percent of the country's territory be included in different categories of protected areas, while the long-term goal (year 2020) aims at including 25 percent of the country's territory under this status[56].

Although progress has been made, the size of current protected areas remains insufficient to ensure effective conservation of the country's biological diversity. In addition, the biological integrity of existing protected areas has been compromised due to illegal hunting, fishing and wood collection. Monitoring and enforcement is inadequate and comprehensive management plans still do not exist.

CHALLENGES

- Poverty is seen as a root cause of environmental degradation;

- There is a need to control illegal activities such as uncontrolled woodcutting, overgrazing, and occupation of forest and pasture lands, and illegal hunting and fishing;

- There is a need to increase financial resources and establish efficient policy and programming, managing and monitoring and evaluation systems and strengthen institutional structures;

- The existing legal framework needs to be completed, especially in regard to urban air quality control, protected areas, biodiversity protection, definition of air pollution standards, etc.;

- There continues to be limited public information available and limited public awareness and engagement regarding the protection and maintenance of natural resources.

ATMOSPHERIC POLLUTION

The situation of atmospheric pollution in Albania's air is not monitored comprehensively. However, it is generally agreed that atmospheric pollution, especially in larger urban centres, is a significant problem. Despite these relatively low national averages, NOx and SO_2 values doubled between 1996 and 2000.

Major sources of air pollution today include: oil extraction and refining, domestic heating, cement production and unregulated garbage burning. Transportation is an additional contributor to air pollution. Over the last decade there has been a rapid increase in the number of vehicles in Albania.

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[53] FAO. Global Forest Resources Assessment. 2001

[54] INSTAT, Statistical Yearbook of Albania. 1991.

[55] NSSED-Progress Report, 2003

[56] Ministry of Environment (MoE). 2002.

- More responsibility and power to implement policy and resources should be allocated to central and especially local government in order to improve protection and maintenance of natural resources;

- Improvement of legal framework, paying special attention to urban air quality control, protected areas, biodiversity protection, and definitions for air pollution standards;

- The establishment of credible environmental monitoring systems and inspection structures also represent important long-term national priority measures to be undertaken;

- Promotion of NGOs and private sector participation in decision-making and natural resource protection and maintenance;

- Improve public access to information and increase public awareness and understanding of environmental issues.

TARGET 17: REDUCE THE PROPORTION OF PEOPLE WITHOUT ACCESS TO SAFE DRINKING WATER AND PROPER SEWAGE INFRASTRUCTURE

Target	Indicator[57]	2002[58]	2015	EU
17 Access to safe drinking water	17.1 Population with access to safe drinking water, urban and rural	80%	98%	No data

STATUS AND TRENDS

The situation regarding drinking water is problematic. Access to drinking water is low, especially in rural areas. In rural areas, less than 50 percent of residents have access to running water and less than 25 percent have access to running water inside their dwelling. For the country as a whole, access to running water is 66 percent and access to running water inside the dwelling is 50 percent.

Drinking water is of poor quality and unsafe. Poor water quality and poor hygiene is a major cause of disease and even infant deaths. One third of those that do not have access to running water obtain it from wells, and others obtain their water from rivers, channels or lakes.

The government of Albania has prepared the "Strategy for Water Supply and Sewage Sector." The main objectives of the Strategy are: elimination of illegal connections, cost recovery through tariff regulation, transferring full water supply and sanitation responsibilities to local government, and substantially increasing the participation of communities in project formulation, implementation and monitoring.

TARGET 17: ACCESS TO PROPER SEWAGE INFRASTRUCTURE

Target	Indicator[59]	2001[60]	2015	EU
17	17.2 Population with access to improved sanitation	90%	94.7%	No data

[57] MDGs and NSSED indicators are the same

[58] See footnote 50 on assessment of goal achievement and baseline data

[59] MDGs and NSSED indicators are the same

[60] See footnote 50 on assessment of goal achievement and baseline data

CURRENT STATUS AND TARGET

About 90 percent of the Albanian population lives in households with sanitary means of extra disposal, including flush toilets, connection to sewage systems or septic tanks, other flush toilets, improved pit latrines, and traditional pit latrines.

The dismal conditions in which many rural Albanians live are reflected also in the figures illustrating access to sanitation. Only 40.8 percent of rural dwellers have a toilet inside their dwelling, with 45.5 percent not having any access to a piped toilet. The comparison with Tirana, where 93.3 percent of the population lives in dwellings with at least one toilet inside, is striking. The situation is specifically problematic in remote areas (46.1 percent of the population does not have a piped toilet).

FIGURE 15. ACCESS TO WATER IN URBAN AND RURAL AREAS
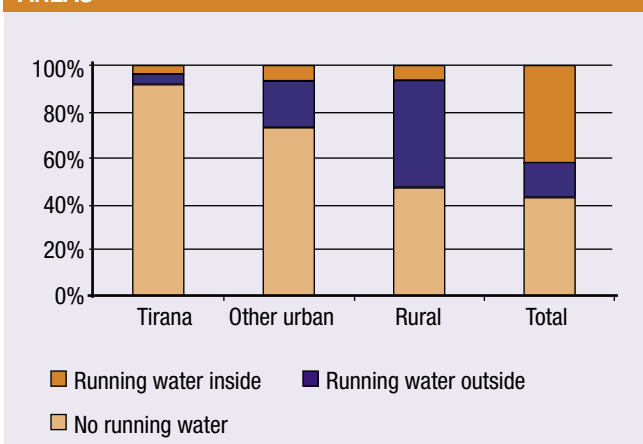
Source: INSTAT and World Bank, 2003

CHALLENGES

- Poor management and poor economic status of water and sewage companies. Human capital is poor and financial capital is insufficient due to the current water and sanitation tariff system;

- Insufficient enforcement of legal framework related to network protection from illegal connections;

- Insufficient empowerment of local government, regarding the transfer of authority and resources to perform the assigned functions;

- Insufficient social capital in rural areas, in terms of cooperation potentials and volunteering, to collectively manage water supply and sanitation systems;

- Insufficient awareness by rural population of protecting water sources from waste water and solid waste.

WAYS FORWARD

- Increase the level of financial allocation in order to meet the large investment and maintenance need for the water supply and sanitation systems;

- Enforce legislation related to protection of water supply systems;

- Implement decentralization reform and transfer authority (functions) related to water management to local authorities;

- Introduce and implement policies to make water and sewage system sustainable for the mid- and long-term. This will require reforming the water tariff system, improving service quality and attracting the private sector and building long-term social capital in rural areas.

**DEVELOP A GLOBAL PARTNERSHIP
FOR DEVELOPMENT**

GOAL 8

DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT

GOAL	STATE OF GOAL ACHIEVEMENT[61]	STATE OF SUPPORTIVE ENVIRONMENT
Global partnership for development	On track	In place

GOAL	DATA GATHERING	STATISTICAL TRACKING	USE OF STATISTICS IN POLICIES	MONITORING AND EVALUATION
Global partnership for development	Fair	Fair	Fair	Fair

| TARGET 18 – ENSURE HARMONISED AND MORE EFFECTIVE DEVELOPMENT PARTNERSHIPS WITH DONOR COMMUNITY | | | | |
|---|---|---|---|
| Target | Indicator | Baseline 2003[62] | 2015 |
| 18 | Percentage of donors whose assistance strategies are consistent with MDG priorities through the NSSED | Undefined | 100% |
| | Percentage of donors disclosing information on aid flows, including materials made available on web sites | Undefined | 100% |

STATUS AND TRENDS

Improved partnership among development partners and the Government of Albania can yield significant gains in cooperation as external aid is still quite important for the country.

Between 1991 and 2003, Albania received total commitments of external aid of approximately 3.89 billion USD. During the early 1990s foreign aid was dominated by humanitarian, food aid and balance of payment support while for the period from 1995 to 1999, most aid was in the form of development and technical assistance.

The ratio of external aid commitments to the GDP has shown a declining trend, from approximately 12.7 percent in 1999 to approximately 5 percent in 2002. The

FIGURE 16. EXTERNAL ASSISTANCE TO ALBANIA 1998-2002
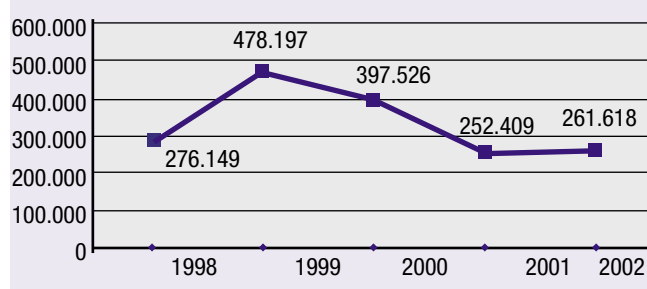
Source: MoF 2003 – National Report on External Aid

difference is mainly due to an increase in the GDP level (an average over almost 6 percent each year) rather than a decrease in commitments for external aid. The ratio of external aid to domestic budget has varied from 15 percent to 30 percent.

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[61] Assessments on the degree to which Albania is on track towards achieving each MDG target and other relevant monitoring, evaluation, and policy factors provided in these tables are subjective and based primarily on qualitative assessments by government and other national experts. These assessments have been made more challenging due to the lack of reliable baseline and other data going back to 1990. Future MDG Progress Reports will attempt to provide more detailed analysis on these issues.

[62] Ibid.

FIGURE 17. EXTERNAL AID AS % OF GDP AND STATE BUDGET

FIGURE 17. EXTERNAL AID AS % OF GDP AND STATE BUDGET

- % of commitments to GDP
- % of commitment to state budget spending
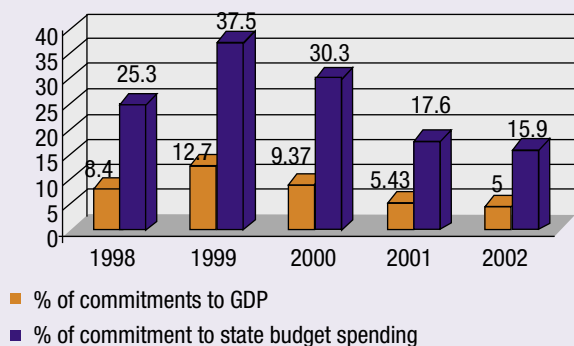
FIGURE 18. PERCENTAGE OF AID BY MAIN DONOR AGENCY, 1991-2001

- WB
- USA
- GERMANY
- GREECE
- EBRD
- EC
- OTHER
- ITALY
- EIB
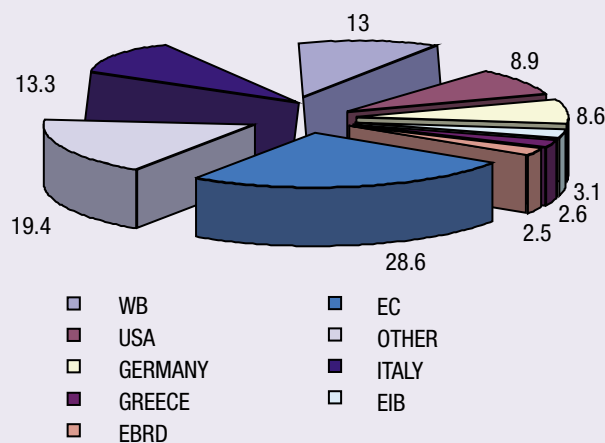
FIGURE 19. COMMITMENT IN % BY TYPE OF ASSISTANCE
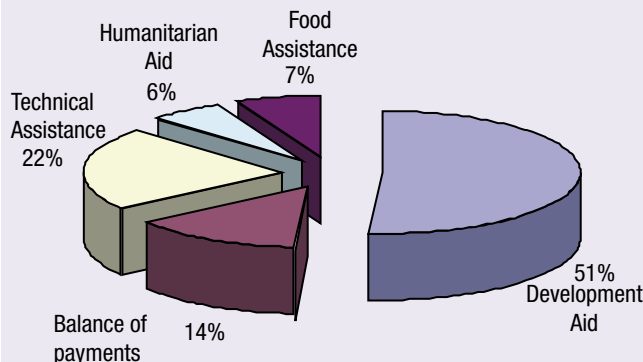
Multilateral donors are the main source of external aid, providing approximately 60 percent of the total assistance in Albania. The EU is by far the main contributor with cumulative commitments of more than 1,1 billion USD equal to 28.5 percent of total aid contributions in the country. The second largest donor is the World Bank with 758 million USD or 19.4 percent. The main bilateral donors over the years have been Italy (13.3 percent), USAID (8.9 percent), Germany (8.6 percent), and Greece (2.6 percent).

Development assistance has been significant, accounting for well over 50.5 percent of total commitments as shown in Figure 19. However, there has been a declining trend in this type of assistance since 2000. Since 1994, technical assistance programmes have been a necessary complement to investment packages. Technical assistance consists of more than 20 percent of total aid commitments, or approximately 50 million USD per year.

DONOR COORDINATION MECHANISM

Albania's External aid management functions have evolved over the years mainly in response to donor demands and activities, and the Government's own internal demands. However, since these components have evolved in an ad-hoc rather than systematic manner, they are not well related and external assistance management does not function efficiently. This has a direct impact on external aid planning and project execution, targeting of external assistance, and causes wide gaps between commitments and disbursements, and impairs development objectives at the national and sector levels. There is, however, the sense and realization that this situation needs to change and the Government is embarking on a number of measures to improve the system, develop capacities to give more direction and properly execute the management role.

CHALLENGES	WAYS FORWARD
• Significant external aid is required to achieve the MDGs;	• It is necessary to consolidate the process of integrated development to guide the planning of external aid and increase the consistency with the domestic policy framework budget plan;
• A major issue confronting Albania's external aid will be the proper targeting of funds rather than their attraction from international donors;	• Widening of public discussions regarding further engagement of civil society in evaluating the impact and sustainability of external aid;
• The MDGs, along with NSSED have increased the potential for improved donor coordination of external aid and increased local ownership in planning the aid. An integrated policy framework would provide better strategic guidance to external aid;	• The country, apparently, will be in need of debt burden relief by writing-off a part of its debt received during the1990s. In order to avoid new debts it is preferable that a significantly large part of assistance, especially in the area of human development and environment protection is provided on a grant basis;
• Low absorption capacities of external aid remain an issue for further consideration;	• The Government intends to use the external assistance to help eliminate trade and other economic barriers, and to attract foreign investments in support of sustainable economic development for the country;
• Ensuring sustainability of the public external debt of Albania is an important and complicated objective. The Government will be trying to decrease the amounts of external borrowing to prevent a threat to adequate development of the Albanian economy. For this Albania should be able to mobilize (through taxes and other controls) much more of its domestic resources than before.	• More efforts will be put in place for the MDGs to promote a framework for discussion of the government's priorities and external aid. The MDGs will further support mechanisms for increasing effectiveness of external aid, such as various regional programme initiatives for development that could provide guidance to assistance at the regional level.

ESTABLISH AND STRENGTHEN GOOD GOVERNANCE

MDG

GOAL 9

ESTABLISH AND STRENGTHEN GOOD GOVERNANCE

> Without sound governance – in terms of economic policies, human rights, well functioning institutions, and democratic political participation – no countries with low human development can expect long-term success in their development efforts or expanded support from donor countries.
>
> MDG compact

Target 19: Reform overall state systems of public administration, legislation and policies in accordance with EU standards of justice, rule of law, and market economies by 2015.

INDICATORS

Attain the average level of eastern countries by 2010 and the minimum level of European countries by 2015, in the following areas:

GOVERNMENT DIMENSION – PERCENTILE RANK (0-100)					
Target	Indicators[63]	Baseline 2002[64]	2010	2015	EU[65]
19	19.1 Voice and accountability[66]	49.5	65	81	90.3
	19.2 Political stability	30.3	60.5	71	84.6
	19.3 Government effectiveness	38.1	57.7	76	90.3
	19.4 Regulatory quality	41.2	63.2	83	90.0
	19.5 Rule of law	17.5	56.5	74	89.3
	19.6 Control of corruption	23.2	54.7	73	89.2

RATIONALE

There is a need to better address important problems of governance in order to ensure the realization of projects in the field of economic and social development for Albania and its people are not at risk. On the other hand, the donor community has conditioned its aid to improving economic governance and to improving rules, institutions and citizen decision making power that includes holding governments accountable for their actions.

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[63] MDGs and NSSED indicators are the same

[64] Assessments on the degree to which Albania is on track towards achieving each MDG target and other relevant monitoring, evaluation, and policy factors
p□   These assessments have
been made more challeng□
more detailed analysis on these issues.

[65] EU Average

[66] Voice and Accountability includes a number of indicators measuring various aspects of the political process, civil liberties and political rights, measuring the extent to which citizens of a country are able to participate in the selection of governments.

CURRENT STATUS

At present, Albania requires a higher level of attainment pertaining to governance indicators in the areas of: voice and accountability, political stability, government effectiveness, regulatory quality, rule of law, and control of corruption.

Two important fields, rule of law and control over corruption, require continued special attention in Albania. Some initial progress has been made with respect to the control of illegal migrants to EU countries and the trafficking of human beings. Drugs and other forms of organized crime remain issues that need serious attention from government authorities. The judicial system needs to be improved in order to remove the gaps that limit its capacity to guarantee sound rule of law in Albania. Progress in the judicial system and crime investigation has been limited. The decrease in the corruption level in important fields such as the judicial system, customs, tax system and the police remain a priority.

Other problematic governance issues are those concerning the improvement in the election system, facilitation of decentralization reform, higher effectiveness and lower political influence over the public administration.

WAYS FORWARD
▪ Establish an effective, participatory monitoring and evaluation system of the status of governance standards as measured by unbiased, prestigious international organizations;
▪ Consider, by 2015, achieving the standards of governance as measured by the attainment of European Community country in close standing with Albania;
▪ Measure progress in governance improvement against indicators identified, through SAp and NSSED monitoring and evaluation systems;
▪ Build a partnership on a 'governance improvement project,' which includes government, civil society and the business community, considering that governance is an issue that affects everyone in the country.

CHALLENGES
▪ Improving good governance is a key factor to the success of reforms and development in Albania and the best way to attract foreign financial assistance and Foreign Direct Investment (FDI).
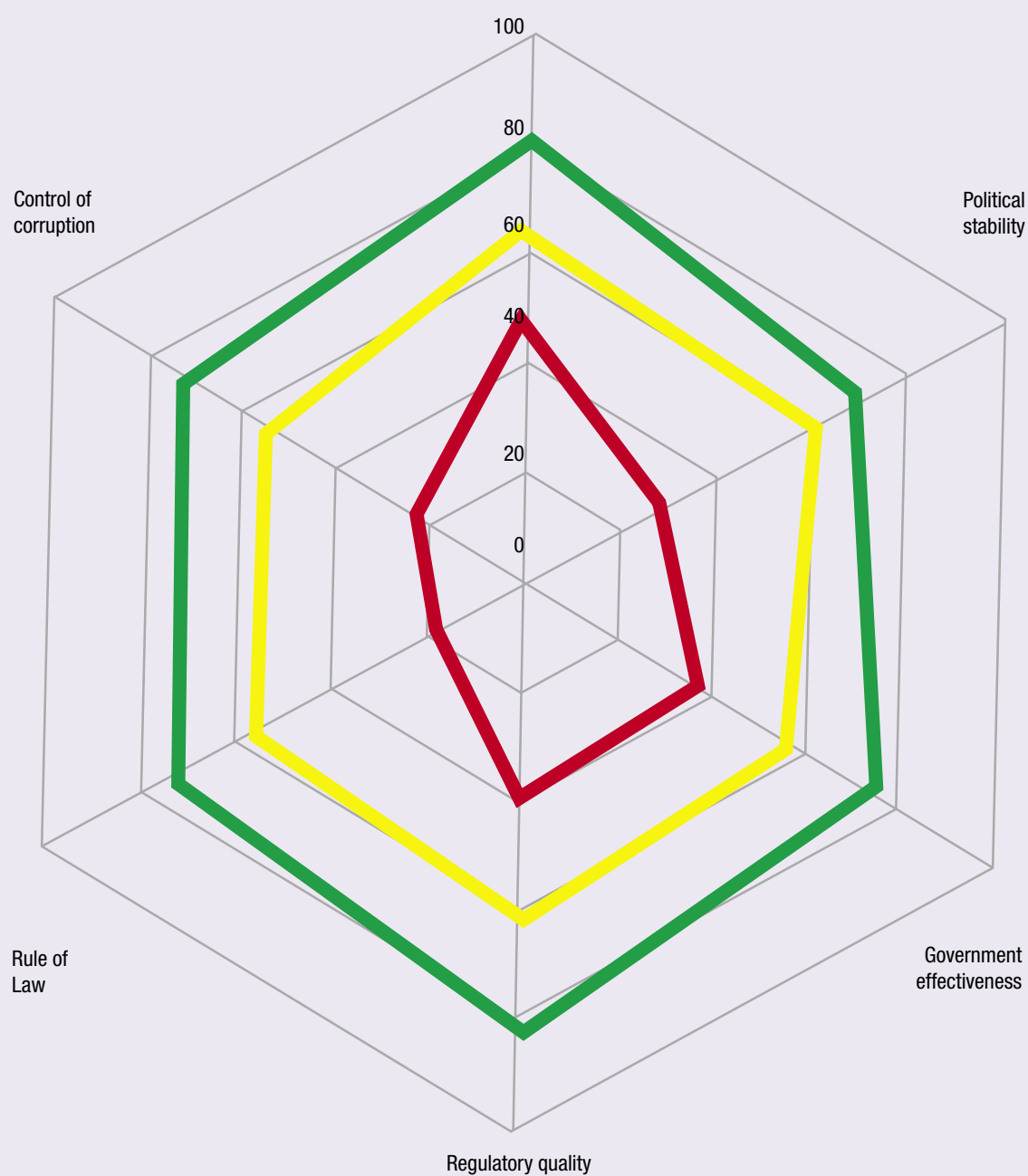
Governance rating for Albania for the year 2002 is represented in red. The targeted rating for the year 2010 is represented in yellow, and the targeted rating for the year 2015 is represented in green.
Yellow and green stand respectively for the governance indicators for Eastern Europe - Regional Average (2002), and governance indicators for European countries – EU average (2002).

Source: www.worldbank.org/wbi/governance/govdata2002/

ANNEXES

TABLE 1. MAIN OBJECTIVES OF THE NSSED						
Indicators	Baseline 2001	End of year 2002	2002	2003	2006	2015
GDP/capita $	1332.6	1332.6	1499	1588	1892	over 2700
Annual growth %	6.5	6.5	4.7	6	6	nd
Budget deficit %	8.5	8.5	6.2	6.6	5.4	nd
Absolute poverty %	25.4	nd	25.4	nd	20	13
Extreme poverty %	4.7	nd	4.7	nd	3	0
Infant mortality %	16	17.5	17.5	nd	15	10
Incidence of diarrhea diseases for 100,000	1500	1600	1400	nd	600	nd
8-year schooling enrolment rate %	92	92	94	nd	98.5	100
Secondary education enrolment rate %	64	64	66	nd	72	90
Weight of vocational ed. in secondary ed. %	16	16	18	nd	30	nd
Average number of years of school	9.7	9.7	10.2	nd	10.8	At least 13.5

Source: Annual Report of the Ministry of Economy, 2003

TABLE 2. MAIN MACROECONOMIC INDICATORS					
Indicators	1996	1998	2000	2002	2003
GDP (1990 prices in million lek)	16478	16547	19125	21327	
GDP (current prices in mlllion lek)	9.1	12.7	7.3	4.7	6.0
GDP (current prices in million USD)	314878	412326	530906	677684	744974
GDP per capita (in USD)	3013	2737	3694	4835	6113
GDP/capita (USD)	918	816	1086	1557	1950
Unemployment rate (in %)	12.4	17.8	16.9	15.8	15.2
Annual difference of CPI (in %)	17.4	8.7	4.2	2.1	
Budget deficit (in %)	-12.8	-10.4	-7.53	-5.60	-4.60
Domestic debt (in %)	30.7	32.9	42.5	38.47	38.0
Balance of Payments current account (in %)	-11.5	-8.2	-6.2	-7.6	-7.5
Foreign debt (in %)	35.6	26.5	29.2	24.6	23.3
Average exchange rate (in Lek/USD)	104.5	150.6	143.7	140.2	121.9

Source: Annual Report of the Ministry of Economy, 2003

TABLE 3. OTHER MACROECONOMIC INDICATORS

Years	Total of budgetary revenues (million lek)	Tax Revenues (million lek)	Current budgetary expenditures (million lek)	Budget Capital expenditures (million lek)
1993	31170	22736	38582	11853
1994	43849	35965	52125	16134
1995	53715	39679	58026	19108
1996	51341	42884	72493	12752
1997	57594	46298	86870	13751
1998	93515	72572	117604	23789
1999	107809	83530	131545	34127
2000	130643	104098	132020	35062
2001	145639	114294	142593	43397
2002	154595	128949	140119	37935
2003	167224	153887	164035	49168

Source: 1-Statistical Yearbook, 1993-2001, INSTAT,
2-IMF Country Report No. 03/64, March 2003

TABLE 4. POPULATION ON 1 JANUARY (1990 – 2001) (IN THOUSANDS)

Year	Total	Male	Female	Urban	Rural	Density
1990	3286.5	1686.0	1600.5	1176.0	2079.9	114.3
1991	3259.8	1654.0	1605.8	1173.5	2086.3	113.4
1992	3190.1	1589.3	1600.8	1165.0	2025.1	111.0
1993	3167.5	1566.1	1601.4	1314.3	1853.2	110.2
1994	3202.0	1586.2	1615.8	1345.0	1857.0	111.4
1995	3248.8	1607.8	1641.1	1381.0	1867.8	113.0
1996	3283.0	1624.0	1659.0	1445.0	1838.0	114.2
1997	3324.3	1628.9	1695.4	1526.0	1798.3	115.6
1998	3354.3	1649.7	1704.7	1543.0	1811.3	116.7
1999	3373.4	1662.0	1711.4	1555.2	1818.2	117.3
2000	3401.2	1676.9	1724.3	1598.6	1802.6	118.3
2001	3418.1	1704.4	1713.7	1439.7	1978.4	118.9
2001*	3069.3	1530.5	1538.8	1292.8	1774.9	106.8

Note: Calculation based on Population Projections from INSTAT.
(*): According to the Census, April 2001

TABLE 5. EDUCATION STATISTICS

Academic Year	Number of Schools				Number of Teachers				Number of Classrooms				Number of Registered Pupils			
	Prim.	Sec.	Private	Total	Prim.	Sec.	Priv.	Total	Prim.	Sec.	Priv.	Total	Prim.	Sec.	Private	Total
1993-94	1777	577	na	2354	32098	7834	na	39932	26319	na	na	na	535713	103291	na	639004
1994-95	1782	472	na	2254	30893	6365	na	37258	24276	na	na	na	550737	93830	na	644567
1995-96	1797	430	na	2227	31369	6321	na	37690	20519	na	na	na	558101	89895	na	647996
1996-97	1799	408	na	2207	30926	6118	na	37044	19909	na	na	na	560731	93058	na	653789
1997-98	1803	400	na	2203	30111	5989	na	36100	19416	na	na	na	559324	98721	na	658045
1998-99	1815	394	na	2209	29428	5897	na	35325	19312	na	na	na	553411	102161	na	655572
1999-00	1828	386	65(*)	2214	29055	5746	559(*)	35360	18965	na	na	na	543967	102963	6692(*)	653622
2000-01	1820	374	86(*)	2194	28293	5760	1063(*)	35116	18805	na	na	na	535238	108173	11788(*)	655199
2001-02	1798	372	na	2170	27672	5720	na	33392	17574	na	na	na	523253	118577	na	641830

Source: Statistical Yearbooks, 1993-2001, INSTAT
(*) – Primary and secondary schools
Note: na= not available

TABLE 6. BUDGET EXPENDITURES ON EDUCATION

Expenditures	1995	2001	2002	2003
Expenditures in lek (million)	8461	19488	19033	21031
Expenditures in USD (million)	91	135.8		
As % of total budget	11	9.59	9.89	10.51
As % of GDP	3.7	2.92	2.81	2.82
Expenditures per capita (USD)	28	39.6		

Source: Yearbook of social indicators, INSTAT, 2002

TABLE 7. STATISTICS ON HEALTH

Years	Mortality rate up to 5-years old (per 1000)	Health expenditures (in million USD)	Maternal Mortality (per 100,000 live births)	Infant Mortality (per 1000 live births)
1994	44.7	51	40.1	28.3
1995	37.0	52	29.1	30.0
1996	30.6	64	32.1	25.8
1997	22.9	67	27.5	22.5
1998	22.2	53	21.6	20.5
1999	18.6	88	20.7	17.5
2000	18.1	86	14.8	16.0
2001	20.1	84	22.7	17.5

Source: Yearbook of Social Indicators, INSTAT, 2002; Statistical Yearbook 1991-1999, INSTAT, 2002; Statistical Yearbook 1993-2001, INSTAT, 2003

TABLE 8. STATISTICS ON WOMEN AND EMPLOYMENT

Years	Unemployment rate in total (%)	Unemployment rate against total (%)		Unemployed against total (%)		Attendance in school (%)		% of those who complete school		% of female teachers and professors
		Male	Female	Age 15-19	Age 20-34	Boys	Girls	Primary	Secondary	
1993	22.0	21.0	24.0	14.9	48.9	56.2	43.8	na	na	na
1994	18.0	17.0	20.0	16.3	45.5	50.8	49.2	na	na	na
1995	12.9	11.6	14.8	12.1	45.7	51.4	48.6	57.0	56.3	na
1996	12.3	11.4	13.6	11.3	45.5	51.5	48.5	55.6	53.7	62.2
1997	14.9	13.8	16.6	12.2	46.0	51.3	48.7	55.1	63.6	63.2
1998	17.7	15.8	20.9	13.7	44.6	51.4	48.6	52.7	65.3	64.3
1999	18.4	16.4	21.4	12.9	45.6	50.8	49.2	55.7	66.9	63.1
2000	16.8	14.9	19.3	12.4	45.4	50.6	49.4	54.1	68.6	63.7
2001	14.5	13.2	16.6	7.1	46.9	51.2	48.8	na	na	na

Source: Yearbook of social indicators, INSTAT, 2002
Note: na = not available

TABLE 9: ANNUAL COMMITMENT OF FOREIGN AID TO ALBANIA: 1997-2002

Foreign Assistance USD (millions)	Up to 1997	1998	1999	2000	2001	2002	Total
Years	2230.7	276.1	478.2	397.5	252.4	261.6	3896.6

Source: Annual Report of the Ministry of Economy, 2003
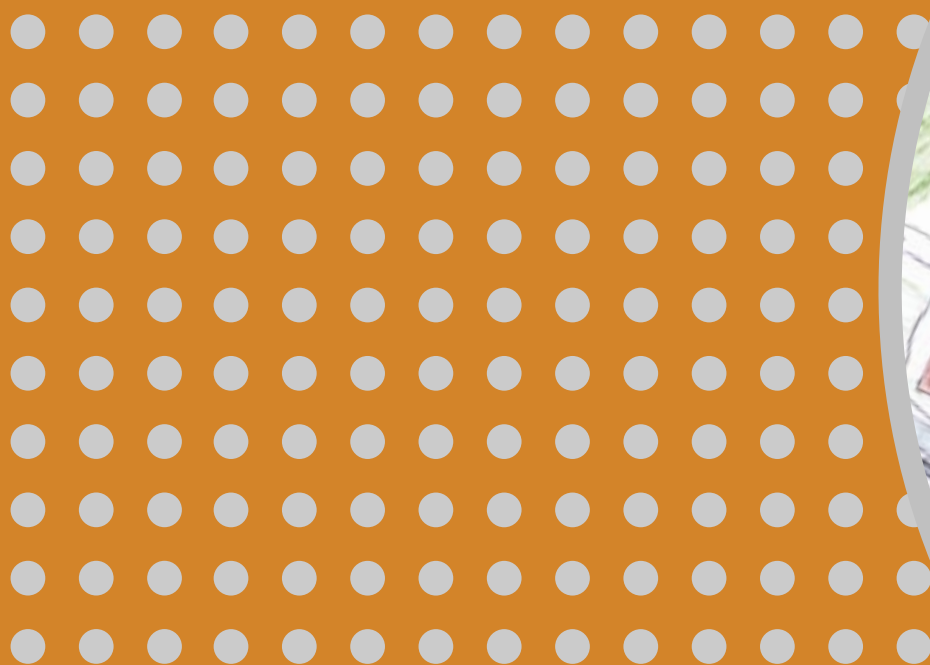

TABLE 10: FDI INFLOW-USD (MILLIONS), 1992-2002

FDI	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Years	32.0	45.0	53.0	70.0	90.1	47.5	45.0	41.2	143.0	207.0	150.0	178.2

Source: Annual Report of the Ministry of Economy, 2003

TABLE 11: ALBANIAN EXPORTS AND IMPORTS -USD (MILLIONS)

Years	1996	1997	1998	1999	2000	2001	2002	2003
Exports	224.5	145.9	208.0	274.4	255.4	304.6	330.2	447.1
Imports	933.1	644.4	823.5	943.0	1076.4	1331.6	1485.4	1783.4

Source: Annual Report of the Ministry of Economy, 2003

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