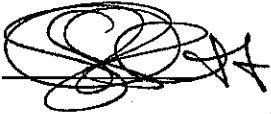



**Regional Level
Governance and Local Development**

ARTGOLD2 ALBANIA

A Government of Albania programme implemented by UNDP Albania,
UNDP/HUB Geneva and United Nations Office for Project Services (UNOPS)

<p>Project Title: Regional Level Governance and Local Development – ArtGold 2 Albania</p> <p>Programme Duration: 18 months</p> <p>Start/End dates: Oct 2009 – Mar 2011</p>	<p>Total Estimated Budget: \$ 2,540,000</p> <p>Out of which:</p> <p style="text-align: right;">Government _____</p> <p style="text-align: right;">Regular/other resources _____</p> <p style="text-align: right;">NGO or private _____</p> <p style="text-align: right;">UN _____</p> <p>Donor: Government of ITALY _____ \$ 2,540,000</p>
---	---

<p>For UNDP Albania</p> <p>Gülden Türköz-Cosslett Resident Representative</p> <p>Signature </p> <p>Date <u>12 October 2009</u></p>	<p>For UNDP/HUB Geneva</p> <p>Cécile Molinier Director, UNDP Office Geneva</p> <p>Signature </p> <p>Date <u>21/12/09</u></p>
--	---



<p>For UNOPS</p> <p> Siddharth Chatterjee, Regional Director, EMO Geneva</p> <p>Signature </p> <p>Date <u>23.10.09</u></p>

Table of Contents

Brief Description	page 3
Funds Repartition	page 4
1. National Context	page 6
2. UNDP Country Strategy	page 8
3. UNDP ARTGOLD1 Albania as part of international ART Initiative	page 8
4. Past UN Assistance in Albania on Local and Regional Development	page 9
5. UNDP ARTGOLD2 Albania Program	page 10
6. Objectives, Outcomes and Outputs of UNDP ARTGOLD2 Albania	page 15
7. Activities	page 17
8. Implementation and Management Arrangements	page 22
9. Monitoring and Evaluation	page 27
10. ART GOLD Albania Results and Resources Framework	page 29
11. Budget	page 36
12. Legal Context	page 37
13. ANNEX I County Partnership Councils (CPCs) - Terms of Reference	page 38
14. ANNEX II Strategic Planning (SP)	page 41
15. ANNEX III County Development Agencies (CDAs)	page 53

Brief Description

The present Project Document is conceived to provide a holistic and comprehensive framework to the activities and projects planned in support of the local development of two Albanian regions (counties), namely Shkodra and Vlora. Since the international technical assistance, including the ones provided through the Decentralized Cooperation modality, will be managed by UNOPS Geneva, it has been considered opportune to add specific points, in which such international technical assistance has been highlighted, for easy reference. The coherence of the program will be ensured by the international CTA, with the support and supervision of the UNDP Tirana CO (except for his/her responsibilities related to the management of the Guarantee Fund under the delegated authority of UNOPS as they do not fall within the legal framework of the present program). The UNDP ARTGOLD2 Albania CTA is responsible of the elaboration of the annual Work Plan, which ensures the coherence among the activities supported from different UN Agencies. The UNDP ARTGOLD2 Albania, in order to comply with the UNDP Tirana CO policy and priorities, and to guarantee the needed support to the activities and projects in the different development sectors, reports directly to the UNDP Tirana Country Director. All the international technical assistance provided through UNOPS Geneva will reflect the approved Work Plan. The experts recruited by UNOPS Geneva will report directly to the UNDP ARTGOLD2 Albania CTA and act under the overall supervision of the UNDP Tirana Country Director. The requests for technical assistance to UNOPS Geneva will be directed by the CTA, according to the Work Plan and in agreement with the UNDP Tirana Country Director, which is responsible for the approval of the above-mentioned request.

ART GOLD Albania program is part of UNDP ART Initiative (ARTiculation of territorial and thematic networks of human development cooperation), which is intended to promote, in the interested countries, national co-operation framework programs for governance and local development.

UNDP ART GOLD2 Albania will support the Albanian Government in implementing its national policies and strategies to achieve the MDG through a territorial approach, in particular at the level of Regional administrations (in Albanian "Counties") and Municipalities, according with the *Strategy for Decentralization and Local Governance* prepared by the Ministry of Interior. UNDP ART GOLD2 Albania will operate according also with the *Regional Development Cross-Cutting Strategy* prepared by the Ministry of Economy and Trade as well as the other thematic national development policies and strategies, in particular those of Ministries of Health, of Education and of Environment. To achieve this goal, UNDP ART GOLD2 Albania intends to promote and encourage the participation of different local, national and international actors, creating and supporting innovative partnerships within a global system of cooperation. In line with the overall ART approach, the program will act at local, national and international levels.

UNDP ARTGOLD2 Albania is an operational tool at local level for the ONE UN strategy, in two pilot counties. The program supports the elaboration of the County Strategic Plans, promoting the active role of public and private social actors in development processes as well as of the donors, including European Regions and Local Communities. Within the spirit of the ONE UN strategy, UNDP ARTGOLD2 Albania will facilitate the full involvement to the Strategic Planning exercise of the interested UN Agencies, which will participate to the elaboration and implementation of the County Strategic Plans.

UNDP ARTGOLD2 Albania is initially supported by a contribution of 2.5 millions US\$ from the Italian Government, but it is open to be extended, through specific amendments, to other donors.

UNDP ARTGOLD2 Albania strategy includes, in line with One UN strategy, the active research of synergies with other cooperation Programs, mainly those of the European Union.

According to the demands from the national Government and within the framework of the ONE UN strategy, UNDP ARTGOLD2 Albania provides high-qualified international technical assistance from the ART International networks, including the Decentralized Cooperation's experts.

ART International and UNOPS will manage the international technical assistance, in consultation with the CO, in order to get full advantage from the expertise provided by the international networks dealing with regional development, both at national and local levels. To this end, the UNDP HUB for Innovative Partnerships – Geneva will transfer the funds for the activities at local and national levels, against an annual Work Plan. The remaining budget will be managed directly by the HUB and UNOPS, according to the funds repartition.

UNDP ARTGOLD2 Albania works in the following complementary fields using a cross-cutting approach: governance; environmental protection and territorial planning; territorial economic development; local social and healthcare system; culture and education.

The program will promote the active participation of the women to all the phases of the initiative, from the formulation to the delivery of the different projects. The gender mainstreaming within the local development policies will be pursued and supported.

UNDP ARTGOLD2 Albania will focus its activities in the Counties prioritized by the Albanian Government, namely Vlora and Shkodra.

UNDP ARTGOLD2 Albania methodology intends to support the involved Regions and Municipalities in their Strategic Planning exercise, including the identification and implementation of strategic projects involving the public, associative and private social actors as well as the local offices and representatives of central institutions.

The international actors of decentralised cooperation, through UNDP ARTGOLD2 Albania, will establish development partnerships with the regional and municipal stakeholders, inscribing their contributions within the comprehensive Strategic Planning exercise.

A National Steering Committee (NSC) for UNDP ARTGOLD2 Albania will be established, chaired by the Ministry of Economy, with the participation of the involved Ministries, UNDP and ONE UN involved Agencies, donors, Decentralized Cooperation main partners, Strategic Planning experts, relevant national Civil Society organizations involved within the County Partnership Councils. In the spirit of the harmonization between different interventions in support to decentralization and local development, the same NSC, appropriately adapted, could be responsible of other donor initiatives.

The approach will allow international best practices and innovations for local development to be exchanged and, when appropriated, transferred to Albanian partners. To achieve this goal, the program will make use of the ART international thematic networks, such as "IDEASS" (Innovations), ILS LEDA (Local Development), UNIVERSITAS (Training and operational research), and the International network of Decentralized Cooperation, which are structural component of the ART Initiative. The ART Scientific Committee for human development cooperation will support the program with its international networks.

FUNDS REPARTITION

The total available funds for UNDP ARTGOLD2 Albania amount **US\$ 2'540,000**, which less the Management Fee (MF) applied by UNDP Geneva and UNOPS (7% and 8.25 respectively = US\$ 248,477), gives a total net amount of **US\$ 2'291,522**. Out of the **US\$ 2'291,522**, UNDP Geneva will allocate **US\$ 30,000** to UNDP HUB for Innovative Partnerships – Geneva for resources mobilization and supervision activities. Against a 12 months Work Plan, elaborated by the CTA and approved by the TPR meeting, **UNDP Geneva will transfer to UNDP Tirana CO US\$ 1'352,300, for activities at local and national levels**. Finally, UNDP Geneva will issue an Inter Agency Letter of Agreement (ILA) or a Memorandum of Understanding (MoU) with **UNOPS Geneva**, not exceeding **US\$ 1'155,599**, which less a 8.25% Management Fee (US\$ 75,600), gives a total net amount of **US\$ 997,690** in order to provide UNDP ARTGOLD2 Albania with all the needed international technical assistance, according to the 12 months Work Plan, elaborated by the CTA and approved by the TPR meeting. (see Budget, page 42).

UNDP Tirana CO, UNDP HIP Geneva, and UNOPS will be held accountable respectively for the financial management of the funds they administer under this program as stipulated in this document, and for all liabilities arising therefrom.

Although the funds are divided among UNDP Hub for Innovative Partnerships - Geneva, UNOPS Geneva and UNDP Tirana CO, the present Project Document responds to a unitary vision and methodology. Additionally, the identification of activities and projects for both components will follow the ART methodology, according to the prioritization of the Albanian participatory structures at national and county levels. The activities in Albania, supported through funds managed directly by UNDP Tirana CO, and the needed international technical assistance provided by UNOPS Geneva will be reflected within the 12 months Work Plan. The Work Plan will be drafted by the international CTA, supported and supervised by UNDP CO, in

accordance with the priorities of the Albanian National (National Steering Committee – NSC) and Regional Governments (County Partnership Councils – CPCs).

Repatriation of funds versus activities

The UNDP HUB for Innovative Partnerships – Geneva will manage the allocated funds for activities related to the resources mobilization in favor of the UNDP ARTGOLD2 Albania program; for involving additional Decentralized Cooperation partners within the program; for participating to monitoring missions in Albania jointly with the donors; for organizing presentations of the program in Europe; for including UNDP ARTGOLD2 Albania program updates within the HUB's website, newsletter or publications.

The above-mentioned activities will be organized in close consultation with and consent of the UNDP ARTGOLD2 Albania CTA and CO. Representatives from UNDP CO Albania (including the program's CTA), from the national and local participatory structures could be eventually be invited to the international activities.

UNDP HIP Geneva will be held accountable for the management of funds it administers directly and activities it undertakes with the use of such funds within the framework of this program.

UNDP Tirana CO, through his CTA, will manage the allocated funds for activities related to the general set up of the program and its offices; for the local personnel recruitment procedures; for the drafting of a comprehensive annual Work Plan; for the overall coordination of the program; for providing the needed technical assistance through local personnel; for the overall supervision of the national and local activities; for the elaboration of the technical and divulgation materials (Annual Reports, Financial Reports, link to the program in the UNDP CO webpage, brochures, leaflets, etc.).

UNDP Tirana CO will be responsible of the recruitment and management of the International Junior Liaison Officer.

UNDP Tirana CO is the leading structure for the UNDP ARTGOLD2 Albania program and, according to the approved Work Plan, is responsible for the implementation of all the planned activities in Albania.

UNDP HUB for Innovative Partnerships and UNOPS will consult and look for the clearance of UNDP Tirana CO for the implementation of any and all the planned activities in Albania and abroad.

UNDP Tirana CO will be held accountable for the management of funds transferred to it from UNDP HIP Geneva as well as for activities it undertakes with the use of such funds within the framework of this program.

UNOPS – Geneva will be held accountable for managing the allocated funds for providing all the needed international technical assistance to the program, according to the requests formulated by the UNDP Tirana CO, as planned within the approved annual Work Plan.

UNOPS will provide the program with the requested international technical assistance for finalizing the Strategic Planning exercise (through the ART ILS LEDA international service); for supporting the Albanian LEDAs and their possible transformation into County Development Agencies (CDAs), through the ART ILS LEDA international service; for promoting the set up or consolidation of international decentralized cooperation partnerships with the Albanian counties (through the ART ILS LEDA international service, and UNOPS Rome office; for promoting and disseminating innovations (through the IDEASS International Secretariat in Rome); for supporting training and research through Albanian Universities and specialized centers (through the Universitas international initiative); for international support to the welfare policies and activities (through the UNOPS office in Rome).

UNOPS will be responsible of the management of all the international contracts of the program, excluding the one of the Junior International Liaison Officer, although all the internationally recruited personnel will report directly (CTA) or indirectly (through the CTA) to the UNDP Tirana Country Director.

UNOPS will directly manage and is fully accountable for the Guarantee Fund allocated at Tirana Credins Bank and dedicated to the SMEs support in Shkodra and Vlore counties, through the Albanian LEDAs. The Guarantee Fund operates outside the legal framework of the present program but in coordination with the activities of this program. UNDP Tirana CO will not assume any responsibility for the management and liabilities arising from the Guarantee Fund.

Finally, within the implementation cycle of the program, a number of projects will require activities in which a combination of national and international technical assistance will be needed. The comprehensiveness and coherence of the program will be granted by the CTA/UNDP Tirana CO, in accordance with the approved annual Work Plan. The CTA/UNDP Tirana CO will look for avoiding any fragmentation of the program, being the only responsible for the correct implementation of the planned and approved projects and activities. The UNDP Tirana CO, through the CTA, will request UNOPS or ART International with the needed international technical assistance or services and approve the proposed personnel or initiative. The UNDP Tirana CO is the final authority to decide on the substantive direction and needs for the implementation of the UNDP ARTGOLD2 activities and partnerships in Albania, while financial accountabilities are assumed respectively by UNDP HIP Geneva, UNOPS and UNDP Tirana CO for the budget components they administer.

1. National Context

Albania has made remarkable progress in implementing many structural and institutional reforms required to establish a functioning market economy and the creation of a democratic system of governance.

According to a March 2005 World Bank report output in Albania increased by an average of 6 percent over the past decade; other economic indicators were also favourable, according to the report. Total public debt stock is down from more than 70 percent of GDP in 2000 to around 55 percent in 2004, the exchange rate is stable, interest rates are declining, and the build-up of official reserves continues. Inflation is now at its lowest level since transition began 15 years ago.

Macroeconomic performance since the beginning of this decade has been strong, and Albania is now emerging from the low-income country group. In 2008, the estimated nominal GDP will reach USD 11.97 billion, while the GDP per capita based on purchasing power parity is estimated to be USD 6,767¹. Per capita GDP has more than doubled during this period, helped by the successful implementation of poverty reduction and growth programs and large remittances.

Macroeconomic stability has been maintained, evidenced by a narrowing of the external current account deficit, the establishment of price stability, increasing confidence in the currency and the banking system, and rising international reserves. These positive developments owe much to sound fiscal and monetary policy frameworks. Fiscal policy has been aimed at containing net domestic borrowing and lowering public debt, which fell from above 67.5 percent of GDP in 2001 to below 55.5 percent in 2005 (partly helped by debt rescheduling). Fiscal consolidation has supported the monetary policy framework.

However, according to the IMF, progress with structural reforms necessary to maintain Albania's high growth potential has been mixed. As a result, Albania lags behind middle-income countries with respect to quality of business climate and institutions. The differences are most pronounced in crucial areas such as corruption, rule of law, and infrastructure development. The resulting low level of non-price competitiveness deters investment and the expansion of the export base, which is less than half of the typical size for a country at Albania's income level. Moreover, major vulnerabilities remain due to the sizable short-term domestic public debt, a culture of tax evasion, and poorly regulated and supervised non-bank financial institutions.

Along with the other countries of the Western Balkans, Albania participates in the Stabilisation and Association Process (SAP). The Stabilisation and Adjustment Agreement was signed on 12 June 2006 in Luxembourg. In December 2005 the European Council adopted a revised European Partnership for Albania and Albania is now a potential Candidate Country for accession to the European Union.

¹ International Monetary Fund, World Economic Outlook Database, April 2008

A recent World Bank/INSTAT study² demonstrates that Albania's 6% annual real GDP growth between 1998 and 2005 has led to massive poverty reduction, but the evidence indicates that growth, and not redistribution, accounts for the observed drop in poverty. Poverty reduction has been accompanied by regional convergence in poverty trends. This has come as a result of sharp reductions in poverty in the poorest regions, the Mountains, and comparatively slower, but still significant, reductions in poverty in the Coast and Central areas. The report hypothesises that the cause of the regional convergence is internal mobility, where poor migrants leave the Mountain areas and settle in the Coast and Central areas. This seems certain as the report highlights that urban and rural poverty trends are diverging. While both have declined, urban rates have declined faster than rural so that by 2005, three-quarters of all the poor live in rural areas, compared to two-thirds in 2002.

Common to many transitional economies Albania – along with its rapid national economic growth - is facing the widening disparity of development across the regions of the country, and an increasing gap in living standards between the major urban and rural areas. Such disparities are resulting in social instability and inequity among vulnerable groups with youth, women and Roma most at risk:

- Poverty is 66% higher in rural areas than in Tirana and 50% higher in rural areas than in other major urban centres. Tirana has a GDP index of 0.772 and compared to a mere 0.252 for mountainous areas³ and a Human Development Index (HDI) of 0.830 as against the mountain area HDI score of 0.632.⁴
- The disparities are extreme: for example, the unemployment rate in Kukës is over twice that in Vlorë, people in Vlorë are 2.5 times more likely to have access to piped water than someone in Dibër, residents of Tirana are 2.5 times more likely to have access to medical visits than those in Kukës and the drop-out rate from compulsory education is 10 times higher in Kukës than in Vlorë.
- Internal migration is resulting from such massive internal disparities: between 2005 and 2006 alone the population of Tirana increased by 137,000 and that of Durrës by 45,000 whilst Dibër's population shrank by 43,000 (a 23% reduction in the county's population) and Kukës by 30,000 (a staggering 27% reduction in the county's population)⁵.

The Government is seeking to address this problem of significant internal regional disparity and reduced sub-national competitiveness through the adoption and implementation of its national Cross-cutting Strategy for Regional Development (an integral horizontal element of the Government's National Strategy for Development and Integration). The vision of the strategy is "A balanced and sustainable socio-economic growth among the regions of Albania, in general, and of mountainous and peripheral areas, in particular, in order to support a fast development of the whole country and accelerate the integration processes into the EU and NATO".

1.1 Regional Development in Albania

The territorial division of Albania is governed by Law No. 8652/00 (on the organisation and functioning of Local Governments) and Law 8653/00 (on Administrative Territorial division). This legislation divides the country into two levels: Countys and communes/municipalities. The Counties represent a territorial administrative unit with an average population (in 2004) of 260,605. The Counties are sub-divided into districts (but the latter ceased to be a normative sub-division of the country following the passage of the two laws described above).

Commune, municipality and County councils are the representative organs of the local governments. The communes and municipalities are formed by directly elected representatives, whilst the County council members are elected from the commune and municipal councils within the County's jurisdiction by their peers on those councils. The Mayors of the Municipalities and the Chairpersons of the Commune Council are *ex officio* members. County Councils have legal responsibility for planning and coordinating actions of regional interest (regional development planning). However, limited resource base (fiscal and human) and limited acceptance by both the commune/municipality and national level has meant that the County councils have yet to fulfil this role effectively.

² Albania: Trends in poverty and inequality, 2002-2005

³ *National Human Development Report Albania 2005*. Sustainable Economic Development Agency, Tirana and UNDP, March

2005.

⁴ As UNDP's *National Human Development Report Albania 2005* points out (Chapter 5, page 89) the mountain area HDI is at the bottom of the medium human development table just above the Solomon Islands (124th) with a HDI of 0.624.

⁵ Source: Instat - unpublished

2. UNDP Country Strategy

The overall strategic objective of UNDP's assistance to the country is defined within the "One UN Program Document for Albania". The mission of the One United Nations in Albania is:

"to enhance development results and impact by working coherently and cost effectively under delivery as ONE UN, in collaboration with the Government and partners for the development, progress, rights and prosperity of all people in Albania".

The "One UN Program Document for Albania" expects achievement of the strategic objective through the achievement of 5 clear outcomes:

- Outcome # 1 – More transparent and accountable governance
- Outcome # 2 - Greater participation in public policy and decision making
- Outcome # 3 - Increased and more equitable access to basic services
- Outcome # 4 - Regional development to reduce regional disparities
- Outcome # 5 – Environmentally sustainable development

The goal of One UN with respect to outcome 4 is to achieve sustainable and balanced regional development through the adoption and harmonization of national policies with regional and local demands, capacity and institutional development.

3. UNDP ARTGOLD1 Albania as part of international ART Initiative

The ART (Articulation des Réseaux Territoriaux et thématiques de coopération au développement humain) Initiative, promoted by UNDP in collaboration with UNESCO, UNIFEM, UNOPS, OIL, ACNUR, OMS and other UN agencies, is intended to promote and support national co-operation framework programs for governance and local development, termed ART GOLD. They are called framework programs because they create an organized institutional context that allows the various national and international actors to contribute to human development in co-ordinated and complementary ways. Participants include donor countries, United Nations agencies, regional governments, city and local governments, decentralized co-operation actors, associations, universities, private sector organizations and non-governmental organizations. The framework program is an instrument that these actors can employ to expand the sustainability and impact of their own initiatives without having to forfeit their own identity or visibility.

ART is led by UNDP, through its Hub for Innovative Partnerships (HIP), based in Geneva (HIP/UNDP/Geneva), which is responsible for ART International Coordination.

In Albania, ART established an interesting and innovative approach to support regional and local development through the previous Phase of a Program named "ART-GOLD Albania" which was operational between September 2006 and April 2008 and was funded from Italian Government (US\$965,018).

ART-GOLD 1 Albania encouraged development in selected Albanian Countys by providing a framework through which bilateral donors, regional and city governments, associations, universities, private sector organizations and firms, citizens groups and any others were enabled to contribute support to those Countys through decentralised cooperation.

ART-GOLD 1 Albania undertook the following actions:

- Supported the national Government in framing and implementing decentralization and regional development policies supportive to the achievement of the MDG and NSDI goals in a coordinated way and in partnership with various stakeholders;
- Enhanced the capacities of the regional and local governments and other stakeholders of selected regions in local planning, implementation and monitoring processes.
- Consolidated Local Economic Development Agencies in Shkodra (Teuleda), and Vlore (Auleda).
- Linked and formed partnership among Albanian and European and others' regional and local authorities and communities for initiating development interventions oriented towards implementing local plans and strategies and achieving the MDG and fostering cultural dialogue and European integration of Albania

ART-GOLD 1 Albania sought to fill a strategy vacuum by putting in place "the mechanisms for a multi-level strategy that simultaneously implements actions at the local, national and international levels in support of the process of localizing the MDGs".

ART-GOLD 1 Albania has very successfully achieved the goal of enhancing the capacity of key regional actors in its four operational Countys (Shkodra, Vlore, Gjirokaster and Durres) and in forming an effective *modus operandi* for decentralised cooperation linking Italian regions with the four target Countys.

4. Past UN Assistance in Albania on Local and Regional Development

In Albania the MDGs, whose achievement has been supported since July 2003 by the national Parliament, have become a tool for national stakeholders to discuss, prioritize, and advocate for development. This nation-wide consensus building process revealed the need for a ninth national MDG, 'Good Governance'.

Responding to this national priority, UNDP has launched initiatives contributing directly to democratic governance in the country, providing policy advice to the Government in the area of 'Extra-legality' and supporting Government efforts to formulate and implement policies that address capacity gaps and sustainability in the public sector. UNDP concentrate its focus in Albania also on 'Poverty Reduction', 'Gender Equality' and 'Environmental Sustainability', implementing strategic initiatives both at central and local levels.

In particular, the UNDP Local Governance Program (LGP) has supported the establishment of 247 Community Based Organizations (CBOs) to implement 101 small-scale community projects in 3 Regions: Kukes, Fier and Gjirokaster. The IFAD UNOPS PASARP Program has implemented 170 development projects in the Regions of Shkoder, Vlore and Durres.

From July 1999 to July 2006, the PASARP ("Program of Activities in Support of Albanian Regions and Prefectures") Program focused its activity to local economic development, good governance, social service delivery and culture decentralization in the three Albanian Regions of Shkoder, Vlore and Durres. A relevant number of Italian committees for decentralized cooperation have been actively involved in the Program, mobilizing approximately 1,5 million dollars, beside more than USD 1,900,000 in co-funding from the Italian Government (Law 84/01, Law 212) and the European Union (EU) and a considerable amount of technical assistance for joint project planning and implementation.

The most important achievements of PASARP include: establishment of three Local Economic Development Agencies (LEDA) in the Regions of Shkoder, Durres and Vlore that provided assistance in developing local economic development plans and supporting their realization in the respective territories; establishment of the Guarantee Fund (GF) directed to small and medium enterprises with the backing of Decentralized Cooperation actors, International LEDA Network, and UNOPS (the GF was deposited at the Credins Bank and managed through an agreement between UNOPS, Credins Bank and the LEDAs); provision of technical assistance and training for the implementation of 170 development projects in the three regions; support to the Albanian Government for the National Decentralization Strategy, the Mental Health Care reform, the campaign against social exclusion, the law of archaeological risk, and other. The program also implemented various personnel training schemes in Albanian municipalities, for the professionals of the public administration and in support of the local Labor offices.

ART-GOLD 1 Albania Program started on September 2006 and concluded in April 2008, managed by UNDP and funded by the Italian Government (US\$965,018). It successfully achieved the goal of enhancing the capacity of key regional actors in its four operational Countys of Shkodra, Vlore, Gjirokaster and Durres, and in forming an effective *modus operandi* for decentralized cooperation linking Italian regions with the 4 target "Countys" in Albania. ART GOLD Albania supported the national Government in enhancing the capacities of the regional and local governments and other stakeholders of the selected regions in local planning, implementation and monitoring processes.

The Program supported the establishment of partnership among Albanian and Italian local authorities and communities for initiating development interventions oriented towards implementing the local plans and strategies and achieving the MDG, to foster cultural dialogue and European integration of Albania. The Program's activity was carried on in the fields of Governance, Local Economic Development, Health and Social Services, Cultural and Territorial Development and Environmental Protection, in close collaboration

with the ART International networks and, in particular, with the IDEASS initiative for the diffusion of innovations and ILS LEDA, for local economical development.

ART GOLD 1 Albania Program was active, on the basis of the positive goals achieved by UNDP Albania Country Office's LGP Program and the PASARP Program, managed by IFAD-UNOPS. The ART GOLD 1 Program implemented projects in the fields of governance, economic development, health, environment and culture in the four Regions. The 3 Regional LEDAs (Local Economic Development Agencies) have been involved as partners in some international projects and in 15 INTERREG III A Adriatic Cross border projects. The three LEDAs continued, also during ART GOLD 1, to be provided with the Guarantee Fund (GF), established by UNOPS during the PASARP Program and deposited at the Credins Bank. The amount of the GF for the three LEDAs is of US\$ 850,000 altogether for credit activities on the territory, in order to create and sustain small and medium-sized enterprises. The Fund was still managed by UNOPS, after clearance and under local supervision of the ART GOLD Albania CTA, on the basis of an agreement between UNDP and UNOPS.

5. UNDP ARTGOLD2 Albania program (UNDP AGA2 program)

On August 2007 the Italian Government decided to participate to UNDP ARTGOLD2 Albania with a contribution of 2 millions Euros for the period 2008-09. The intervention in Albania was decided as part of a regional Program named ART GOLD Balkans.

The contribution was decided taking into account the outcomes of the international meeting on the Balkans held in Rome on 16 January 2007. At this meeting, the Italian, European and Balkan authorities present agreed on the importance of a type of "regional" cooperation, that is, one able to undertake linkable activities among the various countries in order to foster the processes of bringing them closer to Europe and to its standards of governance and development.

The present document takes into account the positive outcomes achieved by previous human development programs supported by Italy. In particular, UNDP intends to provide continuity to the positive outcomes achieved in Albania with the support of Italy, especially with regard to the multilateral decentralized cooperation realized through the IFAD-UNOPS "PASARP" and the UNDP ARTGOLD1 Albania Programs.

UNDP ARTGOLD2 Albania will support the Albanian Government in implementing its national policies and strategies to achieve the MDG and increasingly meet the requirements of EU accession process through promotion of a territorial approach to development, in particular at the County and Municipal levels, according with the *Strategy for Decentralization and Local Governance* prepared by the Ministry of Interior. The program will also operate according with the *Regional Development Cross-Cutting Strategy* prepared by the Ministry of Economy and Trade as well as the other thematic national development policies and strategies, in particular those of Ministries of Health, of Education and of Environment.

5.1. Areas of intervention

For the initial phase, the counties of Shkodra (256,000 inhabitants, 5 municipalities, 29 communes) and Vlora (193,000 inhabitants 7 municipalities, 19 communes) were prioritised. A third pilot county could be selected according to the Albanian government and the ONE UN Strategy priorities, if additional funds will be mobilized.

These regions were prioritized on the basis of the following criteria:

- Indicators of human development and poverty
- Government's priorities for human development and poverty reduction
- Presence of UN initiatives in support of local development

Direct beneficiary of the program is the population involved in development projects prioritized by local authorities and actors in the framework of the local planning activity, in the different fields of action.

Indirect beneficiary of the program is the overall population of the participating counties, thanks to the activities for strengthening local services in the various fields of action.

Other beneficiaries will be the municipalities, regional institutions, community-based organizations and institutions at the central level related to capacity building for managing the processes of integrated local development.

The beneficiary territories and population may be progressively extended depending on the growing interest and availability of resources from donors and national authorities to join the program.

5.2. Duration

The UNDP ARTGOLD2 Albania Program is conceived as a strategic long-term initiative, with an initial duration of 18 months funded by the Italian Government. The National Steering Committee will decide about timeframe and modalities for the continuation of the program, considering additional resources that could be provided by different interested donors.

5.3. Strategy of UNDP ARTGOLD2 Albania

During the previously implemented phase (September 2006 – March 2008), UNDP ARTGOLD1 Albania successfully achieved an effective modus operandi for utilizing decentralised cooperation to support the socio-economic development of selected Albanian counties.

During the same period, Albania has undertaken a series of policy and strategic reviews with respect to strengthening local governance, furthering decentralization and developing a national framework for regional development. These efforts aim at addressing both sub-national disparities and comply with required structural changes to take full advantage of future EU Structural Funds.

UNDP AGA2 Albania will act as the operational tool, in two pilot counties, for the Regional Development Cross-Cutting Strategy of the Council of the Ministers/Ministry of Economy and Trade.

County Partnership Councils (CPCs) will be established. The CPCs, according to the Albanian Regional Development Strategy, are: "An advisory and consultative committee at county level whose membership will be drawn from: All relevant state bodies working at county level: County, municipality and commune government; Social partners and business and trade unions at county level; Civil society organizations (i.e. NGOs); representatives of central government". UNDP AGA2 Albania and the involved UN Agencies, within the framework of the ONE UN strategy, will provide the needed technical assistance to the CPCs.

UNDP ARTGOLD2 Albania program will operate within this new context and make full use of the CPCs participatory, consultative structures, support the articulation of national and local priorities, operate in synergy and coordination with other ongoing government and donor initiatives in the selected counties and bring in the comparative advantages of decentralized cooperation and partnerships.

This approach will improve national and local ownership, have a direct impact in developing local capacities, ensure a systematic approach on development planning and hence lay out the basis for future more daunting challenges and opportunities to be handled by local stakeholders.

In consideration of the above, the UNDP ARTGOLD2 Albania program will focus on three main outcomes:

- support Regional Governments and County Partnership Councils in defining the Strategic Plans of the area (**Outcome #1**);
- strengthening the Government capacities to support the decentralization and local development by sharing information and best practices as well as by implementing training initiatives (**Outcome #2**)
- strengthening the capacities of national and local Albanian actors through international partnerships of decentralized cooperation (**Outcome #3**)

In order to achieve these outcomes, UNDP ARTGOLD2 Albania will provide support and consider the following main entry points:

- **Support the implementation of the Cross-cutting Strategy for Regional Development and the Strategy for Decentralization and Local Governance**, by strengthening the articulation between the local development dynamics and the national development policy. The program envisages activities at the national, county and municipal levels, considering their interdependence in implementing

sustainable development processes. By utilizing the Strategic Planning exercise, projects will be identified and implemented through participatory methodologies, with the aim of improving local services in the framework of national policies for governance, health, education, economic development, protection and enhancement of environmental resources. These initiatives will take into account the current resources of the different services, in order to avoid creating imbalances and unsustainable costs. The results achieved by the Program at the local level will give a positive contribution and input to the national policies of decentralization and local development.

- **Support the articulation of relationships between public, associative and private social actors (social capital and local partnership)**, in order to encourage active participation to the governance processes of the public, non-government associations and private social actors. "Governance" must be considered as the ability of local governments to lead dialogue among all territorial actors, defining respective inputs, tasks and responsibilities in the implementation of initiatives of common interest. To achieve a greater sustainability, modalities for joint management of the territorial services may also be promoted between public, associative and private social actors, through sharing best experiences with other countries.
- **Promote the application of the criterion of equal opportunities to access the resources of the Program**, fostering the development of sustainable circuits of solidarity and the participation of the vulnerable population in the areas of health, education, economics and management of the territory. The Strategic Plans, jointly with the strategic projects, will rely on methodologies and processes able to ensure such groups have access to resources and fully participate in the development processes. The same approach is applied to allow the most vulnerable territories entering the dynamics of local and national development, exploiting their resources and potentials.
- **Support the establishment of self-sustainable County Development Agencies (CDA)**, for providing comprehensive services to population and institutions for implementing the territorial development strategies, with particular reference to improve the access of the most disadvantaged people into the labor market, economic circuits, social services, and to support local Strategic Plans. Where possible, the already existing LEDAs promoted by the UNOPS PASARP Program and assisted by UNDP ARTGOLD1, will be utilized for transforming them into CDAs. The above mentioned step will be pursued with prior agreement of the national interested ministries and in coordination with the county and municipal governments. The CDAs will be the local tools of the ONE UN Strategy for enabling the County Partnership Councils to implement the Ministry of Economy and Trade Regional Cross-Cutting Development Strategy. At present, the growth and sustainability of the three existing LEDAs is uneven, with Shkodra hosting the strongest. The strategic perspective of the UNDP ARTGOLD2 Albania program, through the promotion of the CDAs will be broader and encompass assistance to promote or formulate county programs according to national development objectives and policies. In this respect, the Program will provide technical assistance to the evolution of the former LEDAs into CDAs, through stimulating all stakeholders to share this perspective. The CDAs will be included in the international LEDAs networks, such as EURADA, EBN, ILSLEDA, and facilitated in the alliances with similar European structures through the support the ART International Service for LED.
- **Promote processes of sustainable territorial competitiveness and local economic development activities**, through a strong emphasis on the promotion of economic development processes based on the valorization of the endogenous potential and capable of generating sustainable jobs, revenue and boost local production lines, promoting innovations, enhancing social inclusion, and national and international marketing as well as the protection of natural resources in view of improving the living conditions of the population. The UNDP ARTGOLD2 program will, therefore, prioritize and support the construction of county value chains, able to realize competitive and sustainable economic systems linked to the local potential, and to provide permanent job opportunities for the population, including the most disadvantaged people.
- **Support the participation to the market of the most disadvantaged segments of population, through the Guarantee Fund (GF) mechanism.**
As for ARTGOLD1, the program will benefit from the already existing Guarantee Fund, as an effective instrument to fight against poverty and exclusion. The GF will be managed directly by UNOPS outside the framework of the present program but in coordination with it., The management responsibility may be delegated the program's CTA, for which he/she will report directly to UNOPS given that UNDP Tirana CO will not manage nor be held accountable for the activities related to the Guarantee Fund. GF makes accessible people generally excluded by the ordinary banking system (because of lack of collaterals or banking records) to loans. It, in fact, guarantees the credit in the case of default eliminating or abating the needs for collaterals, and this is mainly the case of disadvantaged people, informal or micro and small entrepreneurs, and women.
- **Support the implementation of strategic partnerships between the involved Albanian**

communities and the partners from international territories, based on the existing ART initiative's networks. This component will be carried out through the application of decentralized cooperation projects, within the framework of the Strategic Planning exercise, methodologically defined by the local participatory mechanisms. Local communities of Europe and other countries will provide an important contribution to local development processes not only in terms of co-financing initiatives but, and above all, by making available good practices, knowhow and experience. The activity of the Decentralized Cooperation actors within the program will be fostered and supported at international level by the ART Antennae for decentralized cooperation established in Rome (UNDP-UNOPS ART Services for International Partnerships), and Sevilla (ART Sevilla Office in collaboration with PNUD, FAMSI and Sevilla Administration) and by GenevaUNDP ART HUB for International Partnerships. . The projects represent a laboratory for innovation in the various fields of human development aimed at promoting scientific, cultural, professional, educational, economical interchanges and solidarity initiatives. These activities/projects will be implemented in the selected counties, respecting the Albanian national policies and according to the priorities identified through the Strategic Planning exercise, taking into account the County's already existing development or investment plans.

The decentralized cooperation is an opportunity to strengthen the existing participatory approach to the development governance. The participatory process can be an initial phase, while the integrated approach can be reached only progressively, through the Strategic Planning process. For that reason, the international actors of decentralized cooperation will be made aware that UNDP ARTGOLD2 will co-finance only the projects included within the Regional Strategic Plans. Additionally, the Decentralized Cooperation projects will be evaluated for their capacity to improve the social dialogue, especially between public institutions and social actors, to select and implement strategic projects aimed to improve the general thematic and integrated policies of local development. Examples of strategic projects are those that can have an impact on structural problems such as unemployment, environment degradation, social discrimination, access to the local services, local renewable energy plans etc.

The program will allocate funds to finance strategic projects, identified at the beginning of the Strategic Planning exercise. Decentralized Cooperation partners will be invited to co-finance the strategic projects. The percentage of co-financing will be proportional to the expected strategic results and project relevance. A set of criteria will be developed in a later stage to define such ratios relative to the nature of interventions, according with the experience and modalities developed and implemented in the framework of the UNDP ARTGOLD programs running in the different countries.

Some partners could also decide to not ask for ART GOLD Albania cost sharing, even if they will allocate their contribution to UNDP ARTGOLD2 Albania. Some other partners could manage directly their financial contribution, without ARTGOLD2 Albania cost sharing. In this case, the role of ARTGOLD2 Albania in providing the partner with a general framework (County Partnership Councils, County Development Agencies/Local Economic Development Agencies, County Strategic Plans, etc.) will be considered on a case-by-case basis.

5.4. Fields of Action

The program will work in the following complementary fields of action:

- **GOVERNANCE:** improvements in public administrations; support to local institutions for elaborating territorial Strategic Plans; training of local administrators and technicians; advocacy for rights and for active citizenship; coordination mechanisms to improve the relations between institutions and social actors; promotion of gender approaches and of innovation in all areas of action.
- **ENVIRONMENTAL PROTECTION AND TERRITORIAL PLANNING:** plans and projects for the promotion of the territory's historical and cultural heritage; plans and projects for the sustainable and rational use of natural resources, for the improvement of the urban habitat, for the production and distribution of clean energy, for communication and transport, for the reduction of vulnerability to natural disasters.
- **TERRITORIAL ECONOMIC DEVELOPMENT:** devising plans for promoting local economic potentials capable of creating sustainable employment opportunities for all the social groups and improving the territory's competitiveness within a human development approach; improving the Local Economic Development Agencies and their evolution towards County Development Agencies, strengthening the territory's value chains, helping the inclusion of the most disadvantaged people in the economic circuit, and promoting territorial marketing, international partnerships and foreign investment.

- **LOCAL HEALTH CARE AND WELFARE SERVICES AND SYSTEMS:** devising of integrated plans and projects for improving the population's health and social well-being; improvement of the integrated organization of basic services in order to allow and sustain the access of social and healthcare rights of the most vulnerable groups; enhancement of centralized institutions de-institutionalization process; support to job insertion of people with special needs.
- **LOCAL BASIC EDUCATION AND TRAINING SYSTEMS:** devising of integrated plans and projects for facilitating access to school for all children; creating links between schools and the territory; adapting education programs to specific cultural settings; improving professional and university training; disseminating the culture of human development.

The program promotes an integrated view of the development process, taking into account the obvious interdependence of these variables. Based on this vision, UNDP ARTGOLD2 Albania strengthens the capacities of local governments and stakeholders in defining, implementing and managing Regional Strategic Plans and Projects, to solve complex problems and achieve a bigger impact on the territory.

6. Objectives, Outcomes and Outputs of UNDP ARTGOLD2 Albania

OVERALL OBJECTIVE

The overall objective of UNDP ARTGOLD2 Albania, in line with the Government's *Cross-cutting Strategy for Regional Development* and the *Strategy for Decentralization and Local Governance*, is to support the national government and the local communities in elaborating and implementing Strategic Development Plans, focusing on the most disadvantaged people and utilizing the ONE UN Strategy.

IMMEDIATE OBJECTIVE

The immediate objective is to strengthen capacities of local actors (Counties and Municipalities) in elaborating, implementing, managing and monitoring County Strategic Plans, with an integrated, cross-cutting approach aimed at improving competitiveness and sustainable development and reducing disparities, through the contribution of international partnerships. Partners include Government of Albania, local government units, donor partners at the national, regional and local levels, United Nations agencies, decentralized cooperation actors, public, civil society and private social actors.

Outcome # 1 (Local Level)

Support the Albanian counties in defining and implementing their Strategic Plans, liaising with the national policies, involving the County Partnership Councils, with the support of the Decentralized Cooperation and of the UN Agencies involved within the ONE UN Strategy.

Outputs

1. Participatory County Partnership Councils (CPCs), chaired by the counties' presidents, established to support the Strategic Planning exercise.
2. Technical assistance provided to the CPCs by UNDP ARTGOLD2 program, through Strategic Planning national and international experts and Decentralized Cooperation partnerships.
3. Review and assessment of existing local development and investment plans, studies, priorities, good practices and Decentralized Cooperation projects at the county level, in order to collect data for the Strategic Planning process.
4. County economic potentialities valorised and improved, through the map of the economic strategic, competitive and sustainable resources drafted. Technical assistance provided to improve and maintain competitive territorial value chains, able to include the most disadvantaged people in the economic circuit, assure gender equity, and protect the environment.
5. Subject to approval from the Albania national Government, pilot Development Agencies established at counties level, through supporting the transformation of the existing LEDAs, and/or creation of new ones; jobs and incomes increased and living conditions of the population improved through CDAs. The CDAs will be established within the framework of a national pilot project, involving the line ministries.
6. County territorial marketing strategies formulated, shared and agreed upon.
7. Immediate identification, formulation and implementation of the Strategic Projects, according to the Strategic Planning preliminary guidelines and taking into account the county/municipalities development, investment plans or priorities.
8. Enhance the capacities of local authorities to implement, manage and monitor the Strategic Plans within their territory.

Outcome # 2 (National Level)

Strengthened Government's capacity to support decentralization and local Strategic Planning process, sharing information and best practices as well as implementing training initiatives.

Outputs

1. Program Office established in Tirana.
2. National Steering Committee (NSC) established to supervise the program's activities, channel resources from international cooperation to counties and municipalities, within the framework of the Strategic Plans.
3. Strengthen national capacities for local economic development policies, improving the coordination between the thematic sectors (tourism, agriculture, industry, SMEs, trade, research, etc.) for addressing county development, according to territorial vocations and opportunities.
4. National actors involved in NSC fully participate to ONE UN strategy, through UNDP ARTGOLD2 program and actively support, at national level, the development process ongoing in counties and municipalities.
5. Elaborate and disseminate the information concerning the achievements of the program to the involved donors and partners, in order to facilitate the coordination with other ongoing initiatives.

Outcome # 3 (International level):

Strengthened the capacity of national and local Albanian actors through international partnerships of decentralized cooperation.

Outputs

1. Internationalisation of Albanian regional development supported in the European perspective by promoting territorial and thematic international partnerships (decentralized cooperation).
2. Structured and stable relations established and projects ongoing between the actors participating in the program and the different ART International thematic networks (IDEASS, UNIVERSITAS, ILS LEDA, UNDP HUB Geneva, UNOPS Rome office).

7. Activities

Here follows the overall description of the activities to be implemented in the framework of UNDP ARTGOLD2 Albania, at different levels of action. In accordance with the characteristics and the participatory approach of the program, the results and activities at different levels of intervention, are presented in a general way. It is important to emphasize that specific activities of development will be identified in each area and nationally, through the Strategic Planning participatory process, led by the County Partnership Councils and the National Steering Committee. International activities are scheduled in conjunction with ART international services, to ensure synergies, according to the annual Work Plan and are submitted to the UNDP CO for approval, before being executed.

Outcome #1 - LOCAL LEVEL

Output #1 - Participatory County Partnership Councils (CPCs), chaired by the counties' presidents, established to support the Strategic Planning exercise

- Support to the organization of the County Partnership Councils (CPCs) in target counties (see Annex I) and start up of the Strategic Planning exercise. **UNDP CO**
- CPCs recognized as pilot structures by the Ministry of Economy and Trade. **UNDP CO**
- Strengthen the CPCs' operational capacities: provision of technical and informatics equipment, logistic organization, information management and needed tools. **UNDP CO**
- Visits to Italian and European Strategic Planning and Local Development good practices. **UNDP CO/UNOPS**

Output #2 - Technical assistance provided to the CPCs by UNDP ARTGOLD2 program, through Strategic Planning national and international experts and Decentralized Cooperation partnerships

- Recruitment of national and international experts in Strategic Planning. **UNDP CO/UNOPS**
- Introduction of the program features and scope to the local stakeholders, organized within the CPCs. **UNDP CO/UNOPS**
- Provide national and international technical assistance in order to define a road map for the elaboration of County Strategic Plans, shared at local and national levels. **UNDP CO/UNOPS**
- Definition of the program Work Plan in each territory, to be implemented with the program's funds and supported by the national, regional and municipal actors. **UNDP CO**
- Technical assistance by national and international experts in Strategic Planning. Technical missions of Decentralized Cooperation experts. **UNDP CO/UNOPS**
- Organization of training courses for the CPC's representatives on Strategic Planning implementation, management and monitoring. **UNDP CO/UNOPS**
- Organization of training courses about thematic issues, prioritized by the County Partnership Councils. **UNDP CO/UNOPS**

Output #3 - Review and assessment of existing local development and investment plans, studies, priorities, good practices and Decentralized Cooperation projects at the county level, in order to collect data for the Strategic Planning process.

- Desk review of existing local development plans, priorities, assessments and studies related to the target county. **UNDP CO/UNOPS**
- Review and acquaintance with existing local structures in charge of planning and monitoring and their related capacities/gaps for carrying out their tasks. **UNDP CO/UNOPS**

Output #4 – County economic potentialities valorised and improved, through the map of the economic strategic, competitive and sustainable county resources drafted. Technical assistance provided to improve and maintain competitive territorial value chains, able to include the most disadvantaged people in the economic circuit, assure gender equity, and protect the environment.

- Analysis of the potential competitive and sustainable territorial resources, realization of the correspondent map, and identification of the priorities for the territorial economic development plan. **UNOPS**
- Realisation of a plan for the inclusion of the most disadvantaged people in the mainstream economy. **UNDP CO/UNOPS**
- Training and support to territorial economic value chains. **UNDP CO/UNOPS**
- Realisation of territorial marketing strategies, including internal and external marketing, branding typical products, supporting improvement of their quality to respond to the international standards; inclusion of territorial marketing strategies within the program outputs could be decided during the preparation of the Inception Work Plan to adapt the activities to the progress made in the regional and decentralization strategies. **UNOPS**
- Fostering capacities for supporting innovations. **UNOPS**

Output #5 Subject to approval from the Albania national Government, pilot Development Agencies established at counties level, through supporting the transformation of the existing LEDAs, and/or creation of new ones; jobs and incomes increased and living conditions of the population improved through CDAs. The CDAs will be established within the framework of a national pilot project, involving the line ministries

- Agreement with the Ministry of Economy, the involved line Ministries (e.g., Interior, Education, Labor, Health and Environment), and the local county governments in order to perform a pilot project interesting Shkodra and Vlora counties, in order to set up 2 County Development Agencies. **UNDP CO**
- Analysis of the situation and performance of the existing LEDAs, with the aim of assessing the modalities for transforming them in County Development Agencies, (**UNDP CO/UNOPS**) with particular reference to:
 - the memberships, through including more stakeholders as members for taking into account new sectors the LEDAs will deal with.
 - the statute, taking into account the new functions and activities
 - the organizational model and chart, for including the new field of actions, according to the analysis of the prioritized demand (regarding economy, social services, environment/climate changes and planned county objectives) and of the existing services supply.
- Definition of a new, shared 5 years business plan, taking into account the new and diversified tasks, and the budget constraints, due to the foreseen income, in order to verify the self-sustainability in the long term. **UNOPS** Organization of the capacity building for the CDAs members and for the technical unit, possibly through an agreement between UNDP ARTGOLD2 Albania and a national university. **UNDP CO/UNOPS**
- Recruitment of the new needed personnel, through procedures including an international call, in order to try to attract Albanian experts from the diaspora. **UNDP CO/UNOPS**
- Provision of services to local institutions and population, with particular regard to the most disadvantaged one for increasing sustainable jobs and incomes, and improving living conditions, within the human development vision and approach, also through the assistance of ART International LED Service, and twinned European Development Agencies. **UNDP CO/UNOPS**
- Definition and setting up of a process allowing the identification of standard procedures and mechanisms for monitoring the performances of the Agencies. **UNOPS**
- Furthermore, management modalities of the Guarantee Fund is elaborated here to facilitate its synergies with this program, although the Guarantee Fund is operated outside the framework of the program. The available amount, deposited in CREDINS BANK, will be managed by UNOPS Geneva, which is the TF management Agency. UNOPS Geneva may delegate the UNDP ARTGOLD2 Albania CTA to manage the TF (and the CTA is responsible solely to UNOPS for his/her role related to the Guarantee Fund given that UNDP Tirana CO has no management responsibility and accountability for activities related to the Guarantee Fund), with the technical assistance of the ART Led Service (ALS), in order to assure the management transparency and efficiency of the fund. A strong resources mobilization activity will be needed, in order to ensure the sustainability of the CDAs during the first 3 years of activity. **UNOPS**

Output #6 - County territorial marketing strategies formulated, shared and agreed upon

- Elaboration of the county marketing strategies through workshops with local actors, taking into account a shared vision towards territorial future and development strategy, mainly through the analysis of the territorial personality, and its characterizing and distinguishing (tangibles and intangibles) factors. **UNOPS**
- Prepare the county profile documents; identify the unifying and synthesizing elements between its personality's different factors. **UNDP CO/UNOPS**
- Finalize a survey within the population and local institutions in order to detect their territorial image. **UNDP CO/UNOPS**
- Carry out the internal marketing strategy, by improving local heritage knowledge, and activating a responsible citizenship. **UNDP CO/UNOPS**
- Carry out the external marketing strategy, by identifying the groups towards which this action is oriented and defining the tools as well as publicity, propaganda, public relations, direct marketing, use of the residents living abroad, etc. **UNOPS**
- Define territorial brands, in order to characterize the territorial products/supply and the mechanisms of brand conformity control by local entrepreneurs. **UNOPS**
- Train the local actors for territorial marketing management. **UNOPS**

Output #7 - Immediate identification, formulation and implementation of the Strategic Projects, according to the Strategic Planning preliminary guidelines and taking into account the county/municipalities development, investment plans or priorities.

- Support the CPCs in conducting county survey aimed at identifying the good practices of the territory. **UNDP CO/UNOPS**
- Provide technical assistance to the CPCs in order to formulate at least four Strategic Projects, based on the good practices finalized or ongoing in the county. **UNDP CO/UNOPS**
- Provide technical assistance to the CPCs for the implementation of the Strategic Projects, within the framework of the Strategic Planning process. **UNDP CO/UNOPS**
- Identification of the most appropriate modalities and indicators for monitoring and evaluating the projects results. **UNDP CO/UNOPS**
- Organization of missions to Albania of delegations from European Local Communities and Regions, to support the implementation of the Strategic Projects and formulate decentralized cooperation initiatives in support of the Strategic Plans. **UNOPS**

Output #8 - Enhance the capacities of local authorities to implement, manage and monitor the Strategic Plans within their territory.

- Provide technical assistance and support for the start up and finalization of at least three County Strategic Plans. **UNDP CO/UNOPS**
- Implementation of the priority actions and start up of the resources mobilization activities. **UNDP CO/UNOPS/HUB**
- Provide technical assistance (national, international and Decentralised Cooperation experts) and support to the implementation of two county Strategic Plans. **UNDP CO/UNOPS**
- Provide support to the target counties, in order to set up technical structures to manage the Strategic Planning process. **UNDP CO/UNOPS**

Outcome #2 - NATIONAL LEVEL

Output #1 - Program Office established in Tirana

- Finalization of the procedures for recruiting the national and international personnel of the Program. **UNDP CO/UNOPS**
- Revision of the equipment, furniture and vehicles of the program (owned by UNOPS). **UNDP CO/UNOPS**
- Finalization of the procedures for purchasing needed equipment, furniture and vehicles. **UNDP CO**
- Finalization of the procedures for renting the program's premises. **UNDP CO**

Output #2 - National Steering Committee (NSC) established to supervise the Program's activities, channel resources from international cooperation to counties and municipalities, within the framework of the Strategic Plans.

- Support to the establishment of the National Steering Committee. **UNDP CO**
- Meetings with international cooperation actors operating in the country to introduce the program and encourage the participation of other international cooperation's actors, also by means of the promotion of territorial marketing documents and presentation of the Strategic Planning process. **UNDP CO**
- Exchange information and organize meetings with the Embassies of the countries involved in decentralised cooperation partnerships with the target counties. **UNDP CO**
- Support to actors of international cooperation interested in establishing partnerships with the target counties: technical assistance for the formulation of collaboration plans or drafting the project documents necessary for channelling new resources to the program. **UNDP CO/UNOPS**
- Working sessions to define collaborations, within the framework of One UN Program, with the specialized United Nations Agencies interested in the Decentralization Cross-Cutting Strategy and the Strategic Planning exercise. **UNDP CO**
- Support by the NSC to the county Strategic Planning process, in order to disseminate the good practices and support/improve the related national strategies. **UNDP CO**
- Support the NSC to organize workshops and forums on specific topics of interest for national institutions and realization of specific studies, in collaboration with national and international universities. **UNDP CO**
- Finalise agreements with national and international universities for carrying out systematic academic activities related to the Strategic Planning issues. **UNDP CO**

Output #3 - Strengthen national capacities for local economic development policies, improving the coordination between the thematic sectors (tourism, agriculture, industry, SMEs, trade, research, etc.) for addressing county development, according to territorial vocations and opportunities.

- Articulation of the potential of the ART International LED Service; planning and implementation of training courses on innovative strategies for economic development, territorial competitiveness and territorial marketing; promotion of territorial partnership projects of common interest between the Albanian County Development Agencies and economic actors in the European regions; inclusion of the CDA into the ILS LEDA network, and information interchange via the ILS LEDA website. **UNOPS**
- Improvement of coordination between the thematic policies (tourism, agriculture, industry, SMEs, trade, research, etc.) for addressing county development, according to territorial vocations and opportunities. **UNOPS**
- In parallel to the present program, UNOPS will aim at the improvement of the Guarantee Fund, related to the CDAs. **UNOPS**

Output #4 - National actors involved in NSC fully participate to ONE UN strategy, through UNDP ARTGOLD2 program and actively support, at national level, the development process ongoing in counties and municipalities.

- Organization of 10 national and international technical assistance activities, aimed at supporting the ONE UN Strategy, the Regional Decentralization Cross-Cutting Strategy and the County Strategic Planning process. **UNDP CO**
- Organization of 5 national events on Decentralization and Strategic Planning, involving UN Agencies, local and national actors. **UNDP CO**

Output #5 - Elaborate and disseminate the information concerning the achievements of the program to the involved donors and partners, in order to facilitate the coordination with other ongoing initiatives.

- Production of documentation on the experiences and dissemination to the UNDP ARTGOLD2 target counties. **UNDP CO**
- Formulation of documents required by donors to support the program. **UNDP CO**
- Editing and disseminating of an UNDP ARTGOLD2 Albania electronic newsletter. **UNDP CO**
- Presentation of the program, brochures and visit letters to potential donors, in view of their possible participation to the program. **UNDP CO**
- Organization of press conferences, seminars and meetings with the main concerned beneficiaries, partners and donors for sharing the program achievements. **UNDP CO**
- Establish a program webpage, within the UNDP Albania site, to disseminate experiences of the program both nationally and internationally. **UNDP CO**
- Organization of public awareness campaigns, production and publication of divulgation materials. **UNDP CO**
- Organization of donors' meetings. **UNDP CO/HUB**

Outcome #3 - INTERNATIONAL LEVEL

Output #1: Internationalisation of Albanian regional development supported in the European perspective by promoting territorial and thematic international partnerships (decentralized cooperation).

- Dissemination of the different county territorial marketing documents, by the international ART services, to the network of Regions, Provinces, Municipalities and Local Development Agencies of the European countries interested in establishing decentralized cooperation partnerships. **UNOPS**
- Support to foreign local governments to formalize their participation to the Program by ART International Services. **UNOPS**
- Support the organization of visits to UNDP ARTGOLD2 target counties by the foreign communities interested in establishing decentralized cooperation partnerships: meeting with the responsible national authorities, the embassies of the respective countries and with the County Partnership Councils, in order to define decentralized cooperation projects based on the ongoing Strategic Planning process. **UNOPS**
- Organization of visits of delegations from the target UNDP ARTGOLD2 counties to the foreign local communities, to present the territorial marketing documents and Program's strategic plans, aimed to mobilizing additional resources, identify new projects and implement technical training activities. **UNDP CO/UNOPS**
- Realization of decentralized cooperation projects, with the support of experts from the partner communities. **UNDP CO/UNOPS**
- Maintain an updated program's web-page in the International ART web-site, to disseminate experiences of the program both nationally and internationally. **UNDP CO/HUB**

Output #2: Structured and stable relations established and projects ongoing between the actors participating in the program and the different ART International thematic networks (IDEASS, UNIVERSITAS, ILS LEDA).

- Identification of Albanian scientific counterpart to provide technical assistance to the IDEASS activities in Albania. **UNDP CO/UNOPS**
- Promotion of the active participation of the scientific community and academic centres of Albania in the IDEASS activities in Albania **UNDP CO/UNOPS**
- National survey about the best practices on local development in Albania. **UNDP CO/UNOPS**
- Technical assistance to the author of Albanian Innovations to draw out the Innovation Brochures, to be published in the IDEASS website. **UNOPS**
- Presentation to the NSC of the IDEASS catalogue of the best national and international practices on local development. **UNDP CO/UNOPS**

- Organization of four missions in Albania of inventors of the best practices, prioritized by the NSC, in order to organize national presentations of the innovations. **UNOPS**
- Organization of two missions of Albanian inventors to ARTGOLD programs, in order to share the innovations with other local communities. **UNOPS**
- Diffusion and promotion of the IDEASS innovations implemented in one Albanian county to other interested areas of the country. **UNDP CO/UNOPS**
- Capacity building to Albanian enterprises, organizations and local administrations to implement the innovations in their territories. **UNDP CO/UNOPS**
- Implementation of the innovations in Albania, according to the decisions of the NSC. **UNDP CO/UNOPS**
- Articulation of the potential of the ART International LED Service; planning and implementation of training courses on innovative strategies for economic development, territorial competitiveness and territorial marketing; promotion of territorial partnership projects of common interest between the Albanian CPCs and economic actors in the European regions; inclusion of the CDAs into the ILS LEDA network, and information interchange via the ILS LEDA website. **UNOPS**
- Promoting strategies in gender approach supported by ART in collaboration with relevant organizations and realization of trainings targeting participants of local participatory decision-making structures. **UNDP CO/UNOPS**
- International technical assistance; research activity to improve the gender approach in all program's fields of action; organization of seminars, production and dissemination of documents. **UNOPS**
- Promotion of the potential of the UNIVERSITAS initiative within the network of Albanian Universities; support to Albanian Universities for elaborating or improving a curriculum of formation specialized in different fields of human development and decentralized cooperation based on the experience of the UNIVERSITAS network. **UNOPS**

8. Implementation and Management Arrangements

8.1. Implementation Modalities

a) Implementation Modality and Responsibilities

In line with the latest results-based management principles of UNDP, "UNDP ARTGOLD2 Albania" will be implemented directly by UNDP HIP Geneva, UNOPS and UNDP Tirana CO for budgetary components they are responsible for respectively. These parties are each held accountable for the management and use of the funds they administer. Yet the substantive oversight will be centralized in UNDP Tirana CO whom the CTA of the program reports to (except for matters related to the management of the Guarantee Fund that falls outside the framework of this program and is operated under a separate and direct responsibility of UNOPS) to facilitate coherent implementation of this program. Despite this arrangement of direct implementation by the UN agencies, relevant national counterparts from the Government of Albania will be involved in the implementation of the program. Furthermore, the steering mechanism that is to be established in the beginning of the program will additionally bring national participation and enhance ownership of the ART Gold program, methodology and values. In addition, local stakeholders will actively participate in implementation of defined and identified activities, which will ensure ownership of the process and results and the sustainability of efforts and methodology promoted by UNDP ARTGOLD framework.

During the implementation of the program, in the inception phase, the program staff will prepare comprehensive sixth-monthly work plan, to be approved by the NSC. The UNDP ARTGOLD2 Albania Work Plan will be developed with participative methodologies in the framework of consultations with the County Partnership Councils and the National Steering Committee of the selected counties.

b) Financial Arrangements

The UNDP ARTGOLD2 Albania Program will make use of decentralized cooperation funds, which usually are raised at the HIP/UNDP Geneva level and are subject to specific memoranda of understanding with the corresponding donor/decentralized cooperation partner. While these agreements are specifically aimed at multi-country beneficiaries (including technical assistance, promotion, innovation actions, training etc), where they relate to Albania HIP should always a) confirm in advance of the signature of a Memorandum of Understanding with the Donor or Decentralized Cooperation Partner that the actions for which the funds are raised (and which should be described in more detail in the partnership agreement and project document)

are acceptable to UNDP Albania and (b) only sign the Memorandum of Understanding following receipt of specific agreement from UNDP Albania. The Memorandum of Understanding should always state that fund utilization will be described in a separate partnership agreement and project document and state who will be the signatories to the partnership agreement.

For the fund utilization at the national level, specific partnership agreements and project documents should be prepared for each bilateral or decentralized cooperation partnership and these documents should be signed by UNDP Albania, the HIP and by other parties depending upon whether the funding is bilateral or decentralized cooperation.

In accordance with UNDP rules, the above documents should follow UNDP corporate formats and be in English language.

ART International and UNOPS will manage the international technical assistance, in consultation with the CTA/UNDP Tirana CO, in order to get full advantage of the expertise provided by the international networks dealing with strategic planning for regional development, both at national and local levels. At the same time, also the funds provided by the Decentralized Cooperation could be channeled through and managed by UNOPS Geneva.

c) The Levels of Budgetary Execution

The financial resources of UNDP ARTGOLD2 Albania are managed by HIP/UNDP/Geneva at international level through its multi-donors Trust Fund. The HIP/UNDP/Geneva is responsible to transfer to the UNDP Albania CO the amounts corresponding to the WPs approved by the NSC. The UNDP RR authorizes all the needed expenses in the country, according to the WPs, on request by the CTA.

The financial resources for the implementation of the international components will be managed directly by HIP/UNDP/Geneva, in accordance with the approved WPs, in coordination with UNDP Albania in terms of timing and nature of assistance required and in consultation with the donors.

The additional resources, provided by the international donors and the decentralized cooperation actors, can be accredited to the HIP/UNDP/Geneva Trust Fund or to UNDP CO, and will be utilized in accordance with the agreement established with the donor.

UNDP/HIP guarantees constant monitoring over the nature and levels of expenditures incurred under the UNDP ARTGOLD2 Albania budget. Regular expenditure reports will help the management of the program to determine if the Program progress in financial terms is in line with the amounts and benchmarks stipulated in the WPs and in the overall program budget. Regular monitoring of expenditure will help to evaluate the efficiency of the program in terms of proportional relationship between the operational expenditures and the expenditures for activities at all levels and to take corrective action if needed. Expenditure monitoring for budget expended through CO Albania will be done in collaboration between the program/ finance officer in the UNDP CO and the Program's financial officer and the CTA. Each year UNDP/HIP will produce regular financial reports, with inputs from CO Albania for components managed by the CO; if requested by the respective donors, financial reports will be produced more frequently.

8. 2 Management Arrangements

Since UNDP ARTGOLD2 Albania will represent one of the tools of UNDP for applying, at county level, the ONE UN Strategy and the Ministry of Economy Decentralization Regional Cross-Cutting Strategy, the program will report to the Senior Management with the quality assurance exercised by UNDP Tirana CO's Human Security and Local Governance Cluster. This reporting line to the UNDP Country Director will allow to develop the cross-cutting potentialities of the program and to involve all the interested UN Agencies within the county Strategic Planning exercise.

8.2.1 – At National level

a) National Steering Committee

A National Steering Committee (NSC) will oversee UNDP ARTGOLD2 Albania, and it will be composed by:

- A Representative of the Ministry of Economy (co-Chairperson)
- A Representative of the Ministry of the Interior (co-Chairperson)
- Representatives of the selected Counties
- A Representative of UNDP CO
- A Representative of the Italian Government (Italian Cooperation)

At the meetings of the NSC can also participate, according to specific projects and actions to be discussed: representatives of other Albanian line ministries (e.g. Health, Education, Tourism and Culture, Environment, European Integration, Public Works); and other involved donors, including those of decentralized cooperation; other interested United Nations Agencies. The Chief Technical Advisor (CTA) of UNDP ARTGOLD2 Albania (see below) will participate in the meetings and will have secretarial functions. The NSC will seek full agreement on decisions taken with regards to Program's activities.

The NSC will be co-chaired by the Deputy Minister for Decentralization and Local Government within the Ministry of Interior and the Deputy Minister responsible for Regional Development within the Ministry of Economy, Trade and Energy. The NSC will be open to the participation of new members, should they have interest and resources to support ART-GOLD Albania.

The NSC will take decisions unanimously and will:

- Approve the Work Plans and half-year budget plans prepared by UNDP ARTGOLD2 Albania CTA and verify their consistency with the sector strategies (regional development and decentralization).
- Analyze and approve the annual monitoring reports prepared by the CTA with its reporting of expenses.
- Analyze the eventual periodic assessment reports prepared by the donors, the Albanian Government and UNDP to capitalize results, information and experience gained under the initiative.
- Approve the criteria presented by the CTA to the identification of projects consistent with the county Strategic Planning exercises.
- Approve requests for co-financing from other donors and project related documents at the request of the Co-chairpersonship of the NSC.
- Approve the involvement of new regions in the program, at the request of the Co-chairpersonship of NSC, on the basis of national priorities and interest expressed by the donors involved.

The NSC ensures that local initiatives are in line with national development policies. It is also responsible for disseminating the most effective work methods to other parts of the country and for promoting the involvement of new donors.

b) The Program Office

In Albania, UNDP CO is responsible of the substantive coordination of UNDP ARTGOLD2 Albania.

For the day-to-day management of the activities in the country, the UNDP CO is supported by a specific Program Office, full time dedicated to UNDP ARTGOLD2 Albania and located in Tirana. The Program Office will be led by an International Chief Technical Advisor/Program Manager (CTA).

The CTA will work under the overall guidance of the UNDP Resident Representative and will be responsible for the successful and timely implementation of activities for all components of the program, except for

his/her delegated responsibilities related to the Guarantee Fund for which he/she works under the direct accountability/guidance of UNOPS (as the Guarantee Fund and related activities fall outside the framework for this program and thus UNDP Tirana CO cannot be held responsible for matters related to it). The CTA will work under the oversight of the Country Director for what concerns the program strategy, implementation, administration and management. For coordination purposes, the CTA will constantly liaise with the UNDP CO Cluster and Portfolio Managers.

Contracting and payment for the national and local activities of UNDP ARTGOLD2 Albania will be made by UNDP CO at the request of the CTA, according to the WPs approved by the NSC. The regular UNDP rules and procedures will apply to UNDP ARTGOLD2 Albania activities at all times.

The CTA may also request HIP/UNDP/Geneva, in agreement with the UNDP CO and in accordance with the approved WPs, to contract and effect payments on behalf of UNDP ARTGOLD2 Albania, as per the applicable UNDP rules and procedures.

The CTA will operate under the overall supervision of the UNDP Resident Representative for all the activities implemented in the country. For what concerns the program's international activities and decentralized cooperation under the guidance of HIP/UNDP/Geneva, the HIP will timely and adequately liaise with UNDP Albania RR, ensuring that international activities are synchronized and respond to the approved Work Plan.

The UNOPS is responsible for the recruitment of the CTA with prior agreement of the UNDP CO on the final selection, in accordance with UNOPS rules and procedures.

UNDP, through the CTA, will ensure that all the ARTGOLD2 Albania activities support the One UN Program in Albania and facilitate cooperation and synergies with other UNDP programs, UN Agencies and other initiatives focused on the Albanian target counties.

Given the diversity of possible activities and the number of expected partnerships from decentralized cooperation, the Program Office team will include a number of experts, in order to fulfill the expected tasks.

Also, for the sake of rationality, coordination and economy – since the UNDP ARTGOLD2 Program will last for only 18 months and will require some initial time to set up in terms of staffing and logistics – it is wiser to envisage at this stage the establishment of only one office located in Tirana to cover the selected counties. The program will utilize the office equipment and vehicles in endowment of ARTGOLD1. In the start phase, the CTA will prepare an Inception Program Work Plan to be approved by the National Steering Committee (NSC), to give to the initiative the opportune flexibility.

The indicative composition of the Program Office will include a Program Officer with function to assist the CTA in the coordination of the Program's activities of the International ART Networks (IDEASS, UNIVERSITAS, ART LED SERVICE, Decentralized Cooperation) which are, thanks to the successful results achieved by ARTGOLD1 Albania, fully integrated components of the program's activity. During the program's activity, the Program Officer will work in collaboration with the international experts and technical consultants that will be provided by the ART Networks, UNOPS and the International partners for specific projects and activities. A Junior Liaison Officer, will operate under the direct supervision of the UNDP AGA2 Albania CTA and the overall guidance of the Human Security and Local Governance Cluster Portfolio Manager, in order to ensure the compliance of the program with the ONE UN Strategy in Albania. A support staff will assist the office with the following structure:

1. CTA/PM (International)
2. Junior Liaison Officer (International)
3. Program Officer (National)
4. Documentation/Information Officer (National)
5. Adm&Finance Officer (National)
6. 2 Strategic Planning experts (1 National + 1 International)
7. Economic Development and County Development Agencies Expert (1 National + 1 International from ILS LEDA for 6 months)
8. Two Drivers
9. Two guards

8.2.2 At county Level

The program will aim at supporting the counties in defining and implementing their Strategic Plans. They are the main tools for building up the Social Capital and the local Partnership for the Development. The Program will rely and support the set up of County Partnership Councils, participatory, consultative structures, coordinated by the county Presidents, involving representatives of public, civil society and private sectors, as well as actors of international cooperation as envisaged in the Regional Development Strategy. UNDP ARTGOLD2 Albania will provide technical assistance to the CPCs, in order to finalize the Strategic Planning exercise, the establishment of Local Development Agencies and the set up of Decentralized Cooperation partnerships.

8.2.3 At International Level

The program activities will be scheduled in close collaboration with the National Steering Committee and the County Partnerships Councils. International activities will be coordinated by the HIP/UNDP/Geneva in consultation with Albania UNDP CO. In particular HIP/UNDP/Geneva could diffuse internationally the NSC reports, send documentation and facilitate relations with NGOs and other actors at the international level and strengthen the participation of decentralized cooperation actors also in collaboration with HIP/UNDP/Geneva's antennas in Rome, Florence and Sevilla, and the ART Scientific Committee, which will help mobilize ART networks and centres of excellence. Decentralized cooperation will allow promoting the transfer of best practices about regional and local development to Albania from other southern and northern countries.

All the activities related to the Local Development component, including the Economic Development issue, (support to Local Development Agencies, support to the elaboration and implementation of decentralized cooperation projects in the field of Local Development) will be carried out in partnership with the UNOPS offices of Geneva and Rome, which will provide the program with international technical assistance in collaboration with ILS LEDA service, upon request and in consultation with Albania UNDP CO.

8.3 Role of International Partners

8.3.1 Role of HIP/UNDP/Geneva

The HIP/UNDP/Geneva is under the responsibility of BRSP New York. The HIP/UNDP/Geneva is responsible of the management of the Trust Fund (HIP Trust Fund) utilized by the donors to support ART Programs with their contributions. The HIP/UNDP/Geneva is responsible and accountable for the use of budget allocated for international and regional activities related to UNDP ARTGOLD2 Albania (mobilization of decentralized cooperation, international technical assistance and monitoring, contacts with donors at international level etc.). HIP/UNDP/Geneva will closely consult with and seek prior agreement of the UNDP Country Office in Tirana, especially where such assistance foresees operational activities in Albania. A representative of HIP/UNDP/Geneva participates to the Joint Technical Missions ad TPR.

The HIP/UNDP/Geneva will provide overall guidance on the development of the UNDP ARTGOLD2 Albania in line and compliance with the ART methodologies. It will also play a crucial role in facilitating contacts and networking of the Albanian actors with international partners, promote and mobilize resources from decentralized cooperation partners, assist UNDP ARTGOLD2 Albania in identifying and implementing the international cooperation and technical assistance components and ensure that the program receives due support and leverage for achieving long term and successful results. HIP/UNDP/Geneva is responsible of the international promotion of the program and of the resources mobilization with international and decentralized cooperation donors.

The HIP/UNDP/Geneva is also responsible for formalizing further details of UNOPS' responsibilities / engagement within the framework of the present program in line with this document, and for managing UNDP's relationship with UNOPS.

8.3.2 Roles and responsibilities of ART Scientific Committee for Human Development Cooperation

The ART Scientific Committee for Human Development Cooperation is an instrument to promote the coherence of the practices with the agreed objectives of the international development platform coming from the United Nations Summits of the last years and the Millennium Assembly. Its role is to provide, under

request, methodological orientation, monitoring and internal evaluation meetings and training in the different phases and activities of UNDP ARTGOLD2 Albania.

8.3.3 Role of Italy and other donors

Italian Government and other donor representatives participate to the NSC meetings, in order to play an active role in the different phases of UNDP ARTGOLD2 Albania. The NSC meeting is an instrument to promote the harmonization among the donors in support of coordinated development strategies.

The utilization of the contributions of Italian Government is planned through the periodic Work Plans, approved by the NSC. The WPs describe the specific objectives, the activities and the correspondent needed resources and costs. The WPs are prepared by the CTA under the guidance of UNDP Albania and then endorsed by the National Steering Committee. The donor can organize joint technical missions with the Government and UNDP to evaluate the periodic Work Plans before their submission to the NSC.

8.3.4 Role of UNOPS

UNOPS Geneva will provide – upon request from UNDP Tirana CO - international technical assistance in the different components of the Strategic Planning process and for the implementation of the ONE UN Strategy. UNOPS is a stable component of ART Initiative, through the offices located in Geneva and Rome. It will participate to UNDP ARTGOLD2 Albania providing international technical assistance to the program. UNOPS technical assistance will focus on the promotion of international partnerships in the field of economic development, strategic planning, elaboration and implementation of the decentralised cooperation projects, improve and strengthen the operative and managerial skills of the Albanian LEDAs/CDAs.

In parallel to this program, UNOPS will also manage the Guarantee Fund. The available amount of the Guarantee Fund, deposited in CREDINS BANK, will be managed directly by UNOPS Geneva outside the management and legal framework of this program but in coordination with the program, as the UNOPS is the TF management Agency. UNOPS Geneva will delegate the UNDP ARTGOLD2 Albania CTA to supervise the correct management of the GF for which the CTA is responsible solely for UNOPS, utilizing the technical assistance provided by ILS LED service. UNDP Tirana CO bears no role or responsibility related to the Guarantee Fund and its management, and will not be held liable for actions and their consequences arising from matters related to the Guarantee Fund.

9. Monitoring and Evaluation

The most important form of monitoring of the Program will be the internal assessment, carried out in regular meetings of the NSC and CPCs. Assessing the progress of the Program will consist of an approach that combines expected results, with the financial and administrative aspects, in accordance with UNDP's Financial Rules and Regulations.

The Program monitoring system will focus on the following two levels of analysis:

a) Monitoring of Program's progress toward results

UNDP Geneva will maintain an overall control over financial aspects of the UNDP ARTGOLD2 Albania Program and include it within UNDP's internal monitoring mechanisms.

At the start up of the program, UNDP ARTGOLD2 Albania Program management will update its results framework based on annual output and impact indicators. The program will maintain a database based on the results indicators and will prepare annual progress reports.

Monitoring will be based on a system of generating quantitative and qualitative information that serves a dual purpose: first, to be accountable to donors and other strategic partners regarding the results achieved, second, to provide information useful for making strategic decisions, in order to reorient, where appropriate, the actions of the Program in a direction consistent with the desired outputs.

In this regard, the indicators will be taken into consideration in the start-up phase of the Program, related primarily to the efficiency in the implementation of local mechanisms for consultation to define the priorities for project design and implementation.

During the first period of activity, in collaboration with the UNDP CO, seminars will be conducted at the national and counties levels, to identify the Program's result indicators. This exercise will allow stakeholders to define the Program's effect on the living conditions of the local population and the most appropriate indicators for measuring, creating conditions for a permanent self-evaluation of the ongoing processes. Additionally, it will contribute to launch a local system of information and monitoring.

Monitoring the progress of the Program towards the results will be developed through the following levels, connected and interdependent:

- **The Program's Work Plans**, which define activities and operational goals, in consultation with all stakeholders at the local, national and international levels.
- **The Periodical Reports** on achieved results. These reports are an important input for the formulation of the Operational Plans. They are presented for approval to the NSC and the Tripartite Meetings.
- **The meetings with donors and national partners**. Tripartite Meetings will be organized by UNDP, in coordination with the HIP/UNDP/Geneva and ART Scientific Committee, to assess the results of the program in collaboration with donors, the Albanian Government and the CPCs.
- **The follow-up meetings of the NSC**, representing the instruments to ensure that the actions of the program are relevant and are really contributing to the achievement of results.
- **The regular meetings of the Program team**, extended to UNDP CO and other UN Agencies representatives, within the framework of the ONE UN initiative.

b) Program Audit and Evaluation

The Program will be subject to UNDP's management and finance audit. It will be subject of internal UNDP audit at UNDP/HIP/Geneva (for budget components managed by UNDP/HIP/Geneva and UNOPS) and UNDP Tirana CO (for funds received and managed by UNDP Tirana CO) in line with UNDP's corporate policy on internal audit. Such audit will be based on compliance, performance, relevance and results in relation to the project document, annual and quarterly work plans, review meetings and UNDP policies and procedures. This will be done to ensure transparent and accountable use of resources.

The program will be subject to an external evaluation when agreed among the interested parties. The resources for the evaluation will be earmarked in the program budget. This evaluation will be undertaken by external experts jointly selected by the Albanian Government, the donors and UNDP.

10. ART GOLD Albania Results and Resources Framework

Intended Outputs	Output Targets (Indicators)	Indicative Activities	Responsible parties	Inputs
<p>LOCAL LEVEL Support the Albanian Counties in defining and implementing their Strategic Plans, liaising with the national policies, involving the County Partnership Councils, with the support of the Decentralized Cooperation and of the UN Agencies involved within the ONE UN Strategy.</p>				
<p>Participatory County Partnership Councils (CPCs), chaired by the counties presidents, established to support the Strategic Planning exercise.</p>	<p>Participatory County Partnership Councils established to support the Strategic Planning exercise, chaired by the counties presidents.</p>	<ul style="list-style-type: none"> Support to the organization of the County Partnership Councils (CPCs) in target counties (see Annex I) and start up of the Strategic Planning exercise. UNDP CO CPCs recognized as pilot structures by the Ministry of Economy and Trade. UNDP CO Strengthen the CPCs' operational capacities: provision of technical and informatics equipment, logistic organization, information management and needed tools. UNDP CO Visits to Italian and European Strategic Planning and Local Development good practices. UNDP CO/UNOPS 	<p>UNDP AGA2, ART International, Dec. Coop. Partners, CPCs and Counties Authorities.</p>	<p>AGA2 staff, Experts; Workshops and Training; Seminars; Equipment; Travels</p>
<p>Technical assistance provided to the CPCs by UNDP ARTGOLD2 Program, through Strategic Planning national and international experts and Decentralized Cooperation partnerships.</p>	<p>Technical assistance provided to the CPCs by UNDP ARTGOLD2 Program, through Strategic Planning national and international experts and Decentralized Cooperation partnerships.</p>	<ul style="list-style-type: none"> Recruitment of national and international experts in Strategic Planning. UNDP CO/UNOPS Introduction of the program features and scope to the local stakeholders, organized within the CPCs. UNDP CO/UNOPS Provide national and international technical assistance in order to define a road map for the elaboration of County Strategic Plans, shared at local and national levels. UNDP CO/UNOPS Definition of the program Work Plan in each territory, to be implemented with the program's funds and supported by the national, regional and municipal actors. UNDP CO Technical assistance by national and international experts in Strategic Planning. Technical missions of Decentralized Cooperation experts. UNDP CO/UNOPS Organization of training courses for the CPC's representatives on Strategic Planning implementation, management and monitoring. UNDP CO/UNOPS Organization of training courses about thematic issues, prioritized by the County Partnership Councils. UNDP CO/UNOPS 	<p>NSC; UNDP AGA2 CPCs; ART International, International ILS LEDA Network; LEDA staff; Decentralized Cooperation Partners.</p>	<p>AGA2 staff, Experts; Equipment; Travels</p>

<p>Review and assessment of exiting local development and investment plans, studies, priorities, good practices and Decentralized Cooperation projects at the county level, in order to collect data for the Strategic Planning process</p>	<ul style="list-style-type: none"> Data collected for the Strategic Planning process 	<ul style="list-style-type: none"> Desk review of existing local development plans, priorities, assessments and studies related to the target county. UNDP CO/JUNOPS Review and acquaintance with existing local structures in charge of planning and monitoring and their related capacities/gaps for carrying out their tasks. UNDP CO/JUNOPS 	<p>NSC; UNDP AGA2, CPCs; ART International, ILS LEDA Network; Decentralized Cooperation Partners.</p>	<p>AGA2 staff, Experts; Equipment; Travels; Project cost sharing</p>
<p>County economic potentialities valorised and improved, through the map of the economic strategic, competitive and sustainable resources drafted. Technical assistance provided to improve and maintain competitive territorial value chains, able to include the most disadvantaged people in the economic circuit, assure gender equity, and protect the environment.</p>	<ul style="list-style-type: none"> Map of county strategic economic resources realized <ul style="list-style-type: none"> Competitive and sustainable economic value chains prioritized and strengthened. 	<ul style="list-style-type: none"> Analysis of the potential competitive and sustainable territorial resources, realization of the correspondent map, and identification of the priorities for the territorial economic development plan. UNOPS Realisation of a plan for the inclusion of the most disadvantaged people in the mainstream economy. UNDP CO/JUNOPS Training and support to territorial economic value chains. UNDP CO/JUNOPS Realisation of territorial marketing strategies, including internal and external marketing, branding typical products, supporting improvement of their quality to respond to the international standards; inclusion of territorial marketing strategies within the program outputs could be decided during the preparation of the Inception Work Plan to adapt the activities to the progress made in the regional and decentralization strategies. UNOPS Fostering capacities for supporting innovations. UNOPS 	<p>NSC; ART International, ALS; ILS LEDA Network; CDA staff; Decentralized Cooperation Partners.</p>	<p>AGA2 staff, Experts; Travels. Training Seminars</p>
<p>Subject to approval from the Albania national Government, pilot Development Agencies established at counties level, through supporting the transformation of the existing LEDAs, and/or creation of new ones; jobs and incomes increased and living conditions of the population improved through CDAs. The CDAs will be established within the framework of a national pilot project, involving the line ministries</p>	<ul style="list-style-type: none"> Two LEDAs transformed in CDA One pilot CDA created 	<ul style="list-style-type: none"> Agreement with the Ministry of Economy, the involved line Ministries (i.e.: Interior, Education, Labor, Health and Environment), and the local county governments in order to perform a pilot project interesting Shkodra and Vlova counties, in order to set up 2 County Development Agencies. UNDP CO Analysis of the situation and performance of the existing LEDAs, with the aim of assessing the modalities for transforming them in County Development Agencies. (UNDP CO/JUNOPS) with particular reference to: <ul style="list-style-type: none"> the memberships, through including more stakeholders as members for taking into account new sectors the LEDAs will deal with. the statute, taking into account the new functions and activities the organizational model and chart, for including the new field of actions, according to the analysis of the prioritized demand (regarding economy, social services, environment/climate changes and planned county objectives) and of the existing services supply. Definition of a new, shared 5 years business plan, taking into account the new and diversifies tasks, and the budget constraints, due to the foreseen income, in order to verify the self-sustainability in the long term. 	<p>NSC; ART International, ALS; ILS LEDA Network; CDA staff; Decentralized Cooperation Partners.</p>	<p>AGA2 staff, Experts; Equipment, Travels, Training, Seminars,</p>

<p>County territorial marketing strategies formulated, shared and agreed upon.</p>	<ul style="list-style-type: none"> • County marketing strategy elaborated • Territorial Profile Document finalized • Internal and external marketing carried out • Territorial brand realized • Local Actor empowered 	<p>UNOPS</p> <ul style="list-style-type: none"> • Organization of the capacity building for the CDAs members and for the technical unit, possibly through an agreement between UNDP ARTGOLD2 Albania and a national university. UNDP CO/UNOPS • Recruitment of the new needed personnel, through procedures including an international call, in order to try to attract Albanian experts from the diaspora. UNDP CO/UNOPS • Provision of services to local institutions and population, with particular regard to the most disadvantaged one for increasing sustainable jobs and incomes, and improving living conditions, within the human development vision and approach, also through the assistance of ART International LED Service, and twinned European Development Agencies. UNDP CO/UNOPS • Definition and setting up of a process allowing the identification of standard procedures and mechanisms for monitoring the performances of the Agencies. UNOPS 	<p>NSC; ART International, ALS; ILS LEDA Network; CDA staff; Decentralized Cooperation Partners.</p>	<p>AGA2 staff; Experts; Travels. Training Seminars</p>
	<ul style="list-style-type: none"> • Elaboration of the county marketing strategies through workshops with local actors, taking into account a shared vision towards territorial future and development strategy, mainly through the analysis of the territorial personality, and its characterizing and distinguishing (tangibles and intangibles) factors. UNOPS • Prepare the county profile documents; identify the unifying and synthesizing elements between its personality's different factors. UNDP CO/UNOPS • Finalize a survey within the population and local institutions in order to detect their territorial image. UNDP CO/UNOPS • Carry out the internal marketing strategy, by improving local heritage knowledge, and activating a responsible citizenship. UNDP CO/UNOPS • Carry out the external marketing strategy, by identifying the groups towards which this action is oriented and defining the tools as well as publicity, propaganda, public relations, direct marketing, use of the residents living abroad, etc. UNOPS • Define territorial brands, in order to characterize the territorial products/supply and the mechanisms of brand conformity control by local entrepreneurs. UNOPS • Train the local actors for territorial marketing management. UNOPS 			

<p>Immediate identification, formulation and implementation of the Strategic Projects, according to the Strategic Planning preliminary guidelines and taking into account the county/municipalities development, investment plans or priorities</p>	<p>Strategic development projects defined according to the Strategic Planning preliminary guidelines, according with the county/municipalities development, investment plans or priorities</p>	<ul style="list-style-type: none"> • Support the CPCs in conducting county survey aimed at identifying the good practices of the territory. UNDP CO/UNOPS • Provide technical assistance to the CPCs in order to formulate at least four Strategic Projects, based on the good practices finalized or ongoing in the county. UNDP CO/UNOPS • Provide technical assistance to the CPCs for the implementation of the Strategic Projects, within the framework of the Strategic Planning process. UNDP CO/UNOPS • Identification of the most appropriate modalities and indicators for monitoring and evaluating the projects results. UNDP CO/UNOPS • Organization of missions to Albania of delegations from European Local Communities and Regions, to support the implementation of the Strategic Projects and formulate decentralized cooperation initiatives in support of the Strategic Plans. UNOPS 	<p>UNDP AGA2, CPCs, ART International</p>	<p>AGA2 Staff, Equipment, Travels</p>
<p>Enhance the capacities of the local authorities to implement, manage and monitor the Strategic Plans within their territory.</p>	<p>Technical assistance and support provided to local authorities to implement, manage and monitor the Strategic Plans</p>	<ul style="list-style-type: none"> • Provide technical assistance and support for the start up and finalization of at least three County Strategic Plans. UNDP CO/UNOPS • Implementation of the priority actions and start up of the resources mobilization activities. UNDP CO/UNOPS/HUB • Provide technical assistance (national, international and Decentralised Cooperation experts) and support to the implementation of two county Strategic Plans. UNDP CO/UNOPS • Provide support to the target counties, in order to set up technical structures to manage the Strategic Planning process. UNDP CO/UNOPS 	<p>UNDP AGA2, CPCs, ART International</p>	<p>AGA2 Staff, Equipment, Travels</p>
<p>NATIONAL LEVEL: Strengthened Government's capacity to support decentralization and local Strategic Planning process, sharing information and best practices as well as implementing training initiatives.</p>			<p>Program Office established in Tirana</p>	<p>AGA2 Staff, Equipment</p>
<p>National Steering Committee (NSC) established to supervise the Program's activities, channel resources from International cooperation to counties and municipalities, within the framework of the Strategic Plans.</p>	<p>NSC established and fully operational. Additional resources from International cooperation directed by the NSC to CPCs to implement projects in the framework of the Program</p>	<ul style="list-style-type: none"> • Finalization of the procedures for recruiting the national and international personnel of the Program. UNDP CO/UNOPS • Revision of the equipment, furniture and vehicles of the program (owned by UNOPS). UNDP CO/UNOPS • Finalization of the procedures for purchasing needed equipment, furniture and vehicles. UNDP CO • Finalization of the procedures for renting the program's premises. UNDP CO • Support to the establishment of the National Steering Committee. UNDP CO • Meetings with international cooperation actors operating in the county to introduce the program and encourage the participation of other international cooperation's actors, also by means of the promotion of territorial marketing documents and presentation of the Strategic Planning process. UNDP CO • Exchange information and organize meetings with the Embassies of the countries involved in decentralized cooperation partnerships with the target counties. UNDP CO • Support to actors of international cooperation interested in establishing 	<p>NSC; UNDP AGA2, ART International.</p>	<p>UNDP AGA2 Staff, Equipment</p>

<p>partnerships with the target counties: technical assistance for the formulation of collaboration plans or drafting the project documents necessary for channelling new resources to the program. UNDP CO/UNOPS</p> <ul style="list-style-type: none"> Working sessions to define collaborations, within the framework of One UN Program, with the specialized United Nations Agencies interested in the Decentralization Cross-Cutting Strategy and the Strategic Planning exercise. <p>UNDP CO</p> <ul style="list-style-type: none"> Support by the NSC to the county Strategic Planning process, in order to disseminate the good practices and support/improve the related national strategies. UNDP CO Support the NSC to organize workshops and forums on specific topics of interest for national institutions and realization of specific studies, in collaboration with national and international universities. UNDP CO Finalise agreements with national and international universities for carrying out systematic academic activities related to the Strategic Planning issues. UNDP CO 		<p>NSC; UNDP AGA2; ILS LEDA network; CDAs.</p>	<p>UNDP AGA2 staff; National and International Experts.</p>
<p>Strengthen national capacities for local economic development policies, improving the coordination between the thematic sectors (tourism, agriculture, industry, SMEs, trade, research, etc.) for addressing county development, according to territorial vocations and opportunities.</p> <p>National actors involved in NSC fully participate to ONE UN strategy, through UNDP ARTGOLD2 Program and actively support, at national level, the development process ongoing in counties and municipalities.</p>	<p>The capacities of national authorities in coordinating actions for supporting local economic development enhanced.</p> <p>National actors supported and trained to improve national policies for local development.</p> <p>Technical assistance provided to national institutions to support interregional cooperation.</p>	<ul style="list-style-type: none"> Articulation of the potential of the ART International LED Service; planning and implementation of training courses on innovative strategies for economic development, territorial competitiveness and territorial marketing; promotion of territorial partnership projects of common interest between the Albanian County Development Agencies and economic actors in the European regions; inclusion of the CDA into the ILS LEDA network, and information interchange via the ILS LEDA website. UNOPS improvement of coordination between the thematic policies (tourism, agriculture, industry, SMEs, trade, research, etc.) for addressing county development, according to territorial vocations and opportunities. UNOPS Organization of 10 national and international technical assistance activities, aimed at supporting the ONE UN Strategy, the Regional Decentralization Cross-Cutting Strategy and the County Strategic Planning process. UNDP CO Organization of 5 national events on Decentralization and Strategic Planning, involving UN Agencies, local and national actors. UNDP CO 	<p>UNDP CO; UN Agencies; UNDP AGA2; NSC.</p> <p>UNDP AGA2 staff; Experts; Trainers; Travels.</p>

<p>Elaborate and disseminate the information concerning the achievements of the program to the involved donors and partners, in order to facilitate the coordination with other ongoing initiatives.</p>	<p>Information concerning the achievements of the program elaborated and disseminated to the involved donors and partners, in order to facilitate the coordination with other ongoing initiatives</p>	<ul style="list-style-type: none"> • Production of documentation on the experiences and dissemination to the UNDP ARTGOLD2 target counties. UNDP CO • Formulation of documents required by donors to support the program. UNDP CO • CO Editing and disseminating of an UNDP ARTGOLD2 Albania electronic newsletter. UNDP CO • Presentation of the program, brochures and visit letters to potential donors, in view of their possible participation to the program. UNDP CO • Organization of press conferences, seminars and meetings with the main concerned beneficiaries, partners and donors for sharing the program achievements. UNDP CO • Establish a program webpage, within the UNDP Albania site, to disseminate experiences of the program both nationally and internationally. UNDP CO • Organization of public awareness campaigns, production and publication of divulgation materials. UNDP CO • Organization of donors' meetings. UNDP CO/HUB 	<p>UNDP AGA2.</p> <p>UNDP AGA2 staff; Experts; Equipment; Travels.</p>	
<p>INTERNATIONAL LEVEL: Strengthened the capacity of national and local Albanian actors through international partnerships of decentralized cooperation.</p> <p>Internationalisation of Albanian regional development supported in the European perspective by promoting territorial and thematic international partnerships (decentralized cooperation).</p> <ul style="list-style-type: none"> ▪ A congruous number of partnerships of decentralized cooperation established through the UNDP ART GOLD participatory modality; <ul style="list-style-type: none"> ▪ A number of decentralized cooperation project realized; ▪ Program web page set up and maintained ▪ A number of 		<ul style="list-style-type: none"> • Dissemination of the different county territorial marketing documents, by the international ART services, to the network of Regions, Provinces, Municipalities and Local Development Agencies of the European countries interested in establishing decentralized cooperation partnerships. UNOPS • Support to foreign local governments to formalize their participation to the Program by ART International Services. UNOPS • Support the organization of visits to UNDP ARTGOLD2 target counties by the foreign communities interested in establishing decentralized cooperation partnerships: meeting with the responsible national authorities, the embassies of the respective countries and with the County Partnership Councils, in order to define decentralized cooperation projects based on the ongoing Strategic Planning process. UNOPS • Organization of visits of delegations from the target UNDP ARTGOLD2 counties to the foreign local communities, to present the territorial marketing documents and Program's strategic plans, aimed to mobilizing additional resources, identify new projects and implement technical training activities. UNDP CO/UNOPS • Realization of decentralized cooperation projects, with the support of experts from the partner communities. UNDP CO/UNOPS • Maintain an updated program's web-page in the International ART web-site, to disseminate experiences of the program both nationally and internationally. UNDP CO/HUB 	<p>NSC; UNDP AGA2, CPCs; ART International; International; IDEASS; UNIVERSITAS; ILS LEDA Network; Decentralized Cooperation Partners.</p> <p>AGA2 Staff; Experts; Travels; Project cost sharing</p>	<p>UNDP AGA2.</p> <p>UNDP AGA2 staff; Experts; Equipment; Travels.</p>
<p>Structured and stable</p>	<ul style="list-style-type: none"> ▪ A number of 	<p>NSC; UNDP</p>	<p>AGA2 Staff;</p>	

<p>relations established and projects ongoing between the actors participating in the Program and the different ART international thematic networks (IDEASS, UNIVERSITAS, ILS LEDA, UNDP HUB Geneva, UNOPS Rome office).</p>	<p>Innovations in Albania identified and promoted in the framework of IDEASS; A number of innovation from abroad promoted in Albania; Active participation of the ART international thematic network in the different ART GOLD Albania program's activities</p>	<ul style="list-style-type: none"> • Promotion of the active participation of the scientific community and academic centres of Albania in the IDEASS activities in Albania UNDP CO/UNOPS • National survey about the best practices on local development in Albania. UNDP CO/UNOPS • Technical assistance to the author of Albanian innovations to draw out the Innovation Brochures, to be published in the IDEASS website. UNOPS • Presentation to the NSC of the IDEASS catalogue of the best national and international practices on local development. UNDP CO/UNOPS • Organization of four missions in Albania of inventors of the best practices, prioritized by the NSC, in order to organize national presentations of the innovations. UNOPS • Organization of two missions of Albanian inventors to ARTGOLD programs, in order to share the innovations with other local communities. UNOPS • Diffusion and promotion of the IDEASS innovations implemented in one Albanian county to other interested areas of the country. UNDP CO/UNOPS • Capacity building to Albanian enterprises, organizations and local administrations to implement the innovations in their territories. UNDP CO/UNOPS • Implementation of the innovations in Albania, according to the decisions of the NSC. UNDP CO/UNOPS • Articulation of the potential of the ART International LED Service; planning and implementation of training courses on innovative strategies for economic development, territorial competitiveness and territorial marketing; promotion of territorial partnership projects of common interest between the Albanian CPCs and economic actors in the European regions; inclusion of the CDAs into the ILS LEDA network, and information interchange via the ILS LEDA website. UNOPS • Promoting strategies in gender approach supported by ART in collaboration with relevant organizations and realization of trainings targeting participants of local participatory decision-making structures. UNDP CO/UNOPS • International technical assistance; research activity to improve the gender approach in all program's fields of action; organization of seminars, production and dissemination of documents. UNOPS • Promotion of the potential of the UNIVERSITAS initiative within the network of Albanian Universities; support to Albanian Universities for elaborating or improving a curriculum of formation specialized in different fields of human development and decentralized cooperation based on the experience of the UNIVERSITAS network. UNOPS 	<p>AGAZ, CPCs; ART International; IDEASS; UNIVERSITAS; ILS LEDA Network; Decentralized Cooperation Partners.</p>	<p>Experts; Travels; Workshops and Training; Seminars; Project cost sharing</p>
--	---	--	--	---

11. Budget

Budget description	UNDP CO Tirana	UNOPS	HUB
UNDP ARTGOLD2 ALBANIA Technical assistance to the NSC, Counties and Counties Partnership Councils.			
International CTA (18 months)		USD 400.000	
International Consultants		USD 50.000	
Decentralized Cooperation activation		USD 23.000	
International technical assistance, resources mobilization, decentralized cooperation activation, monitoring, international dissemination of the achieved results.			USD 30.000
Local personnel and technical assistance	USD 140.000		
Travel	USD 40.000		
Logistic, equipments and running costs of Technical Assistance to the NSC, CPCs, and Counties. Information and divulgation materials.	USD 177.000		
Subtotal A	USD 357.000	USD 473.000	USD 30.000
LOCAL DEVELOPMENT COMPONENT			
Local Development in Vlore and Shkoder Counties			
Elaboration of 2 County Strategic Plans	USD 150.000	USD 160.000	
Set up of 2 County Development Agencies		USD 160.000	
Technical assistance by ART ILS-LEDA to the County Partnership Councils and LEDAs, in order to turn them into RDAs and establish economic partnerships.	USD 436.832		
Co-financing local development projects jointly identified by CPCs and Italian partners of decentralized cooperation through participatory process			
Subtotal local development component	USD 586.832	USD 320.000	USD 0
NATIONAL AND INTERNATIONAL COMPONENTS IN SUPPORT TO LOCAL DEVELOPMENT			
Support to the ONE UN Strategy			
Junior International Liaison officer between ONE UN Strategy and UNDP AGA2 Albania Program	USD 100.000		
Subtotal D			
Innovation IDEASS Initiative			
Activities at local and national levels and local personnel	USD 100.000	USD 30.000	
International assistance	USD 100.000	USD 30.000	
Subtotal E			
Training and research through Albanian Universities and specialized centers			
Activities at local and national level and local personnel	USD 40.000	USD 20.000	
International assistance	USD 40.000	USD 20.000	
Subtotal F			
Internationalization of Local Economic Development			
Activities at national level: exchanges, training, events and local personnel	USD 40.000	USD 125.000	
International assistance	USD 40.000	USD 125.000	
Subtotal G			
International support to the welfare policies and activities			
Activities at local and national level and local personnel	USD 40.000	USD 29.690	
International assistance	USD 40.000	USD 29.690	
Subtotal H			
Subtotal national and international components (D+E+F+G+H)	USD 320.000	USD 204.690	
SUB-TOTAL A+(B+C)+(D+E+F+G+H)	USD 2,291,522	USD 1,263.832	USD 997.690
UNOPS GMS (8.25%)	USD 82,309	USD 0	USD 82.309
UNDP GMS (7%)	\$166,168	USD 88.468	USD 75.600
GRAND-TOTAL	\$2,540,000.00	USD 1,352.300	USD 1,155.599
			USD 32.100

12. Legal Context

This document together with the CPAP signed by the Government and UNDP, which is incorporated by reference, constitute together a Project Document as referred to in the SBAA between the Government of Albania and the United Nations Development Program, signed on 17 June 1991 and all CPAP provisions apply to this document.

The following types of the revisions may be made to this document with the signature of the UNDP Resident Representative only, provided he or she is assured that the other signatories of the document have no objections to the proposed changes:

- Revision in, or addition of, any of the annexes of the document;
- Revisions that do not involve significant changes in the Immediate Objectives, Outputs or Activities of the project, but caused by the rearrangement of the inputs already agreed to or by cost increases due to inflation;
- Mandatory annual revisions, which re-phase the delivery of, agreed inputs or increased expert or other costs due to inflation or takes into account agency expenditure flexibility.

ANNEX I

County Partnership Councils (CPCs) Draft Terms of Reference

I. Establishment and composition

The County Partnership Council (CPC) is a county level advisory body composed of the representatives of the public (county councils, municipalities and communes from the territory of the county, and central state administration bodies dealing with development-related issues in the territory of the county), private and civil sectors and established for the purpose of providing advice with respect to the preparation and implementation of regional development policy at the county level (including documents prepared at county-level for the programming of Albania's use of EU support programs for regional development), achieving consensus amongst the various interested parties and participating in the development planning of the county. The CPC will actively participate to the Strategic Planning process.

The CPC, by utilizing participatory methodologies, will:

- (a) support the definition, elaboration, implementation and monitoring of the County Strategic Plans.
- (b) identify, in a participatory way, the strategic projects at regional level to be supported by UNDP ARTGOLD2 Albania.
- (c) support the build up of the county social capital and the establishment of a sustainable local partnership for development.
- (d) contribute to the delivery of the ONE UN strategy at local level.

The CPC will provide the needed support to the target Municipality, in order to identify, in a participatory way, the local priorities, to be inscribed within the County Strategic Plans.

The CPCs will identify the County Strategic Projects and prioritise them. With the technical assistance of the UNDP ARTGOLD2 Albania local staff and in close consultation with the international partners operating within the target areas, the CPC will draft a Regional Annual Action Plan. The Regional Annual Action Plan will include the activities identified and agree upon for starting up the Strategic Planning exercise, the Strategic Projects and the needs in terms of Decentralised Cooperation contribution.

1. The CPC has to be endorsed and recognised as a pilot structure by the Ministry of Economy and Trade, as part of its Regional Development Cross-Cutting Strategy.
2. UNDP ARTGOLD2 Albania promotes the set up of the CPC within the framework of the Albanian Government policies.
3. The County Partnership Council is established at the county level by formal decision of the President of the county, as a consultative, participatory body for implementing the Regional Cross Cutting Decentralization Strategy of the Ministry of Economy and Trade; conducting the Strategic Planning exercise; set up the County Development Agencies; establish Decentralized Cooperation partnerships; and facilitate the application at local level of the ONE UN Strategy.
4. The members of the CPC represent the various geographic, economic, social, cultural and social composition of the community regardless of age, sex, religion, level of education, political opinion or citizenship, reside and/or work within the county and are selected in relation to their potential contribution to the work of the CPC. The representatives holding an executive public mandate should never exceed 50% of the total number of the members of the CPC.
5. The President of the county designates two persons holding an executive public mandate in the Region as members of the CPC. They will select, with the technical assistance of UNDP ARTGOLD2 Albania and in consultation with the interested Mayors, invited as permanent members, four representatives from civil society associations and/or the private sector, which are not holding any executive public mandate.
6. The members then select additional representatives as necessary, in order to ensure a large and comprehensive participation of civil society and the private sector. The associations of civil society represented in the CPC should have a demonstrated ability to understand and to address the needs of the most vulnerable groups of the community or the most needed areas in the county. The associations of the private sector represented in the CPC should have a demonstrated ability to understand and to address the needs of the informal sector and the small and medium sized enterprises.
7. The permanent members of the CPC are the representatives of the following institutions and entities, which participate on a voluntary basis:
 - a) President of the county, who is the CPC ex-officio chairman;

- b) UNDP ARTGOLD representative, who is its ex-officio executive secretary;
 - c) Representatives from the county;
 - d) Mayors;
 - e) UNDP CO representative;
 - f) Interested UN Agencies representatives;
 - g) representatives of business sector;
 - h) representatives of Albanian NGOs;
 - i) representatives of International NGOs;
 - j) representatives of Decentralised Cooperation;
 - k) representatives of other international organisations.
5. Depending on the Agenda, the CPC may decide to extend the participation to representatives of other Albanian or international bodies. In particular, the participation could be extended to thematic advisors.
 6. The CPC is represented in the National Steering Committee (NSC) meetings by its Chairman, one representative from the local institutions and one representative from the civil society.

II. Functions and Responsibilities

1. The purpose of the CPC is represent the consultative body for:
 - Implementing the Regional Cross Cutting Decentralization Strategy of the Ministry of Economy and Trade;
 - Conducting the Strategic Planning exercise;
 - Identifying the priority Strategic Projects;
 - Set up the County Development Agencies;
 - Establishing Decentralized Cooperation partnerships;
 - Supporting the identification of the local innovations for development and participating to the transferring of the suitable one within the county, within the framework of the IDEASS initiative;
 - Facilitating the application at local level of the ONE UN Strategy.

The CPC supports local initiatives and mobilise local and external resources needed for the sustainable social, economic and cultural development of the county. The CPC identifies the Strategic Projects, which will be part of the county Strategic Plan. According to the road map for the elaboration of the Strategic plan, the CPC is therefore responsible for the preparation of UNDP ARTGOLD2 Albania County Action Plan, which includes the Decentralised Cooperation Action Plan, for its submission to the NSC and its implementation at local level. UNDP ARTGOLD2 Albania will provide, to this purpose, the required national and international technical assistance.

2. The CPC is the local coordination body of the county, dedicated to avoid the fragmentation of the different initiatives (national programs, local initiatives and international interventions) and facilitate the ONE UN strategy implementation in the area.
3. To accomplish its mandate, the CPC will utilise the Strategic Planning methodology, which articulates priorities and resources in a coherent and shared plan, with the national and international technical assistance provided by UNDP ARTGOLD2 Albania.
4. The CPC will promote the institutionalisation of the methodologies and skills acquired through the technical assistance provided by UNDP ARTGOLD2 Albania.
5. In order to promote the internationalisation of local development, the CPC will provide full assistance to the Decentralised Cooperation delegations for the establishment of partnerships between homologous local communities, as well as for the definition and implementation of joint projects.
6. The CPC will support the drafting of the documents concerning the county Territorial Marketing.
7. The CPC will support the establishment of the County Development Agency.
8. The CPC participates in the National Steering Committee's activities, calls its attention to county-specific issues, applies the NSC's recommendations/guidelines and reports to NSC on achieved progress.
9. The CPC informs the relevant county authorities and population, on a regular basis, about the main achievements of the program.

III. Operating Mechanisms

1. The CPC meets periodically, at least on a monthly basis. An agenda is prepared by the secretary and is circulated in advance to all the members of the body. Each meeting of the CPC is properly documented and minutes are distributed to all members by the secretary and signed in the subsequent meeting.

2. The CPC is chaired by the President of the county and the Executive Secretary is one representative of UNDP ARTGOLD2 Albania.
3. Failure to attend three successive meetings or to attend a proportion of 2/3 of the meetings in each calendar year entails the automatic exclusion of the member concerned unless the CPC decides otherwise on the basis of exceptional circumstances or valid documented reasons.
4. To the extent possible the decision of the CPC are taken by consensus
5. The county will provide the CPC with a meeting room, when needed.
6. The CPC further determines all other relevant operating procedures.

ANNEX II

Strategic Planning (SP) - Suggested Roadmap -

PREFACE

Counties' activities and achievements will be considered as starting points of the strategic planning process. The strategic plan doesn't start from zero: it maintains continuity with the programs, projects and policies already ongoing. It coordinates, optimizes and enhances them providing them with a wider and shared perspective.

This leads to 3 important consequences

1. During the strategic planning process, **discussions within the County Partnership Councils will be widened and oriented towards more "global" issues** (also involving: cultural heritage, transport infrastructure at a territorial level; ICT; healthcare, etc.) to build an overall development strategy. CPCs will be oriented toward discussing:
 - point out what they want for their territory's future (a long-term "vision" of the area) and how they can commit themselves to achieve it;
 - define shared development goals and strategies involving all territorial components (production, welfare, infrastructures, environment, culture and education) in an integrated plan.
2. Strategic Plan will **include ongoing projects, as well as "new" projects, which will be proposed and defined during the process.** This means that every development initiative on each target area must be a part of (and consistent with) the strategic plan and that all the stakeholders (UN agencies, NGOs, local subjects, decentralised cooperation partners, etc.) should work within the strategic plan framework.
3. The development strategy will take into account (and start from) what is going on in each area, since the ongoing projects are expression of the territorial needs and demands; at the same time, the shared strategy, which will be defined during the process, will "generate" other projects. In fact, **strategic planning is a cyclical path, made of continuous reviews and assessments.**

Although the starting point of a Strategic Planning exercise is related to the national policies and strategies, Strategic planning is a bottom-up process. Every step (analysis, strategy and projects definition) is the result of negotiations and public discussions. This guarantees the social sustainability of the plan and the real feasibility of the projects. It also guarantees that only the projects, which are the result of the negotiations (and are thus considered a priority by the most of the involved stakeholders), will be included in the strategic plan.

The bottom up methodology also applies to the Territorial Marketing documents: they are mainly the result of a desk analysis, but they will be discussed and assessed within the framework of the CPCs meetings, in order to build a *shared* framework of characteristics, potentials and problems of each area. Finally, Strategic Planning process is, actually, a *modus operandi*. Building a strategic plan doesn't mean producing a mere output (a project, a feasibility study etc.); it means teaching local stakeholders and administrations a new way to outline and manage development policies. At the same time, the process will allow **"know how" transfer to local communities through participation, facilitate the set up of the County Development Agencies** and enable local actors to manage their own development processes.

THE STRATEGIC PLANNING FOR ART GOLD ALBANIA (ADD THE STRATEGIC PROJECTS AND THE UN AGENCIES)

The main objectives of the EU Lisbon Agenda⁶ were to make poor regions a more attractive place to live and work, to improve knowledge and innovation for growth as well as to create more and better jobs. The County Strategic Plans in Albania need to be defined accordingly. **A strategic plan is the result of a complex cyclical process**, involving several actors: Albanian Government, local Administrations, enterprises, associations and citizens. Within this process, local institutions play a leading role: they have to aggregate and promote a coherent set of short-, medium- and long-term projects, sharing a common, long-range development vision. They must also act as moderators among different, and sometimes contrasting, interests, at a national, county and municipal level.

Strategic planning is **a way to put a development idea into effect**, reaching a steady agreement based on shared goals among regional stakeholders. Through this mechanism, the Strategic Plan doesn't define the development projects *a priori*, but it stimulates, selects and coordinates them through a negotiating process, in order to make them consistent with each other, shared and feasible.

In order to achieve balanced and sustainable development, the Strategic Planning exercise within the UNDP ARTGOLD2 Albania areas will use an approach focused on **three main principles**:

1. **Valorization** of the territory through the empowerment of its identity, of its endogenous cultural, social, environmental, economic and human resources and through the enhancement of the synergic relations among them;
2. **Integration/coordination** among: existing endogenous resources; local development initiatives, projects and programs; financial sources; institutional and private partners; communication and promotion instruments;
3. **Participation** of the local community in the strategy building and development process.

The Strategic Planning will contribute to build **continuity** with existing resources, projects and processes that are ongoing in the county, coordinating, optimizing and enhancing them. The SP exercise will provide the existing resources, projects and processes with a wider, more comprehensive perspective, both temporally (defining long-term goals) and spatially.

Strategic Planning will utilize a **participative and bottom-up approach**, aimed at:

- *Creating involvement and consensus*, making the relationships among stakeholders easier and arising their consciousness about the key role they can play in the development process;
- *Highlighting the territory's main strengths and weaknesses*, and the local community's needs and expectations;
- *Valorizing local know-how and skills*;
- *Detecting future development scenarios* and the community's strategic vision of the future;
- *Defining development goals* and the strategies and projects for achieving them;
- *Encouraging local stakeholders to exchange views and propose projects* that are consistent with the overall development strategy;

⁶ EU, *Lisbon Strategy*, 2005 <http://lisbon.cor.europa.eu/>

- *Building the networks and partnerships that will implement the projects;*
- *Raising funds to realize the projects;*
- *Making the management of the development processes easier.*

In Albania, the Strategic Plan will not start from zero: The Ministry of Economy and Trade has already formulated the Cross-Cutting Strategy on Regional Development for coordinating the efforts at all levels of Government through Decentralization, Empowerment and Capacity Building. As the Cross-Cutting Rural Development Strategy was approved by the Government in 2008 together with the adoption of the Law on Agriculture and Rural Development, the Strategic Plan may be expected to accelerate social and economic development, fostering the participatory processes. Furthermore, the integrated support to decentralization contributing to the harmonization of the national policies, as well as the building up of capacities and institutions for regional development will be fully part of the strategic planning, in order to trigger local development mechanisms in Albania. Following the Feasibility Study regarding Northern Albania⁷, the involvement of civil society in designing and monitoring the projects should be a priority of the counties' decentralization process and socio-economic development.

The Strategic Planning process may aim to **extend participation in every respect**, involving other areas, actors and topics, in order to widen the County Partnership Councils' perspective and to orientate their actions towards strategic and "more global" goals. This process will be pursued organizing extended meetings or plenums, which will carry out the following activities:

- *Integrating focus groups results into a more comprehensive, sustainability-oriented scenario, including intervention on local infrastructure and basic services (water supplies, waste and energy management, etc.);*
- *Involving local actors in a discussion aimed at pointing out what they want for their county's future and what they can (and want to) do to achieve it;*
- *Defining shared development goals and strategies involving all regional components (production, welfare, infrastructures, environment, culture and education) in an integrated action plan;*
- *Defining projects, building partnerships and finding financial instruments to realize them, jointly with the donors and the interested UN Agencies.*

⁷ Schlappi E., Vyborny Z., Simaku S., Shutina D., *Supporting Regional Development in Northern Albania, Feasibility Study*, Dec. 2008

THE MAIN STEPS OF STRATEGIC PLANNING

Thus, strategic planning will be able to build **continuity** with existing resources and with processes that are already operating in the region, coordinating, optimizing and enhancing them and giving them a wider, more comprehensive perspective, both temporally (defining long-term goals) and spatially speaking.

Strategic planning in Albania will use a **participative and bottom-up approach**, aimed at:

- *Creating involvement and consensus*, making the relationships among stakeholders easier and arousing their consciousness about their key role in the development process;
- *Highlighting the territory's main strengths and weaknesses*, and the local community's needs and expectations;
- *Valorizing local know-how and skills*;
- *Detecting future development scenarios* and the community's strategic vision of the future;
- *Defining development goals* and the strategies and projects for achieving them;
- *Encouraging local stakeholders to exchange views and to propose projects* that are consistent with the overall development strategy;
- *Building the networks and partnerships* that will realize the projects;
- *Raising funds* to realize the projects;
- *Making the management of the development processes easier.*

The strategic planning process will aim to **extend participation in every respect**, involving other areas, actors and topics, in order to widen the working groups' perspective and to orientate their actions towards strategic and "more global" goals. This aim will be pursued by organizing extended meetings or plenums, which will carry out the following activities:

- *Integrating focus groups results into a more comprehensive, sustainability-oriented scenario.* This will involve: cultural heritage; transport infrastructure at a regional level; TLC; social infrastructure (paying close attention to welfare policies and healthcare services); and basic services (water supplies, waste and energy management, etc.);
- *Engaging local actors* in a discussion aimed at pointing out what they want for their region's future and what they can (and want to) do to achieve it;
- *Defining shared development goals and strategies involving all regional components* (production, welfare, infrastructures, environment, culture and education) in an integrated action plan;
- *Defining projects, building partnerships and finding financial instruments* to realize them, together with the donors.

The strategic planning process will consist of **four main steps**, encompassing a cyclical path and constantly accompanied by monitoring, communication and participation procedures.

Steps	Goals	Activities	Output
1. LAUNCH	Starting up the strategic planning process	<ul style="list-style-type: none"> - Defining a stakeholders' map - Pointing out general development goals - Programming further activities and defining a detailed schedule 	Schedule
	Introducing the strategic planning initiative to the local community	<ul style="list-style-type: none"> - Organizing and carrying out a presentation event 	
2. ANALYSIS FRAMEWORK	Defining the present situation of each area, building a shared vision, pointing out the main needs, potentials and problems and exploring possible development scenarios.	<ul style="list-style-type: none"> - Processing available data and information - Listening to local stakeholders - Monitoring existing plans, programs and projects - Building a SWOT analysis - Identifying and analyzing possible development scenarios - Selecting the good practices of the area - Prioritize the Strategic Projects - Implement the Strategic Projects 	Diagnostic document
	Sharing the analysis results	<ul style="list-style-type: none"> - Organizing and carrying out a plenum 	
3. STRATEGIC FRAMEWORK	Defining a preliminary shared vision and the long-range strategy to achieve it	<ul style="list-style-type: none"> - Activating thematic working groups aimed to outline a shared development strategy - Defining vision and strategy 	Strategic plan - preliminary version
	Sharing the preliminary strategy	<ul style="list-style-type: none"> - Organizing and carrying out a plenum 	
4. PROGRAM FRAMEWORK	Defining the final version of the strategic plan, including analysis, vision, strategy and projects	<ul style="list-style-type: none"> - Activating focus groups aimed at defining projects and partnerships - Defining projects - Reviewing analysis and strategy - Redacting an action plan - Developing a suitable management system 	Strategic plan - final version
	Sharing the final strategy, the projects and the whole process	<ul style="list-style-type: none"> - Organizing and carrying out a plenum 	

Launching of the strategic planning initiative
This step begins the strategic planning process through a series of preparatory activities, carried out, for each area, by local authorities, together with the advisory structure and UNDP:

- Defining a stakeholders' map;
- Pointing out general development goals;
- Programming further activities and defining a detailed schedule;
- Introducing the strategic planning initiative to the local community, organizing and carrying out a presentation event.

Obviously, the process will start from what has been done so far by UNPD, taking into account the previous activities carried out on ART GOLD areas and their achieved results.

Analysis Framework

It describes the present situation of each area, building a shared, single image of the territories addressed by the UNDP ARTGOLD2 Albania Program. It represents the synthetic reference framework for a sustainable development program.

Goals

This step aims to gather the information needed to detail the local resources. Its main goal is to outline a picture of each area's present condition, identifying the material and nonmaterial assets that local stakeholders can activate. Starting from the analysis of secondary sources, it passes through consultation with local stakeholders and comes to the **definition of a shared analysis framework that is the result of integration between objective data (statistics, figures, etc.) and subjective visions (the output of the participative process)** regarding the area.

Contents

- **Historical background** – a very synthetic overview of the milestones in each area's history (conveniently placed in the wider Albanian context), which can be useful in outlining and understanding the main characteristics of local identities.
- **Analysis of Territorial Systems:**
- **Infrastructural System** - external and internal connections among the area and other countries, other parts of the country, other districts and/or the main urban areas of Albania, infrastructure nodes (ports, airports etc.);
- **Environmental System** – environmental resources (forests, landscapes, rivers and lakes, etc.) and geographical, geological and hydrological characteristics of the area; environmental services such as waste management, water supply, etc.
- **Cultural System** – historical heritage, traditions, folklore; cultural events and infrastructures (theatres, exhibition centers, etc.); universities and research centers as a basis for further economic development and innovation;
- **Social System** – social and political patterns of the area (focusing mainly on unemployment and education); basic social services addressed to the population (health, schools, etc.);
- **Economic and Productive System** – entrepreneurial context and networks, characteristics of the main productive sectors.

- **Monitoring of existing plans, projects and programs** involving the area, at local, district and national level, promoted by local governmental institutions counties/municipalities, UNDP, international cooperation organizations, associations, NGOs, private enterprises, etc. The survey will point out, for each instrument, the goals, results, management structures and the institutional and private actors involved. An analysis of plans, projects and programs involving the municipal context will be carried out, in order to understand the local authority's vision of the area, and to identify trends and development goals (more or less consciously) set at a local level. Finally, the results of this analysis will be compared with the more general goals and trends set at county and national levels, in order to verify the consistency of regional policies applying to the area.
- **S.W.O.T. Analysis** aimed at identifying the area's main potentials and problems, due either to internal characteristics (pointed out during research and meetings with the stakeholders) or to external factors (determined by national and international policies, trends and phenomena).
- **Identification of possible development scenarios.** Defining scenarios will help to build the strategy: in fact, scenarios outline possible "futures" of the area, strictly related to existing conditions and trends; the local community can choose one (or more) desirable scenario(s) and orientate the strategy to achieve it. Each scenario will be explored, analyzed and evaluated, focusing mainly on four aspects:
 - o *Development model*: what kind of development does the scenario foresee? Is it a competitive model (based on global competition), a model based on global valorization of local characteristics, or a local-centered model? Is it an exogenous (depending on external factors) or endogenous (locally triggered and locally manageable) driven development?
 - o *Activated policies and projects*: are the institutions interested in the scenario? Did they start up policies and projects in order to develop it? Are these policies and projects consistent with each other and with national and global dynamics?
 - o *Activated subjects*: which subjects are involved in building the scenario? Which role do they play?
 - o *"Territory treatment"*: how does the scenario activate the various regional components?

Participation

At this stage, the first thing to do is **listen to the county**; that means making participation as large and comprehensive as possible, involving the most significant subjects (institutions, associations, entrepreneurs, etc.) in thinking over the present situation of the area. To this end, the County Partnership Councils will convene in a general assembly, together with all the subjects that will be considered relevant for each area. At the end of this stage, during a plenum, the analysis results and the scenarios will be shown and explained to the stakeholders, who will be asked to agree upon them.

Output

The results of this first step of the process will be summarized in a **diagnostic document**, containing the analysis framework and describing the area's main potentials and problems.

Strategic Framework

This includes the **long-term (usually over a 10-year time-frame) shared strategic development vision of an area and the directions to follow for its accomplishment.** At this stage, every activity will be aimed at

identifying a vision and a set of strategic lines and actions, which will orientate the local development initiatives.

Goals

- Pointing out the development opportunities for each area.
- Promoting concrete actions, agreed by the majority of the stakeholders, to valorize the area's strengths, minimize its weaknesses, catch opportunities and attenuate the impact of external threats.
- Integrating and coordinating existing development policies.
- Selecting and prioritizing the county's good practices.

Contents

- **A vision** (or "guidelines") for local development. This is a shared image of the future of an area, orientating its development policies, suggesting a role it can play from a global competition perspective, coherently with the results of the territorial analysis and with the participative process outputs.
- **A set of integrated and synergic strategic lines**, giving a critical interpretation of the potentials, problems and trends of an area, setting the main topics that need intervention, specifying the paths to follow in order to accomplish the vision.
- **A set of actions**, specifying possible project typologies for each strategic line. The actions represent the first step to realize the strategy; they have different and complementary effects on the territory and contribute to the achievement of several goals. Among the urgent actions, the support and implementation of the prioritized good practices.

Participation

The vision and the strategic lines will be outlined with the key contribution of the County Partnership Councils, during a plenum. After that, the plenum will be split into smaller thematic groups, which will work to define a set of actions for each strategic line. At the end of the stage, a preliminary version of the strategy will be submitted to the stakeholders for approval.

Output

A **preliminary version of the strategic plan** will summarize the first three steps of the process: analysis framework, scenarios and preliminary strategy.

Program Framework

This contains an **integrated system of projects** (proposed by local actors and placed in a coherent, vision-oriented frame), which must be realized in order to attain the strategic plan's goals.

Goals

- *Achieving coordination and coherence* among development initiatives at municipal, county and national levels.
- *Enhancing the municipalities' leadership* of development policies' management.
- *Identifying resources and procedures* to realize and manage the development initiatives.
- *Matching the specific needs and demands expressed by the territory with the available financial resources*, giving special attention to their optimization and efficient employment.

Contents

This stage is oriented towards building an **action plan**, through the following activities:

- *Collecting project proposals* from local stakeholders.
- *Prioritizing the projects* and identifying those that are immediately feasible, starting from the good practices, and the smaller ones which, having a strictly local dimension, can be quickly implemented and show immediate and visible results. The projects will be classified as follows:
 - *Leading projects* – able to create synergies and "flywheel" effects, triggering the development process, aggregating other projects and attracting investments.
 - *Key projects* – giving substantial aid to enhance the dynamics created by the L.P.
 - *Supporting projects* – "smaller" interventions, at a strictly local scale, that (thanks to their immediate visibility) are able to increase consensus and participation and to support the development processes triggered by the L.P. and enhanced by the K.P.
- *Finding out the most suitable procedures and financial sources* to realize them.
- *Defining the role that institutional and private subjects shall play* in the realization process, identifying:
 - Projects to be realized by local governmental institutions (municipalities, counties, Albanian government, etc.).
 - Projects to be realized through public-private partnerships.
 - Private projects that can be somehow supported by local government, for example through tax incentives.

Participation

County Partnership Councils (eventually divided into smaller thematic groups) will focus on projects, suggesting, discussing and co-coordinating interventions and committing to their realization.

Public meeting aims at presenting and discussing the final version of the strategic plan. The plan will be shown to the stakeholders in the form of a graphic outline, summarizing the whole process. During the meeting, the stakeholders will be asked to sign the outline, to officially show their agreement with the strategic planning process and their commitment to realizing it.

Output

The **final version of the strategic plan** will summarize the whole process, from the analysis to the development projects. However, the document will remain *in progress*, open to any changes induced by transformations in the social, economic and institutional context. The document will contain:

- *The analysis framework*, including SWOT analysis and Scenarios.
- *The strategic framework*, including vision, strategic lines and actions.
- *The program framework*, including the action plan for the realization, management, monitoring and implementation of the strategic plan.

Strategic planning in Albania: the Work Team

The strategic plans of the ART GOLD areas will be carried out by a work team formed by 2 main components: on one hand, a work group with a multi-year experience in strategic planning; on the other hand, a staff composed of local professionals, with a deep knowledge of specific aspects of the Albanian territory.

The required local professionals should be at least five:

- n. 1 junior architect, expert in urban and territorial planning (to be employed by UNDP ARTGOLD2 Albania as a technical support for the territorial analysis and for the development of maps, plans and projects);
- n. 1 expert in Albanian legal system (to be employed as a consultant in urban planning regulations);
- n. 1 expert in Albanian Economic and Productive System;
- n. 1 expert in Sustainable Development;
- n. 1 expert in Social and Welfare Services;

Moreover, it would be advisable to have one or two Albanian junior architects/urban planners as supporting professionals, who could undertake training in strategic planning through work experience (for a period of at least four months).

Other professionals might be needed, depending on the particular characteristics, potentials and problems of each area, which will emerge more clearly during the process.

Involving local professionals is important, because it helps the territory's growth, empowering human resources and providing them with an innovative knowhow that will allow them to manage complex development processes on their own, without any need of further assistance.

During 2009, the program will focus on the formulation of three strategic plans, one for each target county. The objective is to involve decentralized cooperation partners and commit other international donors towards the County Strategic Plans.

At National Level

- Institutional support provided by the Albanian Government, local authorities, UNDP CO, interested UN Agencies and donors.
- Coordination between the National Steering Committee (NSC) and the County Partnership Councils facilitated. Participation to the CPCs meetings by the Albanian national government representatives (Ministry of Economy and Trade and involved line ministries).
- Pilot projects monitored to disseminate the obtained results and to replicate good practices at national level.
- Support given to the NSC for resource mobilization.
- Elaboration of the "Strategic Guidelines for Local Economic Development in Albania" finalized by IS-LED experts, stressing on the competitive advantages of Albanian products and the strategy for supporting them through the County Development Agencies.
- The establishment of partnerships promoted with all interested decentralized cooperation partners.
- Information on the program, achievements and results communicated to a wide range of local and global stakeholders.

At International Level

- Territorial and thematic international partnerships promoted, mainly through the decentralized cooperation.
- Technical exchange visits between Albanian and European communities.
- Innovations transferred and co-financed projects implemented between Albanian and European communities.
- Agreement with UNOPS, to facilitate international technical assistance by ART International Thematic Networks about issues related to local development.

FINAL REMARKS

The Strategic Plans will help to outline a complete framework of what has been done so far, in order to identify the organized needs of each area. Additionally, Strategic Plans will outline the reference framework for each area's sustainable development, and build a coherent co-ordination "map" for agencies, departments or programs involved within the ONE UN Strategy or managed by other organizations and institutions.

A strategic plan is the result of a complex cyclical process, involving several actors: national and local governments, enterprises, associations, citizens and international partners. Within this process, local institutions play a leading role: they have to aggregate and promote a coherent set of short-, medium- and long-term projects, sharing a common, long-range development vision. They must also act like moderators among different, and sometimes contrasting, interests, at a national, district and municipal level.

Strategic planning is **a way to put a development idea into effect**, building a steady agreement based on shared goals among regional stakeholders. Thus, it doesn't define the development projects *a priori*, but it stimulates, selects and co-ordinates them through a negotiating process, in order to make them consistent with each other, shared and feasible.

The projects included within the Strategic Plan will represent a sort of activities schedule for donors: donors should thus consider the strategic plan as an overall view, a "jigsaw" they can put together by "activating" single pieces of it. At the same time, strategic plans will represent an organic framework of proposals and projects, which are useful for orienting, in a structured way, funds coming from the Albanian government, from UNDP through ARTGOLD, from single NGOs and from other interested donors.

Strategic plans will verify and evaluate the compatibility and the sustainability of each project in relation to the region and to the other projects. Thus, for each project, a pre-feasibility and a feasibility study will be undertaken, if possible

As mentioned above, the Strategic Planning process is a flexible territorial instrument, to coordinate and enhance local development policies. This process needs to be triggered through the territorial analysis to provide the counties and municipalities with proper identity valorization of local areas.

The preliminary goal of the first national and international technical assistance is to define, for each target county, a road map for the elaboration of the Strategic Plans, the identification of the local strengths and weakness and the prioritization of the Strategic Projects. The technical assistance provided through UNDP ARTGOLD2 Albania additionally will allow elaborating preliminary remarks and reporting about the territorial scenarios in Albania through:

- Gathering data to be insight about current situation in Albania;
- Collecting information for territorial analysis;
- Identifying the main strengths and weakness of each county;
- Clustering the municipalities with common development opportunities;
- Defining the main development challenges of each municipalities cluster;
- Drafting the preliminary Strategic Plan proposal for each county.

ANNEX III
A model for County Development Agencies (CDAs)

1. The Albanian CDA scheme

Over the past years, thanks to the UNDP support, Albania envisaged a Regional Development Cut-Crossing Strategy aimed to decentralize the management and resources of social and economic development in the territories and to enable active actors and managers in implementing national government's programs.

One of the hubs of this decentralized policy are the County Development Agencies (CDAs) that will help the implementation of national policies, monitor their impact on the territories and allow corrections and improvements in the government action.

According to the Albanian Regional Development Cross-Cutting strategy, the County Development Agencies shall support the County Partnership Councils (see Annex I). They represent multidisciplinary structures that promote and support the development efforts across the county. They will assist the County Partnership Councils in their work, undertake research, facilitate consultations with local interest groups, prepare strategic documents and provide support in the implementation of the County Development Strategy.

The County Development Agency will be responsible for the preparation of the Regional Strategic Plan. The preparation, in accordance with the National Guidelines, will be undertaken in accordance with the Partnership Principle and thus in close collaboration with the County Partnership Council.

2. The Albanian LEDAs

The LEDAs in Albania are a reality that for some years have been a landmark in the country for new development policies of the areas they serve.

They are managed in a sustainable and democratic way.

They belong to an international network of over 60 LEDAs that were promoted by the programs of human development of the United Nations, starting 1990 in 17 countries and communities, facilitating the cooperation with other foreign territories. The entire network of LEDAs is assisted by ILS LEDA, which supports the ART Programs in the field of local development.

In Albania there are three LEDAs in Shkoder, Durres and Vlora regions. They manage a Guarantee Fund (GF), allocated by the UNOPS PASARP program and donor countries, which allows credit to the most disadvantaged people and facilitates the LEDAs' self-sustainability

Upon closure of PASARP and transfer of contract to a third party, UNOPS is managing the Guarantee Fund (through an agreement with Credins Bank) of about 850,000 USD.

The Vlora and Shkodra LEDAs have the chances to strengthen their capacities for contributing to the overall county development strategy, provided that UNDP ARTGOLD 2 Albania will support them with technical assistance and training to its management and technical units. It will be important to pursue their technical, institutional and financial sustainability.

3. The European Experience

There is not an unique model for the European Territorial Development Agencies. They vary in function of the local contexts. Nevertheless EURADA (The European Association of Development Agencies) has identified four RDAs typologies:

- a) Strategic Agencies, which elaborate and spread information, data, research and studies about the local potential and opportunities, support the territorial planning and manage strategic projects.
- b) Thematic Agencies, which promote and support a specific economic sector and manage correspondent projects.
- c) Operational Agencies, which elaborate, promote and manage development projects, aimed at supporting the local economies and the improvement of the living conditions.
- d) Territorial Marketing Agencies, which promote the territory and try to attract external investments.

The general mission of a Territorial Development Agency implies a double task: support to territorial planning services, with a priority reference to business development.

Some examples of European RDAs

SHANNON (Ireland)

Shannon Development is a government owned regional development company dedicated to promoting and developing the Shannon Region of Ireland, aimed at delivering projects and initiatives that will enable the more developed areas of the Shannon Region achieve their full development potential, and ensure that the potential of the less developed areas of the Shannon Region is exploited.

The main activities are the development of the Shannon Free Zone, for offering attractive investment opportunities; the territorial Marketing, the creation of Knowledge Networks, which comprises five world-class technology locations: the parks in Limerick, Kerry, Tipperary, Birr and Ennis, the support to innovation (Innovation Works), which offers an integrated system for incubating and growing high-potential, indigenous companies. The E-Towns Project, for the ongoing and future development of a number of smaller towns and villages in the Shannon Region Miltown Malbay, Co. Clare; Cappamore, Co. Limerick; Newport, Co. Tipperary, Tarbert, Co. Kerry, and Offaly, the Tourism Development, to develop and enhance the visitor facilities of the region and to promote specific products in order to stimulate tourism growth; the valorization of the Shannon Heritage (through Shannon Heritage Ltd, which is a Shannon Development Company), to develop and run heritage attractions and evening entertainment, devised as a magnet to keep visitors in the region for longer periods.

SOPRIP (Italy)

SOPRIP is the Development Agency of the Parma Province in Italy, composed by public and private institutions and it is the natural instrument for carrying on programs with organizational and managerial complexity.

SOPRIP is the Public Administrations' focal point for assessing the investment programs feasibility, identifying innovative solutions to issues related to the local economic development, and for valorizing the local resources.

SOPRIP provides small and medium-sized companies with business information and guidance with regard to development programs and incentives operating in the area.

It offers to new or existing entrepreneurs personalized service related to logistics, the evaluation of the investments, the assessment of the business ideas, the relationships with the public administrations, the access to the local financial system, and the planning or conducting training courses.

SOPRIP is active in promoting the internationalization and qualification of the territorial systems and of the small and medium enterprises. It is also a reference structure in the decentralized cooperation projects with developing countries, to create and stabilize strong and durable institutional relations and economic cooperation, also through the cooperation with other European Development Agencies.

ERVET (Italy)

ERVET is the reference agency of the Emilia Romagna Region (Italy) for the territorial development strategies in its multidimensional social, economic, environmental, relational, cognitive and institutional aspects.

The goal is to increase regional competitiveness and promote the attractiveness of Emilia-Romagna. ERVET provides support to public policies, allowing a comprehensive strategies and priorities.

More specifically, within the framework of regional policies, ERVET contributes to:

- the thematic and territorial planning, conducting spatial and value chain analysis, developing materials for competitive positioning, preparing, managing, and monitoring spatial and thematic policies; designing and implementing systems for evaluating public policies, promoting and implementing international partnerships and cooperation projects on issues of territorial development, developing and managing communication tools.

- policies for Sustainable Development. This is done through support to regional strategies for sustainable production and consumption (PCS), the sustainable management of production areas and regional dissemination of best practices: the activation of mechanisms for control of Climate change, the promotion of Clean Technologies, the participation to national networks.
- regional international policies through information, training, planning and technical assistance and representing the Regional System at the EU and international institutions

ERVET is also involved in the promotion of institutional and contractual forms of innovative collaboration between public and private sectors, in the implementation of economic analysis on issues relevant to regional planning, and in the design and management of pilot projects aimed at improving regional and local policies related to welfare. In this framework the main concerns are the territorial marketing, the public-private partnership, the construction of scenarios for development, and solutions for the welfare.

ERVET is organized through a territorial articulation of structures and services, where the Regional Agency have minority shares in their ownership, but coordinates them for optimizing the local services supply.

IDEA - ANDALUCIA (Spain)

This legal public body is the Andalusian Government's instrument for promoting regional development. The mission of the Agencia de Innovación y Desarrollo de Andalucía IDEA, is to contribute to the economic and social development of the region, offering the best services to Andalusian companies, entrepreneurs and the Junta de Andalucía (the Autonomous Government of Andalusia), by promoting the spirit of enterprise, innovation and cooperation across the wide spectrum of science-business-technology and the competitiveness of the local production structures.

Among its many functions, the Agency tackles the best possible ways to collaborate, cooperate and internationalize businesses within Andalusia.

Objectives and principles of action are:

- Implement new methods and models of governance.
- Focusing on Innovation and Territorial Intelligence.
- Promote the public-private partnerships.
- Promoting entrepreneurship and innovation.
- Designing and implementing quality support services.
- Provide support for capital and business finance.
- Establish an administrative environment suitable for business creation.
- To promote networking among agents of Innovation, Science, and business.
- Include cultural and environmental criteria for improving the quality of life.
- Encourage internationalization, through territorial marketing

BARLETTA INTEGRATED DEVELOPMENT AGENCY (The Patto Territoriale per l'Occupazione Nord Barese-Ofantino)

The agency was created in late 90's utilizing European funds. As for similar European Agencies (LAGs, Local Action Groups - rural agencies promoted by LEADER Program, Territorial Pacts, ITP, Integrated Territorial Projects, Area Contracts - a special formula for restoring ex-manufacturing areas), the final model adopted by the Barletta Agency converged into the actual body, after a long rebuilding phase during which the ancient core group (usually a 1st generation of Territorial Pacts) merging all other formulas as they ended their missions, saving all the knowledge achieved during the former steps.

Barletta Agency has three main characteristics:

- 1) A comprehensive competence on social, environmental and economic issues. In other words it could deal with any kind of local issues, having expertise on many aspects of development: agriculture, tourism, welfare, emergence, education, trade, SMEs, services, handcrafts, etc.
- 2) A strong presence of local institutions, generally owning the majority of the shares and entrusting the Agency for services and projects managed by private partners.
- 3) A flexible and modular structure (network) distributed on the territory for quick answering to the different problems and needs, saving costs on common functions, i.e.: administration, research, education, database, etc.

Barletta Agency promotes public and private concertation and the participation of local actors and stakeholder to the preparation of Action Plans. Funds and financial resources are generally provided by European Union; furthermore a wide participation of private and public subjects into the Agency Board gives excellent chances for achieving competitive targets. The Agency can build enterprises and provide services for the existing ones, ensuring its own sustainability.

4. The United Nation Experience

The Local Economic Development Agencies (LEDAs) are legal, no profit structures, owned by the public and private entities of the territory. Through the LEDA the local actors plan and activate, in a shared way, initiatives for territorial economic development, identify the most convenient instruments for their realization and enhance a coherent system for their technical and financial support.

The LEDAs provide several services to the population and institutions, such as territorial promotion, economic dynamization, credit, technical assistance to businesses, entrepreneurial training, with the objectives of supporting productive competitive development and economic innovation, within the perspective of an equitable, ecologic, and human development.

60 LEDAs with such characteristics are currently operating in many Latin American, African, Asia, East European countries, and they are gathered into the ILS LEDA network.

A LEDA helps to solve complex problems, such as the negative impact on living conditions caused by poverty, unemployment, economic transitions, and the disadvantages of the local economies in the current global arena. The key issues of their success depend on:

- the inclusion of a comprehensive response to the main needs of the population for human and sustainable development under a single system of governance
- strong local ownership, so that local public and private actors can finally decide their own future
- the technical capacity of promoting and implementing complex projects, initiatives and partnerships

According to the specific problems of each different territory and the conditions of the country, the LEDA elaborates the different strategies that best fit the aim of promoting local economic development.

The LEDA pursues and provides specific solutions for the reduction of poverty, gender equality, micro and small enterprise development, exploitation of local resources, revitalization of local economy and reconstruction after conflicts, liaison with national contexts and policies, and the internationalization of local economies.

A LEDA stimulates and enhances national policies for strengthening local economies and making them more sustainable, and it is an invaluable benchmark for implementing international cooperation projects and partnerships, because it orientates initiatives within a territorial strategic development framework and according to needs and opportunities; it avoids duplication of efforts and waste of resources, assures project elaboration support, provides qualified technical support for implementation, involving the actors and the specialized local structures and institutions, provides financial support through credit funds, and monitors the project development

At this aim various typology of services are provided, the main common being:

integrated *governance components* (public-private partnership, local-national relationships); strategic components (coordination between planning and action); *human development components* (social inclusion, vulnerable group support instruments, relations between the center and the suburbs of the territory, environmental protection); territorial promotion components (project financing and international marketing); *business service supply components* (technical assistance, professional training, marketing and loans).

Territorial planning	<ul style="list-style-type: none"> • Elaboration of territorial diagnosis in order to identify the economic potentials and contribute to the local strategic planning; • Promotion of a favorable climate for the entrepreneurial culture among inhabitants • Promotion of the associations and productive groups networks • Reinforcement of the role and the functions of the institutions on the territory • Support to the most vulnerable population to use the economic opportunities
----------------------	--

	<ul style="list-style-type: none"> • Project financing
Business Services	<ul style="list-style-type: none"> • Elaboration of studies of technical and economic feasibility; • Organization of courses for technical, management and professional training • Financial support to new or existing enterprises; • Information system necessary for productive activities; • Promotion of innovation and technical exchange
Territorial promotion	<ul style="list-style-type: none"> • Territorial marketing • Promotion of the internationalization of the territory and international partnerships

All the LEDAs in the ILS LEDA network are sustainable. This sustainability is guaranteed by several types of income, such as membership fees, sale of services to public and private territorial bodies, management fees related to the execution of contracts with partners or donors, payments from intermediation services; interest rates from the Guarantee Fund deposited in a bank.

The experience shows that in the initial five or six years of a LEDA, the income from the interests related to the credit fund represents 50-70% of the total revenue, project over-heads 20-40%, and the rest comes from services and fees. After this period, and according to the LEDA learning curve, the income from the credit activity decreases progressively to 30-40%, while sale of services and income from projects increases.

The availability of a fund for facilitating credit access for small entrepreneurs, farmers, cooperatives, and, generally, all the people without access to normal business financial channels, is very important. Several constraints, in fact, exist for these categories of people: lack of collaterals, lack of banking record, difficulty in accessing information on credit programs and opportunities, complicated bureaucratic procedures, banks' lack of confidence in client loan restitution.

It is, therefore, important that LEDAs have the capital to set up a credit fund, and sustain entrepreneurial activities. Generally, this capital is granted by international or national institutions and programs. A Guarantee Fund, created through an agreement with a local bank, covers the bank on the risk of not receiving back the loan, encourages the most disadvantaged people to make use of it, and often allows for the disbursement of credit two or three times the invested capital. According to these agreements, the LEDAs accomplish various tasks to minimize risks. They spread information about the possibility of receiving loans at special conditions; select business ideas which are most reliable and coherent with the territorial development strategies, and the objectives of sustainable and equitable development; support applicants in the preparation of business plans and bank bureaucratic procedures; provide loan request follow-up; provide technical assistance also after the client has received the loan; contribute to recovery, thanks to the large social involvement of the population in the agency. The 50 LEDA members of the ILS LEDA network registered a credit return rate above 90% in 15 years.

The international organizations that helped structurally the creation and functioning of the LEDAs and their international links are ILO, UNDP, UNIFEM, UNOPS and the European Union. UNDP, ILO and UNOPS have provided support to LEDAs in several countries since 1995, through various international cooperation programs.

5. Commonalities and differences

The main commonalities between the United Nations and the European LEDAs are:

- a) They are instrument for improving the quality of the territory, they serve, the local actors, which are also the protagonists of their activities and management.
- b) They prioritize the activities on the base of criteria and priorities shared among the local actors, and according to the territorial development needs and opportunities
- c) They give prominent attention to the economic development, as a pillar for the overall area development
- d) They use project development and financing as an important leverage for the economic sustainability

The main differences consist on some features of the LEDAs promoted by the United Nations, such as:

- a) The specific approach orientated to equitable and human development, and to the Millennium Development Goals (generally absent in the European Agencies)
- b) A particular attention to the most disadvantaged people and to the services finalized at including them in the social and economic life (generally secondary in the European Agencies)
- c) A strong links between the non financial and the financial services, either for facilitating the access to credit to people not accepted by the banking system, or for providing financial income to the LEDAs.
- d) The self-sustainability plan designed since the beginning and not charging the public budget for it

6. The transformation of the LEDAs in CDAs, through the UNDP ARTGOLD2 Albania

The objective of this action is to provide the Albanian Government of an effective and efficient instrument for supporting its decentralized development policies, according to the Regional Development Cross-Cutting Strategy, and to the needs of contributing to the country harmonization and balance between economic, social, and environmental objectives, including human development and the Millennium Development Goals as key strategic components, and making use of the existing assets and capacities.

The County Development Agencies will be key tools in the development policies of the Albanian regions, supporting the Strategic Planning process. In order to facilitate the implementation of line ministries policies, they will set up departments for the Economic Development, for the Welfare/Social (Education, Health and Social services) and the Environment issues.

The CDAs will support the regional government in monitoring the development of the Strategic Planning exercise all over the territory, the implementation of the prioritized projects and the impact of the national and international grants on the local communities. The monitoring of the territory will be one of the main value added of the CDAs, which will provide useful feedback to the regional and national governments, aimed at correcting the target of their investments at local level.

The CDAs will also facilitate the establishment of international partnerships and the mobilization towards their territories and communities of IPA/ENPI European funds, in collaboration with Italian and European regions. The County Development Agencies could play a leading role in establishing complex international Decentralized Cooperation partnerships, implying collaboration agreements in the different cultural, institutional, social and economic sectors.

The envisaged Euro-Adriatic region could provide the CDAs with an extraordinary opportunity for setting up regional trans-border partnerships, based on concrete common initiatives supported by European funds and finalized at speeding up the procedures for the European integration of Albania.

To this aim in the Vloa and Skhodra counties UNDP ARTGOLD2 Albania will support the transformation of the current LEDAs into CDAs subject to interest and agreement from the Government of Albania. They may be well position for this transformation because:

- a) The LEDAs are already a representation of the willingness of the main local actors, and have experienced shared participatory governance modalities
- b) They have accumulated a specific knowledge of the potentialities, the needs, and the opportunities of the counties, and have developed national and international relationships with a number of European partners.
- c) They have already at disposal a Guarantee Fund, which facilitate future self-sustainability
- d) They participate to the international network activities, supported by ILSLEDA
- e) They have the right approach in dealing with human development perspectives

Nevertheless the above-mentioned LEDAs need to:

- 1) Revise the management modalities of the Guarantee Fund that operates in parallel to but in coordination with UNDP ARTGOLD2 Albania program under the responsibility of UNOPS

Geneva as to be defined and assured by UNDP/HUB/Geneva. The available amount, deposited in CREDINS BANK, will be transferred to UNOPS Geneva, which is the TF management Agency.. ILSLED will provide all the needed technical assistance, in order to assure the management transparency and efficiency of the fund. A strong resources mobilization activity will be needed, in order to ensure the sustainability of the CDAs during the first 3 years of activity.

- 2) The set up or transformation of a LEDA in CDA needs a one year timeframe and the commitment of the Albania Government, the local target communities, UNDP ARTGOLD2 Albania, ILS LEDA and the international partners.
- 3) Include more stakeholders as members for taking into account new sectors the LEDAs will deal with.
- 4) Enlarge the spectrum of activities and services, according to a new analysis of the prioritized demand (regarding economy, social services, environment/climate changes and planned county objectives) and of the existing service supply
- 5) Design a new organizational model
- 6) Define a new, shared 5 years business plan, taking into account the new and diversifies tasks, and the budget constraints, due to the foreseen income
- 7) Organize capacity building for the LEDAs members and for the technical unit, possibly through an agreement between ART and a national university.
- 8) The CDA's set up process will allow identifying standard procedures and the mechanisms for monitoring the performances of the Agency.
- 9) Recruitment of the personnel. The procedures should include an international call, in order to try to attract Albanian experts from the diaspora. The contracts offered will have a one year duration, renewable for additional one year and the salaries will be in line with the Albanian ones, according to the position to be covered, as indicated by the new organizational model.
- 10) The new recruited personnel will mandatory attend a training cycle, including theoretic and practical courses through stages on the field at the European Local Development Agencies. ILS LEDA will be in charge of the training program, also by twinning each CDA with an homologue European Agency, with the function of tutor for the Albanian Agency. The training cycle will end with a practical stage in Europe, also finalized at learning the funding modalities utilized by Europe towards the Agencies.
- 11) During the first year of life of the CDAs, UNDP ARTGOLD2 Albania and the National Steering Committee will monitor the degree of sustainability achieved, including the efficiency, transparency and responsibility with which they manage the Guarantee Fund and provide loans according to the County Strategic Plans and economic policies. The NSC will assess the capacity of the CDAs in supporting the Strategic Planning exercise, facilitating the wider community participation, in order to identify the main development priorities of the areas. The National Steering Committee, within the same period under consideration, will monitor the CDAs' capacities in promoting international partnerships, fund raising, implementing coherence of the proposed projects with the national policies and the County Partnership Council's priorities. ILS LEDA will provide all the needed technical assistance concerning the set up of the international partnerships, for promoting networks facilitating the circulation of the good practices and innovation transfer.
- 12) The Albanian CDAs will need a phase of consolidation, and expansion, through the finalization of service contracts for the Municipalities, Counties (through the CPCs) and the national government, in order to perform decentralized functions, elaborate and assess feasibility studies, environment impact assessment, implement part of the Strategic Plans. It will be crucial, at this stage, the set up of national CDAs' network, finalized at exchange good practices, disseminate information, innovations and studies.

7. THE ART LED SERVICE (ALS)

The ALS is the international service that assures technical assistance to the ART GOLD programs in the field of Territorial Economic Development. It utilizes the two structures of ILSLEDA (International Links and Services for Local Economic Development Agencies) based in Rome and the ART Seville Office in Seville.

ALS provides a number of different international services:

- Support to national policies, with the aim of improving the regulatory framework for local economic development, the coordination between peripheral and central thematic initiatives;
- Accompaniment to territorial competitive and sustainable economic development processes and strategies, through the promotion of local partnerships, the valorization of the endogenous potential, favoring value chains, local systems for innovation, social and solidarity economy patterns, in the framework of shared strategic plans;
- Promotion and creation of local development agencies, aimed at providing a comprehensive service system to the local population and institutions, and implementing the local and national development strategies;
- Support to territorial marketing strategies, with the aim of promoting the local value of the socio-economic and cultural resources, and attracting additional resources, through territorial brands.
- Promotion of international partnerships for development.
- Organization of training courses on local development for local stakeholders.
- Organization of study tours, exchange visits

ART International LED Services uses the knowledge accumulated from 1991 by ILS LEDA, through the United Nations human development programs in Latin America, Caribbean, Balkans, Africa, and Asia, and the new competences brought about by the ART Seville Office.

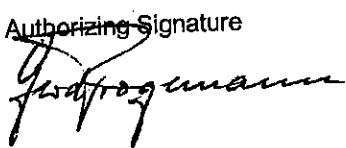
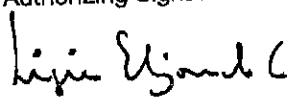
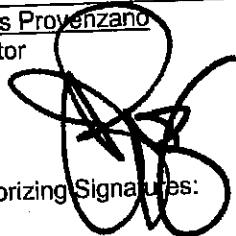
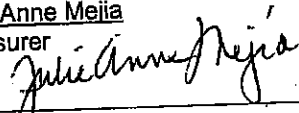
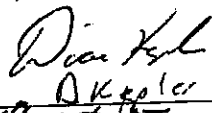

The service is articulated in 4 lines of activities:

1. direct assistance
2. services to the LEDAs
3. at distance services
4. production and diffusion of knowledge.

CLEARANCE SLIP FOR ESTABLISHMENT OF A UNDP OPEN TRUST FUND FOR INNOVATIVE PARTNERSHIPS WITH NATIONAL GOVERNMENTS, LOCAL AUTHORITIES, PRIVATE SECTOR, NGOS, ACADEMIC INSTITUTIONS AND FOUNDATIONS

Trust Fund Title and (Proj. # if applicable): UNDP Trust Fund for Innovative Partnerships with National Governments, Local Authorities, Private sector, NGOs, Academic Institutions and Foundations

Designated Trust Fund Manager: Director, Centre for Innovative Partnerships, UNDP, Geneva

Bureaux/Units	Signatures	Date
1. Division for Resources Mobilization/BRSP a) General review of the agreement undertaken b) Conformity to general practice with donor confirmed c) Propriety of modality for intended contribution ensured d) Noting and clearing deviations from standard format Special issues noted as relevant	Authorizing Signature 	13 Oct. 05
2. Bureau/Division/Unit: a) Agreement reviewed and conformity with UNDP's mandate verified b) Reporting requirement noted and accepted c) Implementing partner/ Executing entity acceptance of support cost arrangement confirmed d) Administrative cost arrangements confirmed Trust Fund Manager informed of his/her responsibilities as per attached document	Authorizing Signature 	14 Oct 05
3. BoM through the Office of Legal & Procurement Support: - Clear with regard to: - Legal issues - Procurement policy issues. If needed and as appropriate: Office of Budget: - Clear non-standard administ. costs arrangements DRPC: - Clear non-standard agency support costs arrangem. Other BOM Units:	James Provenzano Director  Authorizing Signatures:	17/10/05
4. Treasury Division: - Clear banking and currency of contribution arrangements	Julie Anne Meija Treasurer 	17/10/05
5. Comptroller Division: - Clear - Financial reporting arrangements - Conformity with UNDP financial regulations and rules - Other financial policy issues, as appropriate	Darshak Shah Comptroller 	18/10/05
6. Through OSG: Associate Administrator's Office of authorized representative	<i>Veronique A. Amman</i> 19-Oct-05 Zéphirin Diabré Associate Administrator 	20/10/05

Rel OSG
10/10
466

Comments:

UNDP Trust Fund for Innovative Partnerships with National Governments, Local Authorities, Private sector, NGOs, Academic Institutions and Foundations

Terms of Reference

1. The Administrator hereby establishes a Trust Fund (hereinafter referred to as "the Fund") under the financial regulations and rules of UNDP for the receipt and administration of funds to enhance UNDP programme activities related to innovative partnerships with national governments, local authorities, private sector, NGOs, academic institutions, foundations and other non-traditional UNDP donors.
2. The Fund is intended to provide a unified funding mechanism aimed at facilitating partnership among a large range of partners that intend to harmonize their cooperation initiatives oriented towards the local implementation of the MDGs and towards promoting global partnerships for local sustainable human development.
3. Financial resources pledged will be managed by the Fund under the authority of the Administrator. Activities financed by the Fund shall be carried out within these terms of reference.
4. UNDP will designate an Executing Entity or Implementing Partner¹ (hereinafter referred to as "the Executing Entity or Implementing Partner") for the execution/implementation of each activity financed under the Fund.

I. Description of Activities

UNDP supports national government policies that are engaged to achieve the Millennium Development Goals (MDGs). Several concrete initiatives are already realized to localize the MDGs. These are:

- WACAP (World Alliance of Cities Against Poverty) programme promoting the collaboration with local governments by establishing a dialogue for city-to-city cooperation for exchange of best practises and resources mobilization, and
- ART (Appuis aux Réseaux Territoriaux) Initiative aiming at consolidating and extending the existing approach of human development countries framework programmes realized over the last fifteen years in several countries of Latin America, Eastern Europe, Africa and the Mediterranean region, Asia, that include

¹ "Implementing Partner" for UNDP programme activities carried out under the harmonized operational modalities and "Executing Entity" for UNDP programme activities not carried out under the harmonized operational modalities.

decentralized cooperation between regional and local Governments and the social actors of their territories.

- Decentralised Cooperation, a programme for collaboration between UNDP and the European region.

UNDP believes that the active role of local governments and authorities, which include communities, represent an important contribution to making global development more equitable, peaceful, sustainable and democratic in view of a multilateralism based on a stronger and more effective collaboration among the United Nations, national governments and local communities with their social actors.

In order to strengthen and consolidate this approach UNDP has established in Geneva the Centre for Innovative Partnerships (CIP) (hereinafter referred to as "the Centre"). The purpose of the Centre is, on the one hand, to promote and extend the dialogue between UN Agencies and Programmes and local governments and on the other hand to promote cooperation with the private sector, NGOs and academic institutions in view to develop innovative partnerships towards the above-mentioned objectives. It also aims at facilitating the harmonization among different UN organizations and their cooperation programmes oriented to the MDG's local implementation to improve their impact: "Localising the MDGs". This approach embraces mainly the objective n° 8 of the MDGs concerning the global partnership for development. The Centre promotes fund raising for new cooperation initiatives, programmes and projects, recognizing to active role of the donors and partners.

For better articulation and synergy, the Centre will create different Programme Clusters for existing and new programmes. These Programme clusters are ART, WACAP and Decentralised Cooperation (hereinafter referred to as "Programme Clusters").

The Fund is organised to receive contributions aiming at supporting initiatives, projects and programmes that fall under these Programme Clusters to foster innovative partnerships with United Nations agencies, national governments, local authorities, and the private sector, NGOs, academic institutions and foundations.

The Fund is therefore intended to provide a funding mechanism through which the different donors and partners can channel funds for the different initiatives developed by the Centre, for programmes and projects dedicated to the local implementation of the MDGs and promoting a global partnership for local human sustainable development.

For this purpose the Fund provides a coordinated management mechanism whereby different types of donors can fund programmes and projects executed or implemented by UNDP.

II. Contributions to the Fund

1. Contributions to the Fund, in cash or in kind, may be accepted by UNDP from Government of Member States of the United Nations, of the Specialised Agencies or from Inter-governmental or Non-Governmental organisations, or from Local Governments including communities: Regions, Provinces, Municipalities; or from private sources.

2. Contributions to the Fund may be made in any of the following forms:
- a) As voluntary contributions to the Fund without limitation to a specific project or projects;
 - b) As contributions to a specific Programme Cluster.
 - c) As contributions for the purpose of co-financing a specific, project or projects to be handled in accordance with UNDP's normal policies and procedures for third-party cost-sharing arrangements;
 - d) As contributions to a specific project or projects under a specific subsidiary trust fund agreement entered into between the donor and UNDP in accordance with UNDP's normal policies and procedures for the establishment of trust funds with specific donors.

3. Contributions in cash to the Fund may be accepted in fully convertible currency or in any other currency, which the Administrator of the Fund determines can be readily utilized. Such contributions shall be deposited into bank accounts designated by UNDP.

4. The value of a contribution-payment, if made in other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the contribution-payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss of the value of the balance of funds is recorded, the UNDP shall inform the Donor with a view to determining whether any further financing could be provided by the Donor. Should such further financing not be available, the assistance to be provided pursuant to this Agreement may be reduced, suspended or terminated by the UNDP.

5. All financial accounts and statements shall be expressed in United States dollars.

III. Management of the Fund – Coordination Arrangements

1. A Coordination Committee of the Fund is established, which is composed of the Director of the Centre for Innovative Partnerships and the Coordinators of each Programme Cluster.

2. The coordinators of the Programme Clusters maintain direct day-to-day responsibility for management and implementation of initiatives, projects and programmes, direct management of project funds, donor relation and interaction with partners related to each Programme Cluster.

3. The tasks of the Coordination Committee are:
- Promotion and fund raising for new and ongoing initiatives, projects and programmes;

- Strategic guidance of the Fund; progress reviews; coherence, collaboration and harmonization between the different Programme Clusters of the Fund
 - Periodical review of the activities of the Fund
 - Review of the report concerning overall activities of the Fund
4. The Coordination Committee will meet on a three months basis in Geneva.
5. In addition, the tasks of the Coordination Committee will be to assure:
- Collaboration with donors for identification, formulation and funding eligibility of new initiatives, programmes or projects;
 - Collaboration with donors on the identification of the appropriate UN Organisation participating in the programme or projects as implementing entities;
 - Dialogue with donors and partners concerning the different aspects of the initiatives, programmes and projects aimed to their active involvement;
 - Technical and financial reports to the donors concerning the programmes and projects;
 - Coordination between activities financed through the Fund and those funded from the national budget of bilateral donors or other cooperation actors;
 - Advise to donors on the most appropriate allocation of their resources, based on needs, priorities and capacities, when requested to do so.

IV. Utilization of the Fund

1. UNDP shall utilize the Fund for the purpose of meeting the project activities and financing activities of the projects as approved by UNDP under these terms of reference. Details of such projects, including respective project budgets, shall be set out in the relevant project documents².
2. In accordance with the decisions and directives of UNDP's Executive Board, UNDP will apply its cost recovery policy:
 - (a) [5-7%] cost recovery for the provision of general management support (GMS), provided by UNDP headquarters and country offices
 - (b) direct cost for implementation support service (ISS) provided by an Executing Agency or Implementing Partner.
3. Any interest income derived from contributions to the Fund will be credited to the Fund, in accordance with the applicable UNDP regulations, rules and directives.

² 2 For UNDP programme activities carried out under the harmonized operational modalities, the project document is comprised of the CPAP and AWPs

V. Administration of the Fund

1. The Fund shall be administered by the UNDP in accordance with UNDP Financial Regulations and Rules.
2. Project management and expenditures shall be governed by the regulations, rules and directives of the UNDP and, where applicable, the regulations, rules and directives of the executing entities or implementing partners.

VI. Implementation and Budgeting of Funds

1. The aggregate of the amounts budgeted for the projects together with any estimated payments in respect of support services (ISS) shall not exceed the total resources available to the Fund.
2. If unforeseen increases in commitments or expenditures are expected or realized (whether due to inflationary factors, fluctuation in exchange rates or unforeseen contingencies) the assistance to be provided under the Fund may be reduced, suspended or terminated by UNDP.

VII. Ownership of Equipment, Supplies and Other Property

Ownership of equipment, supplies and other property financed from the Fund shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with applicable policies and procedures of UNDP.

VIII. Audit

The Fund shall be subject exclusively to the internal and external-auditing procedures provided for in the financial regulations, rules and directives of UNDP. Should the biennial Audit Report of the Board of Auditors of UNDP to its governing body contain observations relevant to the contributions, such information shall be made available to the donor.

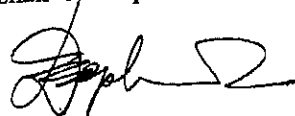
IX. Reporting

1. The Administrator shall report to the UNDP Executive Board on the activities of the Fund.
2. The Administrator shall also provide to the UNDP Executive Board an annual report in accordance with UNDP accounting and reporting procedures, which report shall provide information on income and expenditure incurred during the previous year.

3. The Administrator shall also provide Donor reports on income and expenditure, including an annual certified financial statement by the Comptroller as of 31 December to be submitted not later than 30 June of the following year.

X. Other matters

1. Notwithstanding the completion of the projects financed from the Fund and its components, any unutilised balances shall continue to be held in the Fund and its components until all commitments and liabilities incurred in implementation of the projects have been satisfied and project activities have been brought to an orderly conclusion.
2. The Fund shall terminate upon completion of all projects identified pursuant to this Terms of Reference and after satisfaction of all commitments and liabilities arising there from. Any balance then remaining shall be disposed of by the UNDP in consultation with the Donor(s).



Zéphirin Diabré
Associate Administrator

Date: 20/10/05