



## **Albania**

# **Millennium Development Goals Report 2007**

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## Abbreviations

DSDC	Department for Strategy and Donor Coordination
EC	European Commission
EMIS	Education management Information System
EU	European Union
FDI	Foreign direct investment
GDP	Gross Domestic Product
GEL	Gender Equality Legislation
GoA	Government of Albania
INSTAT	Institute of Statistics of Albania
IPS	Integrated Planning System
LSMS	Living Standard Measurement Survey
MDG	Millennium Development Goal
MoEn	Ministry of Environment Forest and Water Administration
MoES	Ministry of Education and Science
MoH	Ministry of Health
MoLSAEO	Ministry of Labour, Social Affairs and Equal Opportunities
MP	Millennium Project
MTBP	Medium Term Budget Programme
NSDI	National Strategy for Development and Integration
NSGE-DV	National Strategy on Gender Equality and Domestic Violence 2007-2010
NSSD	National Strategy for Social and Economic Development
OECD	Organization for Economic Cooperation and Development
SME	Small and Medium Sized Company
VCCT	Volunteer Counseling Centers for Testing
WBI	World Bank Institute

## Introduction

Since 2002, the National Strategy for Social and Economic Development (NSSED) has reported on progress made towards meeting Millennium Development Goals (MDG) goals and targets. The National Strategy for Development and Integration (NSDI), the new central strategy of the Government of Albania, will also report on the MDGs since MDGs goals and targets are part of NSDI 2007-2013 monitoring system.

**The MDG Report 2007 is intended mainly as part of the NSDI 2007 Progress Report.** However, the information and analysis provided may be useful to all those working in the area of poverty reduction as a multidimensional phenomenon, including government agencies, professors and students, civil society organizations, donor agencies, the media and others.

**This report covers the period to the end of 2007.** When data for 2007 are missing or are unavailable, the most recent data available have been used. Past trends have been studied and prospects for meeting the MDGs by 2015 have been assessed. The methods of trend projection were complemented by expert assessment and desk review.

**The report contains mini reports for each MDG.** Each mini report provides (i) a snapshot of the goals, targets and indicators, (ii) a table summarizing historical data, (iii) the report for 2007 data and (iv) the target for the year 2015.

The goals, targets and indicators are those included in the MDG 2002 baseline Report. The analysis consists of the prospect of meeting the MDG by 2015, the ambitiousness of the targets, and an assessment of monitoring systems to track progress on the MDG.

It is necessary to note that due to data scarcity and in some cases low quality of data, analysis is incomplete, and has not been provided for each and every target. This report does not provide in depth and comprehensive analysis and is intended to give only a general overview.

## **MDG Report**

## MDG 1: ERADICATE EXTREME POVERTY, HUNGER AND OTHER DIMENSIONS OF POVERTY

**Target 1:** Halve between 2002 and 2015, the proportion of people living in extreme poverty

**Target 2:** Reduce between 2002 and 2015, the proportion of people who suffer from malnutrition

**Target 3:** Reduce unemployment, between 2002 and 2015, to reach EU standards

**Target 4:** Establish an open trading and financial system for inclusive economic growth

**Target 5:** Make information and communication technologies available

**Target 6:** Increase availability of electricity for all

### MDG 1 - Eradicate extreme poverty, hunger and other dimensions of poverty

Indicators	Source	2002	2003	2004	2005	2006	2007	Target 2015
Absolute poverty headcount rate (%)	LSMS	25.4	na <sup>1</sup>	na	18.5	na	na	13
Extreme poverty headcount rate (%)	LSMS	4.7	na	na	3.5	na	na	0
Share of poorest 20% in national consumption (%)	LSMS	14	na	na	8.2	na	na	>13
Prevalence of underweight in children under 5 years old (%)	LSMS	na	na	na	8	na	na	8
Unemployment rate (%)	INSTAT	15.8	15	14.4	14.1	13.8	13.5	10
Foreign direct investment (FDI) (in million US \$)	INSTAT <sup>2</sup>	153	158	277	224	259	463 <sup>3</sup>	600
Land line telephone users (per 100 people)	MP**	7.4	8.3	8.6	11.3	na	na	58
Celular subscribers (per 100 people)	MP	27.2	35.8	39.4	48.9	60.8 <sup>4</sup>	na	78
Personal computers (per 100 people)	MP	1.17	1.37	1.5	1.73	3.81	na	35
Internet users, %	MP	0.39	0.98	2.35	6.01	14.98	na	35

\*na – non available \*\* MP – Millennium Project

### Is Albania going to meet its poverty reduction targets?

The 2005 Living Standard Measurement Survey (LSMS) data revealed significant progress toward poverty reduction that will allow Albania to meet its targets. The growth pattern has succeeded in pooling thousands of people out of poverty. Poverty reduction has been more significant in Tirana, urban and mountainous areas; poverty in mountainous areas fell by 22 Percentage points (from 47% in 2002 to 25% in 2005)<sup>5</sup>.

A more in depth analysis of poverty highlights the following: (i) poverty is predominantly a rural phenomenon; one in four people in rural areas is poor. Additionally, poor people are now more and more concentrated in rural area; three out of four poor people are rural; (ii) within rural areas, poverty is predominantly mountainous, despite significant poverty reduction in these areas; (iii) poverty is higher for young household heads and lower for women household heads, and (iv) poverty reduction is due to economic growth rather than distribution.

The poor in rural areas rely on inefficient farming and . as a general case - they do not have off-farm employment. Small scale farmers are inefficient - current production possibility frontier is only one-third of what it could be. On the other hand, Small and Medium Sized Enterprise (SME) development is limited because the SME profitability in rural, especially in remote areas, is low mainly due to still (inherited) poor infrastructure, low level of education, etc.

Poverty is still high and evidence shows that distribution has worsened, as shown by the consumption of the poorest quintile. Therefore, there is a risk that poverty though decreasing may become rooted in specific niches and exclusion may become a real problem.

The positive correlation between growth and poverty reduction and the risk of exclusion call for policies that: (i) promote economic growth in all sectors as the best way to reduce poverty; (ii) provide people, especially rural people relying on small agriculture with access to resources (knowledge, land, and financial resources), and pay due attention to vulnerable groups (those in disadvantaged areas, Roma and Egyptians, and young families); (iii) develop social capital which is a prerequisite for the desperately needed collective action in small farms and development of social economy in general. The sector and Cross-cutting strategies of social protection and social inclusion in the framework of NSDI address the problem of social exclusion.

The prevalence of underweight in children under five is 8% (1% severe and 7% moderate). Albania has now reached the target. Having said that if all three malnutrition indicators (underweight, stunting and wasting) are taken into consideration it comes out that there are serious problems with stunting (Stunting rate for 2006 was 22%)<sup>6</sup>.

FDI has increased drastically in 2007; it amounted to US\$ M 463, or 75% more than in 2006. Privatization of Albtelecom and acquisition of shares by foreigners in the financial sector made up the most of FDI. The current trend suggest that Albania will reach the FDI target well ahead 2015 (according to IMF projections by 2012). Green field FDI is however rather limited. Government of Albania (GoA) friendly FDI policies, including the initiative %Albania . one Euro+, policies to support industrial parks development, policies to reduce administrative barriers<sup>7</sup> and red tape, etc. are designed to bring results even in terms of green field investment.

Albania has made fast progress in terms of internet use. While six percent of population made use of internet in 2005, the figure increased 2.5 fold in 2006 to reach 15%. GoA is in the process of drafting the Strategy for the Information Society which aims at increased access to internet through improved information technology, improved ICT in schools, improved e-public services, etc. A number of projects such as ICT-schools, GovNet, etc. are now being implemented. The improved on line information and recently increased number of online services to citizens and businesses will most probably contribute to increased number of internet users. Based on the fact that digital society is high in the GoA agenda, one may assume that the target<sup>8</sup> . 35 % of Albanian population have access to internet by 2015 . is achievable.

The number of personal computers per 100 people is too distant from the target (the level for 2006 is 3.8 and the target for 2015 is 35) and chances to reach the target are small unless there is drastic change in the trend.

### **Are poverty reduction targets ambitious enough?**

Albania is progressing rather quickly in reducing absolute and extreme poverty. It is quite likely that targets related to absolute and extreme poverty will soon become obsolete. Additionally, the distribution problem calls for introduction of new and *ambitious* targets related to relative poverty according to European Union (EU) model. Since the target for the prevalence of underweight in children under five has already been reached, a new (more ambitious) target is necessary and other dimension of malnutrition should be taken into consideration. Unemployment is high and slow decreasing. Hence, though the target is distant from EU-27 for 2007 (7.1%), it seems ambitious

enough given the current trend. The target for FDI need to be more ambitious as it will be reached well ahead of 2015. The FDI target (200 US\$ per capita) is too distant from EU 2006 level<sup>9</sup> (900 US\$ per capita). Though progressing, Albania is currently far from EU-27 in terms of internet use: EU-27 internet access for 2007 was 54% (19% for Bulgaria, 25% for Greece and 83% for Netherlands). Given the fast progress in internet use and the need to catch up with fast moving EU in terms of internet use, there is a need to make the internet use target more ambitious.

### Is a monitoring system in place for tracking progress towards achieving poverty reduction targets?

Poverty reduction monitoring is based mainly on LSMS data. The growing concern over distribution in terms of areas, ethnic groups, social strata, etc. - call for designing and implementing a monitoring system that pay more attention to exclusion. The rest of data though available need to be collected every year and to be made available to the public and policy makers online at best via DevInfo software.

## MDG 2: ACHIEVE HIGH QUALITY BASIC UNIVERSAL EDUCATION

**Target 7:** Ensure 100% primary school attendance of both boys and girls by 2015

**Target 8:** Implementation of measures to assure improved quality of primary education

**Target 9:** Approximation of financial indicators for primary education in line with OECD countries

### MDG 2 - Achieve high quality basic universal education

Indicators	Source	2002	2003	2004	2005	2006	2007	Target 2015
Net primary education [1-4] enrolment rate %	MoES	92.5	94	95	89	89	94	100
Net basic education [1-9] enrolment rate %	MoES	na	94	97	94	94	94	100
Primary education [1-4] completion rate %	MoES	88	98	86	98	99	95	nd**
Basic education [1-9] completion rate %	MoES	98	98	97	98	98	96	nd
Primary education [1-4] dropout rate %	MoES	2	2	1.2	0.95	0.94	0.89	0
Average number of years of schooling	MoES	na	10.5	na	na	9	na	>13.5

\*na - non available, \*\*nd – not defined in 2004 MDG baseline report

### Is Albania going to meet its basic education targets?

There has been significant improvement in net primary education enrollment rate between 2006 and 2007; net basic education completion rate is stagnating since 2005. Deterioration has been observed in (primary and basic) completion rate indicators between 2006 and 2007. Based on these facts, one may assume that figures will fluctuate up and down for some years till the measures undertaken by the authorities become fully operational and have full effect; this is expected to happen in the medium run. Backward trend in terms of average number of years of schooling poses real question marks whether the target for 2015 is achievable.

Improvement of indicators at margin has proved to be difficult for Albania. Therefore, the improvement is supposed to take more efforts and more tailored efforts. The problem of enrolment and completion

in primary education . the 2004 and 2005 report highlights the same problem . calls for the need to address exclusion. This would require:

- implementing already identified policy for redesigning education service supply (schools location, teacher motivation and training, etc.) to meet the needs of both rural and urban areas. The redesigning is expected to follow demographic and migration changes;
- tailor education supply to fit the needs of vulnerable groups, such as the poorest families, disadvantaged areas, Roma (one in four roma children remains uneducated)<sup>10</sup>, and others;
- pay due attention to avoid engagement of children in economic activities (child labor) and child marriage. Data for 2006 show that 12% of children - 9% female and 14% male - are engaged in economic activities, and 8% of children (girls) are married before age of fourteen<sup>11</sup>.

Children rights protection bodies to be set up at regional level as foreseen in NSDI are designed to deal with the above mentioned phenomena.

Anecdotal evidence still suggests that quality of education remain an issue of real concern, especially in rural areas. Having said that, the project: Quality and Equity in Education+supported by World Bank is expected to help in improving education quality and in reaching marginalized groups.

Education is quite high in the GoA political agenda - it is considered as one of the most important priorities of GoA in the new strategy for education 2007-2013 drafted by Ministry of Education and Science (MoES) in the framework of NSDI. The Medium Term Budget Programme (MTBP) 2009-2011 places education as one of the most supported sectors. Education budget has substantially increased (by 22%) in 2007 as compared to 2006. The public expenditures on education increased from 2% of Gross Domestic Product (GDP) in 2005 to 3.4% of GDP in 2007<sup>12</sup>.

#### **Are basic education targets ambitious enough?**

Education targets are clearly enough ambitious; most of them have been set at 100%. The MoES has set a rather ambitious target for the average number of years of schooling (15 years to be achieved by 2013). This is really ambitious taking in consideration the 2006 performance but it is still low as compared to EU level (for 2004, the EU average was 17.4; Slovenian level was 16.2). The education budget has increased but it is still below the EU average level (On average, EU-27 for 2005 spent 5.03% of GDP on education; Malta spent 2.93% of GDP and Denmark spent 8.28% of GDP). Finally, based on already initiated policies, designing and introducing *ambitious* targets of education quality is necessary to address the issue of education quality.

#### **Is a monitoring system in place to track progress towards achieving basic education targets?**

A relatively good monitoring system is already in place. This system is based mostly on administrative data, collected regularly by the MoES, but also surveys carried out by INSTAT. MoES has already approved a yearly monitoring system.

The monitoring system covers partly even the education quality by introducing indicators such as number of performance criteria systems implemented, number of schools inspected and audited, externally evaluated math skills, etc. Another set of indicators (number of trained teachers, increase of salaries, construction of new classrooms, school equipments, laboratories, improvement of teaching

curricula, etc.) are closely related to education quality. Having said that MoES may consider setting up a complete and coherent education quality monitoring system.

The education monitoring system is not in full compliance with MDG indicators; most of indicators measure outputs rather than outcome (or status). A system of indicators to monitor exclusion is still missing. Disaggregating data to address categories at risk should also be improved.

Since private sector has an important place in primary and basic education, MoES may consider collecting data for private sector as well as disaggregate data for public and private sector.

The introduction of Education management Information System (EMIS) will bring about positive changes in the monitoring system for education.

### MDG 3: PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

**Target 10:** Eliminate gender disparities in primary and secondary education preferably by 2005

**Target 11:** Eliminate gender disparity in elected institutions and decision-making positions in central and local government

#### MDG 3 - Promote gender equality and empower women

Indicators	Source	2002	2003	2004	2005	2006	2007	Target 2015
Ratio of females to males in primary education [1-4]	MoES		0.94	0.93	0.93	0.927	0.927	1
Ratio of females to males in lower secondary education [5-9]	MoES		0.92	0.94	0.94	0.923	0.923	1
Proportion of seats held by women in national parliament (%)	Parliament	5.7	5.7	5.7	7.1	7.1	7.1	30
Share of women in non-agricultural paid employment (%)	INSTAT	32.6			32.4	47	47	50

#### Is Albania going to meet its gender equality and empowering women targets?

Progress made in terms of women employment in non-agricultural jobs is important. With the score of 47%, employment of women in non-agricultural jobs is now close to the target. That having said, the other data show that inequality between women and men remain still substantial even in terms of (un)employment: unemployment of females is 17%; that of men is only 12.1%. Only 17% of private firms are managed by women, the figure being lower in rural areas (15%). In area of education employment, figures confirm a better position for women. Forty nine percent of teaching staff and administration employed in the sector of education are women. It is estimated that poverty reduction is slower for women than for men.

Figures regarding equality in primary and secondary education do not show any improvement between 2005 and 2007. Additionally, the seats held by women in parliament in 2007 remained unchanged since elections in 2005 and far from the target. It is to be mentioned that the representation of women in elected bodies and executive positions is too low: at the level of Albanian parliament only 7.1 % of members are women, at the level of central government - various levels . only 11 women perform

high executive positions (ministers, deputy ministers and general secretary), at the level of local government only 2%<sup>13</sup> of elected in high positions (head of communes, mayors, and head of counties) are held by women. Such inequality is mainly due to continuing gender stereotypes in education about gender position inside the family and the social life, and rather women unfriendly political environment.

A number of significant advances have been made by the GOA to move towards a more pro-active implementation of the standards and norms laid out by the CEDAW, Beijing Platform for Action, and EC Treaty and related policies. Institutionally, the Ministry of Labour, Social Affairs and Equal Opportunities (MoLSAEO) and local counterparts have taken some steps to gradually systematize the monitoring of women's rights at the local and national level. In 2004, the country's first Gender Equality Legislation (GEL) was adopted<sup>14</sup>. With a view to aligning legislation more closely with EU Standards, a review of the existing GEL is now underway and amendments have been prepared and are now under consideration. In 2006, the GOA adopted the country's first legislation on Domestic Violence and is now preparing related sub-legislation to ensure the Law's full implementation at the national and local level.<sup>15</sup>

In addition to the above, the GOA adopted the National Strategy on Gender Equality and Domestic Violence (NSGE-DV 2007-2010), the first of its kind in the country. Main aspects of strategy are creating a legal<sup>16</sup> and institutional framework that guarantee gender equality, increase women representation in decision making by making changes in electoral code, economic women empowering by offering them chances to become entrepreneurs and designing special programs for women employment, avoiding gender disparities in education, providing the necessary legal and institutional framework for protecting women from trafficking, etc. Further, the decision to include the NSGE-DV into the NSDI provides an important opportunity to ensure the integration of gender equality priorities into broader sectoral/cross-sectoral strategies now being implementing nation-wide.

#### **Are gender equality and empowering women targets ambitious enough?**

Gender equality and empowerment targets are very ambitious. Actually, they reflect more the ambition to integrate women rather than the efforts it takes to reach the targets. Some targets, such as the proportion of seats held by women in Parliament and the proportion of women in nonagricultural paid employment, are projected to be even higher than the EU average (for 2004, the figures are 24.3% and 45.3% respectively)<sup>17</sup>.

#### **Is a monitoring system in place to track progress towards achieving gender equality and empowering women targets?**

The system for monitoring gender equality is potentially in place but limited resources (human and financial) seriously restrict the effective monitoring. There remains a need to establish the gender equality mechanisms which are required to effectively monitor the National Strategy on Gender Equality and Domestic Violence. Monitoring and improved analysis of sex disaggregated statistics to better understand the status of women and the advancement of gender equality remains a priority of the government.

## MDG 4: REDUCE CHILD MORTALITY

**Target 12:** Reduce the under-five mortality rate to 10/1,000 by 2015

### MDG 4 - Reduce child mortality

Indicators	Source	2001	2002	2003	2004	2005	2006	2007	Target 2015
Infant mortality per 1000 live births	MoH	17.4	17.5	15.5	15.1	14.7	13	12	10
Under 5 mortality rate per 1000 live birth	MoH	20.1	20.1	20.7	na	18	18	na*	10
Proportion of children vaccinated against measles rubella and parotitis (%)	MoH	>95	95	94	96	97	94.8	97.6	95

\*na – non available

### Is Albania going to meet its child mortality targets?

It is quite obvious that infant mortality rate is constantly decreasing and the level of 2007 is very close to targeted level for year 2015. If the rate is keeping the same decreasing pace, it is expected that the level for 2015 will be reached before 2015, most probably by 2010. The under-five mortality rate is decreasing as well but not as fast as the infant mortality; however based on reduction rate between 1990 and 2006 (6.1% per year<sup>18</sup>) it is quite likely that the targeted level for 2015 will be reached by 2015. Though both infant and under five mortality rates seem to be on track, there are serious disparities in health status among marginalized population groups (rural remote, roma etc.) which should adequately be addressed.

Proportion of children vaccinated against measles keeps high and is considered good as compared to global level. Though the target (95%) has already been achieved and exceeded, disparities are still a concern and reaching the last few % (Roma children and those that are migrating internally) remains a challenge.

### Are child mortality targets ambitious enough?

Infant mortality target is not ambitious enough, and far from the EU level; the EU-25 infant mortality for 2005 was 5 per thousand (Sweden: 2.4 per thousand, and Rumania: 15 per thousand). Neonatal deaths account for the highest number of infant and child deaths. Therefore, paying more attention to that level would most likely result in a new more ambitious target. Logically infant mortality must be lower than under five mortality rate<sup>19</sup> since the infant mortality is part of under five mortality. Any lower (more ambitious) target in terms of infant mortality would be desirable.

### Is a monitoring system in place to track progress towards achieving child mortality targets?

The monitoring system for child mortality is already in place. Statistics reports should however be more accessible online to the public and researchers.

## MDG 5: IMPROVE MATERNAL HEALTH

**Target 13:** Reduce the maternal mortality rate by half between 2001 and 2015

### MDG 5 - Improve maternal health

Indicators	Source	2001	2002	2003	2004	2005	2006	2007	Target 2015
Maternal mortality per 100.000 live births	MoH	22.7	25.9	21.3	12.0	23.2	16.7	14.5	11
Proportion of first prenatal visits by first trimester (%)	MoH	41.7	42	47	47	43	na*	43	70
Promotion of births attended by skilled health personnel (%)	MoH	Na	na	na	na	na	100	na	>98

\*na – non available

### Is Albania going to meet its maternal health targets?

There is a rather clear decreasing trend in terms of maternal mortality rate, after an abnormal peak in 2005. Given the overall trend and the sharp decrease in 2006 and 2007 as compared to 2005, it is quite reasonable to assume that the maternal mortality rate target will be achieved by 2015. Based on the past data trend, the level is expected to be 12.3 for year 2008 and 10.1 for year 2009. The extrapolation assumes that overall supporting system for maternal health will improve as in the past.

Regarding the prenatal visits, administrative and survey data<sup>20</sup> converge to tell the same result .

97.1% of pregnant women receive professional prenatal care during their pregnancy. The share of pregnant women taking professional prenatal care in the first pregnancy trimester remains still low.

All births are now attended by skilled personnel, and 98% of births happen at institutional (maternity) conditions.

### Are maternal health targets ambitious enough?

Maternal mortality targets do not seem to be *ambitious enough* for a country that aspires to EU membership; it should be noted that the target is quite far from EU levels; the EU average maternal mortality for 2002 was 5.5 per 100 thousand. Agreeing on new, more ambitious targets . for both maternal mortality and prenatal care - will quite likely motivate more ambitious policies to progress faster towards the improvement of maternal health.

### Is a monitoring system in place to track progress towards achieving maternal health targets?

There is a system for data collection in regard to maternal health, consisted of an administrative component and a periodical surveys component. Access to data is however difficult. Some useful data are not easy readable and sometimes different institutions are responsible for different data. Part of data can only be collected by special surveys, so they are not available for each year. Improvement of cooperation between various data collection bodies is needed to produce more reliable and timely data, preferably in the form of an integrated database accessible online.

## MDG 6: COMBAT HIV/AIDS AND TUBERCULOSIS<sup>21</sup>

**Target 14:** Halt and reverse the incidence of the HIV/AIDS virus by 2015

**Target 15:** Halt and reverse the tuberculosis mortality rate by 2015

### MDG 6 - Combat hiv/aids and tuberculosis

Indicators	Source	2003	2004	2005	2007	Target 2015
Adult (15-19) HIV prevalence rate (%)	MoH	(185)*		<0.1	(255)*	nd
Number of persons voluntarily taking HIV test	MoH	250	350	1000	338	50.000
Tuberculosis notification rate per 100.000	MoH	20	20	18	16	13
Tuberculosis mortality rate	MoH	4.5	3.5	3.5	3.1	2.5

\*Number of people affected; nd - not defined

### Is Albania going to meet its HIV/AIDS and tuberculosis targets?

The number of people affected by HIV from 1993 to 2007 is low, only 255. At any case, several risk factors . including migration, a reluctance to use condoms which is linked to pervasive inequality between men and women, and a rise in intravenous drug use . threaten to raise HIV/AIDS prevalence rates among young people.

The number of people taking voluntarily a HIV test in 2007 . only 338 persons - is extremely low, much lower than in 2005. The level of indicator is too distant from the agreed target of 50 thousand people to be reached by year 2015. It becomes clear therefore that the target for this indicator will most probably not be met and the progress is not on track. Widening access to HIV testing is crucial. Despite youth-friendly, confidential HIV/AIDS testing and school-based lessons to increase awareness and 9 Volunteer Counseling Centers for Testing (VCCT) more efforts are needed to improve the HIV testing, quality and monitoring.

There are clear signs of strong government commitment though, as MoH committed to revise the law on HIV/AIDS and the strategy to prevent and combat HIV in order to make them both more aligned with human rights principles and more operational.

The tuberculosis indicators seem to be on track, because of a consolidated downward trend over years.

### Are HIV/AIDS and tuberculosis targets ambitious enough?

Given the existing low figures, the targets related to the number of HIV tests annually seem to be ambitious, although not unattainable. There is urgent need to establish a proper testing service, which does have a very strong outreach component. However, the tuberculosis mortality rate could be more ambitious.

### Is a monitoring system in place to track progress towards achieving HIV/AIDS and tuberculosis targets?

Albania has made important steps towards establishing and maintaining the Three Ones. There is one national authority, one national framework and there is a strong will on one monitoring and evaluation plan. While, Monitoring and Evaluation Unit and plan are already in place, their operationalisation still remains a challenge. There is a lot to be done regarding establishment of regular sentinelle surveillance and data projection, as to date there is no system in place. Funds under Global Fund against HIV, TB and Malaria will be used to enhance that component.

## MDG 7: ENSURE SUSTAINABLE ENVIRONMENTAL DEVELOPMENT

**Target 16:** Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources

**Target 17:** Reduce the proportion of people without access to safe drinking water and proper sewage infrastructure

### MDG 7 - Ensure sustainable environmental development

Indicators	Source	2002	2003	2004	2005	2007	Target 2015
Land area protected to maintain biological diversity (% of Albanian territory)	MoEn	3.6	5.8	6.3	8.3	11.4	nd**
Land area covered by forests (000 ha)	MoEn	991	na	na	1041	1045	nd**
Population with access to safe drinking water (%)	INSTAT	69	75.4	na	71	78.4	98
Population with access to improved sanitation (%)	INSTAT	63.8	68.3	na	70.8	76.2	95

\*na – not available, \*\*nd – not defined

### Is Albania going to meet environmental sustainability targets?

Land area protected to maintain biological diversity has significantly increased between 2005 and 2007. Protected area in 2007 represents 11.4% of Albanian territory. Despite the progress, the increase of area protected is not proceeding according to the government own programme. According to the Programme for Doubling the Area of Protected Network Zones, by the end of 2007, the area protected should be 13.6% of Albanian territory.

The total forest area has increased by only 4 thousand ha between 2005 and 2007. In 2007, the total forested land area was 1045 million of hectares, representing slightly more than 36 percent of the total country area. According to decentralization process, the GoA intends to transfer forests management (and ownership in a second phase) to local communities. The experimental phase has shown that transfer to communities has resulted in remarkably increased vegetation, decreased illegal logging and reduced number of fires. By the end of 2007, only 300 ha have been transferred to local government<sup>22</sup>.

There is some progress in terms of the share of population with access to safe drinking water and improved sanitation. According to administrative data<sup>23</sup>, 78.4% of population had access to safe drinking water (71% in 2005) and 76.2% of population had access to improved sanitation in 2007

(70.8% in 2005). The water supply interruptions still remain a problem. The GoA has already finalized the transfer of water supply companies to local government based on the Crosscutting Decentralization Strategy but the other dimensions of the reform (price reform, water supply companies management improvement, etc.) are still to be fully developed. Two year government plan on water sector reform (after the transfer to local government) is expected to address the remaining dimensions of the reform. A price subsidy scheme for poor strata will complement water price reform (increase).

Safety of drinking water, pollution of sea and lake waters because of untreated sewage disposal and drinking water supply shortages still remain unsolved problems.

**Are environmental sustainability targets ambitious enough?**

There are no targets set in the MDG baseline report<sup>24</sup> the for protected land area to preserve biological diversity or for forested land area. The target for protected area, set in the strategy of environment (15% of Albanian territory by 2014) seems realistic. The limited results in terms of improved access to drinking water and sanitation highlight that related targets are rather too ambitious.

**Is a monitoring system in place for tracking progress towards achieving environmental sustainability targets?**

There is a consolidated administrative monitoring system for protected and forested areas. By contrast, definitions of %access to safe drinking water+and %access to improved sanitation+are not developed and therefore not precisely applied. The administrative system to monitor access to safe drinking water and sanitation is rather weak, especially for rural and suburban areas. Monitoring is based on the LSMS data and access to the data proves to be difficult.

**MDG 8: DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT**

**Target 18** . Ensure better harmonized and more effective development partnership with the donor community

**MDG 8: Develop a Global Partnership for Development**

Indicators	Source	2003	2005	2007	2015
Percentage of donors whose assistance strategies are consistent with MDG priorities through the NSSD (NSDI)	DSDC	nd	28	na	100
Percentage of donors disclosing information on aid flows, including materials made available on web sites	DSDC	nd	49	na	100

**Is Albania going to meet its Global Partnership for Development targets?**

Total external assistance during the period 1990 . 2007 has amounted to around " 5.3 billion, of which 67% has been in grants, 24% in concessional loans and 13% in non-concessional loans. In the last

four years, an increase in non-concessional loans has compensated for a steady decline in grants and concessional loans.

Foreign assistance has been important for Albania during the whole transition from a centralized to a market economy. The questions to ask however are: is donor (financial) assistance contributing to reaching MDGs? Has the GoA succeeded to orientate foreign donor assistance where it is most needed?

The 2006 Survey on Monitoring the Paris Declaration . Albania covering the period to the end of 2005 gives the following overview on assessment, challenges and priority actions in terms of Paris Declaration principles:

Principles	Assessment	Challenges	Priority actions
Ownership	Moderate	Limited integration of various strategies and plans	Completion and implementation of the NSDI 2007-2013
Alignment	Relatively weak	Uncoordinated system of reporting and recording of external assistance	Implementation of public finance management and procurement systems reforms
Harmonization	Limited results in terms of harmonisation	Limited use of a Programme Based Approach	Better coordination of donor missions
Managing for results and mutual accountability	Low score in terms of M&E and public awareness of government strategies	Establishment and M&E system for NSDI 2007–2013, and development of a Harmonisation Action Plan, which covers both donor and government commitments and actions.	

Progress has been made in a number of areas since 2005:

- The Integrated Planning System (IPS: in Annexes) sets out a set of operating principles to ensure that policy and budget planning and implementation take place in a coherent, efficient, and integrated manner;
- A single unified strategic framework has been developed through the NSDI 2007 . 2013 and progress is being made in linking the MTBP and the NSDI 2007 . 2013. The GoA is committed to take the lead in managing external assistance, through the DSDC and MoF;
- Joint donor efforts and pooled funding have ensured that necessary resources are available and technical assistance (TA) is effectively coordinated - 51% of TA provided by donors was co-ordinated in 2007 against 28% in 2005;
- Progress has been made in developing a report on monitoring the NSDI 2007 . 2013. The NSDI has been through an extensive public consultation process, including a set of carefully structured working and advisory groups including donors and civil society organisation.

### **Are the Global Partnership for Development targets ambitious enough?**

Targets are clearly ambitious as set at the maximum levels. It is argued though that GoA may consider shifting from the existing indicators and targets to Paris Declaration Indicators and targets (in Annexes, one will find Paris Declaration Indicators and baseline level for 2005 and targets for 2010).

### **Is a monitoring system in place to track progress towards achieving Global Partnership for Development targets?**

The two indicators for MDG 8 . identified in the MDG 2002 baseline report - are designed to monitor donor contribution toward MDGs achievement. The experience has shown however that the indicators are difficult to operationalize and the list of indicators is incomplete. By contrast, the Paris Declaration

Indicators (in Annexes) represent a coherent, more complete, and internationally recognized set of indicators for measuring aid effectiveness and therefore social development, including through MDGs.

Institutionally, DSDC is in charge of technically administering strategic and budget planning and monitoring. Since the Paris Declaration Indicators represent a good monitoring system on aid effectiveness, DSDC may consider adopting it (or part of it) as the set of indicators for MDG 8: Develop Global Partnership for development. The IPS Information System (IPSIS) and the External Assistance Management Information System (EAMIS) linked with the MTBP and Treasury systems, being developed by DSDC may integrate Paris Declaration Indicators.

## MDG 9: ESTABLISH AND STRENGTHEN A GOOD GOVERNANCE PROCESS

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

### MDG 9 - Establish and strengthen a good governance process

Indicators	Source	Baseline 2002	2005	2007	Targets		EU-15 average for 2002
					2010	2015	
Voice and accountability	WBI	44.9	48.6	50.0	65	81	90.3
Political stability	WBI	25.5	28.4	34.6	60.5	71	84.6
Government effectiveness	WBI	36.8	31.8	43.1	57.7	76	90.3
Regulatory quality	WBI	41.4	46.3	55.8	63.2	83	90
Rule of law	WBI	16.8	25.2	28.1	56.5	74	89.3
Control of corruption	WBI	23	29.1	36.7	54.7	73	89.2

Source: World Bank Institute (WBI). Higher values imply better governance ratings

### Is Albania going to meet its good governance targets?

During 2006 and 2007, Albania has made significant progress toward meeting its governance improvement targets. Improvement has been observed in all six governance indicators but progress in regulatory quality, government effectiveness and control of corruption is impressive.

The progress in anticorruption has been also noticed by European Commission: the GoA anticorruption strategy<sup>25</sup> shows a positive change in approach from short-term solutions to more effective and sustainable measures<sup>26</sup>. Anti-corruption investigations even led to the arrest of a number of high-level officials.

In area of government effectiveness and voice and accountability, according to World Bank Institute data, Albania lives now behind a number of countries in the region. Having said that, the rule of law is still at low level and control of corruption is insufficient - much work is still needed on all aspects of this problem, including judicial accountability and transparency of political party funding<sup>27</sup>. Regarding the rule of law and control of corruption, Albania has the lowest rate among countries in South-Eastern region.

GoA has recently increased the number of on line services offered to citizens and businesses. Additionally, inter-ministerial electronic network (GovNET) aims at offering a number of services to

citizens and businesses. The government policy to exploit the potential of digital society is expected to positively affect all aspects of governance.

The pace of governance improvement during 2006 and 2007 gives realistic hope that governance improvement project is now on track though still distant from the targets, especially for rule of law and control of corruption.

### **Are good governance targets ambitious enough?**

Governance targets for year 2010 represent the average level for Eastern European countries (in 2002) and the targets for year 2015 represent the minimum level for EU-15 (in 2002). Results in governance improvement during 2007 show that governance targets seem now more realistic than they did based on 2005 data.

### **Is a monitoring system in place for tracking progress towards achieving governance targets?**

The World Bank Institute measures progress towards improved governance at best every year. Albania does not have a governance monitoring system and there is a need to consolidate a system of governance indicators . second tier indicators -, related data sources, and institutional responsibility to measure governance every year; this is also a finding of European Commission (EC) in the 2007 Report<sup>28</sup>. The system of governance indicators should be specific and sensitive to policy actions in the short term. Such a system would put the focus on results and would also facilitate communication with the European Commission. For the control of corruption for instance, such indicators would be: number of measures taken against public officials related to the conflicts of interests; number of measures taken against public officials related to the non-declaration of assets, including the number of tax and customs officials; number of public official prosecuted because of the abuse of public funds; number of employees registered on the Social Security system, etc.

## MAIN FINDINGS AND RECOMMENDATIONS

### In summary, analysis – though far from being exhaustive – reveals the following:

- *Progress made toward meeting MDGs during 2007 has been mixed but the trend looks positive*

There has been progress toward governance improvement, as supported by 2007 World Bank Institute data. While there is progress towards income poverty reduction, unemployment is still high and income distribution is becoming more uneven. A major finding is that poverty is becoming more and more rural. Mixed picture is observed for education, gender, child mortality, maternal health, and the environment; for these goals, some targets will be met and others not.
- *A number of targets have already or will become obsolete soon. Additionally a number of targets are missing*

Targets for absolute and extreme poverty, FDI, prevalence of underweight in children under five, infant mortality rate, proportion of children vaccinated against measles, maternal mortality rate and prenatal care, tuberculosis mortality rate and other targets have already or will very likely become obsolete soon. Additionally, a number of targets are missing in the MDG 2004 baseline report.
- *Accountability and transparency still insufficient is improving*

GoA has made important work to draft (sectoral and cross-cutting) strategies and integrate them into NSDI 2007-2013. Many sector strategies under the NSDI lack (however) clear performance indicators<sup>29</sup> and the reports on quantitative and qualitative targets agreed upon is not easily accessible<sup>30</sup>. That having said monitoring system and transparency is improving. NSDI 2007-2013 has included a system of 45 quantitative and qualitative indicators. Progress reports are prepared annually based on the above system of indicators. Additionally, each ministry has a monitoring system as part of the Ministry Integrated Plan document (now on line) that each ministry prepares annually in the framework of NSDI and sector (cross-sector) strategies and the Medium Term Budget Program. The Ministry Integrated Plan include the objectives, activities and products that ministries deliver with the current year budget as well as the Ministry Monitoring Plans which contain selected output indicators to monitor the progress during the year.
- *Sector strategy monitoring system is not in full compliance with MDG monitoring system*

Monitoring system of Ministry Integrated Plan does not include all MDG indicators. This is valid for the health, education, access to safe drinking water and sanitation and other strategies. Indicators are rather output indicators than outcome (status) indicators as in case of MDGs. Additionally, the targets are missing in most Ministry Integrated Plans.

### In the light of the above findings, the following recommendations may be considered:

- *Continue with growth enhancing policy as the most effective way to reduce poverty but focus due attention to poverty in rural areas*

Growth has resulted in poverty reduction<sup>31</sup>. Therefore GoA should continue with growth enhancing policy which brings results for all, including the poor. But since three in four poor people are now

rural, more focus is needed to improve efficiency of small farms.

- *Implement NSDI priorities intended to address social exclusion and improve monitoring system on social exclusion*

NSDI has addressed social exclusion by identifying and number of measures to be undertaken, such as providing everyone the opportunity to generate income and to have access in services as well as helping those most in need. Specific measures address the Roma problems as well. Therefore it is of crucial importance to implement properly measure already identified. On the other hand, there is a need to design a detection system for those going excluded (as exclusion is a process) taking into consideration income, employment, education, health, etc. according to the EU model.

- *Revise targets which have already been achieved or will be achieved soon and set targets in case they are missing*

Revision of targets already made obsolete and setting targets in case they are missing would call for a target setting participatory process which has to include all stakeholders: government, civil society, business community, development agencies and donors. The process should result in a revised version of MDG 2004 baseline report and revised versions of Ministry Integrated Plans.

- *Complete the sector strategy monitoring systems with MDG monitoring system of indicators and related targets*

Sector strategies (and related Ministry Integrated Plans) need to be completed with MDG monitoring systems of indicators which are good systems to monitor outcomes (status). This is very important in terms of channeling policy debate towards people's lives rather than to intermediate (output) indicators. Additionally, sector strategy monitoring systems must be equipped with targets as well which seem to be missing . people need to know how much their lives are supposed to improve during a certain period of time.

- *Continue with transparency policy on line by motivating both public officials and public to make use of digital technology*

More information on public services is now available online; a number of services would be offered on line. Many important public documents are available on line. Again, much is to be done to really open the government to public and to benefit from digital technology given the current low level, lack of disclosure culture and the reluctance of public officials to offer information on line, and insufficient culture and reluctance of public to use information and services offered. Therefore, government should motivate both public officials and public to make use of digital technology.

## References

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15. UNICEF, Albania: Country info, [www.unicef.org/infobycountry/albania\\_statistics.html](http://www.unicef.org/infobycountry/albania_statistics.html)
16. World Bank, 2007, Albania . Urban Growth, Emigration and Poverty Reduction: A Poverty Assessment;

## **Annexes**

## **Integrated Planning System and National Strategy for Development and Integration**

The IPS, adopted in November 2005, is a set of operating principles to ensure that government policy, planning and implementation take place in a coherent, efficient and integrated manner. Two processes are the cornerstones of the IPS:

- A long-term strategic planning process, the National Strategy for Development and Integration (NSDI) (2007-2013), which establishes national strategic priorities and goals. The NSDI offers a long-term vision for national development as well as a medium-term time horizon for policy planning. It synthesises medium to long-term sector and crosscutting strategies.
- A medium-term budgeting process, the Medium-Term Budget Programme (MTBP), which requires each ministry to develop between March and June a three-year plan within an expenditure ceiling to achieve policy objectives as intermediate steps to the achievement of the NSDI goals.

Both processes accommodate fully the following parallel planning processes:

- The Government Programme, which was presented to Parliament in September 2005, in agreement with the constitutional obligation.
- Integration into the EU and NATO: in particular, they embody all the measures included in the National Plan for the Implementation of the Stabilisation and Association Agreement (SAA) (which is updated annually) and the NATO Membership Action Plan.
- Public investment management, which . under a new set of procedures implemented for the first time in 2007 . is an integral part of the MTBP.
- External assistance, in particular the government efforts to optimise the use of foreign aid in agreement with the commitments of the March 2005 Paris Declaration.

Integrated Planning System is administered by Strategic Planning Committee, Government Modernization Committee, Department of Strategy and Donor Coordination and the Team for Strategy, Budget and Integration at the level of each ministry. The IPS Support group, a cooperation forum GoA - donors aims at consolidating and strengthening the newly established ~~architecture~~ architecture.

The NSDI succeeds the National Strategy for Socio-Economic Development (NSSD), which was the main government strategic document until 2006. The NSDI is fully linked into the regular planning process in the respective ministries, including the MTBP process. Sector and cross-cutting strategies are the reference documents of the MTBP and the preparation and updating of sector strategies is the central feature of the NSDI process.

MDG priorities are sufficiently included in the NSDI. The new planning and budgeting architecture and the commitment of donors to support IPS gives realistic chances that donor assistance strategies will be consistent with MDG priorities.

**Paris Declaration Indicators: 2005 baseline and 2010 targets for Albania**

<b>Indicators</b>		<b>2005 Baseline</b>	<b>2010 Target</b>
<b>Ownership</b>			
1	Ownership . Operational National Strategies	C	B or A
<b>Alignment</b>			
2a	Quality of PFM systems	4.0	4.5
2b	Quality procurement systems	Not available	Not applicable
3	Aid reported on budget	32%	85%
4	Co-ordinated capacity development	28%	50%
5a	Use of country PFM systems (aid flows)	14%	43%
5b	Use of country procurement systems (aid flows)	6%	Not applicable
6	Parallel PIUs	57	19
7	In-year predictability	49%	74%
8	Untied aid	59%	More than 59%
<b>Harmonisation</b>			
9	Use of programme-based approaches	5%	66%
10a	Co-ordinated missions	9%	40%
10b	Co-ordinated country analytical work	22%	66%
<b>Managing for Results</b>			
11	Sound performance assessment framework	D	B or A
<b>Mutual Accountability</b>			
12	Reviews of mutual accountability	No	Yes

Source: GoA, 2008, External Assistance Orientation Document

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## Endnotes

- <sup>1</sup> There are no alternative data sources to LSMS. The next LSMS will be expected in 2009 with 2008 data
- <sup>2</sup> Source: INSTAT and Bank of Albania
- <sup>3</sup> Source: Bank of Albania, 2008, Annual Report 2007
- <sup>4</sup> Source for Cellular subscribers, personal computers and internet users: Millennium Project Website
- <sup>5</sup> World Bank, 2007, Albania . Urban Growth, Emigration and Poverty Reduction: A Poverty Assessment
- <sup>6</sup> Source: [www.unicef.org/infobycountry/albania\\_statistics.html](http://www.unicef.org/infobycountry/albania_statistics.html)
- <sup>7</sup> Time for registering a business has drastically reduced from 45 days to just one day
- <sup>8</sup> According to ICT Strategy, the intermediate target is that 20% of population use internet by 2010
- <sup>9</sup> Inward FDI for EU-27 for 2006 was 157 bln Euro. Source: Eurostat, 2008, EU foreign direct investment yearbook 2008
- <sup>10</sup> Source: GoA, 2008, National Strategy for Development and Integration
- <sup>11</sup> Source: [www.unicef.org/infobycountry/albania\\_statistics.html](http://www.unicef.org/infobycountry/albania_statistics.html)
- <sup>12</sup> They have been increased to 4% of GDP in 2008.
- <sup>13</sup> GoA, 2007, Strategy for Gender Equality and Prevention of Domestic Violence
- <sup>14</sup> Law No. 9198 dated 1.07.2004 "On Gender Equality in Society", amended in 2006.
- <sup>15</sup> Law No. 9669 dated 18.12.2006 "On Measures Against Violence in Family Relations"
- <sup>16</sup> The Law on Gender Equality has been approved in July 2008. The draft law covers education, employment and participation of women in decision-making. According to the Law on Gender Equality, 30% of highest level decision making posts should be held by women
- <sup>17</sup> Source: Albania: MDG Report 2005
- <sup>18</sup> UNICEF calculations: [www.unicef.org/infobycountry/albania\\_statistics.html](http://www.unicef.org/infobycountry/albania_statistics.html)
- <sup>19</sup> The two targets are currently the same
- <sup>20</sup> UNICEF MICS 2006 Survey and MoH data
- <sup>21</sup> According to NSDI 2007-2013, cancer and cardiovascular diseases - and not infection diseases - represent now for Albania the main causes of death. Smoking and improper diet, resulting in overweight, lead frequently to death. Therefore, Albanian health system should change to adapt to new long and expensive challenges; and monitoring system should change as well.
- <sup>22</sup> The transfer of forest area to local communities has been remarkable during 2008 - by mid 2008, 530 thousand ha (more than half of total land area covered by forest) have been transferred to local communities.
- <sup>23</sup> Ministry of Public Works and Transportation
- <sup>24</sup> GoA, 2004, Albania National Report: On Progress toward Achieving the Millennium Development Goals
- <sup>25</sup> This is a crosscutting strategy involving interagency cooperation
- <sup>26</sup> EC, 2008, Albania 2007 Progress Report
- <sup>27</sup> EC, 2008, Albania 2007 Progress Report
- <sup>28</sup> The government's new anti-corruption strategy does not include sufficiently concrete objectives and indicators.
- <sup>29</sup> EC, 2008, Albania 2007 Progress Report
- <sup>30</sup> It is very unlikely to find proper online reports in the sites of government institutions
- <sup>31</sup> World Bank, 2007, Albania . Urban Growth, Emigration and Poverty Reduction: A Poverty Assessment