

MILLENNIUM DEVELOPMENT GOALS

ALBANIA 2000 - 2015 REPORT

Ensure sustainable
environmental development

Eradicate extreme poverty and
reduce the risk of social exclusion

Promote gender equality
and empower women

Improve governance for all
citizens and especially for the
most disadvantaged groups

Combat HIV/AIDS
and tuberculosis

Improve maternal
health

Eradicate extreme poverty and
reduce the risk of social exclusion

Reduce child mortality



REPORT

MILLENNIUM DEVELOPMENT GOALS IN ALBANIA 2000 - 2015

September 2015

This report was prepared by the Department for Development, Financing and Foreign Aid at the Prime Minister Office and the United Nations in Albania with the special assistance of Mr. Ilir Ciko and Ms. Elena Polo.

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List of Acronyms

AKEP	Electronic and Postal Communication Authority (Autoriteti i Komunikimeve Elektronike dhe Postare)
ANC	AnteNatal Care
CEDAW	Convention for the Elimination of All forms of Discrimination against Women
CEE	Central and Eastern Europe
CPI	Corruption Perception index
DESA	Department of Economic and Social Affairs (UN)
DHS	Demographic Health Survey
DOTS	Directly Observed Treatment
DSDC	Department for Strategy and Donor Coordination
DTS	Donor Technical Secretariat
EFP	Economic and Fiscal Programme (2010–2012)
EC	European Commission
EI	European Integration
EU	European Union
FAO	Food and Agricultural Organisation
GEL	Gender Equality Law
GDP	Gross Domestic Product
HBS	Household Budget Survey
ICT	Information and Communications Technologies
IMF	International Monetary Fund
INSTAT	Institute of Statistics
IPH	Institute of Public Health

IPS	Integrated Planning System
LCS	Living Condition Survey
LFS	Labour Force Survey
LSMS	Living Standard Measurement Surveys
MDG	Millennium Development Goal
M&E	Monitoring and evaluation
MTBP	Mid-Term Budgetary Programme
NGO	Non-Governmental Organisation
NHDR	National Human Development Report
NSDI	National Strategy for Development and Integration
OECD	Organisation for Economic Cooperation and Development
PAR	Public administration reform
PISA	Programme for International Student Assessment
SAA	Stabilisation and Association Agreement
SDG	Sustainable Development Goals
SIS	Social Inclusion Strategy
TI	Transparency International
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
WB	World Bank
WBI	World Bank Institute
WDI	World Development Index

Introduction

At the onset of the new millennium, Albania embarked on the global initiative of the UN member states to share a common vision for combating poverty and overcoming other major barriers hampering progress with development. This common vision was reflected in eight (extended subsequently to nine in the case of Albania) Millennium Development Goals (MDGs), representing a development framework with the largest impact and unprecedented mobilisation in the developing world over the past 15 years.

Albania is signatory to the Millennium Declaration. On July 2003, the Albanian Parliament passed a resolution in support of the Millennium Declaration: ... *encouraging all stakeholders to track progress in achieving the MDGs on a regular basis through national monitoring and evaluation systems and the preparation of annual progress reports that encourage public debate and offer recommendations on ways to improve national ... development policies.* Throughout this period, supportive documents from government have continuously been designed and approved.

The MDGs, which expired in 2015 and were succeeded by the Sustainable Development Goals (SDGs) in 2015, include specific goals, targets and indicators to monitor progress against extreme poverty and hunger, and improvements in education, gender equality, child survival, health, environmental sustainability and global partnerships.

The objective of the present report is to assess fulfilment of the MDGs based on the performance of each indicator according to the most recent data, and elaborate on progress, challenges, underpinning factors, processes and the institutions involved.

Since 2002, Albania has made substantial progress in achieving the targets for each MDG. This process has been coherent with the European Union integration process, as the key priority of the government for joining the EU, and the National Strategy for Development and Integration (NSDI), including sectoral and cross-cutting strategies at national and regional levels. As a result, all the MDG targets have been incorporated into the NSDI with specific reference to the EU's economic and social agenda.

Unfortunately, the pace of advancement with each MDG has been uneven due to a myriad of factors comprising the economic and social impacts of the global financial crisis, the costs of economic, social and political reforms that have transformed Albania over the last decade and a half, and the quality of the institutions in charge of implementation of these reforms.

An overview of the MDG targets and achievements made in 2015 indicates that Albania has virtually fulfilled the expectations for reducing child mortality (MDG 4), improving maternal health (MDG 5) and combating HIV/AIDS and tuberculosis (MDG 6). Significant progress has been made in achieving targets for ensuring sustainable environmental development (MDG 7), while mixed results have been obtained in eradicating extreme poverty and reducing the risk of social exclusion (MDG 1), ensuring high quality basic universal education (MDG 2) and promoting gender equality and empowerment of women (MDG 3). Less progress has been achieved in addressing the challenges of developing a global partnership for development (MDG 8) and improving governance for all citizens and particularly for most disadvantaged groups (MDG 9).

Thus, Albania has clearly fulfilled the objectives for five targets and very nearly for four others, though it has not achieved the objectives (despite substantial progress in most) for ten targets and probably not for another one, out of the 22 established under the nine targets for each MDG¹.

1. There are nine targets and 22 sub-targets for all the MDGs, as summarized in the above table

Obviously, these results, reported in the table below, provide a simplified and concise view of 15 years of continuous efforts and commitment by the government, local institutions and the international donor community to achieving the MDGs. The present report, building on the 2010 report prepared by

government in cooperation with the UN, attempts to elaborate and shed more light on the progress made towards each MDG and provides more details and understanding on this important process for Albania. The annexes contain supporting data available for review up to September 2015.

MDG PERFORMANCE - STATUS AT A GLANCE

MDG INDICATORS	Achievement of 2015 Targets				
	Achieved	Not achieved	Likely achieved	Likely not achieved	No data
1. Eradicate extreme poverty and reduce the risk of social exclusion					
1.1. Eradicate extreme poverty and reduce 3 time absolute poverty between 2002 and 2015		✗			
1.2. Reduction of unemployment rate toward EU employment rate, between 2002 and 2015		✗			
1.3. Improve income distribution so that the Albanian distribution model gets closer to the EU model between 2008 and 2015			✗		
2. Achieve high quality basic universal education					
2.1. Ensure universal enrollment of basic education (1-9 years) by 2015	✗				
2.2. Improve education quality to approach OECD countries level		✗			
2.3. Increase spending for basic education to the level of new EU member states		✗			
3. Promote gender equality and empower women					
3.1. Eliminate gender disparities in basic (grade 1 to 9) education by 2015	✗				
3.2. Elimination of gender disparities in elected bodies, decision making in central and local government, and judicial system		✗			
3.3. Proportion of budget allocated to gender equality and to reduce violence against women and children increased by 50% between 2009 and 2015				✗	
3.4. Eliminate gender inequality in employment by reducing women's dependence on informal employment, closing gender gaps in earnings and reducing occupational segregation		✗			
4. Reduce child mortality					
4.1. Reduce under-five mortality rate to 10/1,000 by 2015	✗				
5. Improve maternal health					
5.1. Reduce maternal mortality rate 11/100 thousand			✗		
6. Combat HIV/AIDS and Tuberculosis					
6.1. Halt by 2015 and begin to reverse the spread of HIV/AIDS			✗		
6.2. Halt and eliminate mortality from tuberculosis, by 2015	✗				
7. Ensure sustainable environmental development					
7.1. Integrate the principles of sustainable development into country policies and programs and reverse the trend in loss of environmental resources	✗				
7.2. Improve access to safe drinking water and sanitation to approach EU standards, by 2015		✗			
8. Develop a global partnership for development					
8.1. Ensure partnership with donor community in order to increase aid effectiveness		✗			
8.2. Improve access to trade markets of developed countries so that foreign debt is managed better and for a longer period		✗			
8.3. Improve access to ICT to the level of EU new member countries			✗		
9. Improve governance for all citizens & especially for the most disadvantaged groups					
9.1. Governance in Albania approaches EU governance standards by 2015		✗			
9.2. Implementation of electronic governance in accordance with EU standards					✗
9.3. Ensure access to services and resources for the most disadvantaged groups in accordance with the most advanced standards					✗

MDG 1

Eradicate extreme poverty and
reduce the risk of social exclusion



“Today, 14.3 percent of the Albanian population lives on less than \$1.25 a day, and a ‘poor person’ is considered one with a monthly consumption expenditure of less than 4,891 ALL”

CONTEXT

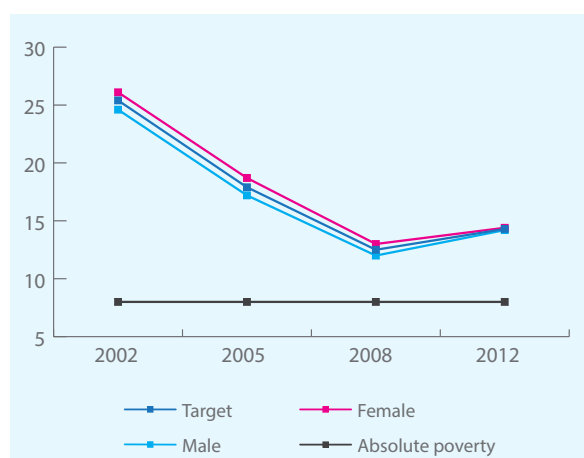
The rapid economic growth that characterised the Albanian economy during the pre-crisis years contributed to a substantial decline in the rates of absolute and extreme poverty, leading to expectations that most of the initial targets would be reached ahead of 2015. However, the global financial crisis affected those rapid growth rates, delivering a negative impact and consequences that are not yet fully reversed.

Today, 14.3 percent of the Albanian population lives on less than \$1.25 a day², and a ‘poor person’ is considered one with a monthly consumption expenditure of less than 4,891 ALL (based on 2002 reference prices). Thus, Albania remains clearly among the poorest countries in Europe, with both absolute and relative poverty rates still at high levels.

During the post-crisis period, a deterioration of gap and severity indicators at the national and, particularly, regional level has been observed. Severity of poverty takes into account not only the distance the poor are from the poverty line, but also the level of inequality among them, worsening the economic conditions for governance in terms of opportunities and social and economic costs.

ANALYSIS OF TRENDS

Although economic reforms paved the way to alleviation of poverty in the country, the impact of the global financial crisis has contributed to an increase in absolute poverty, from 12.5 percent in 2008 to 14.3 percent in 2012³, combined with deterioration in the overall macroeconomic situation with low growth rates and increasing uncertainties.

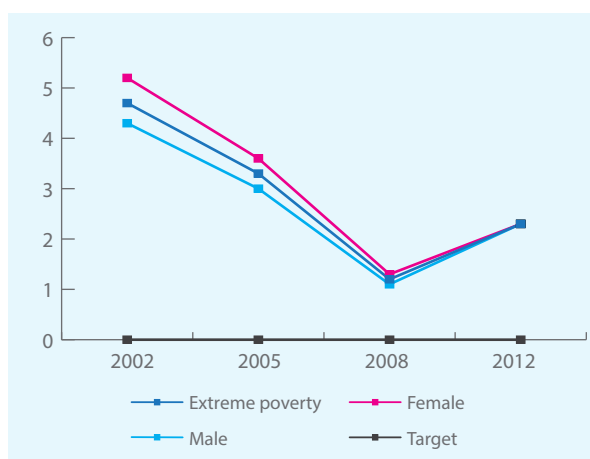


2. Albania: Trends of poverty, 2002-2012 based on LSMS 2012

3. Albania: Trends of poverty, 2002-2012, based on LSMS 2012

From 2008 to 2012, absolute poverty in rural areas increased from 14.6–15.3 percent, and in urban areas from 10.1–13.6 percent⁴. Despite the relatively smaller increase in rural areas (0.7% vs. 3.5%) the poverty rates were high in these areas, especially among women and children (14.4% and 20.1%, respectively, in 2012, from 13% and 18.5%, respectively, in 2008)⁵. This deterioration had a negative effect on the national poverty level, affected by women's inferior socio-economic situation.

The extremely poor part of the population, comprising citizens with difficulties in meeting basic nutritional needs, increased from 1.2 percent in 2008 to 2.3 percent in 2012, with extreme poverty increasing in both urban and rural areas (to 2.2% and 2.3%, respectively). The poverty gap, as a proxy of the distance the Albanian households are from the poverty line, also increased over this period, from 2.4–3.0 percent⁶.



The spread of poverty geographically is also important. Assessment of data on its distribution indicates that increasing poverty has spread across regions, except in mountainous areas of the country, due to internal migration within regions, with increasing overall poverty. Since 2008, poverty levels have increased in the coastal urban regions and in Tirana, posing a substantial challenge for the country as these regions are the main drivers of its economic growth.

Meanwhile, the changes in distribution observed

4. Idem

5. LSMS 2012

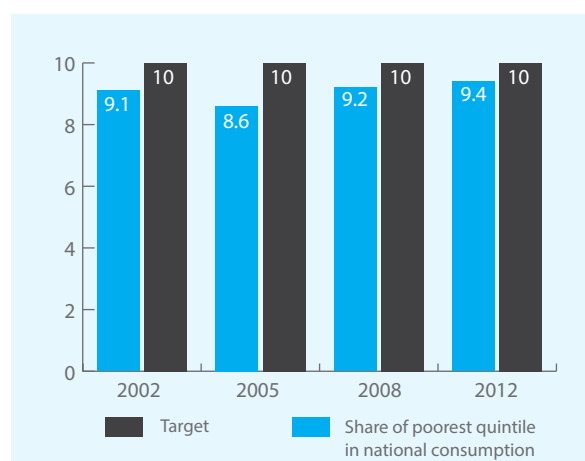
6. Albania; Trends of poverty, 2002–2012, based on LSMS 2012

over recent years see a shift in poverty as a typical rural phenomenon to one of broader concern across the entire country, with the poverty gap similar in urban and rural areas.

Significant income distribution inequalities are also an important challenge for Albania. According to the World Development Indicators 2014, the Gini Index for Albania was 30 in 2008 and 29 in 2012⁷, among the highest in the region, indicating growing inequalities in the country over recent years.

Albania's taxation system has contributed to the increased inequality among incomes over the last two decades. To address the growing concerns around this issue, in 2013, Albania changed from a flat tax system to a more progressive system.

World Development Indicators 2014 indicate that the poorest quintile of Albanian society consumes approximately nine percent of the national consumption, while the fourth quintile consumes 22.8 percent, and the fifth, 37.8 percent. The level of inequality is reflected in the considerable gap between these levels of consumption, with the highest decile consuming 22.9 percent, the lowest decile consuming 3.7 percent⁸.



Analysis of unemployment from the perspective of gender indicates an increasing trend for all age groups and both genders over the period 2007–2014, reflecting the declining economic growth. However, it is important to assess the fluctuations

7. <http://data.worldbank.org/data-catalog/world-development-indicators>, based on LSMS 2012

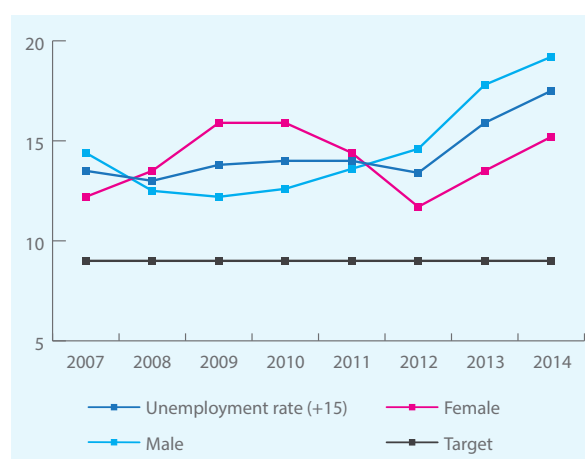
8. Idem

among the different unemployment rates, including youth unemployment (considered double the national level for most economies), female unemployment and long-term unemployment (nearly two-thirds of unemployed persons in Albania).

The unemployment rate for the age-group 15–64 years old in 2014 was 17.9 percent and was 4.2 percent higher for males (19.7%) than for females (15.5%)⁹. Approximately half of the population aged 15–64 years was employed, with most of these men (58% of the male population) compared with 43.4 percent of the female population¹⁰. About eleven percent of the working age population was unemployed (men, 14.2%; women, 7.9%), while 38.5 percent were economically inactive or outside of the labour force¹¹. It is clear that males are more active than females in the Albanian labour market. Compared to the previous year, the unemployment rate increased by 1.5 percentage points¹².

Labour force participation among the population aged 15–64 years was 61.5 percent, 20.9 percentage points higher among males than among females¹³. Throughout the transition period, women's labour participation rate has declined continuously, reaching 43.4 percent in 2014¹⁴. Almost twelve percent of all females in the country are unemployed job-seekers and heads of household.

Youth unemployment was 32.5 percent in 2014, 35.6 percent for young males and 27.4 percent for young females. Compared to 2013, youth unemployment increased by 5.3 percentage points¹⁵. Within the pool of youths not in employment, education or vocational training, males were more active in the labour market than females: 52.9 percent of males were seeking a job and available for work, while the figure among females was only 21.2 percent¹⁶.



SUCCESSSES, CHALLENGES AND POLICY RESPONSES

The main targets under MDG 1, despite their strong relevance to Albanian society, the unquestionable progress made over recent years and the strong commitment of government, have not been met. The economic performance of the country, affected by the impact of the global financial crisis, has contributed to a slow-down in alleviation of poverty that had been showing progress, especially between 2004 and 2009. The failure to achieve the results expected will constitute a major challenge for the Albanian government for endorsement of the SDGs, beginning in 2016.

Alleviation of poverty and inequalities constitute strategic priorities for the Albanian government, as reflected in NSDI 2007–2013 and in the new draft 2014–2020, while the Social Protection Strategy 2015–2020 addresses socio-economic inequalities by boosting efficiencies in the economic assistance schemes. Meanwhile, the ongoing reforms of the pension system management, employment service and state social service aim to support social inclusion as a key objective of the country's sustainable development.

The new growth model with focus on regionally balanced economic growth, aims to be part of the long-term and sustainable development of Albania, while also ensuring employment and social inclusion. Improving local and central government cooperation remains a key issue for the new challenges, both in the short and long terms.

9. Labour Market, 2014, based on LFS 2013-2014

10. Idem

11. Idem

12. Labour Market, 2014, based on LFS 2013-2014

13. Idem

14. Idem

15. Idem

16. Idem

MDG 2

Achieve high quality
basic universal education



“Albania was positioned third among the 65 countries in terms of progress made in the PISA results between 2000 and 2009”

CONTEXT

Albania has been a member of the Programme for International Student Assessment since 2000, and scored 385 points for literature in PISA (2009), compared with the Organisation for Economic Cooperation and Development (OECD) average of 493, behind nearly all countries of the region. In mathematics, the score was 377, while the OECD average level was 495. For the third pillar—science—Albania reached 391, compared with the OECD average of 501. Nevertheless, Albania was positioned third among the 65 countries in terms of progress made in the PISA results between 2000 and 2009. Meanwhile, these developments have a gender basis, with girls 62 percent more successful than boys in school results¹⁷.

Between 2000 and 2012, Albania increased its share of top performers in reading in the PISA assessments, simultaneously reducing its share of poor performers. The overall performance of Albanian pupils in all three PISA 2012 categories demonstrates the low level of enrolment in secondary education (50% nationally, and 25% rurally). The scores are the lowest among all European and Central Asia countries and among the lowest of all participating countries. Albania scored 394 in both mathematics and literature and 397 in science, having the biggest gap from the OECD average level¹⁸.

Progress with education indicators is linked to the level and quality of public investments made in this sector, and especially to the proportion of the government budget spent on education. Targets reflecting the proportion of funding for the sector from the state budget were set up to reach the level of the new member states of the EU. The Albanian government has invested a large share of its budget on basic education and this increased from about three percent of Gross Domestic Product (GDP) in 2004 to 3.5 percent in 2008, though still below the five percent lev-

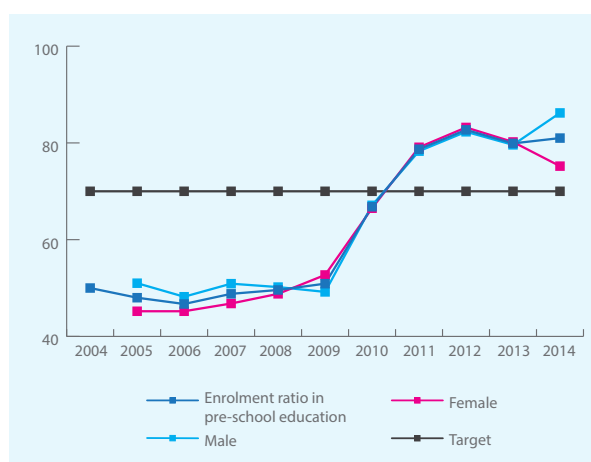
17. OECD, PISA results, 2012

18. OECD, PISA results, 2012

el of the EU new member states¹⁹. During recent years this share of the budget has been around 3.3 percent of the GDP²⁰.

ANALYSIS OF TRENDS

During the initial years of transition Albania maintained free-of-charge pre-school and basic education, and this was reflected in both net and gross enrolment rates in education levels and high levels of literacy, with small differences between females and males and between urban and rural areas.



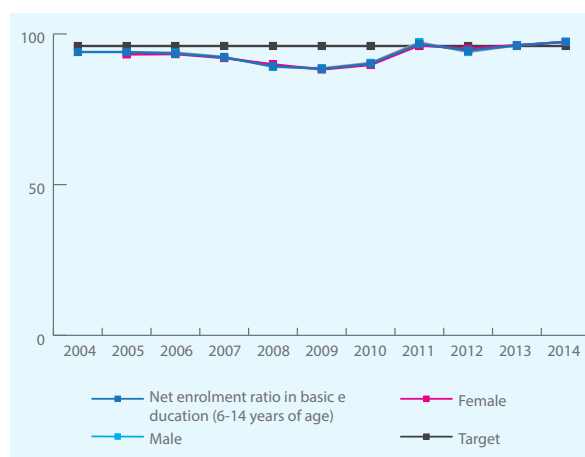
The mandatory minimum period of basic education in Albania is nine years. However, strengthening the difference between net and gross enrolment ratios in basic education remains an important challenge. The latter is calculated for pupils in basic education at any age. This explains why this indicator exceeds 100 percent, and when comparing males and females, there is a difference in the indicator because of the higher participation rate of males in the labour force, and also the effects of child labour.

Indicators of basic education reflect disparities and limited access for disadvantaged social groups and minorities, including Roma and street children,²¹ also with considerable disparities between rural and urban areas, as well as among

19. About 3.44% in 2009, and respectively 3.27% and 3.32% in 2013-2014

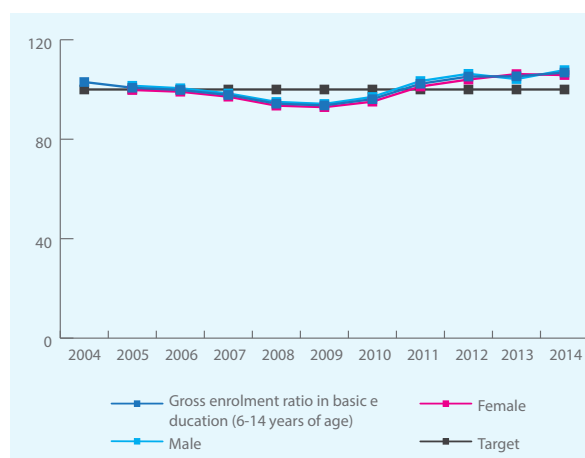
20. Instat, Statistical Bulletin, 2014

21. UNICEF: Education situation of Roma children in Albania



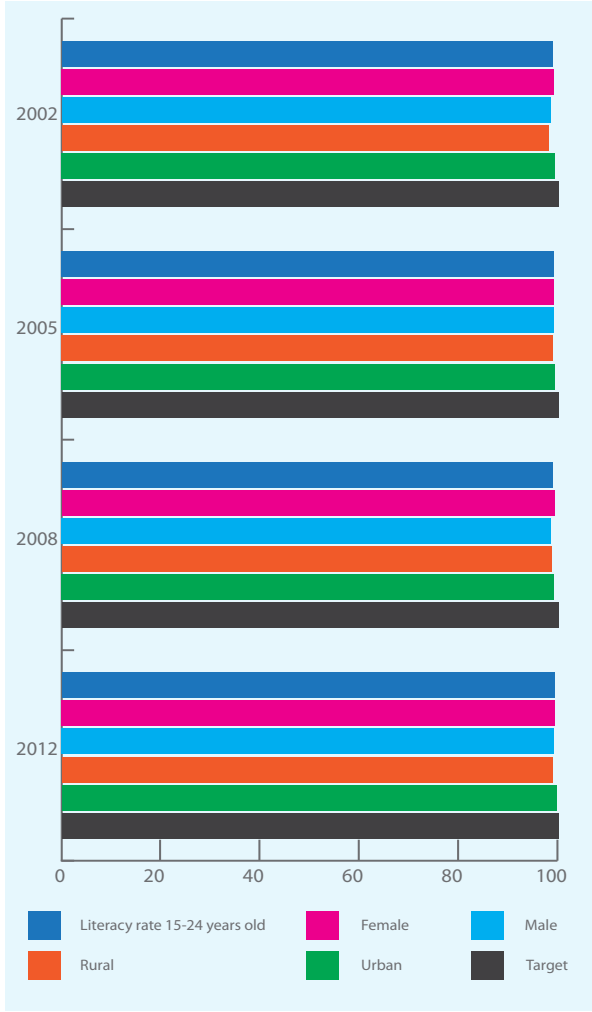
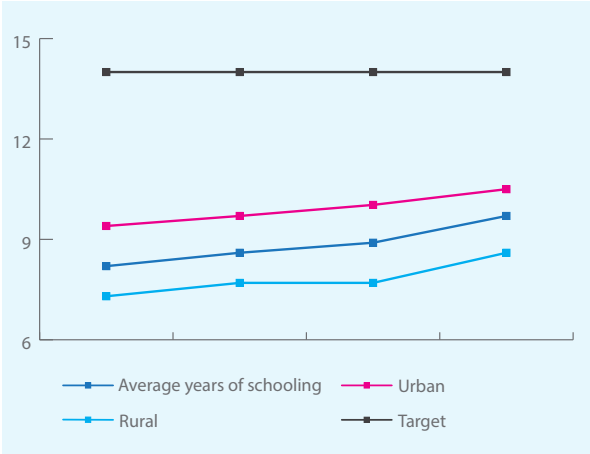
regions. The poorest quintile of society still faces many barriers in attaining education by being vulnerable to lack of access to improvements in economic and social fields of development.

Children from poor and extremely poor families have many difficulties accessing education compared to the non-poor. According to Living Standard Measurement Survey (LSMS) 2012, the net enrolment rate for poor children was 83.4 and for extremely poor, 75.1, while the rate for non-poor was 90.7.



The proportion of pupils starting first grade and reaching fifth grade is also an important indicator. One quarter of Albanian pupils that enter the education system do not complete their years of compulsory education. Furthermore, 32 percent of children are involved in child labour in the country, while enforcement of sanctions for cases where compulsory education is not attended or abandoned remains very weak.

Despite the high literacy rate, the average number of years of schooling in Albania has continuously been that of EU countries. In 2012, this indicator reached 9.7 years, about five years less than the OECD average. Gender differences are found for this indicator: respectively, 9.93 for males and 9.29 for females²². There are also differences between rural and urban areas, as shown in the following chart. According to statistical data of 2013²³, the expected number of years of schooling is 10.7, with small differences between the genders: respectively 10.6 for males and 10.9 for females. Data for higher education are not included.



SUCCESSSES, CHALLENGES AND POLICY RESPONSES

With the exception of successful progress made with basic education enrolment, most goals of MDG 2 are below the expected targets for 2015, representing another important challenge to be addressed through the SDGs. A sustainable and qualitative education system as a long-term objective consists in improving the quality of education and its products in the labour market and the entire economy, as set out in the National Strategy for Development and Integration (NSDI) 2014–2020.

Coordination of central and local authorities affects the supply side instruments to achieve equal access in the education system—Educa-

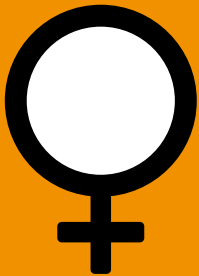
tion for all 2015—as a global commitment to provide quality basic education for all children, youths and adults with funding from the public budget.

Investment in the education system remains among the top development priorities while fiscal policy has constraints with possible tightening of expenditures. The National Strategy for Higher Education 2014–2020 as part of the National Education Strategy is set to improve quality in the education sector. Inclusive education (as part of the social inclusion approach) together with efficient education (with improved funding opportunities and qualitative products from the system) remain key issues of public policies and choices, as specifically mentioned in the Pre-university Education Draft-Strategy 2014-2020. The current legal framework for education includes also the Law on Higher Education and Scientific Research.

22. Based on Labour Force Survey 2013
 23. Based on Life School Expectancy Methodology

MDG 3

Promote gender equality
and empower women



“By 2014, Albania had participated in two Universal Periodic Reviews and reported to several UN Human Rights Committees.

CONTEXT

Gender discrimination is viewed as an issue that cuts across other fields of social, economic and human development, as progress and improvements in these issues are closely related and analysed simultaneously. Albania has achieved considerable progress in reducing gender disparities in all sectors, particularly in education. Despite these improvements, major challenges remain, including with regard to violence against women.

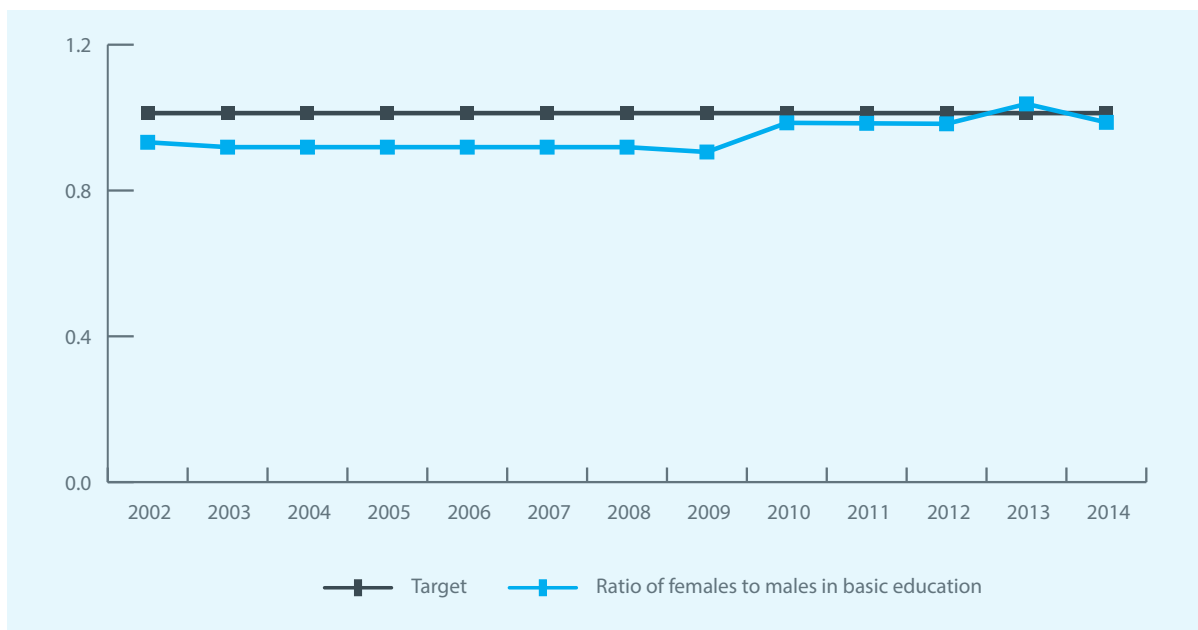
A weaker social status and the presence of domestic violence have prevented women from actively participating in political and public institutions. Recently, government decided that women have the right to receive economic aid and to apply for and receive household economic assistance. Children of families in receipt of economic aid have a higher probability (1.3 times greater) of never enrolling at school. The ratio of the number of children from high-income families attending school beyond their grade-age range compared to those of families with low incomes is more than 7 to 1.

By 2014, Albania had participated in two Universal Periodic Reviews and reported to several UN Human Rights Committees. The office of the Commissioner of Protection from Discrimination was created in recent years. The Human Rights Committee positively evaluated the legislative and policy measures towards the protection of child rights, gender equality and protection against violence in family relations. The UN Committee on Economic, Social and Cultural Rights evaluated in its latest report²⁴ the ratification and accession to several human rights instruments throughout government strategies and action plans against corruption, trafficking of persons and gender inequalities.

Albania has a high HDI,²⁵ ranking 95th among par-

24. ICESR Committee, December 2013: Concluding observations to Albania

25. Human Development Report 2014: Human Development Indices



participating countries in 2013. The overall reduction in the index when adjusted for inequality is 13.4 percent (from HDI=0.716 to IHDI=0.620), as inequalities of income on gender basis remain large in the country.

Meanwhile, the country ranks 44th in the Gender Inequality Index (0.245) and 72nd in the Gender Development Index (0.957) among 187 countries²⁶. The main factor affecting the latter is Gross National Income per capita, where the income of females is 67 percent of that of males, giving a partial measure of the gender gap in the economy and in economic empowerment. According to the LSMS 2012 and Labour Force Survey (LFS) 2013, GNI per capita in USD PPP basis for a male is about 11,782 and that for a female is 7,926. Both net payments and share of the economically active population are taken into account during this analysis.

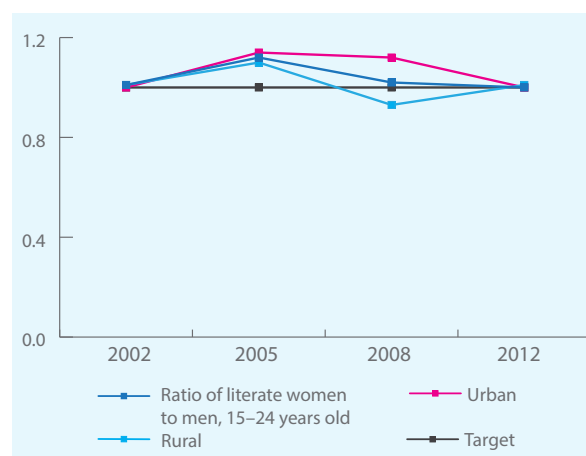
ANALYSIS OF TRENDS

As seen in the chart above, the ratio of females to males in basic education, although not consistently reaching the 2015 target level, is not far below parity. This ratio, known as the Gender

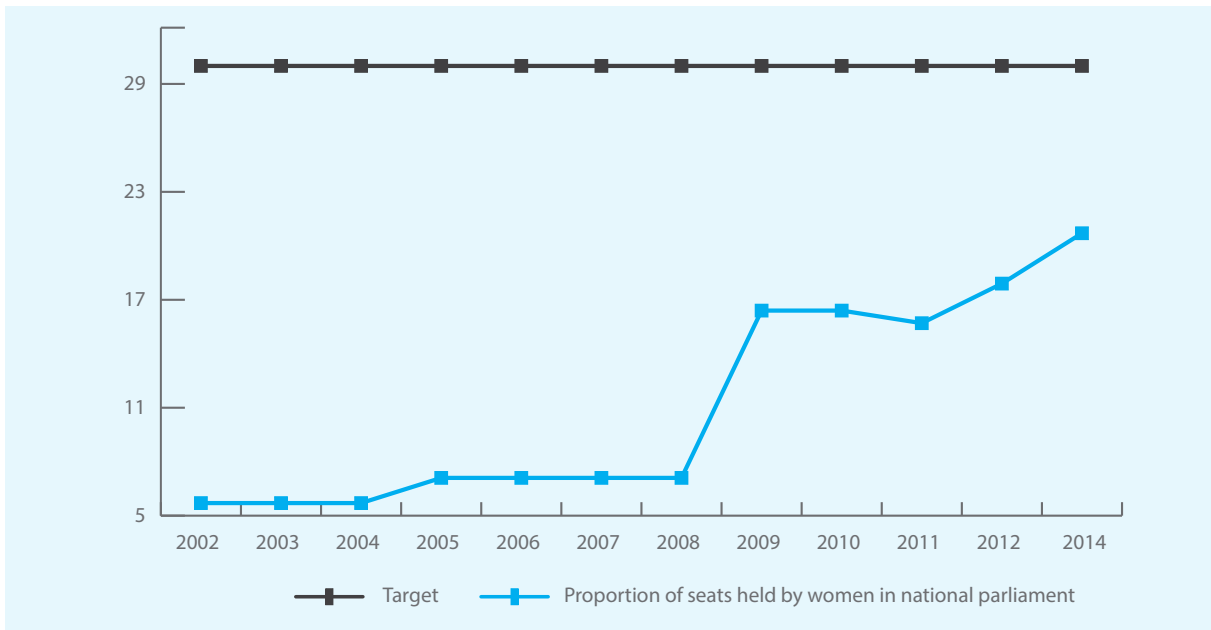
Parity Index, in this case of the Gross Enrolment Rate in education, reflects the participation of females and males in basic education.

As shown in the chart below, parity in the ratio of literacy of women to men of ages 15–24 years has been achieved, with slight differences between urban and rural areas. As discussed earlier, there are no substantial gender differences between expected and mean years of schooling.

The Law on Gender Equality in Society, adopted in 2008, specifies a ratio of 30 percent of women representation in all appointed positions and on the candidate’s lists of political parties during elections. But, political parties have usually preferred to pay the associated fine and not include female candidates in their election lists. During the last elections, a trend of broader inclusion of women in politics was observed, as seen in the following chart.

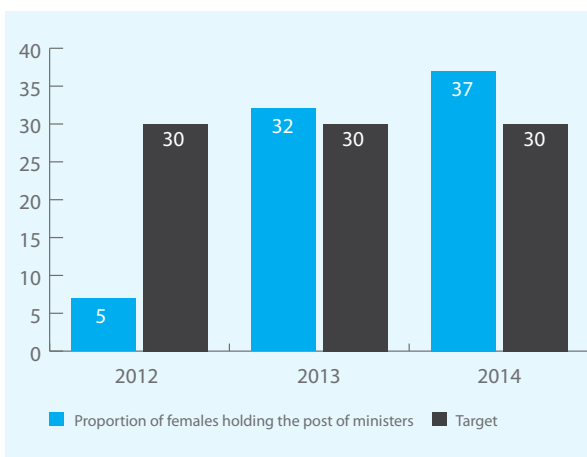


26. Idem



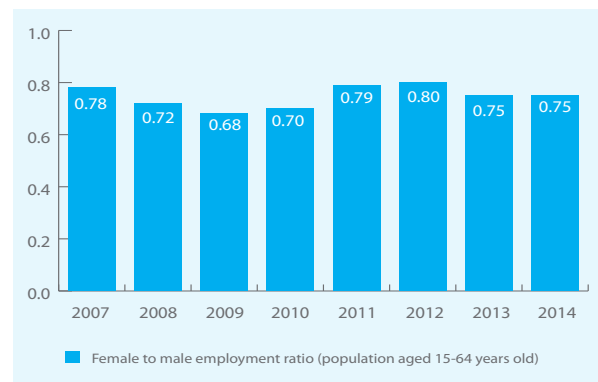
The current government has been supportive of an increased number of females holding the post of minister and other high public positions, as indicated in the following chart. Nevertheless, despite these improvements, female participation remains problematic, particularly in the justice sector.

According to labour market data from LSMS 2012, female participation rate is about 21 percentage points lower than that of males²⁷. In terms of employment, the gender ratio is about 75 percent for 2014 (according to LFS data), indicating that males account for most of the employed labour force.



Another gender basis characteristic of the labour mar-

ket is the gender wage gap,²⁸ currently at more than ten percent (with some estimates of approximately 15%²⁹), even though there are no important disparities in education. The gender wage gap was 36 percent in 2005 and 17.63 percent in 2008, with a significant difference between urban and rural areas, with values of 16 percent and 32 percent, respectively. The main factors that influence the gender gap to the disadvantage of females are experience, conditions, nature of the job and status. Improvement in the gender gap is a result of an increase in wages in the public sector, and increasing participation of females in the education and health sectors. According to the 2013 Report of the Department of Public Administration, females account for 63 percent of the newly employed in the public sector, an increase of seven percent compared to the proportion in 2012.



28. Gender Wage Gap Report in Albania, November 2011

29. Gender Alliance for Development Centre, 2012: Gap in average salary is 18 percent according to Gender Inequalities in Pay: an Albanian case

27. Instat, Females-Males 2014

In 2015, nine out of 84 programmes pertaining to various ministries include gender objectives and outputs in their Medium-Term Budgeting Programme (MTBP) submissions. The proportion of the budget amounts allocated to gender objectives against the total budget allocated to the related programmes for 2015 comprises the following:

- 1) Rural Development Programme, focused on subsidies given to female household farmers, at 3.25 percent of the total budget
- 2) Agriculture-related information and the advisory services programme, focused on information and advice given to female household farmers, at 7.6 percent of the total budget
- 3) Employment, Qualification and Vocational Education, focused on vocational education and training for females, and employment schemes supporting female job-seekers, at 2.65 percent of the total budget
- 4) Social Inclusion Programme, related to policy support for gender-related issues, at 10.7 percent of the total budget
- 5) Social Care Programme, related to services and financial support to females and female households in financial distress, subject to abuse, part of marginalised social groups, etc., at about 0.4 percent of the total budget
- 6) Institutional Support for the EU Integration Process Programme, related to ensuring equal rights and opportunities for being informed about EU integration processes, at 6.6 percent of the total budget
- 7) Art and Culture Programme, related to providing equal opportunities and rights in accessing specific programmes and projects financed by this budget programme, at 1.2 percent of the total budget
- 8) State Police, related to providing equal

opportunities for both men and women in State Police enrolment programmes, at 1.85 percent of the total budget

- 9) Support for Economic Development, related to various financial support schemes for female entrepreneurs, at 8.97 percent of the total budget.

SUCCESSSES, CHALLENGES AND POLICY RESPONSES

Albania has made significant progress in promoting gender equality and empowering the role of women in society but the outcome of MDG 3 includes mixed results. Notable achievements in recent years to increase the participation of women in political life and high levels of administration have been insufficient to fulfil the targets for 2015, while progress in other directions has proved even less successful.

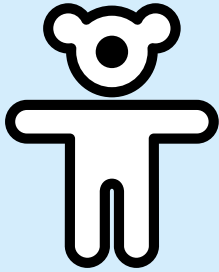
Progress with gender equality and women empowerment has advanced in Albania by establishing the premises of an adequate regulatory framework and legal provisions, while maintaining a gender perspective and focus in the main policy documents for specific areas of reforms. The challenge for Albania remains implementation of the regulatory framework, including pro-gender budgeting at both national and local levels.

Improved coordination among public, local and central institutions, including the private sector, is essential in order to implement initiatives that provide social protection transfers or consumption goods to the poor, protecting them against risks and improving their social status through reducing economic and social vulnerabilities.

A deeper improvement in budget planning, allocation and implementation procedures to promote gender focus is required in order to build strengthened institutional capacities on the results achieved. Additional progress remains in terms of addressing the child labour force and measures to increase Roma inclusion.

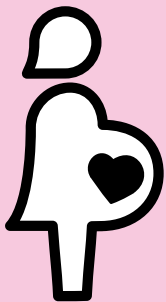
MDG 4

Reduce child mortality



MDG 5

Improve maternal health



MDG 6

Combat HIV/AIDS and tuberculosis



“Although the public health system inherited from the 1990s was relatively well developed compared to peer countries, Albania has invested in improving the system and extending accessibility to citizens living in different areas of the country”

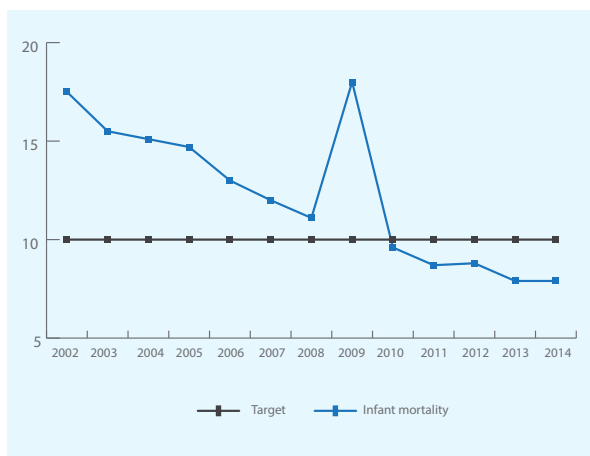
CONTEXT

Delivery of adequate quality public health services throughout the country has been a critical goal of the Albanian government over the past two decades. Although the public health system inherited from the 1990s was relatively well developed compared to peer countries, Albania has invested in improving the system and extending accessibility to citizens living in different areas of the country. MDGs 4–6, grouped together in this section because of their interconnected indicators, aimed to expand the impact of the public health service in pressing areas such as reduction in child mortality, improvement in maternal health, and the more recent challenges Albania is facing, such as the fight against HIV/AIDS.

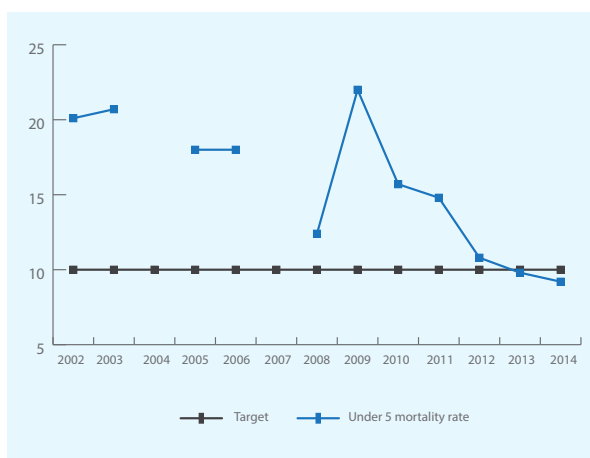
Progress made in fulfilling the targets for each of MDGs 4–6 reflects not only the priority the government has assigned to these key issues of the health sector, but from a broader perspective, the overall efforts and investments made in the health sector. Public expenditure in the sector has increased from an estimated 6,600 ALL per capita in 2004, to 14,200 ALL per capita in 2015. NSDI 2007–2013 states that the: *public health system will offer a basic, good quality and effective service for all through managerial improvements and encouragement of the private initiative*. The National Health Strategy, currently in the process of finalisation, reflects the public health priorities by strategically investing in building a sustainable health system.

ANALYSIS OF TRENDS

Progress under MDG 4 has been remarkably positive, especially during the last five years, the period during which all the three indicators measured reached their targets. Indeed, statistics from the Ministry of Health indicate that infant mortality dropped under the target of ten per thousand in 2010, and remained under this threshold for the subsequent years until 2015, and a similar trend followed for under-five child mortality (Target 4.1.2) for which the goal was achieved in 2013.

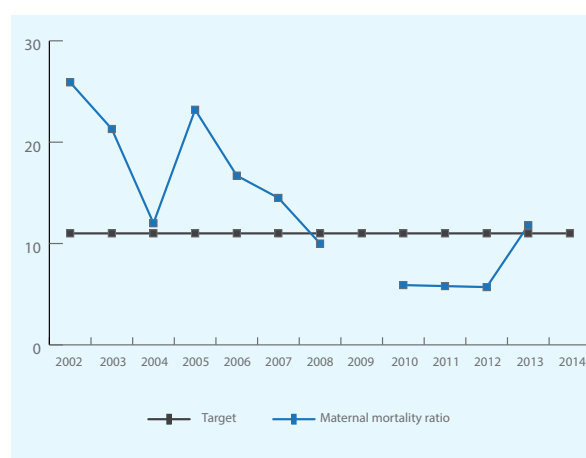


The latest Demographic and Health Survey 2008–2009³⁰ revealed that most early childhood deaths took place in the first year of life, and almost two thirds (11 out of 18) of infant deaths in the first month of life. The survey results revealed important disparities between rural and urban areas and across geographical areas. The mortality rates in rural areas were double the levels in urban areas for both under five-year-olds and infants. The under-five mortality rate in rural areas was 28 per 1,000 births versus thirteen per 1,000 in urban areas, while the infant mortality rate was 24 per 1,000 in rural areas versus twelve per 1,000 in urban areas. Infants and children under five years of age in mountainous areas were found to suffer the highest mortality rates, 38 and 42 per 1,000 births respectively. Only a few cases of child mortality were recorded in Tirana.



Rates of child mortality were found to correlate closely with the level of mother education (higher child mortality for lower education) and wealth (higher mortality for poorer families). The decline recorded in child mortality is due in part to the government’s child immunisation programmes. Since 2002, Albania has sustained a rate of fully immunised children of about 95 percent, a rate that is higher than other countries with a similar income level. It is significant to note that the high immunisation rate is universal in the mountainous areas and in Tirana, though somewhat lower in the coastal and central areas (93%).³¹

The government’s efforts in immunisation programmes are reflected also in the full accomplishment of the third indicator used for MDG 4: measuring the proportion of children vaccinated against measles rubella and parotitis. As can be noted from the following chart, Albania has been able reach the target and maintain a leading position among peer countries in this important aspect of child health.

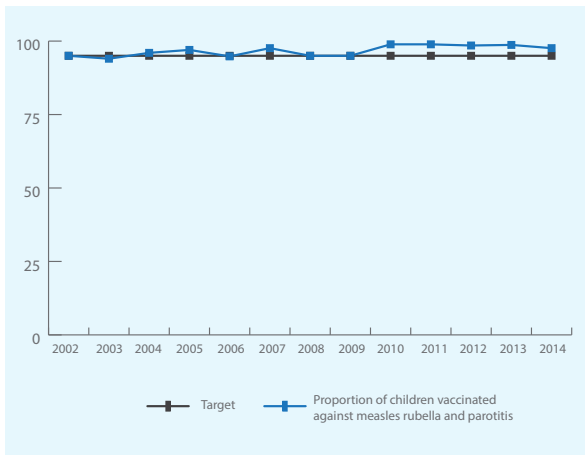


Although maternal mortality exceeded during 2013 the limit targeted for 2015, the overall trend of reducing maternal mortality rate has been kept over the last decade, leading to the conclusion that the target for this indicator has been achieved.

Despite the achievements made in reaching the

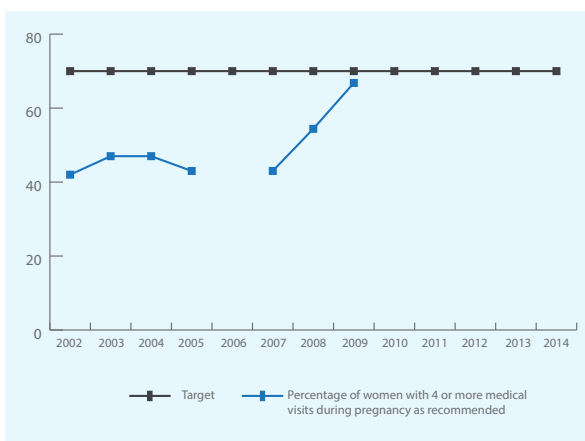
30. Demographic and Health Survey is an official survey conducted most recently in 2008–2009 by the Institute of Statistics (INSTAT) and the Institute of Public Health (IPH).

31. UN Albania, 2010: Albania National Report on progress towards achieving the MDGs



target set for this specific goal of MDG 5, different opinions are shared among experts, particularly of international organisations, on the accuracy of the tracking and recording system used to collect the relevant information, which potentially may not capture all maternal mortality cases, leading thus to a situation where the number of officially reported cases might be slightly less than the reality (for example, the death of a pregnant woman might be recorded as death from a specific cause but not including the fact that the woman was pregnant).

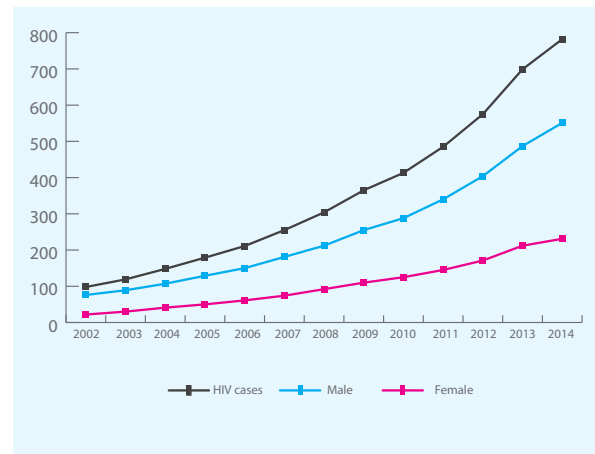
The declining rates of maternal mortality have been supported by improvements made in the health care services, including maternal care facilities in place, access to such facilities and adequate qualification and supply of doctors across the country. These improvements have also materialised in the outcome of the other indicator related to MDG 5: the proportion of births attended by skilled health-care personnel.



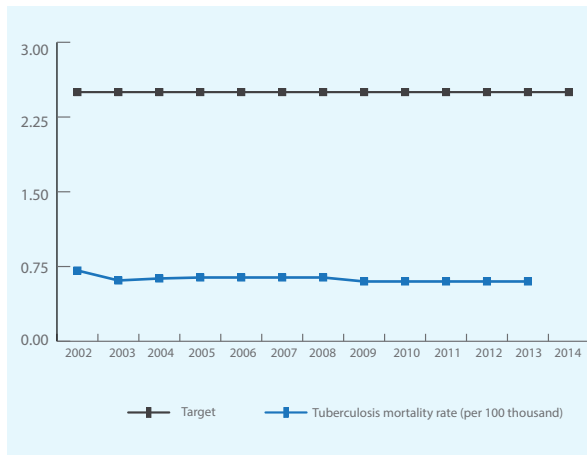
The target set for 2015 has been exceeded throughout recent years and, as shown in the graph below, indicates that virtually all births in the country are attended by skilled health staff.

In addition to the adequate delivery assistance, overall levels of antenatal care in Albania are high compared to peer countries. Almost all pregnant women (97%) in Albania receive antenatal care from a skilled provider at least once during their pregnancy and, during 2015, 60 percent of pregnant women received antenatal care from a skilled provider during the first three months of pregnancy. ANC is universal in Tirana, almost universal in coastal area (99%), very high in central Albania (97%) and somewhat lower in Mountainous areas (92%).

Albania is still considered a country with a low prevalence of HIV. Nevertheless, as shown in the



following chart, the number of HIV diagnosed cases has steadily increased over time and estimates point to a relatively higher number of undiagnosed cases. The UNAIDS database AIDSinfo shows a HIV prevalence among the general population in Albania of 0.0375 percent in 2013. This estimate is substantially lower than the target for HIV/AIDS prevalence rate (MDG 6), limited to 0.1 percent for 2015. Formal estimates of national HIV prevalence in Albania do not exist and there is very limited information about the population groups within which HIV transmission is occurring. This is partially because rates of HIV transmission remain unknown and so trends and



patterns are more difficult to discern than with a more significant level of transmission. Although case-reporting data provide self-reported information on routes of transmission, they do not provide information about the specific HIV risks, particularly among persons who are considered to have acquired HIV heterosexually. Males—at 70.4 percent in 2014—and youths over 19—at 93.9 percent in 2014—dominate HIV/AIDS diagnosed cases and the population at risk of infection.

The last target for MDG 6 relates to the goal of eliminating tuberculosis. Data provided by the public health authorities indicate that the mortality rate remains low, at about 0.64 percent, and, as shown in the following chart, well under the goal limit of 2.5 percent set for the year 2015. However, the proportion of tuberculosis cases detected under Directly Observed Treatment Shortcourse (DOTS) is less than the goal of 100 percent set for 2015, though reaching 92 percent in 2013, up from 84 percent in 2003. This situation is due to the difficulty the health system has in dealing adequately with the complex DOTS procedure, particularly in rural and remote areas.

SUCCESSSES, CHALLENGES AND POLICY RESPONSES

The efforts made in achieving health-related MDGs (4–6) have delivered positive outcomes for most of the selected indicators. The success achieved in reducing maternal mortality rates has been due to a strong health policy framework, expanded and improved services, and increased access to these services. The reductions in child mortality rates are a function in large part of the attendance of skilled personnel in a high proportion of births, and most of these in hospitals. These are significant achievements and continued focus, investment and training will likely result in future significant reductions in both infant mortality and maternal mortality rates, in order to reach the current EU average levels.

Further improvement of the quality of health services and expanding access to these services, especially in the rural and poor areas of the country, remains a main challenge. With increasing numbers of HIV/AIDS cases, early diagnosis and application of prevention measures, including better understanding and information about the disease, as well as tackling the stigma and discrimination deriving from it, are the main challenges for the next decade. To a minor extent the same principles apply to tuberculosis epidemiology, though overlooking the currently small incidence rate in Albania often erodes the attention required to deal with the disease. Such challenges are reinforced by the still weak administration of the health services, lack of modern infrastructure and of full coverage of the country, and the high levels of bribery and corruption reported in the sector.

Government reforms aim to ensure the long-term sustainability of cost effective and quality health delivery. The strategy for the health sector is currently under finalisation and will become part of the NSDI.

MDG 7

Ensure sustainable
environmental development



“Albania has been active in its commitments under the Kyoto Protocol and has identified potential areas to reduce emissions”

CONTEXT

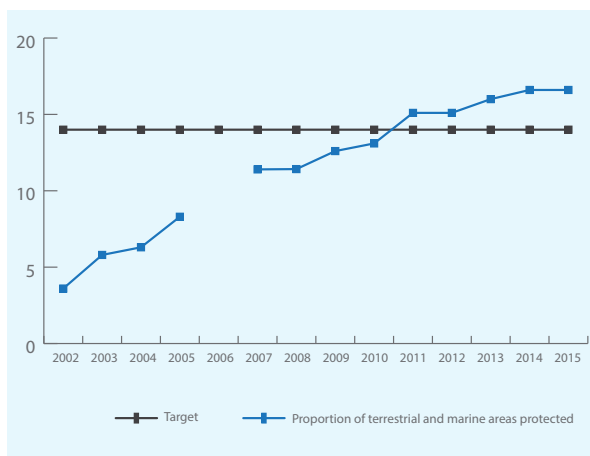
Environmental sustainability has been an important challenge for the Albanian government during the transition years, as reflected in NSDI and various environment cross-cutting strategies adopted over recent years. In response, Albania has established an institutional framework for policy implementation, aiming to address environmental concerns and strategic goals, in line with EU requirements. The relatively low level of industrialisation in the country and heavy reliance on domestic hydro-power generation of electricity have contributed to Albania’s substantially low levels of greenhouse gas emissions, at about 20–25 percent of the average for industrialised countries.

In addition to its comparatively low level of emissions, Albania has been active in its commitments under the Kyoto Protocol and has identified potential areas to reduce emissions even further, including energy generation, efficiency and emissions in the forestry and agriculture sectors. Following the UN’s policy advice, climate change is not considered simply as an environmental concern but also a developmental challenge.

ANALYSIS OF TRENDS

Apart from the goal concerning access to safe drinking water, Albania has, overall, reached all the environment-related targets comprised under MDG 7. However, as in the case of other MDGs, it should be noted that the indicators utilised to measure progress over time do not necessarily represent a full and accurate picture of the situation in the country. For MDG 7 in particular, the indicators used hardly capture the massive challenges Albania faces in order to cope with the environmental concerns, including the alignment of legislation with EU standards and particularly its implementation and enforcement.

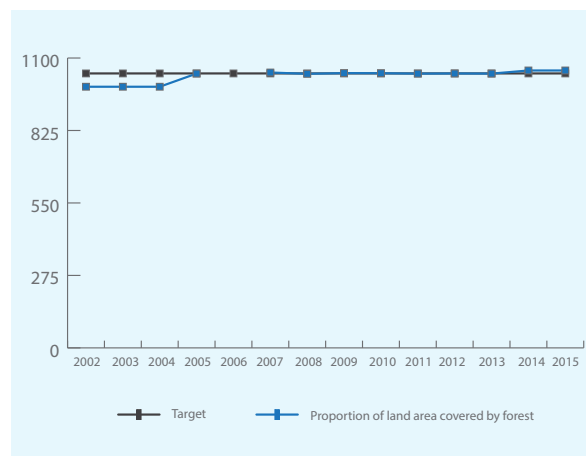
The share of Albanian protected areas, both terrestrial and marine, has steadily increased year



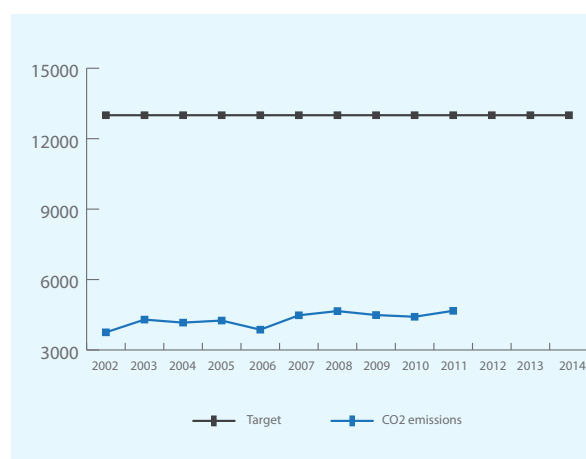
after year and, as shown in the chart below, the proportion of protected areas has more than quadrupled since 2002. The government has now decided to include in the protected areas two other zones (an extension of a national park in the north of the country and a marine area in the south), so the indicator for 2015 will increase even though it has already exceeded the target set for 2015. Nevertheless, despite progress made in expanding the size of the protected areas in the country, law enforcement within these areas remains weak and the system requires additional resources to secure properly the status of protected areas³².

A positive result is noticed also with the proportion of land area covered by forests, which last year reached the target level set for 2015, though as reported in the chart below, only slightly lower levels were recorded for 2007 and 2010. These data, reported by the Ministry of Environment, reflect the efforts the government has made for forestation, supporting natural reforestation and expansion of the existing forests, primarily due to conversion of farming areas in proximity to woodlands to become part of the forests. The government is working closely with European agencies to monitor and report the status of the national forests through a satellite imaging system, recently covering the entire area of Albania.

Albania scores particularly well with regard to



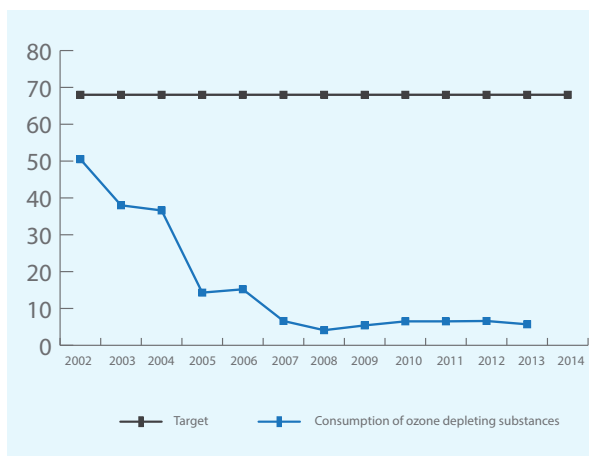
the amounts of CO₂ emissions³³ and this indicator has constantly been even less than half of the target of 13 million tons set for 2015. As mentioned above, a heavy reliance on domestic hydro-power electricity production ranks Albania second only to Norway in Europe in terms of clean energy production. In addition, the still under-developed industrial sector has not challenged this position and thus is not yet posing a major imminent threat to the country's CO₂ emissions. Nevertheless, Albania faces other environmental challenges recognised by both citizens and government, including, among others, urban and transportation pollution and waste management.



A similarly positive situation exists with progress made with another environment-related indicator, one tied to the release of ozone depleting substances. After 2004, due to strict control and

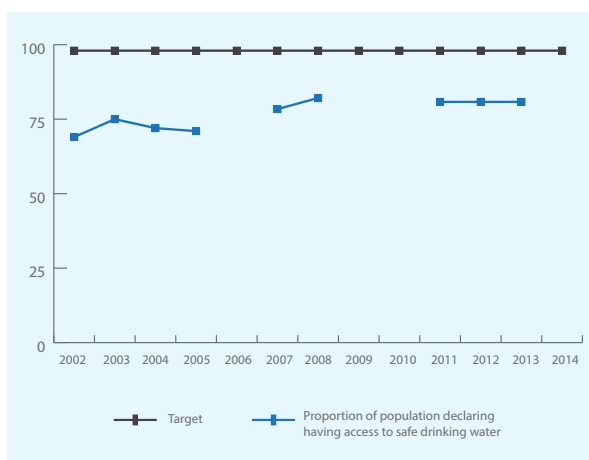
32. Data provided from the Ministry of Environment, September 2015

33. Idem



management of imports of such substances and the impact of substituting products and new technologies, the consumption of these products in the country has rapidly declined. Consequently, as seen in the next chart³⁴, the consumption level of these products, has fallen to less than a tenth of the permissible limit.

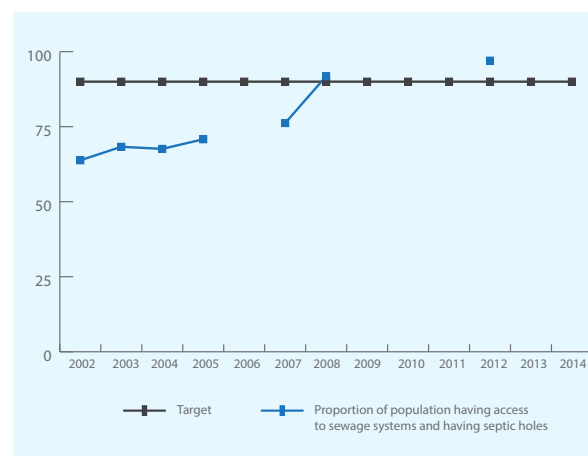
Also encouragingly and importantly, the percentage of the population declaring that they have access to safe drinking water has increased, from 69 percent in 2002, to 75 percent in 2008 and 82.1 percent in 2009³⁵ (88% in rural areas and 74.7% in urban areas). Since then, this indicator has remained stable at 80.8 percent, well under the national 2015 target of 98 percent (a mitigating factor not calculated in the indicator is increasing access to inexpensive bottled water in both urban and rural areas).



34. Data collected from the Ministry of Environment, September 2015

35. INSTAT and IPH, 2010, Demographic and Health Survey 2008–2009

The transfer of water supply companies from central government to local authorities has delivered in terms of decentralisation but, at the same time, the process has created significant challenges for the latter, which very often are unable to cope with the problems of the sector—e.g. bill collection, illegal use of water, low tariffs insufficient to enable capital investments, and lack of resources and expertise.



One final environment-related indicator, the proportion of the population having access to sewage and septic systems, has increased, from 63.8 percent in 2002 to 97 percent in 2012, marking the successful achievement of the 2015 goal.

SUCCESSSES, CHALLENGES AND POLICY RESPONSES

As noted above, Albania has succeeded in accomplishing the main goals related to the environment, thanks to policy and legal frameworks and the work of supporting institutions and also the country’s unique natural resources, despite the development challenges the country is facing. Therefore, the main goals of MDG 7, apart from access to safe drinking water, have been successfully accomplished.

Despite the above-mentioned improvements, development of the necessary institutional and human capacities remains a major challenge, along with a basic capacity to implement projects and programmes, combined with sustainable financing. An environment fund, foreseen

to be operational by 2012, according to the Law on Environment, has yet to be established. The European Commission in its annual progress report 2014 notes that: *Significant further efforts are needed in all areas to strengthen administrative capacity and to ensure proper implementation and enforcement of legislation and its further alignment with the acquis. Waste management is particularly poor and the quality of water and air is low. Overall, resources remain limited and substantial investments are needed. Systematic strategic planning needs to be established.*³⁶

Preserving the environment under the pressure of increasing energy demand and limited production capacities, along with capital investments in production activities, remains a challenge for the future. For all areas covered by MDG 7, law enforcement remains a serious challenge in order to ensure sustainability of environmental protection in the country. Last but not least, the government is committed to taking a leading role through infrastructure and capital investments to improve the quality of services for water supply and waste water treatment.

36. European Commission: Albania, Progress Report, October 2014, Chapter 27, Environment and Climate Change, page 57

MDG 8

Develop a global partnership
for development



“During the period 1991–2004, external assistance to Albania reached 4.8 billion US\$, while the amount received from 2000–2010 was 3.7 billion Euro”

CONTEXT

Throughout the transition period, Albania’s development has been supported by external assistance, which has played an important role in achieving the development goals. As the country progressed along the development path and its status upgraded to a middle-income position, external assistance slowly declined while paving the way to the EU integration processes. During the period 1991–2004, external assistance to Albania reached 4.8 billion US\$, while the amount received from 2000–2010 was 3.7 billion Euro, approximately 58 percent of which was in the form of grants. Since 2010, Albania has been receiving about 300–400 million Euro of external assistance per year, with a decline in grants and an increase in loans. As Albania pursues its strategy for European Integration, greater emphasis is being given to the management of EU funding, such as the Instrument for Pre-Accession (IPA), and much less to traditional bilateral and other donor sources as these are expected to gradually diminish and withdraw over time.

Despite the relative decline in aid flows, the external partnership and aid management functions have evolved significantly over the years, primarily in response to donor demands and the government’s own internal demands for an improved strategic management of aid. Several initiatives have been undertaken by government over recent years to support the external assistance in the country, including the following:

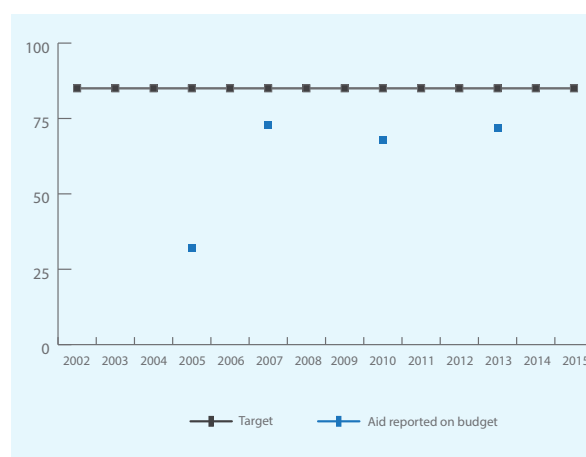
- In 2003, a Donor Technical Secretariat (DTS) was set up to facilitate donor–donor and donor–government dialogue and coordination.
- In 2005, the Department of Strategy and Donor Coordination³⁷ was instituted as the newly elected reform-oriented government’s prime central unit to secure ownership and coordination of external assistance and to ensure linkages to the government’s main policy, planning and financial processes.

37. Currently, the Department for Development, Financing and Foreign Aid.

- In 2005, the Paris Declaration was signed by government and the majority of international organisations comprising the donor community in Albania. A joint Harmonisation Action Plan was developed and endorsed at the government–donor round-table in late 2009.³⁸
- At about the same time, government proceeded with the launch of the Integrated Planning System (IPS) to streamline policy making (NSDI and sectoral strategies), programming, budgeting (MTBP), monitoring, evaluation and aid coordination tailored to the government’s organisational structures and human resource capacities.³⁹
- As part of the overall NSDI and sector strategy processes, sector working group mechanisms have been set up to support sectoral policy coordination and monitoring across government, and between government and donors⁴⁰. However, not all of the groups have met regularly.
- Government–donor round-tables have been an ongoing mechanism of Albania’s donor co-ordination architecture, where government and heads of missions address strategic development issues.
- Albania’s One UN Programme was signed on 24 October 2007. Its objective is to better support Albania in achieving its goals expressed in the Stabilisation and Association Agreement and national priorities expressed in NSDI and IPS, as well as the programmes of international partners, and harmonisation and aid effectiveness in the context of the Paris Declaration. Government and donors also see the One UN initiative as significantly contributing to increased alignment of external assistance with national priorities and increased leadership of government in guiding external assistance.

ANALYSIS OF TRENDS

Albania has established adequate mechanisms and institutions responsible for developing and managing its external assistance. However, the efforts of government to strengthen the partnership with the donor community in order to improve the effectiveness of external assistance have, according to the latest available data from 2013, not delivered sufficient results to reach the targets set for 2015. The first indicators utilised to measure progress in this direction relate to the Paris Declaration indicators. Aid reported on budget (Indicator 8.1.1, Paris Indicator 3) had increased from 32 percent in 2005 to 73 percent in 2007, declining to 68 percent in 2010 to increase again to 72 percent in 2013, though still lower than the objective for that year of 85 percent.



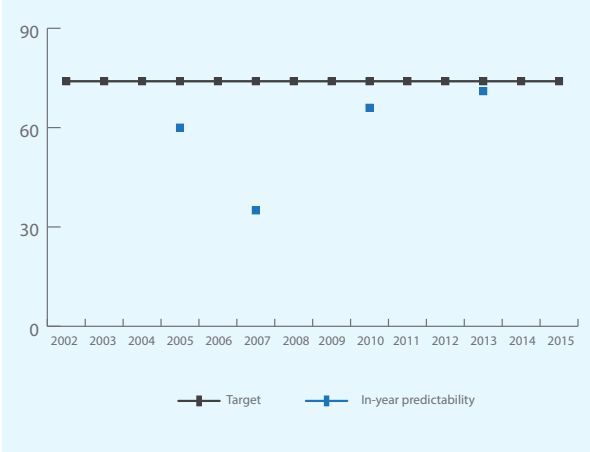
38. It is worthwhile noting that a Memorandum of Understanding between the government and a number of European donors on the Division of Labour was signed in early 2010.

39. IPS is founded on two core processes that apply to all government organisations and activities: i) NSDI, which establishes the government’s medium to longer term goals and strategies for all sectors based on a national vision, and ii) the MTBP, which requires each ministry to develop a three-year plan to deliver programme outputs to achieve its policy objectives and goals within its expenditure ceiling as set out in the government’s fiscal plan. In addition, four core processes that affect a wide range of government organisations and activities are reflected in NSDI and MTBP, including European Integration, the Government Programme, Public Investment, and External Assistance.

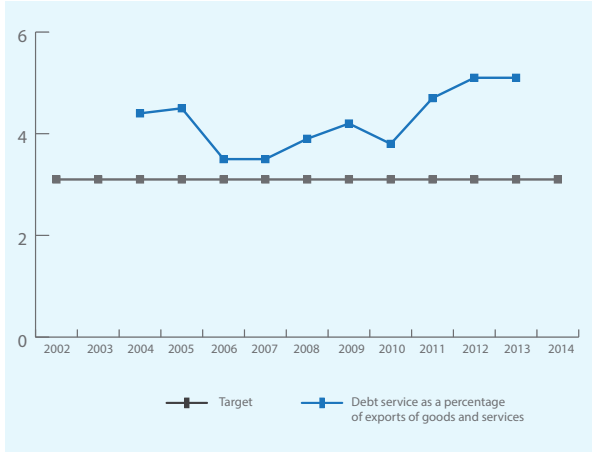
40. Order of the Prime Minister no. 129, date 21.9.2015 “For obtaining institutional and operational measures for the implementation of the sectorial approach and the establishment of integrated group management policies” defines creation of 4 groups: integrated water management; employment and social sector; competitiveness and innovation; governance and public administration.

The predictability of aid (Indicator 8.1.2, Paris Indicator 7) declined to 35 percent in 2007 and a new monitoring cycle launched in 2010 supported a significant improvement to 71 percent in 2013, almost meeting the 74 percent target set for 2015. Such improvement leads to the conclusion that Albania may have reached this target in 2015 although according to the available data there is still no evidence to support this trend.

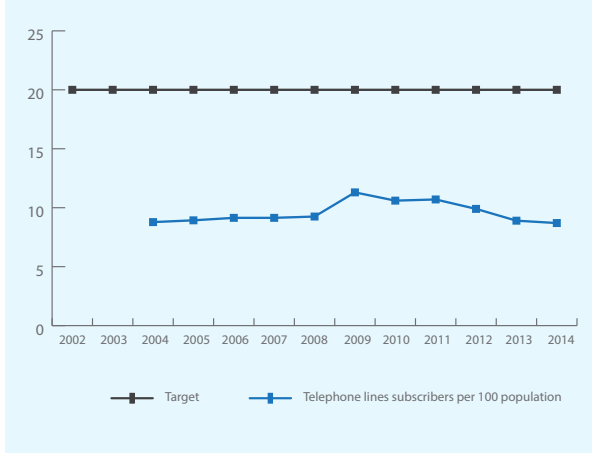
There are no data available for Indicators 8.1.4 and 8.1.5 and no target has been specified for the latter of these. Meanwhile, since 2010, Indicator 8.1.3—*use of programme-based approaches*—is no longer reported, despite progress achieved in reaching the target according to the latest available information.



A second group of indicators attempts to measure the long-run sustainability of the country's external debt. Only the second indicator is reported upon as no data are available and no target specified for the first indicator. Available information, shown in the chart below, indicates that Albania has been unable to keep under control its external debt as a share of exports of goods and services, which gradually increased to 5.1 percent of GDP in 2012–2013, up from the ceiling set to 3.1 percent for 2015. Indeed, in 2011, the government was forced to remove even the 60 percent ceiling limit of the debt-to-GDP ratio, established in the law on budget, since when the debt has currently increased to more than 70 percent of GDP.

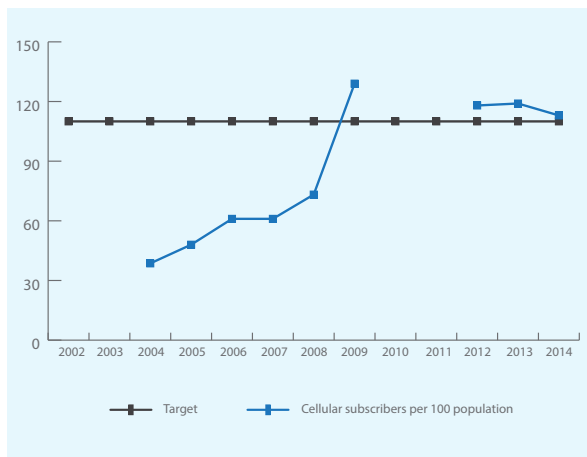


A third group of indicators focuses on increasing access to information and communication technologies. The significant progress Albania has made in upgrading and extending its telecommunication infrastructure, the structural reforms, including privatisation of all public companies operating in the sector, the opening of the market and the focus of government on ICT are reflected in the achievements measured by these indicators.

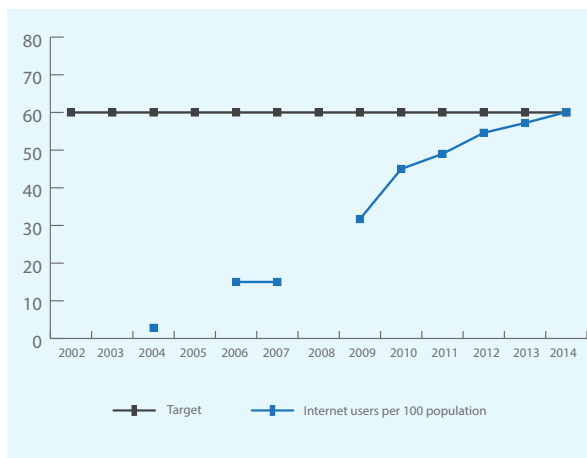


The fixed telephony penetration rate⁴¹ is the only indicator yet to reach target. The weak inherited infrastructure and the fast growth of the mobile market, substituting the demand for fixed telephony, are the main reasons for stagnation of this indicator in recent years. Meanwhile, the expanding Internet market is fuelling demand for fixed lines although as observed from the above chart, it would be too ambitious for Albania to reach the 20 percent penetration rate in the near future.

41. www.akep.al



In contrast the mobile telephony penetration rate had already exceeded the 2015 target by 2009⁴². Similarly, Internet-user penetration has now reached the target, and both markets are expanding very fast. Notable international companies dominate the market and Albanian citizens enjoy Internet and Internet-based solutions at levels comparable with peer countries in the region and elsewhere.



SUCCESSSES, CHALLENGES AND POLICY RESPONSES

Albania has improved remarkably its IT infrastructure and, as a result, this specific target under MDG 8 has been achieved for most indicators. Nevertheless, the management of the public debt under the pressure of declining economic performance and the insufficient progress made in addressing the effectiveness of aid in cooperation with the donor community has resulted in

overall underperformance in MDG 8.

Progress made in strengthening cooperation with the donor community reflects the government's commitment and organisation around this important function, supporting economic growth and development in the country. Yet, Albania has to deliver more to align progress with the Paris declaration objectives. The most challenging task remains the high level of public debt, which under pressure of factors deriving from the impact of the global crisis, risks increasingly the ability of government to embark on a sustainable development path.

As a middle-income country Albania is witnessing the exit of several key bilateral donors even though the development agenda is unfinished, especially with respect to regional disparities and social inclusion. This is, however, offset by increasing levels of assistance from the European Community that, so far, exceeds the level of assistance provided by bilateral donors. Other challenges relate to the achievement of, particularly, Target 8.2 on improving access to trade markets of developed countries. These include the following:

- Low absorption capacities for external assistance continue to be a main issue. The question is also not one of insufficient resources, but rather of how they are utilised. This applies not only to the various ministries in absorbing aid and implementing projects and programmes, but also of insufficient capacity of central organisations to coordinate at the various levels.
- The business to develop and implement the supporting IPS and External Assistance Information Systems (IPSIS and EAMIS) remains unfinished.
- In light of continuing external financial and economic risks, the government will make better use of external assistance to help eliminate trade and other economic barriers,

42. Idem

and to attract foreign investments in support of sustainable economic and social development.

Similarly, the success in improving, upgrading and expanding the ICT infrastructure and related services, ahead of schedule, is again a product

of, among others, the government's structural reforms, opening of markets, privatisation and attraction of foreign investments. To reach the EU level targets for the ICT sector, Albania would have to continue along the same path while increasingly promote ICT-based solutions for both government and business activities.

MDG 9

Improve governance for all citizens
and especially for the most
disadvantaged groups



“Since 2013, the Albanian government has considered anti-corruption as a major challenge for good governance.”

CONTEXT

The Government of Albania recognises that good governance is not only a major underpinning of the enabling environment for sustainable social and economic growth and human development but also a main political criterion for accession to the EU. The government acknowledges that it has faced weak governance assessments, with considerable pressures for reform coming internally from business, civil society and citizens, as well as externally (from the European Commission and other donors). In recognition of this, improving governance was added as a ninth MDG for Albania.

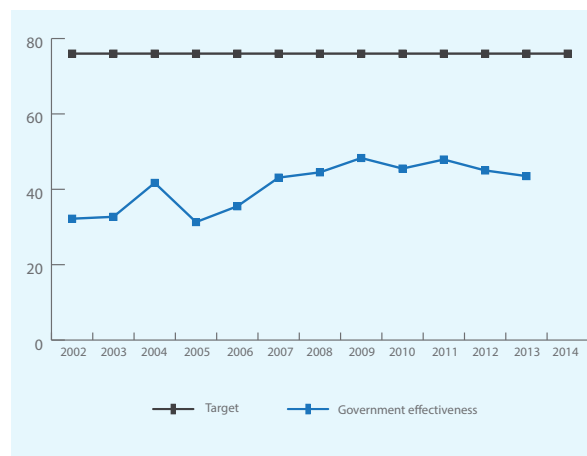
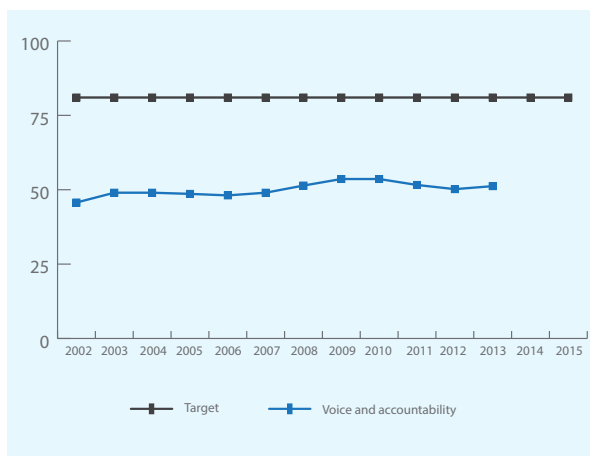
According to NSDI 2007–2013, good governance has been seen as multi-dimensional, encompassing anti-corruption, improved access to and cost-effective delivery of services through sound institutions, a strong judiciary, the rule of law, basic rights, including those of property, the participation of citizens in decision making, a sound business and investment climate, and the transparency and accountability of government.

Since 2013, the Albanian government has considered anti-corruption as a major challenge for good governance. A cross-cutting anti-corruption strategy 2015–2020 and action plan has been adopted and integrated into the NSDI while substantial changes have been made to the legislation related to anti-corruption. E-governance, as an important component of MDG 9, is at the core of the government reforms in all these areas.

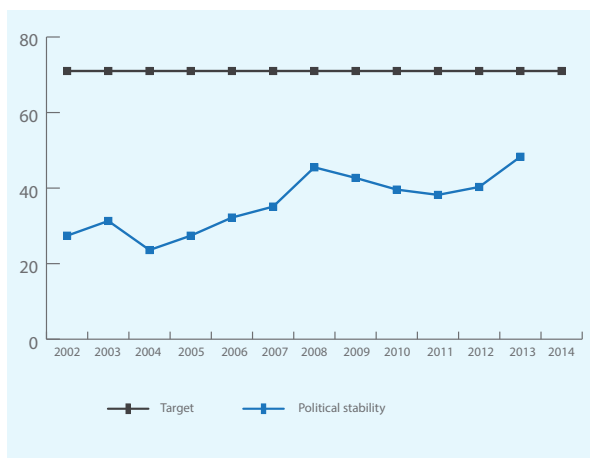
ANALYSIS OF TRENDS

Performance under MDG 9 reflects Albania’s overall governance weaknesses and, particularly, the extent of widespread corruption in the country. The first set of indicators, derived from the World Bank Institute, are the governance indicators⁴³, for which there has been full availability of data since 2002. Unfortunately the World Bank ceased publication of that report in 2013,

43. <http://info.worldbank.org/governance/wgi/index.aspx#home>



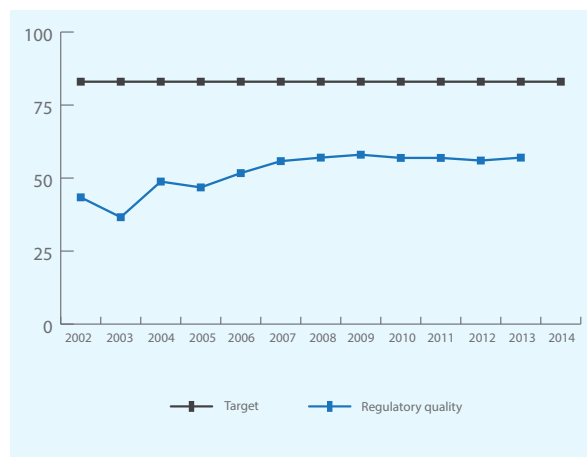
the latest data for which, shown in the following chart, were collected a year earlier and thus represent the status of Albania in 2012. Although data for each of the indicators are not available for the years after 2012, the performance indicates that Albania has very likely not achieved the governance targets defined in line with the EU standards for 2015.



The common trend of all the WB governance indicators features substantial improvements after 2004, peaking in 2008–2010, and increasing again after 2011 for Voice, and for Political Stability. However, the graphs for the other governance indicators (see below) show a decline or levelling off in performance without further progress.

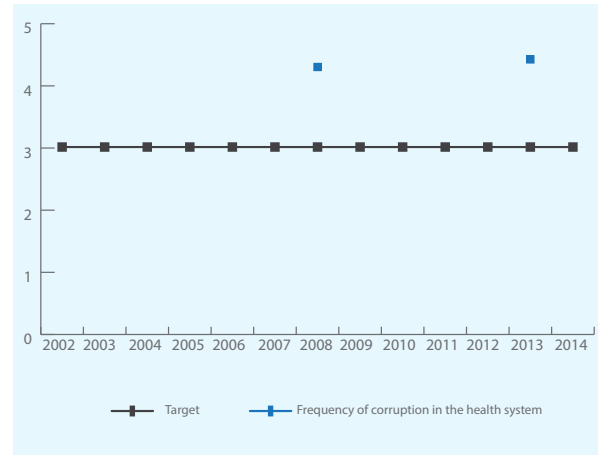
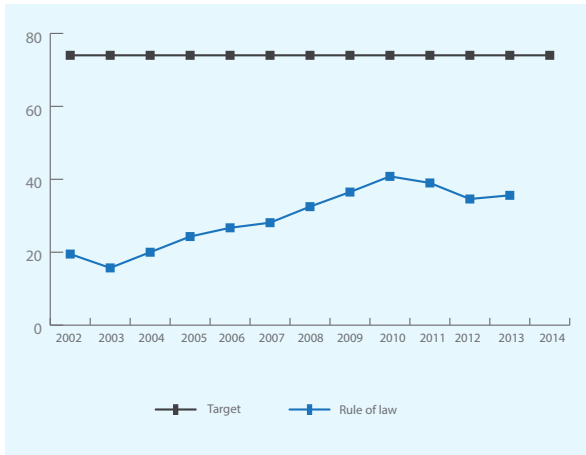
Similar to the ICT-related achievements in MDG 8, the greatest success has been witnessed in the achievement, well ahead of 2015, of the second MGD 9 target, which deals with e-governance. Albania has witnessed tremendous growth in the

availability of e-services across most basic services (see Annex 1, indicator 9.2.1). Further, about 20 percent of primarily Government-to-Business services are offered at interactive levels (3rd and 4th). With respect to the UN e-participation 2014 index (Indicator 9.2.2), Albania rose to 59th position, up from 101st in 2012.



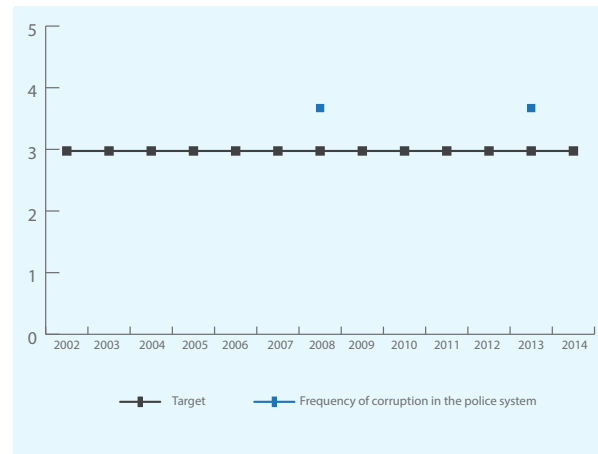
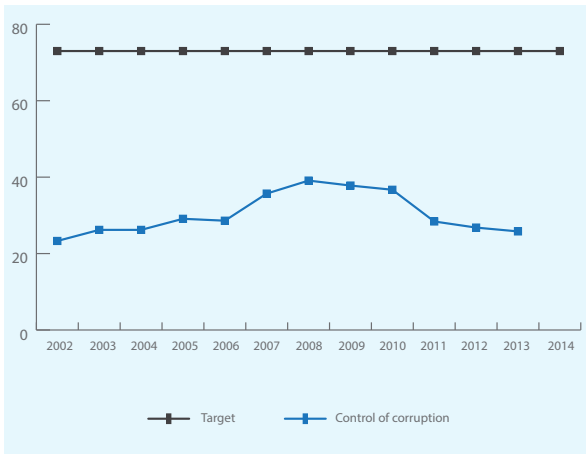
However, in terms of overall e-government development, as measured in a recent UN global survey of 183 countries, Albania ranked 84th in 2014, up marginally from 86th in 2012, though still the lowest of those countries surveyed in Southern Europe.

Performance under the indicators of target 9.3 on ensuring access to services and resources for most disadvantaged groups in accordance with the most advanced standards, based primarily on the outcome of Transparency International's Corruption Perception Index (CPI) and corruption barometer, again indicate the weaknesses

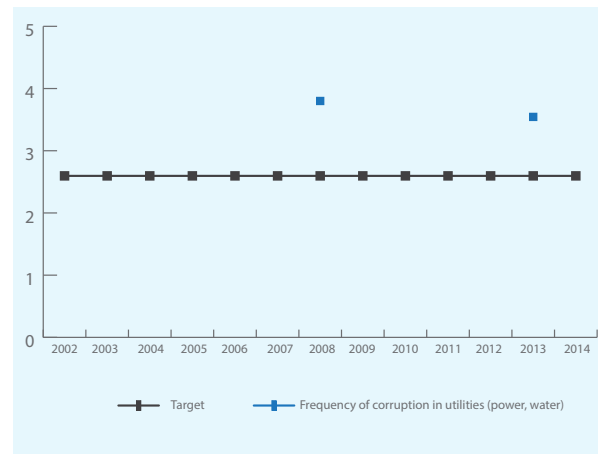
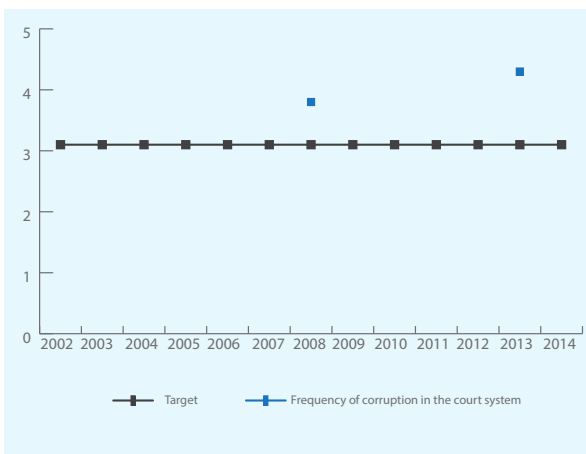


Albania is facing with corruption, which is largely present in all areas with minor improvements, if any, achieved over the last decade.

Thus analysis of performance compared to 2015 targets is impossible.



The very last four indicators of Target 9.3 under MDG 9 are dependent upon IFAD's publication on access to land, water and rural development. Data for Albania were included in the 2008 report, since when Albania is no longer included.



SUCCESSES, CHALLENGES AND POLICY RESPONSES

Unfortunately, Albania's performance in meeting the targets set for MDG 9 falls short of that achieved for most other MDGs as many of the

indicators related to governance declined over the past few years, despite the progress achieved until 2010. Successful achievements under MDG 9 can be mainly attributed to progress with e-governance. This success is due to the vision and commitment of government in establishing an integrated and sound ICT policy and legal framework, supporting institutional reforms, including the setting up and initial capacity development of key supporting agencies such as the National Agency for Information Society (NAIS), commitment of adequate financial and human resources, and strong political and executive vision and leadership. E-Albania comprises all the online public services the government offers to citizens and the scope of this platform is rapidly expanding.

Nevertheless, good governance remains a major challenge in most areas of government activity. For its part, the government recognises that reforms in these areas are essential for European Integration and national development, but also that such reforms are highly complex and transformational in nature. And, most importantly, corruption remains the crucial and long-term challenge.

Transition to the Sustainable Development Goals

The efforts made in working towards achieving the Millennium Development Goals have supported the transformation of Albania over the last 15 years. Successes have materialised in, among others, greater school enrolment, better child and maternal health, eliminated disparity between boys and girls in primary school enrolment, improved disease control, tackling of poverty, protection of the environment and expanded IT services. However, as discussed throughout this report, the range of success is uneven across various aspects of the MDGs and, particularly, across the country and in the different parts of Albanian society. For example, as noted in the report, figures for poverty and unemployment rose again after 2010, partially reversing prior gains, and while slow progress has been achieved in governance performance, corruption remains widespread and a major barrier to economic development.

The above concerns are shared by many other countries at a time when the world is rapidly changing and other important priorities are emerging. Based on the outcomes of the 2010 MDG Summit and 2012 Rio + 20 Sustainable Development Conference, UN member states have engaged in an inclusive process of consultations at the country, regional and global levels in order to define the post-2015 development agenda. This long process, initiated after the 2010 MDG Summit, will crystallise in the post-2015 sustainable development agenda, including the Sustainable Development Goals (SDGs), which are expected to be adopted at the same time as the publication of this report.

For Albania, the sustainable development agenda will continue where the MDGs left off. Reducing poverty levels and inequalities among the citizens and regions of Albanian society is a central theme of the SDGs and the Albanian government has demonstrated support and commitment in tackling these key issues for development. The main government policy documents in this area include:

- EU-supported strategies: IPA in Rural Development, and Regional Cross-cutting Strategies
- Strategies for Social Inclusion, Social Protection, and Employment and Vocational Training
- National Employment and Skills Strategy 2014–2020
- National Strategy for Business Development and Entrepreneurship 2014–2020
- National Economic Reform Program of Albania 2015–2017

The sustainable development agenda for Albania will have to address the weaknesses of the education system, with quality improvements made to reach EU standards and increased and sustainable public spending on education, and also by expanding the focus of efforts on secondary education, the needs of specific vulnerable groups: girls, children with disabilities, social and economic barriers, and children engaged in child labour. NSDI 2015–2020 and the National Strategy for Higher Education 2014–2020 outline the government's vision for this important part of the development agenda.

Albania will have to intensify its efforts to eliminate the inequalities that continue to exist between

women and men. Promoting women participation in public office, including elected and high level positions where they are still under-represented, is achievable, particularly as the country will move forwards in removing the remaining gender-discriminatory provisions in legislative acts and in tackling gender bias in court decisions and law enforcement institutions. However, the real challenge for the development agenda's gender perspective remains unequal opportunities and compensation in the labour market, violence against women and girls, women's unpaid work and the high participation of women in the informal economy. Some of the key related policy documents in Albania include:

- National Strategy on Gender Equality and Eradication of Domestic Violence (NSGE–DV)
- National Strategy for Roma and Decade of Roma Inclusion 2010–2015
- Convention for the Elimination of all forms of Discrimination Against Women (CEDAW)
- Committee on the Elimination of all forms of Discrimination against Women
- Committee on the Rights of the Child—Action Plan for Children 2012–2015

Despite successfully achieving the health-related goals under MDG 4, MDG 5 and MDG 6, Albania will have to include further improvements in child survival, maternal health and, in the broader view, health as central indicators of sustainable development in its agenda. Filling the gaps identified in the sector, increasing the efficiency of public spending on health and improving access that prevents exclusion and offers universal health coverage for all citizens will remain priorities of the government in this sector.

Environmental sustainability is a core pillar of the post-2015 agenda but at the same time poses a serious challenge for Albania in order to ensure that the rich natural resources the country possesses are utilised in a sustainable manner for economic development. The development agenda outlined in the NSDI and the environment-related strategies should emphasise the links between socio-economic and environmental sustainability.

Implementation of the sustainable development

agenda will require mobilisation of resources, improved governance efficiency and increased funding. As Albania moves forward along its EU integration path, these challenges, including a zero-tolerance policy towards corruption, will have to be a core part of the country's vision for the future. Building further on the advancements of ICT solutions will support sustainable development of Albania's innovation, science and technology.

In addition to the development areas covered by the MDGs, and to be continued in the new sustainable development agenda, Albania will have to build on the brand new issues included in the agenda, particularly on those relevant to its stage of development:

- ensuring access to affordable, reliable, sustainable and modern energy for all
- promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- building resilient infrastructure, promoting inclusive and sustainable industrialisation and fostering innovation
- reducing inequality within and among countries
- making cities and human settlements inclusive, safe, resilient and sustainable
- ensuring sustainable patterns of consumption and production.

Achievement of the above goals will require not only their endorsement but also the inclusion of specific targets and responsibilities in the NSDI 2015–2020. The Government of Albania, in cooperation with the United Nations office in Tirana, is currently in the process of preparing Sustainable Development Goals indicators for Albania as one of the pilot countries for the governance SDG.

Last but not least, the preparation of this report and its predecessor proves that regular monitoring of the MDG indicators is an intrinsic part of the development agenda. Successful achievement of the sustainable development goals will require mobilisation of the necessary resources in Albania to prepare better, faster, detailed and reliable data that will support the country in making steady progress in the development agenda.

ANNEXES

ALBANIA MDGs, INDICATORS, TARGETS AND PROGRESS

AT - RISK - OF - POVERTY RATE (AS 60% OF MEDIAN CONSUMPTION)

	2002	2005	2008	2012
Total	13.4	16.9	13.8	12.3
Female	13.9	17.5	14.4	12.6
Male	12.8	16.3	13.3	12.1
Target	15	15	15	15

RELATIVE AT - RISK - OF - POVERTY GAP

	2002	2005	2008	2012
Total	2.7	3.6	2.7	2.5
Female	2.5	3.8	2.5	2.6
Male	2.9	3.4	2.9	2.4
Target	3	3	3	3

INEQUALITY OF INCOME DISTRIBUTION S80/S20 QUINTILE SHARE RATIO (ON CONSUMPTION)

	2002	2005	2008	2012
Total	4.1	4.5	4.1	3.9
Target	4	4	4	4

MDG2

Achieve high quality
basic universal education

ENROLMENT RATIO IN PRE-SCHOOL EDUCATION (3-5 YEARS OF AGE)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Enrolment ratio in pre-school education	50	48	46.7	48.8	49.6	50.9	66.8	78.7	82.7	79.9	81
Female		45.2	45.2	46.8	48.8	52.7	66.5	79.1	83.2	80.2	75.2
Male		51	48.2	50.9	50.2	49.2	67.1	78.3	82.3	79.6	86.2
Target	70	70	70	70	70	70	70	70	70	70	70

NET ENROLMENT RATIO IN BASIC EDUCATION (6-14 YEARS OF AGE)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net enrolment ratio in basic education (6-14 years of age)	94	94	93.5	92.2	89.3	88.4	90.1	96.7	94.5	96.2	97.4
Female		93.2	93.3	92	89.9	88.2	89.7	96.2	95.1	96.3	97.3
Male		93.8	93.8	92.4	89.1	88.6	90.4	97.2	94	96.2	97.4
Target	96	96	96	96	96	96	96	96	96	96	96

GROSS ENROLMENT RATIO IN BASIC EDUCATION (6-14 YEARS OF AGE)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Gross enrolment ratio in basic education (age 6-14)	103	100.7	99.8	97.8	94.3	93.6	96.1	102.3	105.2	105.3	106.8
Female		99.8	99.1	97.1	93.5	92.9	95.1	101.2	104	106.2	105.8
Male		101.5	100.5	98.4	95	94.2	97	103.4	106.3	104.2	107.8
Target	100	100	100	100	100	100	100	100	100	100	100

LITERACY RATE OF 15-24 YEARS OLD

	2002	2005	2008	2012
Literacy rate 15-24 years old	98.8	99.1	98.8	99.2
Female	99.1	99.1	99.2	99.3
Male	98.4	99.1	98.5	99.1
Rural	98	98.9	98.6	98.8
Urban	99.3	99.3	99.1	99.6
Target	100	100	100	100



AVERAGE YEARS OF SCHOOLING

	2002	2005	2008	2012
Average years of schooling	8.2	8.6	8.9	9.7
Rural	7.3	7.7	7.7	8.6
Urban	9.4	9.7	10.03	10.5
Target	14	14	14	14



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