One United Nations Programme Albania

Programme Framework Document

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Council of Ministers of the Republic of Albania

In partnership with

The United Nations

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1.   INTRODUCTION AND PROGRAMME OVERVIEW

1.1   DELIVERING AS ONE: COHERENCE OF THE UNITED NATIONS DEVELOPMENT SYSTEM

1.   The One UN builds on the existing reform agenda set by UN member states, which asked the UN development system to accelerate its efforts to increase coherence and effectiveness of its operations in the field. Specifically, the General Assembly's "Triennial comprehensive policy review (TCPR) of operational activities for development of the UN system", Resolution A/RES/59/ 250 of 17 December 2004, requested the funds and programmes and specialized agencies" to implement "joint offices". Building on the TCPR, the UN Secretary General in 2006 tasked a High Level Panel, composed of eminent world leaders and practitioners, to examine ways to strengthen the UN's ability to respond to the development challenges of the 21st century.

2.   The SG's High Level Panel (HLP) on UN System wide coherence in the areas of Development, Humanitarian Affairs and the Environment re-affirmed that the UN was an indispensable force within the multilateral system but that its status as a central player had been undermined by a lack of focus on results. The HLP found a UN that was fragmented at all levels, imposed high transaction costs on both national partners and donors and had inadequate and unpredictable funding which undermined the UN's multilateral character.

3.   The HLP looked at what it would take to make the UN system more effective and coherent, especially at the country level, to respond to global development, environment and humanitarian challenges. It recommended that national sovereignty and national ownership of development must remain the bedrock of effective development. The UN needed to focus on where it is best able to provide leadership, and withdraw from areas where it does not, and to deliver results in response to country programme needs. The HLP also recommended greater effectiveness and accountability through better and more harmonized business practices.

4.   Following the launch of the HLP Report in November 2006[1], the Governments of eight countries – Albania, Cape Verde, Mozambique, Pakistan, Rwanda, Tanzania, Uruguay and Viet Nam – expressed interest to become "One UN" pilots. Following the request made by the Prime Minister in December 2006, Albania was selected in January 2007 as one of the countries around the world to pilot the 'One UN'. The pilot countries agreed to work towards a common UN presence in the country while capitalizing on the strengths and comparative advantages of the different members of the UN family and looking at common elements, such as 'One UN Programme', 'One Budgetary Framework', 'One Leader and 'One Office.'

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[1] The High-Level Panel report has been presented by the Secretary General to the UN GA for consideration by UN Member-States. More intergovernmental guidance is expected by the end of 2007 within the Triennial Comprehensive Policy Review of Operational Activities of the UN System.

1.2 THE ONE UN PROGRAMME IN ALBANIA

5. The goal of the One UN Programme in Albania is to enhance development results and impact by bringing together the comparative advantages of the UN system within a single strategic programme. The response of the UN system will align and support the European integration and development goals of Albania while complementing the assistance provided by other multilateral and bilateral development partners. The ultimate aim of the UN in Albania is to contribute to making a difference in the lives of Albanians.

6. Through the One UN Programme, in partnership with the Government and other development stakeholders in civil society and private sector, the UN system will deliver focused and value-added results in development assistance as a harmonized organization with unity of purpose, coherence in management and efficiency in operations.

7. The One UN Programme is guided by: (1) the Stabilization and Association Agreement (SAA) and the over-riding priority of the Albanian Government to join the European Union; (2) national priorities expressed in the National Strategy for Development and Integration (NSDI); (3) the Integrated Planning System; (4) programmes of other international partners, to ensure synergies and avoid duplication, and; (5) the global reform context, particularly with respect to harmonization and increased aid effectiveness in the context of the Paris Declaration.

8. The One UN Programme builds on the areas of intervention of the UN Development Assistance Framework (UNDAF) 2006-2010 agreed between the Government of Albania and participating UN Agencies. The One UN programme does not cancel commitments and agency agreements reached to date with Government.

9. Following close consultations with the Government of Albania and other national and international stakeholders and building on priority areas of the UNDAF, it was agreed that under the One UN, impact and development effectiveness will be improved in the following areas:

- More transparent and accountable governance
- Greater inclusive participation in public policy and decision-making
- Increased and more equitable access to quality basic services
- Regional development to reduce regional disparities
- Environmentally sustainable development

10. The UN system's normative and operational roles, neutral positioning, convening power, policy expertise and technical capacity will be brought to bear in supporting Albania's national development and European Accession goals. Assessment of Albania's progress in the implementation of the Stabilisation and Association process has helped define a number of priorities to be addressed under the European Commission's Instrument for Pre-Accession Assistance (IPA). The development focus of the One UN Programme will complement and support IPA implementation over the years 2007-2010 while also complementing other international partners' programmes.

11. In all five priority areas, the core principles of gender equality and development of national capacity will be upheld and incorporated throughout the implementation of the programme. The One UN Programme prioritises application of socially inclusive strategies throughout programme implementation. The UN's role in advocating for the national application of international norms, standards and actions on human rights and global issues imply a shift towards intensified efforts in policy advisory services.

12. The One UN Programme in Albania includes resident and non-resident UN agencies, funds and programmes which strategically contribute to Albania's development priorities as outlined in the National Strategy for Development and Integration (NSDI). The following UN agencies and funds are participating in the One UN programme in Albania: the United Nations Children's Fund (UNICEF), the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), Joint United Nations Programme on HIV/AIDS (UNAIDS), United Nations Volunteers (UNV), the United Nations Development Fund for Women (UNIFEM), the World Health Organization (WHO) ,the UN High Commissioner for Refugees (UNHCR), the International Labour Organization (ILO) and non-resident agencies UN Environment Programme (UNEP), the UN Educational, Scientific and Cultural Organization (UNESCO) and the Food and Agriculture Organization (FAO).

13. The World Bank and IOM are active members of the UNCT in Albania. While they will not be an integral part of the One UN programme, on-going collaboration will be enhanced with the World Bank under the One UN programme in capacity development, education, economic governance, statistics, disaster preparedness and the Integrated Planning System and with IOM on migration policies and remittances.

1.2.1   One Integrated Results and Budgetary Framework

14. The 'One Results Framework', together with the 'One Budgetary Framework', are the cornerstones of the One UN Programme. The Results Framework (Annex 2) encourages agencies to be results oriented and to align their work. The Budgetary Framework (Annex 3) presents the agreed costed results of the One UN Programme and includes: a) core/regular resources of the organizations involved, b) existing/ongoing extra-budgetary or non-core resources as well as c) the funding gap between existing resources and the total cost of One UN Programme. It allows for joint resource mobilisation and tracking of resources. The Budgetary Framework provides a clear picture of current sources of funding for One UN Programme activities as well as an overview of potential future funding through new modalities to promote coherence.

1.2.2   One UN Coherence Fund

15. To further accelerate coherence, efficiency and delivery at the country level, the One UN approach calls for un-earmarked commitments to a new, pooled instrument known as the 'One UN Coherence Fund'. This joint development fund aims to maximize the effectiveness of United Nations system delivery in Albania by pooling resources into a common fund for top national strategic priorities, as defined by the One UN Programme. The amount estimated for the One UN Fund is the total cost of the One UN Programme, net of existing core and non-core resources.

16. The Fund is meant to streamline, simplify and increase harmonization and predictability of resources. Donors to the Fund are encouraged to contribute during the early stages of programme development and implementation and on a multi-year basis to the extent possible. This will enhance predictability and help ensure a strategic programme where funding decisions are driven by the highest national development priorities and strategies as contained in the One UN Programme. Prioritization of the funding allocation is to be determined jointly by the Government, the UN Resident Coordinator and the UN participating agencies.

1.2.3   Nationally Owned with One UN Leader

17.   The One UN Programme will be implemented in a collaborative manner under the strategic leadership of the Government of Albania. The following co-ordination mechanisms will support Programme implementation:

- The Inter-Ministerial Government Modernization Committee (GMC) will provide policy oversight and strategic direction to the One UN Programme and will ensure coordination both within the government and between the government and the UN / donor community.

- A Joint Government / UN Executive Committee, co-chaired by the Director of the Department of Strategy and Coordination (DSDC) of the Council of Ministers and the Resident Coordinator (RC), will ensure ongoing management and coordination of the One UN Programme, including decisions on the allocation of One UN Fund resources together with the UN Country Team.

- Additional coordination will be required at the technical level, covering those programmatic areas that the UN system through its specialized agencies will support.

18.   As the One UN Leader, an empowered Resident Coordinator will provide strategic leadership throughout the programming process, bringing together relevant analytical capacities, and developing synergies among the various UN assets and mandates. S/He will provide ongoing guidance and support to UNCT members during programme implementation, including mobilization of additional resources.

2.   NATIONAL DEVELOPMENT CONTEXT

2.1   CURRENT DEVELOPMENT OVERVIEW

19.   Macroeconomic reforms in Albania have contributed to growth, poverty reduction and moderate inflation. Annual growth rates have averaged 6% since 1998, and the poverty rate has fallen by seven percent over the past three years. Average annual income has risen from $1,390 in 2002 to $2,580 in 2005 (GNI per capita), but it remains among the lowest in Europe. The IMF forecasts continued economic expansion on the order of 6% through 2010, although a continuing energy crisis may dampen these expectations.

20.   While Albania's socio-economic performance over the past several years shows steady progress, major challenges remain that could severely impede the pace and quality of development. According to the latest Living Standard Measurement Survey conducted in 2005, the number of people below the national poverty line fell from 25.4% of the population in 2002 to 18.5% in 2005, with the MDG target of 13.0% by 2015. The population living below the $1 per day international poverty line was 3.5%. The estimated size of the informal economy ranges from 30 to 50 percent of GDP. Fiscal evasion is estimated at 11% of GDP.

21.   Albania's 2005 population was 3.1 million, representing a 6% decline from the 2000 population of about 3.3 million. Children and young people represent 46% of the population, making Albania one of the youngest countries in Europe. Although the fertility rate of 2.1 is among the highest in Europe (and close to the demographic replacement rate), the decline in population is due to the reported regular/irregular migration of over 750,000 Albanians since 1991, the majority to Greece, Italy, the UK, USA and Canada. Within the country, the urban population accounts for 65% of the total population, up from 56% in 1990.

22.   Migration and the accompanying remittances have been a safety net for many Albanians and have contributed towards keeping households out of poverty. On average, remittances sent by Albanian migrants abroad represented 14 percent of GDP over the period 1992–2003.[2] In 2005 alone, remittances totalled $1161 million – an estimated 14 % of GDP.[3] These transfers represent a large source of foreign currency and an important stimulus for the local economy. However, this source of income is not sustainable in the long term and remittances are expected to decline.

23.   Albania's ranking on the Human Development Index (HDI) has moved from 92 in 2000 to 73 in 2006 and other measures show marked improvement. Similarly, the Gender related Development Index (GDI) for Albania was 77th in 2000 and by 2005, it had moved up to 59th. Life expectancy at birth in 2000 was 73.2 and increased to 73.9 by 2006, and the unemployment rate at 18.3% in 1999 decreased to 13.8% by the same year.

24.   Albania is a signatory to the Millennium Declaration. With the assistance of the UN and other donors, progress has been made in achieving most of its MDGs and it will likely meet most of the targets by 2015. Exceptions are for access to water and the realisation of gender equality, where significant increases in national attention and efforts are required. Fostering an enabling environment for the health sector and other basic services also requires increased national attention. However, the initial establishment of conservative national MDG targets may soon require the introduction of new and more *ambitious* targets related to poverty and other indicators, to strengthen the social dimension of the EU accession process. In areas such as

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[2] INSTAT as referenced in "Albania: Selected Issues and Statistical Appendix" IMF 2005
[3] "Migration Profile, Albania" IOM, Ministry of Interior, Slovenia, 2007/ Bank of Albania, 2006

education there is continued risk of exclusion of certain "at risk" groups such as the poorest families, those in remote locations and Roma. Children are disproportionately affected by poverty, with 24.7% of Albania's children falling below the poverty line, which is approximately 30% higher than the national average for all age groups.

25.   In general, the mountainous areas – especially the north of the country – are the least populated and most economically depressed in Albania. Traditional mores which hinder social inclusion measures – and in particular, impact the rights of women – are amongst the strongest in mountainous areas. Poverty is 66% higher in rural areas than in Tirana and 50% higher in rural areas than in other major urban centres. Tirana has a GDP index of 0.772 compared to a mere 0.252 for mountainous areas[4] and a Human Development Index (HDI) of 0.830 as against the mountain area HDI score of 0.632.[5].

26.   The average GDP (PPP) per capita in the Kukes Region in the north is USD $1,564, approximately one third the Albanian national average of USD $4,830. The average unemployment rate across the Kukes region is 30%, compared to Diber 17.1%, Vlora 14.6% and Tirana 7.9%[6]. In the Kukes region, 57% of the population receive social aid compared to 22% nationally and the region experiences infant and maternal mortality rates 4-5 times higher than EU averages. Necessary infrastructure (roads, water, electricity, etc) is largely not functional or poorly maintained in the region, thus hampering the efforts of citizens to establish sustainable livelihoods.

27.   Naturally large internal disparities lead to high rates of internal migration: between 2005 and 2006 alone, the population of Tirana increased by 137,000 and that of Durrës by 45,000, whilst Dibër's population shrank by 43,000 (a 23% reduction in the county's population) and that of Kukës by 30,000 (a 27% reduction in the county's population).

28.   In 2005 the labour force participation rate in Albania was 61.5 per cent (73% men and 50% women for 15-59 age group).[7] The rather low youth employment rate (37.1%) suggests that young people in Albania face additional barriers and constraints in access to labour market. Current estimates indicate that 55% of workers in the non-agricultural sector are engaged in low-productivity jobs in the informal economy. Of these, 27% are unregistered wage employees, mostly in the construction sector, and 28% are either self-employed or engaged in unpaid work.[8]

29.   Recent years have seen strong negative pressure on the environment. The main characteristics of this deterioration are: (1) the loss of biodiversity, (2) inherited historical pollution, (3) overexploitation of natural resources, (4) damage to natural and urban environments, (5) unsustainable consumption patterns, and (6) lack of economic incentives for the preservation, development and utilization of natural resources. Some of these characteristics are a consequence of rapid and not particularly well-planned growth. Weaknesses in environmental governance, planning and regulation also contribute to rapid migration to, and growth of, the major urban areas and conflicts in land use with associated

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[4]   *National Human Development Report Albania 2005.* Sustainable Economic Development Agency, Tirana and UNDP, March 2005.
[5]   As UNDP's *National Human Development Report Albania 2005* points out (Chapter 5, page 89) the mountain area HDI is at the bottom of the medium human development table just above the Solomon Islands (124th) with an HDI of 0.624.
[6] HDPC, August 2002
[7] The registered unemployment rate during the second quarter of 2007 stood at 13.5% (INSTAT 2nd Quarterly Bulletin 2007)
[8] Republic of Albania, Strategy for Social Inclusion 2007-2013, November 2006 Draft. Several policy papers estimate informal employment by adding all the self-employed people who have not completed post-secondary education. This may cause an overestimation of the overall number of workers in the informal economy.

social and health risks. Acute and chronic exposure to environmental hazards now affects the health of the majority of the population, with a disproportionate impact on the poor

30.   Albania's overall situation can be explained in part by the legacies of the previous command economy: excessive centralization and politicisation of decision-making, weaknesses in the development and enforcement of regulation, serious gaps in national human resources capacities, a weak civil service, a general culture that is not performance oriented, and the persistence of organized crime and a large informal economy.

2.2   DEVELOPMENT CHALLENGES AND GOVERNMENT PRIORITIES

31.   The current government elected in mid 2005 has adopted strongly pro-business and pro-investment policies aimed at boosting trade across the region and internationally. The results of these policies have been on balance positive, but felt mostly in the major urban areas with increasing gaps between urban and rural areas and smaller communities.

32.   Through the signing of the Stabilization and Association Agreement (SAA) with the European Union (EU) on 12 June 2006, the Government has set EU accession as its highest national priority.[9] The SAA sets out the terms and conditions for Albania's accession to the European Union as a pre-candidate country.

33.   Associated with the SAA is a series of agreements that set out mutual commitments for development on a wide range of social, political and economic priorities, one of the more significant of which was the adoption through DCM[10] nr. 577 in 05/09/2007 of a national plan for the implementation of the European Partnership. The SAA, along with the decision to join NATO[11] and the preparation of the National Strategy for Development and Integration (NSDI), define the framework for the nation's medium and longer-term development.

34.   The draft National Strategy for Development and Integration (NSDI) sets out Albania's national development and EU accession priorities over the seven-year period 2007 - 2013. During 2007, the draft NSDI has been going through an extensive process of consultation, with the target of formal government approval by the end of the year.[12]

35.   The government is also moving forward with implementation of its Integrated Planning System (IPS) to ensure that its policy, coordination and financial processes function in a coherent, efficient and integrated manner. The IPS embraces the Medium Term Budget Programme (MTBP) and other core planning processes such as the NSDI, European Integration, the government programme, the MDGs and the management of public investment and external assistance. Strategies are now developed for some 20 sectors and 11 crosscutting

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[9]   The Stabilisation and Association Agreement is the instrument that will enable gradual integration of Albania into the European Union. The Agreement establishes the necessary framework for strengthening the rule of law, increasing its effectiveness, and assisting institutional and economic reforms with the aim to raising living standards of all citizens. Through this Agreement, Albania becomes an associated state of the European Union and confirms its status as a potential candidate for membership of the European Union.

[10] DCM (Decision of the Council of Ministers)

[11]   Integration into NATO is one of the main pillars of Albania's foreign and security policy. It is a comprehensive project, with strategic importance for the Albanian nation and state, an aspiration that surpasses ideological barriers or individual interests of different political formations. The deepening and consolidation of reforms, especially with respect to the fight against organised crime and corruption, the consolidation of the rule of law and reforms in the field of defence, remain the only route to receiving the invitation from NATO.

[12]   This sub-section will be amended based on the full draft NSDI to be released by the Government for formal public consultation in October 2007.

sectors. The One UN Programme directly fits within this overall national reform to align external assistance to national plans and medium term budget.

36.   The remainder of this section reviews Government development policies and programmes in five specific areas, while highlighting challenges remaining in each.

2.2.1 Governance

37.   The role and performance of Government in implementing the aforementioned reform processes, in developing policy, in translating international commitments to national programmes, in supporting service delivery and decentralization, ensuring implementation of gender equality commitments and in supporting a market economy have not met public expectations. This is attributed primarily to inadequate capacities in governance and public administration.

38.   The Government has responded to the need for reforming public administration and modernizing/downsizing the civil service through such measures as the Integrated Planning System (IPS) and the Public Administration Reform (PAR) strategy. However, these and related strategies at all levels of government are not producing the needed results quickly enough to support and sustain planned levels of social and economic development or to meet the milestones for European integration.

39.   The civil service requires a broader and more strategic capacity development focusing on a culture of results and performance, greater transparency and accountability, impartiality and a service rather than control orientation. The practice of replacing – with each government change and contrary to the Civil Service Law – large numbers of civil servants who would normally be considered as having technical positions clearly stands in the way of these goals. In addition, incentives and retention policies need to be developed; pay scales need to reflect a living wage and become comparable to private sector incomes.

40.   Improved and coordinated data collection and analysis remains a pressing need at all levels of government. The results of improved monitoring and data analysis will inform the development and implementation of evidence-based policies.

41.   Information and communications technologies (ICTs) are not well exploited by the public sector. Some measures are now being taken to improve financial management and budgeting systems, procurement, business licensing and other functions of government, but much more needs to be done. The rate of internet use in Albania is one of the lowest in Europe with only 4.6% of the population having access (and mostly through low-speed). A solid and reliable backbone infrastructure and updated policy framework that will support data communication and exchange for government and businesses, in both rural and urban areas, is needed in the country.

2.2.2   Participation and Social Inclusion

42.   One feature of good governance is meaningful participation in policy and decision-making by all sectors of society. Participation is also needed to influence and monitor policy formulation, and to maintain accountable, open and transparent government. Despite legislative reforms related to human rights based on international standards of the UN and the EU, existing mechanisms of sectoral social policy have little effect on reducing the social exclusion of marginalized groups.

43.   Broad based participation in decision-making in public life remains weak. For example, despite government commitments, women's role in public life remains limited and their full and equal participation in socio-economic life unrealized, with corresponding impacts on the nation's overall standard of living. While laws exist regarding mechanisms for participation and the promotion of the rights of women, children, youth and Roma, there is still a significant level of mistrust and apathy among the population about the effectiveness of such laws and mechanisms. A key challenge is to create effective channels of communication that are user-friendly and that allow people to participate in decisions affecting them; however, success also requires building the capacity of target groups such as youth, women and marginalized groups, so that they acquire the skills and knowledge to participate effectively. Their rights are neglected due primarily to the fragmentation and absence of coordination of implementation of government commitments related to children's rights, achieving gender equality and social inclusion.

44.   In the context of limited resources and competing priorities, women's rights, child and family protection issues fall low on the list of government priorities. The result is a severe gap in effective response and the subsequent and repeated violations of the rights of women, children, Roma and youth. The SAA provides minimal mention of protection and empowerment for marginalised groups, and experience with the new EU Member States shows that EU membership has not resolved these issues. The existing social protection mechanisms, while providing some benefits, fail to promote social integration where children are at the highest risk.

45.   Building the capacity of civil society to promote the empowerment of rights-holders – and to work collectively to raise awareness about the government's obligations therein – is essential for the implementation of social policy in the country.

2.2.3   Basic Services

46.   Delivery of basic services is constrained by insufficient resources, inadequate structure of services, weak capacities of service providers, and inadequate quality as reflected in poor client satisfaction.

47.   Recent trends reveal poor health, development and education outcomes for children, an inadequate health status for the general population and the absence of a comprehensive safety-net system. Internal migration into the larger urban centres has resulted in deteriorating access to essential services such as birth registration, immunization and other child health services, school enrolment and regular school attendance.

48.   **Education**. Public expenditure in education reached an all time low of 2.5% in 2001. Since that time, public expenditure in education has increased to 3.25% in 2007. However, this is below the recommended level of 4%, and continued low investment in education has led to declines in education quality. The pre-school budget makes up only 4.5 % of the total budget of the Ministry of Education and Science. One third of Albanian children in compulsory school record poor achievement and the lack of Early Childhood Development (ECD) services has contributed to poor educational attainment. Specific groups (Roma, Egyptians and children with disabilities) are disadvantaged in terms of access to education. This performance is worse in rural areas. The Ministry of Education and Science is implementing the National Strategy on Pre-University Education which addresses many of the challenges facing the education sector. A sector-wide approach (SWAp) has been developed through the "*Equity and Excellence in Education Project*" funded by the World Bank (WB) and other donors.

49. According to the draft NSDI, priority will be given to supporting the development of policies and strategies that prevent and reduce marginalization in education at the national and local school levels. This is to be achieved by preventing early departure from formal education and training and improving the quality of education to ensure healthy life styles and skills relevant to the labour market. Other measures will target the updating of the curriculum and tackling disadvantages in education and training with particular emphasis on secondary school enrolments. As indicated in the pre-university education strategy, the government will tackle barriers to formal school participation for Roma, Egyptians, children with disabilities and children who are victims of trafficking.

50. **Health**. The health system in Albania is facing serious challenges starting with severe disparities in accessing health services. This has been a result of barriers linked to both geographical distribution of resources and financial mechanisms that lead to anti-poor arrangements for health care delivery. The quality of delivered care is low and the inefficiency of services leads to poor health gains for the population, particularly mothers and children. There is widespread recognition at the national level of the need to strengthen the stewardship function of the MoH.

51. Government expenditures on health remain low, although there has been a marginal increase in expenditures on primary health care. The government's expenditures on health amount to 3.1% of GDP with the rest as out-of-pocket payment. The high share of private out-of-pocket funding for health care creates serious inequities in access. Average out-of-pocket expenditure for one out-patient care visit amounts to 50% of the average monthly spending of the poorest households.

52. According to the 2002 reproductive health survey, 70% of prenatal care is inadequate. National expertise and capacities to provide services in the area of reproductive health and child health are limited. Women's access to, and knowledge of, quality reproductive health services are also weak. As a result, maternal death and abortion rates in Albania are the highest in Europe. Furthermore, breast and cervical cancer is increasing, with breast and gynaecological exams generally available only in Tirana.

53. According to the draft NSDI, national priorities will focus on core functions of the health system. Attention will be given to strengthening the capacity to manage services and facilities more efficiently through: (i) introduction of a new public-private mix and innovative organisational schemes, (ii) improvements in facility and clinical management, and (iii) improvements in health services management training.

54. At the broader level, the government aims to improve health system financing through: (i) increases in pre-paid coverage, (ii) reduction of informal money flows within the system, and (iii) improvement in resource allocation by a single strategic purchaser. Improving health system governance is also a priority and will be achieved through: (i) strengthened MoH capacity in policy development, strategy formulation and planning, (ii) better regulation, and (iii) greater transparency and accountability.

55. **Social Protection**. The Law on Social Assistance and Services is currently being implemented and the *Ndihme Ekonomike* has increased from 500 lek to 800 Lek monthly per person to a maximum of 6,500 to 7,000 Lek monthly per family[13]. The Albanian Government increasingly recognises that the lack of an adequate and quality safety net system is becoming an issue, especially in the rural areas and the outskirts of major cities. No comprehensive Child and Family Protection System, currently exists in Albania and existing protection structures are

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[13] Strategy for Social Inclusion 2007-2013 – Draft version 2.

limited and coordinated mechanisms for identification, assessment, referral and appropriate support services are limited. As a result, children and women who suffer from violence, exploitation, abuse and neglect are often left undetected, and for those identified, limited services exist to provide them and their families with specialized quality services.

56.   In the area of social services, national priorities focus on vulnerable groups such as Roma, Egyptians, people with disabilities and victims of trafficking to ensure: better access to services and reductions in barriers to participation through development of policies and strengthening of institutional structures to ensure intervention for protection from abuse, violence and exploitation.

57.   It is estimated that 1 in 3 women have experienced domestic violence in the country and 1 in 2 children have experienced physical and psychological violence at home and 1 in 3 at school. The Albanian Parliament recently adopted a law to regulate response measures against domestic violence, and the Government is finalizing a Domestic Violence strategy. However, social debate and awareness around the issue remains limited; social protection and referral services are almost non-existent.

2.2.4 Regional Development

58.   Common to many transitional economies is the widening disparity of development across the regions of the country and an increasing gap in living standards between the major urban and rural areas.

59.   The Government has recently produced its first regional development strategy to address these rapidly widening internal disparities. However, as is the case in so many other sectors where strategies and legal frameworks have been put in place, the government lacks sufficient capacity and resources to implement it.

60.   The decentralisation process has made regions (qarks) responsible for planning their own socio-economic development. Much of the decentralization process involves the downloading of services from central to local authorities. Considerable investment is needed in almost all counties with respect to local physical and social infrastructure, integrated development, job creation through promotion of small and medium sized enterprises (SMEs), access to credit, and capacity development, especially of human resources. Planning for such investment has occurred in some regions, but this has not been matched by linkages between local and national planning, the budgetary process and needed fiscal decentralization. Hence, where regional development plans have been prepared, they have not been implemented due to lack of investment resources.

61.   The Government's vision for regional development as set out in the draft NSDI is for balanced and sustainable socio-economic growth among the regions of Albania, in general, and of mountainous and remote areas, in particular. The regional policy function in central government is being addressed through the introduction of a regional development crosscutting strategy by the end of 2008. Specific goals include improving the linkages between the national budgetary and planning process and regional development planning to ensure national investment funding is better linked to local need.

62.   The government will also channel additional resources to those municipalities and counties (qarks) lagging the national average. This is intended to reduce internal socio-economic disparities. Developing an efficient management framework is also a priority and will be achieved through the promulgation of the Law on Regional Development and associated

secondary legislation and the development of supporting institutional structures. Through Article 110 of the Stabilisation and Association Agreement, the Government is committed to strengthening regional and local development cooperation with the EU, with specific attention to cross-border, trans-national and inter-regional co-operation.

2.2.5 Environment

63.   Considerable progress has been made in the field of environment management in recent years, including increased support from the donor community to environmental conservation. However, there remain a number of serious barriers to the achievement of sustainable development and to the achievement of levels of environmental protection that might be considered appropriate for an EU Accession State. This applies especially to legal, institutional and human capacity and level of public expenditure on environmental protection, including infrastructure for environmental protection. Another issue that needs special attention is the impact of climate change on the energy sector.

64.   The Government Programme and NSDI priorities as reflected in the draft National Environmental Strategy focus on a wide range of environment issues. Primary among these is the enforcement of laws on environmental protection, particularly for economic activities that cause air and water pollution, that compromise tourism potential, that damage forests and that cause soil erosion.

65.   The government has also set as priorities the remediation and reduction of threats to the environment. These include substantial reductions in the level of air pollution in large urban areas, the elimination of the most serious instances of surface water pollution, and rehabilitation of environmental "hot spots" caused by old and abandoned industries.

66.   Improvements will be made in waste management to reduce resources loss and pollution. Environmentally friendly incentives will be provided to economic operators and individuals in order to promote reduction of pollution. This will include investments in clean technology, conservation of energy, efficient use of natural resources and other investments in environment.

3. ONE UN PROGRAMME

3.1 INTRODUCTION

67. Albania's One UN Programme has been designed with the following factors taken into account:

- Albania's development priorities as expressed in the NSDI and
  the National Plan for the Implementation of the European Partnership (NPIEP),
- The values and principles of the UN development system,
- The comparative advantages of the participating UN Agencies,
- Experiences gained by the UN system in the country thus far, and
- On-going UN commitments to development programmes in the country.

68. The One UN Programme brings together the work of the resident and non-resident participating UN Agencies. The One UN Programme is an instrument for ensuring that the UN's contribution to national priorities is aligned and visible and leading to greater harmonisation and simplification. It presents the potential to strengthen coordination with other donors and to further reduce transaction costs for Government.

69. The One UN Programme will contribute to national development priorities in five broad areas: governance, regional development, basic services, participation in decision-making and environment. A specific outcome has been designed in each of these five areas. These outcomes, and the programme components into which each of them has been structured, are described in detail below. In addition, Annex 2 provides the expected results, contributing to agreed outcomes with projections of resources (Annex 3) required to implement the One UN Programme (discussed further in Section 6 of this document). The integrated results framework identifies the main UN agencies supporting each result. In cases where more than one agency participates, a lead agency is identified.

70. Albania's One UN Programme has five core elements which are described below.

- **Policy advocacy and dialogue**. The UN in Albania will increase its role in policy research, advocacy and dialogue to better advocate UN values and international standards. Greater coherence in policy work will enable the UN to speak with one voice and will allow individual Agencies to be proactive in pursuing agency-specific policy issues. Under the leadership of the RC, policy issues identified by the UNCT will be analysed and action plans for coordinated advocacy and dialogue developed. Individual Agencies will continue to lead policy advocacy efforts in their respective areas of specialisation.

- **Capacity development**. Cutting across all development priorities is the need for sustainable multi-dimensional capacity development and institutional strengthening. UN agencies will develop and apply a common system-wide and multi-dimensional approach to capacity development – one that is consistent with government and other donor approaches and policies.

- **Networking and partnership building**. The resident UN agencies have the comparative advantage of 'strength on the ground', of being engaged in various formal and informal networks and partnerships addressing national development issues. The One UN Programme will bring stronger focus to supporting the interaction among the

main sectors of society – government, civil society and the private sector – at the national and especially the local / regional level.

- **Technical assistance**. One of the well-recognized roles for UN agencies globally and in Albania is the provision of technical expertise to support national development priorities. The value of this role lies in the varied mandates and competencies of the UN agencies and their regional and global knowledge networks. The impartial nature of support provided by the One UN allows for flexible, responsive and efficient targeting of assistance. A feature of this assistance is the continued sharing of experiences and cooperation among especially the EU accession countries and related areas of capacity development.

- **Meeting international commitments**. UN agencies will work to support the efforts of Government and civil society to monitor, evaluate and analyse Albania's progress towards meeting its international commitments and achieving international standards with regards to economic, social, cultural, civil and political rights. Participating UN agencies will play an increasing role in shaping universally accepted global norms and standards and promoting and monitoring their implementation at the country level. Particular attention will be paid to UN Human Rights Conventions, with an emphasis on the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and the Convention on the Rights of the Child.

3.2 PROGRAMME OUTCOMES, COMPONENTS AND RESULTS

3.2.1 More transparent and accountable governance

Outcome 1: _Systems of governance and public administration at central and local levels are able to respond to requirements of EU accession, and implementation of the IPS and public institutions are more results and performance oriented, with stronger capacities for policy development and coordination._

71.   Based on national priorities and bearing in mind the work of other international partners, One UN Programme results that contribute to strengthened governance are grouped into three programme components.

Component 1.1:   National Institutions and Public Sector are better able to respond to the requirements of the EU Accession process, including implementation of the IPS

72.   The UN system will help to ensure that national development priorities are more strongly based on qualitative and quantitative analysis of data and policy assessment and reviews (e.g. Human Development Reports, Living Standard Measurement Study (LSMS), Status of Women and Status of Children Reports). For the formulation of evidence-based policies, national capacities will be strengthened for collection, analysis and use of data. Support will be provided to the conduct of the Demographic and Health Survey and to preparations for the next Population and Housing Census.

73.   Advisory services will be provided on incentive and retention policies to support a well functioning public administration and civil service. Capacity gaps in areas of the public sector and academia critical for implementation of key reforms will be addressed through systematic engagement of Albanian professionals from the Diaspora, who will contribute to the socio-economic development of the country in general and to the EU accession process in particular. Capacity building efforts and policy advice will contribute to the Department of Strategy and Donor Coordination (DSDC), and other national institutions will be better able to coordinate and implement the IPS. Support will be given to the modernization of government systems and to increasing the effectiveness of public administration through the implementation of priority components of the national ICT strategy and deployment of e-services.

Component 1.2: Government policies and practices necessary to promote social inclusion and reduction of regional disparities are strengthened

74.   UN assistance will be provided to strengthen governance structures and mechanisms to implement the NSDI that adequately reflect issues related to gender and minority equality, decentralization, environment, reproductive health, child rights, migration and asylum seekers, population and others issues related to MDGs. Attention will be given to strengthening national, regional and local level capacities to better coordinate, monitor and revise child rights-based, gender & minority equality, population development and reproductive health policies.

Component 1.3: Government adopts economic policy, regulatory & institutional frameworks that promote pro-poor growth and socially-inclusive legal & economic empowerment

75.   The UN system will support the Government and national institutions to more effectively address challenges of WTO, SAA, regional trade agreements implementation and sovereign credit rating establishment. Capacity building and policy support will continue in the area of trade and export promotion and attracting foreign direct investment, including support for the development of industrial zones. Special attention will be given to supporting reforms leading to the reduction of informality in both the business and property sectors. Support to promote appropriate policies for public utility access and regulation to combat informality and promote social inclusion will include capacity development of Government, utility regulators and consumer associations. With the participation of the private sector, regulatory and institutional frameworks that are more socially inclusive and actively promote Corporate Social Responsibility (CSR) and the Global Compact will be strengthened.

76.   Support will be given to the implementation of the Culture and Tourism Development Strategy, including the promotion of eco-tourism. National capacities in the field of culture and development to articulate Albania's cultural identity and heritage for the promotion of the country's image abroad will be supported by the UN. The UN will provide policy advice and training for the development of capacities in the field of the protection, promotion and management of cultural assets, safeguarding of the most valuable cultural heritage monuments and sites, and strengthening the cultural industries sector for socio-economic development and achievement of the MDGs.

3.2.2   Greater participation in public policy and decision-making

Outcome 2: Mechanisms in place to support people's participation and empowerment to take active part in policy formulation and decision-making that shape their lives and capacity of civil society increased to advocate for state-citizen accountability.

77.   UN agencies will support the development of an enabling environment for public participation on the part of women, youth and marginalized groups. One UN Programme results that contribute to this are grouped into two programme components: civil society that is better able to participate in public debate and advocate for state-citizen accountability, and institutions and forums in place and strengthened to support people's active participation in policy formulation and decision making. The main anticipated results focus on a range of capacity development initiatives and mobilization of society, as highlighted below.

Component 2.1: Civil Society better able to participate in public debate & advocate for state-citizen accountability

78.   The UN will support the creation and strengthening of representative groups and supporting mechanisms to ensure constructive and ongoing dialogue, thus helping to create a stakeholder culture that is based on more responsive (demand-driven) delivery of services, with community social mobilisation and volunteerism channelled into driving change. Special focus is to be given to youth, Roma and advancing gender equality. UN assistance will result in

> *The UN will focus on supporting:*
>
> **Roma** - **working on birth registration, school enrolment, improvement of infrastructure, vocational and livelihood training, and training of public administration staff.**

increased national and community participation in promoting gender equality and women's

empowerment. Participation, social inclusion and access to services on the part of vulnerable groups will be enhanced through the promotion of volunteerism (e.g. self-help groups, user advocacy groups, corporate social responsibility), and greater media involvement.

Component 2.2 Institutions and Forums in place to support people's participation and empowerment to take active part in policy formulation and decision-making

79. Strengthening capacities for participation and mobilization will be an integral part of all UN programmes in the areas of governance, regional development and basic services. Common approaches can be developed, lessons learned and good practices applied across sectors. Some of these will include:

> **Gender - Adopting an innovative approach, the UN will focus on interventions targeting the realization of democratic governance in Albania through *increasing state capacity* to narrow the gap between gender equality commitments and their impact on women; improving the extent to which public *policies and institutions are able to respond to women's needs*; and increasing ability of society – and in particular of women's rights advocates – *to hold government* accountable in addressing the gender biases which prevent women's full participation in public life.**

a) Enhancing partnerships with civil society, media, youth, private sector, non-governmental organizations, women's groups and minorities to support the development of user/interest groups, to build their capacity for dialogue with government at all levels.
b) Supporting capacity development particularly in the area of public participation in policy formulation and decision-making processes at all levels (local, regional and national) by targeting NGOs, civil society organizations, community-based organizations, ethnic minorities, youth, women's groups, media and local governments.
c) Working with government and civil society partners in the realisation and effective implementation of access to and freedom of information.
d) Strengthening the capacity of regional councils and their associations to conduct meaningful consultations with the Government and ensure effective participation in sectoral and cross-sectoral strategy formulation.
e) Working with line ministries on legislation and policy frameworks to recognise the status of user/interest groups as key stakeholders with whom government (at all levels) must maintain dialogue in the planning, design, delivery and monitoring of basic services.

80. The UN will assist Albania in the establishment of mechanisms that monitor the implementation and realization of rights of children, women, Roma and youth. This will require reform of the existing social assistance program towards a more inclusive system for marginalized groups. The UN will support the collection and analysis of data that will help in the policy functions and in measuring the effect of poverty on vulnerable groups. With better information, policy makers will be able to improve the planning and distribution of public expenditures, and to give priority to those policies that promote basic rights. For example, greater levels of resources can be allocated for the realization of economic, social and cultural rights in accordance with the Convention on the Rights of the Child and to set up safety nets to ensure an adequate standard of living for all children. Joint efforts will lead to strengthening implementation of government policies and strategies related to social inclusion issues, and making better use of data in national, regional and local planning development strategies.

> *The UN will focus support on:*
>
> **Youth - building on the national plan of action to support youth employment, youth friendly policies and services, livelihood and life skills; including participation in decision making.**

81. A joint programme will support the National Action Plan on Youth, which seeks youth empowerment and employment. It will address the need for increased participation of youth in public debates, livelihoods and life skills development, and services. Emphasis will be placed on meaningful participation and building of positive models and self-confidence.

82. Demand for **media** development support is growing nationwide. While the UN's neutrality makes it a natural partner for media development work and it is currently engaged in some activities of this kind around the country, much of it is done on an *ad hoc* basis. UN will scale up its support to media development in the country. Among several other interventions, the UN will consider: (1) organizing substantive workshops and training sessions on development issues for key journalism audiences, using UN reports, data and experts; and (2) fostering partnerships with private foundations and journalism institutes for professional development of journalists in Tirana and the regions.

3.2.3   Increased and more equitable access to quality basic services

Outcome 3: Increased use of integrated quality basic services in health, education and protection, delivered in an efficient, transparent, accountable and equitable manner.

83. The opportunities for the One UN Programme in the area of basic services will continue to be found in education, health and social services, particularly for vulnerable groups and other areas not adequately addressed by government or through other donor support. There is a significant opportunity for the UN to support the development of an integrated model for basic service delivery (health, education, social services - safety net) for groups and individuals at risk. The expected results leading to this outcome are grouped into three main programme components.

Component 3.1: Government is increasingly able to provide quality affordable primary health care at all levels

84. The provision of UN support to the Ministry of Health and other health service providers will result in improved quality of services to especially marginalized groups (internally displaced persons, refugees, Roma) through development of standards of care and regulatory mechanisms. Special attention will be given to poverty and development and the links to environmental risks, reproductive health, maternal and child health, mental health and healthy lifestyles (i.e. HIV/Aids, TB and reduced use of tobacco and alcohol). UN support will result in the development of a national and regional accessible quality database system to support the programming and monitoring of social inclusion processes.

85. Capacity development will focus on improving the skills and knowledge of health providers' to deliver quality health services. Communities will also be empowered with basic knowledge and skills to demand quality services and make effective use of them.

86. In the area of communicable diseases, joint programming will support immunization services through strengthening of core functions of the health system (stewardship, financing, resource generation and service delivery), focusing mainly on epidemic alerts and response; as well as working together to foster the strengthening of the public health network in order to reduce health risks associated with environmental matters (i.e. improve water safety, reduce health risks of air pollution). Other areas of collaboration will include HIV/AIDS prevention, maternal and child health, through strengthening of MoH capacities and co-ordination.

Component 3.2:   Institutional framework for education in place that promotes inclusive quality education for all children

87.   UN support will be directed at improved quality of education services to children through the development of policies and Education for All (EFA) strategies that prevent and reduce marginalization at the national, regional and local levels. Special focus will be given to the development of general teacher's standards per cycle and by subject area, as well as on curriculum development for compulsory school from a life skills perspective. The UN will continue its support at the national, regional and local levels in developing and implementing a quality and inclusive curriculum and promoting the second chance programme for dropouts and older children who never went to school (i.e. Roma, girls).

88.   Emphasis will be given by the UN on inclusive quality education with appropriate pre-school, basic education and preparation for post-primary education including life skills and vocational skills. In addition, the One UN Programme will build on past positive experiences and use developed education standards and participatory management as entry points for the implementation of quality EFA approaches at the local level to start, consolidate and scale up child-friendly schools nationwide.

89.   The UN will continue supporting national authorities to provide elementary schools and high schools in Albania with modern computer labs by the end of 2008. Schools will be connected to the Internet and teachers of computer science and school administrators will be trained in using computer labs for teaching ICT. To the extent possible, local communities will have access to and benefit from computer labs in schools. Curriculum for teaching computer science will be consistent with EU standards. Efforts will continue to provide each school with a library as well as building skills of teachers to encourage children to read.

90.   From a capacity development point of view, the UN will support review of quality and governance of tertiary-level education, which has a direct bearing on the quality of civil servants and labour force.   Whether the right skills and capacities are being produced to fulfil the requirements of the market, especially in line with the Lisbon strategy, will be the focus. Policies for science, technology and innovation will be promoted by focusing on research capacities and strengthening partnership with public and private sectors in research and technological transfer.

Component 3.3: Government adopts policies, regulatory and institutional frameworks that promote provision of integrated quality social services, with special emphasis on strengthening the social protection system

91.   UN support will be provided to relevant ministries to put in place standards and institutional frameworks for improved social services, child and family protection, and juvenile justice. Special attention will be given to supporting the development of child protection legislation, policies, standards and protocols of care, as well as effective institutional mechanisms across key sectors to operationalize child protection policies and to monitor their implementation. This will include supporting the establishment of a child-oriented juvenile justice system offering alternative and educational measures to detention and promoting prevention programmes and child social rehabilitation.

92.   Joint UN support will have greater effect in combating domestic violence through the strengthening of government mechanisms to co-ordinate, monitor and revise human rights' policies, with special attention to gender and minority groups. The UN will continue to support disadvantaged areas of the country through community multi-functional centres where

community members can receive basic services and information on health issues, child care, schooling, drug and alcohol prevention and communicable diseases.

3.2.4   Regional development to reduce regional disparities

**Outcome 4**:   Regional Development Strategy adopted and implemented aiming at reduction of regional disparities.

Component 4.1: A national strategy on Regional Development, with linkages to sector strategies, the NSDI and the MTBP, is adopted and implemented aiming at promotion of social inclusion and reduction of regional disparities

93.   Combined UN support will help the Government of Albania to achieve the vision of the Government's Cross-cutting strategy for Regional Development of "a balanced and sustainable socio-economic growth among the regions of Albania, in general, and of mountainous and remote areas, in particular".

94.   The Government will establish a legal, administrative and institutional system to help manage the implementation of the Strategy for Regional Development and its two constituent programmes. The One UN Programme will aid the Government in this process by supporting the drafting of the planned Law on Regional Development and the institutional development of the essential structures foreseen in the Strategy for Regional Development for both implementation and consultation. The key outcome will be an effective national system for managing national and EU regional development policy that is consistent with Albania's future management of the EU Structural Funds and with Albania's gradual alignment with Chapter 21 of _the Acquis Communautaire_. With respect to the development of national and county-level partnerships, various UN agencies will be responsible for developing the capacity of CSOs and other key stakeholders in their sector of responsibility.

95.   The One UN Programme will support the piloting of the Government's two planned regional development programmes under the Cross-cutting Strategy for Regional Development: the _National Programme for the Development of Counties_ and the _Disadvantaged Areas Development Programme._

96.   With respect to the _National Programme for the Development of Counties_, the UN will support the preparation of three pilot County Development Strategies and Action Plans aimed at improving the linkage between regional needs and national investments. UN Agencies will use their sector knowledge to help Government Ministries prepare clear planning and investment guidelines for the regions which integrate a gender perspective and support the realisation of social inclusion. The joint programme will also assist three pilot counties to prepare realistic programmes based on those guidelines covering all aspects of the sustainable development of the county. The key result will be improved competitiveness of all of Albania's counties through an improved quality of sub-national planning, improved targeting of national investments by linking them more clearly to local need and improved long-term sustainability of the regional development process by ensuring linkages with the Government's planning and budgetary system.

97.   With respect to the _Disadvantaged Areas Development Programme_, **joint programmes** will support the Government to use a statistically-based model of the level of socio-economic development of counties, communes and municipalities in order to establish a clear, transparent and Government-wide system for defining regional disadvantage. An analysis of the root causes

of regional disparity (both inter- and intra-county) will be undertaken and the UN Agencies will use this analytical data together with their sector knowledge to help the Government determine an appropriate policy response to address regional disparity. The key outcomes will be a reduction in inter- and intra-county regional disparity through the introduction of a nationally accepted basis for targeting resources on disadvantaged areas to reduce the root causes of regional disparity and a set of new national policy measures to tackle regional inequality.

Component 4.2:   Policy and legal frameworks and best practices are adopted in the areas of agricultural policy, land consolidation and food safety processing within EU accession framework

98.   The UN will support the Government's efforts in aligning implementation of rural development with the European Model of Agriculture. Through specific targeted programmes, farmers' groups and organizations will be better prepared to diversify employment and income generating opportunities in rural areas. Technical assistance, based on experience of successful land reforms in the region's transition economies, will support: (i) farm land (and plots) consolidation and improved management of land and water resources used in agriculture, and (ii) capacity building for European integration in the agricultural and rural sector. Management and implementation of food safety and quality control will be strengthened to improve consumer health protection and competitiveness of exports on international markets of farm products and food processing. Technical assistance projects will support: (i) restructuring and adjustment to market economy needs of farm extension and research, and (ii) conservation and sustainable use of plant and livestock genetic resources and support to fisheries.

3.2.5   Environmentally Sustainable Development

Outcome 5:   Environmentally sustainable development through incorporating of environmental issues in national policies and strategies, greater participation in decision making, more effective environmental governance, and strengthened capacities in management and regulatory enforcement.

99.   Several results are grouped into two major programme components to help Albania achieve its sustainable development goals. UN agencies will continue to work together with other partners to ensure that environmental concerns and commitments towards EU and the MDGs are fully integrated and implemented through national and sectoral policies and strategies. Building on its comparative advantages, One UN Programme assistance will focus on incorporating environmental issues, strengthening participation, developing capacities and improving environmental management.

Component 5.1: Government meets environmental requirements of EU accession process and of multilateral environmental agreements

100. The profile and awareness of the importance of sustainable development will be raised and incorporated in the policies and strategies of Albania's productive sectors such as energy, agriculture, tourism, forestry and industry. Legal system and related mechanisms to ensure integrated/strategic assessment on how these sectors impact environment will be in place and functional.

101. Civil society's capacity to be involved in the mainstreaming of environment will be strengthened. This will lead to greater community participation in the protection, preservation

and improvement in the state of the environment. Media attention to the environment will be expanded through the training and education of journalists on a range of environmental issues, and also through the introduction of an environment education curriculum into schools.

Component 5.2: Environmental management improved to protect natural resources and mitigate environmental threats

102. A range of mechanisms and capacities will be developed and put in place, resulting in stronger and more coordinated environmental management. Fiscal incentives will be available to promote the reduction of pollution, greater energy efficiency and investment in clean technologies. This will be complemented by the setting up of an environmental fund and the establishment of a formal mechanism to ensure that revenue raised is directed specifically toward environmental benefits. The Agency for Environment and Forestry will be operational, supported by a formal and effective permit system with unambiguous and enforceable conditions, and a corresponding regulatory enforcement mechanism for the collection and recovery of fines. Support will be given to strengthening an informed decision-making processes for energy sector investment that is based on climate change risks and on the analysis of potential alternative energy sources.

103. The One UN Programme will focus on the identification and reduction of threats to the environment. A complete inventory and prioritisation of environmental hot spots will be developed, with remediation measures initiated on a case-by-case basis. Other targeted results include air quality monitoring, a plan for reducing air pollution in Tirana and an integrated approach for solid waste management. The UN system will also promote environmental investments in local Carbon Financing opportunities.

104. To achieve the above priorities, the UN will develop a joint programme to accelerate the achievement of sustainable development. The programme will support Government to implement key aspects of the National Environmental Strategy, addressing critical capacity constraints acting as barriers to implementation of the strategy. The programme will design and implement targeted interventions to support sustainable development, including policy-level and demonstration components at both the national and local levels. It will focus on mainstreaming environmental management within key economic sectors and related government departments. Special attention will be given to the energy sector where the programme aims to mainstream climate change in the planning process. Complementary action and synergies with Albania's ongoing EU integration agenda will be pursued under the programme led by the Ministry of Environment, Forests and Water Administration.

3.3   CROSS CUTTING THEMES

105. The linkages between the five outcome areas of the One UN are clear, and implementation strategies will enforce these linkages. Throughout all five programme outcomes, there are two main cross-cutting areas which will be integrated throughout programmes and activities – capacity development and gender. In the case of gender, a joint programme will be developed which supports the achievement of the above outcomes and ensures integration of this priority area therein. In the area of capacity building, the participating agencies will adopt a harmonised capacity building strategy into the programmes proposed above.

3.3.1 Capacity Development

106. The development of sustainable capacities is becoming more critical in terms of the implementation of Government reforms and achievement of national development and integration strategies. Considerable investments are being made by the Government in capacity development – in policies, laws, institutions, training and skills development, systems and procedures, monitoring and evaluation. However, many capacity gaps and establishment of systems remain. The Government is planning to carry out a 'capacity gap' analysis of both the NSDI and SAA to determine those areas (gaps) in need of attention.

107. All UN agencies have been supporting various types of capacity development and while there is some commonality in the understanding and application of capacity development by each of the agencies, there is a need to develop and apply a consistent approach – in terms of principles, methodologies and practice. Generally, all agencies and the Government understand capacity development in a more strategic and 'change management' sense. Capacity development needs to focus on three dimensions: individual, organizational and the enabling environment.

108. Through the development of underline common approaches and practices, in line with government and other donors' policies, UN agencies may adapt a joint programme in the area of capacity development that could serve as a quick response and flexible facility to meet priority capacity gaps at the central and local levels. As a cross-sectoral facility or programme, attention could be focused on carrying out focused capacity assessments, developing capacity development strategies and plans in focused areas, and developing targeted capacities. The main sectors would be in areas such as governance / public administration, service delivery, public participation, decentralization and anti-corruption. Such initiatives would complement other donor-funded programmes.

3.3.2 Gender

109. The goal of the One UN Programme on Gender is to ensure women's active and recognized participation in the realization of democratic governance in Albania**.** A strategic approach to good governance for women needs to go deeper than normative agreements, gender-sensitive policies and capacity building for government actors on gender that do not always expose gender biases inherent within the system. Good governance for women must also address the root causes of the lack of public sector responsiveness to women. The place to examine the quality of good governance from a gender perspective is in the points of contact between women and the state. It is at the local level where women often have the most frequent access to the state's response to gender equality, where the factors limiting women's participation in public life can be most visible and readily addressed.

110. The joint programme on gender will target the realization of democratic governance in Albania through *increasing state capacity* to close the gap between gender equality commitments and their impact on women; improving the extent to which public *policies and institutions are able to respond to women's needs*; and increasing ability of society – and in particular of women's rights advocates – *to hold government accountable* in addressing the gender biases which prevent women's full participation in public life.

4.   PROGRAMME STRATEGY & IMPLEMENTATION

4.1   JOINT PROGRAMMING

111. An important feature of the One UN Programme in Albania is joint implementation of programmes by UN Agencies. Joint programmes reflect complementarities and synergy of support among UN agencies to collectively work together on common national development priorities. This does not mean that all agencies work together on all joint programmes, but only those agencies that can add value. Each joint programme would have its own lead agency, based on the primacy of its role or mandate in the area.

112. A joint programme can take many shapes, but its essential characteristic is a set of activities, contained in a common work plan and related budget, involving two or more UN Agencies and national partners. Joint Programmes provide an effective mechanism for coordinated support to the nationally led One UN Programme, and reduce duplicative activities between the UN and its development partners. Joint programmes allow for joint needs assessments, joint missions, joint implementation and joint monitoring. Joint Programmes enable the UN to blend their respective strengths and resources to implement key priorities reflected in the NSDI while reducing the transaction costs.

113. The UNDAF provides the basis for a number of joint programmes. The UN in consultation with the Government will develop and implement several joint programmes as key components of the One UN Programme.

4.2   PHASED IMPLEMENTATION

114. The Government and the One UN Programme leadership agree that the One UN Programme process in Albania must be an artful act of balancing opportunity against risk. Starting slowly and carefully are key management axioms. In terms of UN Agency participation, 'strategic inclusion' has been the overriding philosophy where UN agencies most relevant to address Albania's development priorities have joined at the onset. As the programme develops and 'finds its feet' in terms of management arrangements, defining accountabilities, performance and better business practices, opportunities for programme expansion and increased UN agency participation will be reviewed by the Government in 2008. Implementation is to take place in three distinct phases

115. **Transition phase (2007)**. The One UN Programme for Albania covers the period 2007 – 2010. The transition year will be 2007, during which time the programme document is formulated, negotiated and formally signed, resources are mobilized and One UN Programme's sub-programmes (such as joint programmes) further developed, along with setting up supporting budgets / systems, reporting and accountability frameworks. Communications strategies and plans will be developed and targeted resource mobilization activities will be carried out.

116. **Implementation (2008–2009).** Implementation will begin with high-priority components and then gradually expand as the necessary systems and procedures are put in place, experience is gained and lessons learned. Other related dimensions of the One UN will also be pursued, especially the move to the One UN House, the articulation of the One UN Leader role, the operation of the One Fund and role of UNDP as 'administrative agent'. Lessons, good practices and experiences among all of the country pilots will be shared and exchanged.

117. **Consolidation and assessment (2010).** As the One UN Programme continues to roll out, it will be consolidated and assessed in 2010. Programme performance will be formally evaluated jointly between the UN and the Government, focusing on one or more of the major outcome areas. A decision will be made on the continuation of the One UN Programme, based on UN corporate direction and Government decision.

118. **Monitoring and evaluation**. A common concern of UN agencies is Albania's capacity to monitor and evaluate development progress. The Integrated Planning System (IPS), as noted, is a major step forward, and once fully implemented, will permit the government (and development partners) to monitor, measure and evaluate the implementation of national development policies and the achievement of goals and results. The One UN Programme presents a strong platform for defining, working toward and measuring the achievement of development results especially with the development of clear indicators and baselines.

4.3   JOINT COMMUNICATIONS

119. The UN will develop and implement a harmonized communications plan for the One UN Programme promoting its advocacy role. Joint communications will present a unified message of the Programme around development priorities. UN agencies will also continue to advocate and ensure communication for their own agency and mandate.

4.4   HARMONIZING AND SIMPLIFYING MANAGEMENT PRACTICES

120. Common management practices apply to a broad range of issues: harmonization of reporting formats, common cost norms, cash transfer modalities, training, contracting and recruitment, project and programme management methodologies, and where appropriate back-office operations. The UN in Albania has already made progress in establishing common services in travel, banking, health services and security. Plans are in place for translation and publishing, event management, procurement of supplies and maintenance of vehicles and IT equipment to be handled through common services by early 2008.

121. The establishment of common management practices is key to the success of UN reform efforts and the implementation of the One UN Programme, and perhaps the most complicated task within the overall One UN Initiative. Furthermore, it is incumbent on the UN to better align its systems and practices with those of the Government in order to reduce transaction costs for Government counterparts and key partners (in line with the Paris Declaration).

122. The UN in Albania will work closely with the other One UN pilot countries in the harmonization of management practices. It may be that each pilot country will 'pilot' the development of harmonized and simplified practices in a selected area, which would then be transported and adapted to other countries. This would avoid the potential of duplication of effort and each country 're-inventing the wheel'.

4.5   PROGRAMME INPUTS

123. The One UN Programme includes two types of programmes: (1) a number of on-going agency specific programmes and projects that address national priorities approved prior to the One UN Programme with funding from each agency's current programming cycle, and (2) new initiatives that are being formulated or will be formulated during the One UN Programme period, in response to emerging national needs and priorities.

124. Table 1 presents the budget by main Programme Outcome. <u>Annex 2</u> contains the Integrated Results Matrix with Indicators and partners. Details of the Budgetary Framework and the One Fund are in <u>Annex 3</u> with the estimated budget for regular (core) resources and other (non-core) resources per output and year. The resource amounts are estimated and will depend on the actual availability of the Agencies' resources and specific-purpose contributions from funding partners.

Table 1. Summary Programme Inputs 2007-2010

Programme Outcomes	Regular Resources $	Other Resources $		Total $
		Received/ Pledged Non-core funds	Unfunded	
1. Governance	4,919,875	5,976,009	12,220,960	23,116,844
2. Participation	799,290	1,636,221	4,069,860	6,505,371
3. Basic Services	2,985,540	6,899,122	8,066,400	17,951,062
4. Regional Development	1,678,690	8,478,968	3,779,400	13,937,058
5. Environment	933,000	6,930,585	6,464,000	14,327,585
Total	**11,316,395**	**29,920,905**	**34,600,620**	**75,837,920**

5. LEGAL INSTITUTIONAL AND MANAGEMENT ARRANGEMENTS

5.1 LEGAL FRAMEWORK

125.   **Council of Ministers of the Republic of Albania** (hereinafter referred to as "the Government") and the United Nations Children's Fund (UNICEF); the United Nations Development Programme (UNDP); the United Nations Population Fund (UNFPA), the World Health Organization (WHO), the United Nations High Commissioner for Refugees (UNHCR), Joint United Nations Programme on HIV/AIDS (UNAIDS), the United Nations Volunteers (UNV) and the United Nations Development Fund for Women (UNIFEM), the International Labour Organization (ILO), the UN Environment Programme (UNEP), the UN Educational, Scientific and Cultural Organization (UNESCO), and the Food and Agriculture Organization (FAO) hereinafter referred to as the participating UN Agencies, mutually agree to the content of this document and their responsibilities in the implementation of this pilot One UN Programme in Albania (hereinafter referred to as the One UN Programme);

126.   Furthering their mutual agreement and cooperation for the realisation of the Millennium Development Goals (MDGs) and the United Nations Conventions and Summits to which the Government and participating UN Agencies are committed, including: the Millennium Summit and the Millennium Declaration; the Convention on the Rights of the Child; the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW); the Rio +10 Summit on Sustainable Development; refugee related conventions, and other UN conventions to which Albania has acceded as well as the Paris Declaration on Aid Effectiveness;

127.   Entering into a new period of cooperation from 2007 to 2010;

128.   Declaring that these responsibilities will be fulfilled in a spirit of close cooperation and trusted partnership;

129.   Have agreed as follows:

130.   The Basic Cooperation Agreement (BCA) concluded between the Government and UNICEF dated 23 July 1993 provides the basis of the relationship between the Government and UNICEF. The Government and UNDP entered into the Standard Basic Assistance Agreement (SBAA), signed on 17 June 1991 which governs UNDP's assistance to the country and which applies, *mutatis mutandis* to UNFPA and UNIFEM. The UNHCR Branch Office Agreement (BOA) with the Government was signed and ratified by the Albanian Parliament on 22 June 1994. The Basic Cooperation Agreement (BCA) between the Government and the World Health Organization (WHO) was signed in September 2005 and provides the legal frame for collaboration.

131.   The programme described herein is agreed jointly by the Government and participating UN Agencies. This One UN Programme together with the Annual Work Plan (AWP)[14] concluded hereafter constitute the project document and plan of operations as referred to in the SBAA, BOA and BCA respectively, except where traditional project documents are required by financing partners, and/or annual work plans are required by the participating agencies. Other existing agreements with the government such as cost-sharing agreements for current projects and programmes and 2007 work plans will not be affected.

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[14] AWP will be prepared at outcome level

132. The One UN Programme does not represent a 'zero-based programme'. The One UN Programme builds on the key components of the UN Development Assistance Framework (UNDAF) 2006-2010, the Country Programme Documents (CPDs) and Country Programme Action Plans (CPAPs) (2006-2010) agreed for UNICEF, UNDP and UNFPA in 2006. WHO and UNHCR as participating agencies work respectively through the Biennial Collaborative Agreement (BCA) covering the biennium 2006-2007 and the Country Operations Plan (COP) covering the period 2007-2008.

133. **Nature of Participation of UN agencies**. The One UN Programme in Albania is flexible to adapt to Albania's changing priorities thus it strives to strategically draw upon and include resident and non-resident UN agencies, funds and programmes that may be relevant and able to contribute to Albania's development needs at different times. During the second half of 2008 the Government and the UN RC will review the participation of UN agencies and as maybe required by national priorities, may call on other UN agencies that could provide technical support.

134. **Experimentation and learning**. As a pilot Programme, there will be room for experimentation and some risk taking to adapt to the national Albanian context, to learn from mistakes as well as successes, and to share knowledge and experiences. As with any major change, risks will be carefully assessed and risk mitigation strategies put in place (see also Section 7.5).

135. This One UN Programme document, signed by the Government, the Resident Coordinator and all participating UN funds and agencies, brings together on-going UN supported initiatives and activities (agency specific programmes/projects and joint programmes) and new initiatives responding to emerging national priorities.

5.2 INSTITUTIONAL AND MANAGEMENT ARRANGEMENTS

136. To the maximum extent possible, it is agreed that existing institutional structures of the Government and donor community are to be used to provide strategic leadership, direction, oversight and coordination of the One UN Programme. Figure 1 below graphically presents the main structures and a brief description of each entity is provided, with detailed Terms of Reference and other supporting information contained in the annexes.

Figure 1
National Institutional Arrangements
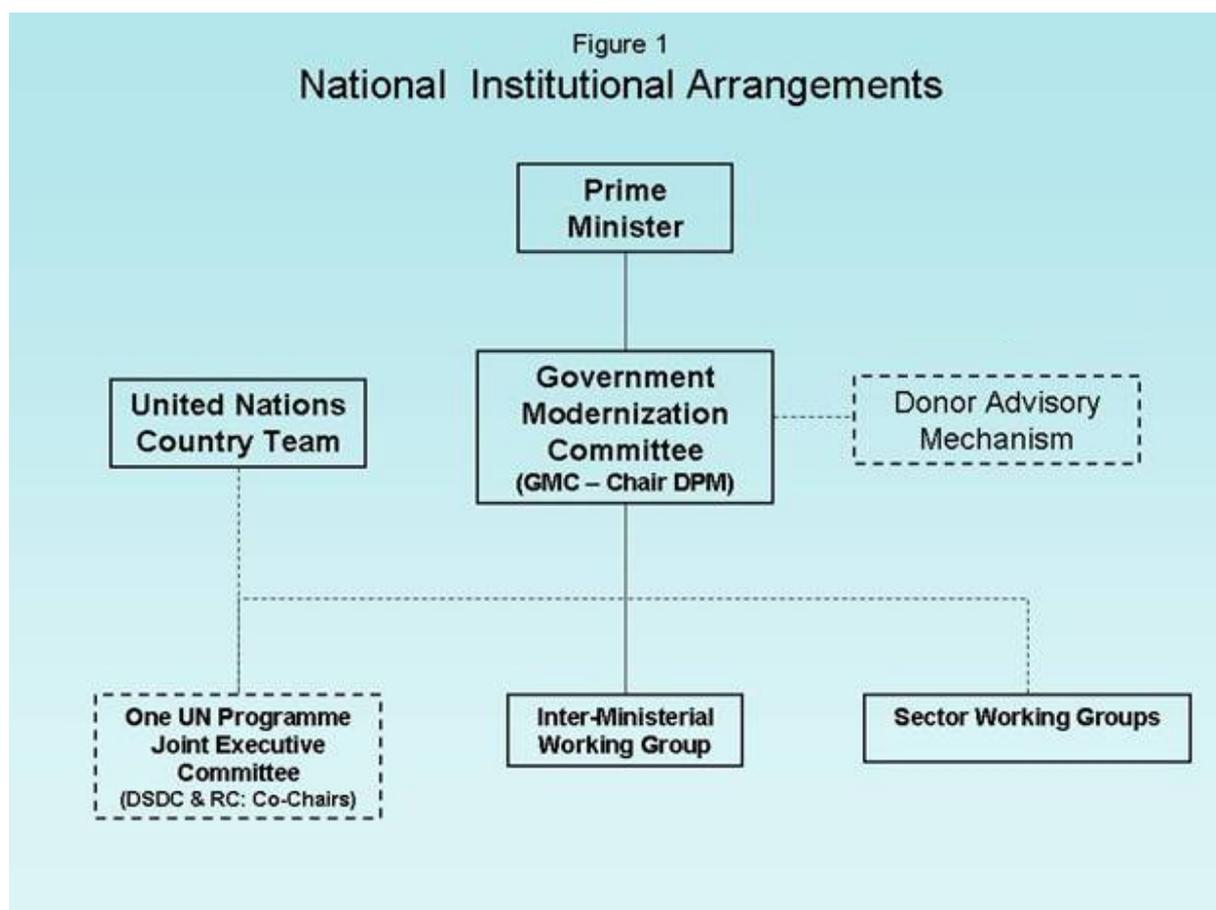
137. **Government Modernization Committee (GMC)**. By the 30 January 2006 Order No. 11 of the Council of Ministers, the GMC will serve as the Government's highest-level policy, coordination and decision making authority with respect to the One UN Programme. The GMC will determine strategic priorities and approve the One UN Programme. The GMC will monitor progress on an annual basis and ensure coordination of the One UN Programme with other inter-ministerial and cross-sectoral policies and priorities. Detailed TORs for the GMC are contained in Annex 1.1.

138. **Joint Executive Committee**. Executive and joint decision making functions associated with the Programme are performed by the *Joint Executive Committee (JEC),* which is the body directly responsible for efficient execution of the programme in accordance with the terms of this programme document, associated implementation rules and guidelines, and annual work plans. The JEC is co-chaired by the Director of the DSDC of the Council of Ministers and the UN Resident Coordinator. Membership includes UN agencies as described in Annex 1.2.

139.	The JEC makes executive decisions necessary for implementation of the One UN Programme, in accordance with strategic decisions made by the GMC, and with work plans and sub-programmes approved by the GMC. The role of the JEC applies to the executive management of the One UN Programme as a whole, and to the management of the One Fund, as described in detail in Annex 1.2.

140.	The effectiveness of the JEC is a function of several factors, primary among which is the size and nature of its membership. Reasonable efforts will be applied by all parties to limit the size of the JEC to a manageable number of members. Should membership expand to more than this number, consideration will be given to forming a 'core' executive group to discharge the responsibilities of the JEC. Each meeting will be supported by the preparation of an agenda, the provision of materials in advance of the meeting and documented minutes of (decisions of) each meeting.

141.	**Director, Department of Strategy and Donor Coordination**. To ensure national ownership and strategic leadership of the One UN Programme, the Director (DSDC) is the Government's focal point for the Programme. The Director, DSDC is the Government's appointee as Co-Chair of the Joint Executive Committee. The Director, DSDC on a part time basis: (1) ensures that all government inputs committed to the overall One UN Programme are available as and when needed, and as specified in the annual work plan (this does not apply to specific projects and Programmes managed by the Participating agencies and/or Implementing Partners); (2) assists in the mobilization of government financial and in-kind resources that can serve as a government contribution to the One UN Coherence Fund; (3) ensures integration and harmonization of the One UN Programme with the IPS and the Medium Term Budget process and other Government systems, further to the Paris Declaration; and (4) ensures co-ordination of the Programme with Government and other national authorities and stakeholders.

142.	**One United Nations Country Team (UNCT)**. The UNCT, chaired by the Resident Coordinator, functions in a collegial and participatory manner. In the context of the One UN Programme and envisaged UN reforms recommended by the HLP, the UNCT will: (1) work actively to implement the One UN Programme; (2) review and approve the One UN Programme prior to its formal submission to and approval by the JEC and GMC; (3) advise on the funding priorities contained within the One UN Programme; and (4) build on priority areas identified in the UNDAF using the One UN Programme as an opportunity to re-examine, with the Government and other national partners, new opportunities and emerging national trends. The UNCT will designate substantive leadership to agencies for each of the One UN Programme outcome and thematic areas.

143.	**One UN Government Inter-Ministerial Working Group** In the context of the One UN Programme, the inter-ministerial working group (composed of Secretary Generals of the line Ministries) is established by the GMC to provide the GMC and the JEC with the technical advice from Government and national specialists on subjects falling within the scope of the programme at any given time. Annex 1.3 describes in more detail the role and terms of reference of this group.

144.	**Sector Working Groups**. The established Government sector and crosscutting sector groups would be tasked from time to time to provide special input and/or support to the development and implementation of projects and sub-programmes within the One UN Programme.

145.	**Donor Advisory Mechanisms**. Interested donors will have the opportunity to support the One UN Programme in Albania, beyond a funding role. Existing mechanisms and structures will be used to discuss issues pertaining to the One UN Reform in Albania, including the One

UN Programme, to share and exchange information, and to ensure overall alignment and coordination of donor funding to Government priorities. Donor participation will be secured through a combination of existing institutional mechanisms: the existing Donor Technical Secretariat (DTS), the Heads of Agencies Groups, the Development Counsellors Group, the IPS Support Group, and annual / periodic Government-donor round-tables, conferences and workshops. Donors will be able to participate on sector-specific issues, such as the existing sector working group structures.

146.   **National Advisory / consultative mechanisms**. Other national stakeholders will have the opportunity to provide advice on the design and participate in the implementation of the One UN Programme. These include civil society organizations, media, academic institutions, NGOs, and the private sector. Such groups will be convened by the government, jointly by the government and the UN, or separately by the UN to solicit input and advice on the One UN Programme implementation.

5.3   PROGRAMME MANAGEMENT

147.   The One UN Programme is supported by a coherent governance structure, with clear lines of accountability and decision-making, to ensure that the UN system is guided by common objectives. The main management principle is that 'implementation' of programme components will be carried out by individual participating agencies and / or national implementation partners. Overall programme executive management and coordination is the joint responsibility of the One UN Leader (UN Resident Coordinator) and the Director of the DSDC of the Council of Ministers (via the Joint Executive Committee discussed in Section 5.2 of this document).

148.   Under the concept of 'One UN Leader', functions and activities as specified below are coordinated by the Resident Coordinator, with certain crosscutting and supporting functions supported by the Office of the Resident Coordinator or delegated to UNDP as the Administrative Agent or using available expertise from the participating UN agencies, with other responsibilities assigned to the Government (Director, DSDC). In the spirit of the Paris Declaration, no separate 'project management unit' or equivalent for the One UN Programme will be set up, either within the UN or within government, although there will be a requirement for supplemental / crosscutting support.

149.   **Resident Coordinator - One UN Leader**. The RC guides the strategic development and management of the "One UN" reform in Albania. Additional authorities will apply to the Resident Coordinator (RC) position. The RC is the designated representative of the Secretary General accredited to the Head of Government and leader of the United Nations Country Team (UNCT). The RC serves as the 'Representative of the UN in Albania'. UNDP, UNFPA, UNICEF, WHO, UNIFEM and UNHCR will continue to appoint their respective Heads of Agency and Country Directors and accredit them according to their respective procedures. They will develop, manage and report on their country programmes.

150.   Heads of Agencies and Country Directors will interact with the Government for the purposes of advocacy, representation, and programme implementation, monitoring and evaluation.

151.   For all UN related issues, activities or events or agency specific events that have broader UN relevance, the UN system in Albania will strive to speak with 'one voice' through the RC or through an agency head on behalf of the UN team. The One UN Leader model requires that the newly empowered and accountable RC provides strategic leadership to the Programmes and Funds and any participating Specialized Agencies and that the development

and management of the detailed substantive portfolio of each is entrusted to their respective Head of Agency.

152.   The **Office of the Resident Coordinator** is responsible for support to the strategic leadership role of the Resident Coordinator on the One UN Programme, the One UN Coherence Fund and overall UN reform in Albania. It provides support in all the designated tasks for the Resident Coordinator. The office will provide both substantive programme management / coordination support and programme administrative support.

153.   In the event that the work load and demands placed upon the programme coordination function are greater than can be handled adequately by the UNRC, there may be a need to establish a programme management post and then staff it with a senior, qualified professional on a full-time basis. Such an individual could be nominated and/or provided by one of the participating UN agencies or recruited specifically for the role.

154.   **Administrative Agent**. UNDP functions as the One UN Coherence Fund's Administrative Agent, and as such is responsible for day-to-day financial administration of this fund: that is, managing contributions from donors, disbursements, accounting, maintaining supporting systems, and audit. In addition, compiles financial and narrative reports from participating agencies and submits reports to the Resident Coordinator for dissemination to partners.

155.   **OMT (Operations Management Team)**. The One UN Programme presents the optimal opportunity to pursue the harmonization and simplification of management practices, both among participating UN agencies, as well as between the UN and the Government – pursuant to the Paris Declaration. The existing Operations Management Team (OMT) consisting of key technical staff from resident UN agencies will be responsible for this task. Any harmonization initiatives among UN agencies will be coordinated with other One UN pilots to avoid duplication of effort. It is recognized that the OMT may need to be strengthened with additional resources to carry out its expanded role in respect of the One UN reform.

156.   **Participating Agencies**. The participation of UN Agencies in the One UN Programme is differentiated by their contribution and/or role that they may play. Agencies may play one or more of several roles as mutually agreed with the RC: as a substantive financial contributor, as the implementing authority of defined projects or sub-programmes, as an implementing partner or party providing technical advice or other specified inputs and services, as an occasional or ad hoc technical / policy advisor on normative issues, or as an advocate on a particular UN issue or convention. Some participating agencies will play a substantive leadership role in the One UN Programme outcome areas and or thematic areas.

157.   As stated at the outset, the One UN Programme will be implemented by participating UN Agencies either through joint programmes or specific technical interventions. The specific responsibility and role of participating UN Agencies and implementing national partners under the One UN Programme will be outlined in separate project and sub-programme documents according to the programmatic areas. These sub-programmes and projects will be formulated and developed by the participating agencies and their national counterparts.

5.4 PROJECT DOCUMENTS AND ANNUAL WORK PLANS

158. Participating UN Agencies will develop or, where necessary, revise programme or project documents describing their cooperation. Such programme or project documents <u>may</u> be jointly appraised and submitted to the Joint Executive Committee for review and possibly approval. Alternatively, project and programme proposals to be implemented by participating agencies may be submitted, negotiated and signed with each agency's counterpart Government organization, subject to the new rules and procedures set by Government in their pending Decree on the Management of External Assistance, and/or the new Public Investment Management Procedures.[15]

159. The One UN Programme is made operational through the development of Project Documents and an Annual Work Plan (AWP) that describe the results and outputs to be achieved. They are signed, formal agreements between the Government and the participating UN agencies on the use of resources. The AWP for the One UN Programme is not at a detailed level, but rather at the outcome level, showing funding allocations from both the One Fund and other sources. To the extent possible the Agencies and partners use the minimum documents necessary, namely the approved One UN Programme framework document, the AWP and individual agency signed AWPs to implement initiatives. Participating agencies may continue to develop their own annual work plans with their counterpart Government organizations however, UN agencies will also work towards streamlining the AWP process in 2009 and will propose the most practical applications for joint work planning at outcome and One UN Programme level.

160. During the transition period in 2007, AWPs will continue to be signed between individual UN agencies and implementing partners, and existing UN agency rules and procedures will apply. During 2008 UN Agencies will harmonise and simplify management practices associated with these instruments. For each Agency AWP, project or programme, the participating agencies and their Implementing Partners have overall responsibility for planning, managing and monitoring activities and are fully accountable for implementation. Detailed implementation and management arrangements / mechanisms may be agreed between the UN and Implementing Partners. For selected activities the participating UN Agencies can also act as service providers or as Implementing Partners.

161. As an integral part of the implementation process, the Government and participating UN Agencies will give increased attention to assessing and strengthening the substantive and financial management capacities of national implementing partners.

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[15] At the time of preparing this Programme Document, the Government is developing a new strategy and decree on the management and coordination of external assistance. These documents will set out the policies, priorities and procedures to be adopted by the Government on the identification, review, appraisal, approval and monitoring of all forms of externally financed loan and grant projects. It is expected that these new instruments will be approved and in place by the end of 2007.

6. PROGRAMME BUDGETS AND COMMITMENTS

6.1 INTEGRATED RESULTS AND BUDGETING

162. **Integrated Results and Budgetary Framework.** Along with the One UN Programme, the Integrated Results Matrix (Annex 2) and the corresponding Integrated Budgetary Framework (Annex 3) are the cornerstones of the One UN initiative and provide an incentive mechanism to encourage agencies to be results oriented and to work within the One UN Programme. The Integrated Budgetary Framework presents the agreed, costed results of the One UN Programme in one framework, and includes i) core/regular resources of the UN agencies involved, ii) existing/ongoing extra-budgetary or non-core resources from all sources as well as iii) the funding gap between existing resources and the total cost of the One UN Programme. It will allow for joint mobilisation and tracking of resources. The Integrated Results and Budgetary Framework provides a clear picture of current sources of funding for One UN Programme activities as well as an overview of potential future funding through new modalities to promote coherence. The adoption of the Integrated Results and Budgetary Framework offers greater predictability of resources.

163. The United Nations Country Team has estimated the total cost of the achievement of the agreed UNDAF Outcomes over the UNDAF period. Commencing 2007, the UNCT will base these estimates on the One UN Programme and supporting budget/fund details. The UNDAF is the initial baseline reference for the costing of the One UN Programme. Resources for the Programme will therefore have two sources:

   a) Core funding of the Participating UN Organisations. Core Funds are disbursed directly to the UN Participating Organizations concerned; and

   b) Non-core funding: Within these country level resources there are three categories; i) the existing or "funded" allocations already supporting ongoing initiatives, ii) new/additional resources for "unfunded" aspects of the One UN Programme, and (iii) unfunded agency specific programmes.

164. **One UN Coherence Fund**. To further accelerate coherence, efficiency and delivery at the country level, every effort shall be made to ensure that any new funding for the One UN Programme will be committed un-earmarked to a new, pooled instrument known as the 'One UN Fund' (Annex 3). The One UN Coherence Fund is a joint development fund that maximizes the efficacy of delivery of the United Nations system in Albania by pooling resources into a common fund for top strategic priorities of the One UN Programme. The amount estimated for the Coherence Fund is therefore the total cost of the One UN Programme, net of existing core and non-core resources, and this is referred to as the funding gap.

165. **Funding gap.** The funding gap to achieve One UN Programme outcomes and results is covered by the Coherence Fund that will be set up at the country level to be funded by donors. The pooled fund plays a major role in the achievement of the One UN objective of having a coherent, results-oriented and effective Programme, as it is designed to create incentives for agencies to work within the One UN Programme.

166. The Resident Coordinator (RC) is responsible for developing and leading fund raising strategy for the One UN Fund at the country level. Under the leadership of the RC, the JEC and the UNCT will work together to mobilize a pool of funds (One UN Coherence Fund) to cover the funding gap in the Integrated Results and Budgetary Framework. In order to prevent funding driven strategies, it is crucial that sufficient funding is provided to the system from the outset to

achieve the outcomes and results defined in the One UN Programme. In return, agencies commit not to pursue independent fund raising for the One Programme at the country level. However, the following exceptions will apply:

      a) Vertical funding sources (e.g. UNICEF National Committees, Thematic Trust Funds). Agencies need to ensure that vertical funding sources are aligned with One UN Programme outcomes and results.

      b) Humanitarian emergencies, which should be responded to through appropriate mechanisms.

167.   The Fund is meant to streamline, simplify and increase harmonization and predictability of resources. As such it is important that it operates as a single fund without further earmarking of new commitments. It is important that donors to the Fund aspire to contribute early and as multi-year as possible to allow predictability and strategic decisions driven by the One UN Programme development priorities and national strategies rather than specifics of individual contributions. Funds will be allocated to the highest priorities as determined by the JEC (i.e. the Government, the UN Resident Coordinator and UN participating agencies), as further elaborated in Annex 1.2.

168.   **Core / regular resources**. Each agency's core or regular resources will remain within the control of the agency, but will be committed as required to the One UN Programme. In effect the core or regular resources will function as a virtual basket fund in that they will be on plan, and aligned with the One Results and Budgetary Framework. The UNCT is responsible for identifying the funding modality (or combination thereof) that is most appropriate and effective for achieving the Programme outcome.

169.   **Allocation of funds**. The Resident Coordinator jointly with the Government is responsible for the strategic leadership and ultimate allocation decisions of the One Fund in support of the One UN Programme. He/she co-chairs the JEC, the governance and responsibilities of which as pertaining to the One Fund are outlined in Section 5.1 of this document, and he/she functions as the One Leader within the One UN reform agenda. Allocation of funds in the pooled fund is done in a transparent manner on the basis of commonly agreed criteria that are designed to promote the objectives of the One UN reform (impact, coherence, efficiency and positioning) and other international commitments such as aid effectiveness, alignment to national priorities and harmonization. The allocation mechanism rewards programmes that successfully meet the pre-defined criteria and work towards 'delivering as one'. The RC is responsible for submitting a proposed funding plan for the period that reflects the objective performance assessment of programmes in terms of pre-defined criteria.

170.   Basic required documents for the establishment of the One Fund are: i) an approved One UN Programme Document which contains the basic terms of reference outlining corporate and country specific arrangements for the One Fund; ii) Memorandum of Understanding (MoU) among participating agencies and the Administrative Agent (i.e. UNDP); and iii) Letter of Agreement with Donor for Joint Programme Pass-Through. Models of all of these documents are available.

171.   The One UN Fund will be established upon signing of the first Letter of Agreement with a donor and the Memorandum of Understanding amongst Participating UN Organizations and the Administrative Agent. The One UN Fund will terminate upon completion of all programmes and projects funded through the One UN Fund and after satisfaction of all commitments and liabilities. Notwithstanding the completion of the initiatives financed from the One UN Fund, any un-utilized balances will continue to be held in the One UN Fund Account until all commitments and liabilities

incurred in implementation of One UN Programme projects, sub-programmes and related activities have been satisfied and such activities have been brought to an orderly conclusion.

172.   Any balance remaining in the One UN Fund Account or in the individual Participating UN Organizations' accounts shall be used as decided by the Resident Coordinator according to established priorities and in consultation with the Joint Executive Committee and contributing donors. Any funds returned to donors will be in proportion to their contributions to the One UN Fund for Albania.

6.2   FINANCIAL MANAGEMENT AND CASH TRANSFERS

173.   All cash transfers to an Implementing Partner are based on the Annual Work Plans or other such work plans as agreed between the Implementing Partner and the participating UN Agencies.[16] Cash transfers for activities detailed in annual work plans can be made by a UN Agency using the following modalities:

a) Cash transferred directly to the Implementing Partner:
   i.   Prior to the start of activities (direct cash transfer), or
   ii.   After activities have been completed (reimbursement);

b) Direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner; and

c) Direct payments to vendors or third parties for obligations incurred by UN agencies in support of activities agreed with Implementing Partners.

174.   Direct cash transfers shall normally be requested and released for programme implementation periods not exceeding three months. Reimbursements of previously authorized expenditures shall be requested and released quarterly or after the completion of activities. The participating UN Agencies shall not be obligated to reimburse expenditures made by the Implementing Partner over and above the authorized amounts. Following the completion of any activity, any balance of funds shall be reprogrammed by mutual agreement between the Implementing Partner and the participating UN Agencies, or refunded.

175.   Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may depend on the findings of a review of the public financial management capacity in the case of a Government Implementing Partner, and of an assessment of the financial management capacity of the non-UN[17] Implementing Partner. A qualified consultant, such as a public accounting firm, selected by the UN agency may conduct such an assessment, in which the Implementing Partner shall participate. The Implementing Partner may participate in the selection of the consultant.

176.   Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may be revised in the course of programme implementation based on the findings of programme monitoring, expenditure monitoring and reporting, and audits.

6.3   COMMITMENTS OF THE PARTICIPATING UN AGENCIES

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[16]   This sub-section applies initially to the three ExCom Agencies only. The efficacy and feasibility of including non-ExCom participating agencies will be examined through further discussion and negotiation.
[17]   For the purposes of these clauses, the 'UN' is meant to include the IFIs.

177.   **Financial commitments**. Participating agencies' Executive Boards have approved from Regular (core) Resources a total cumulative commitment not exceeding USD 11, 3 million, to support the activities detailed in this One UN Programme, for the period from 1 January 2007 to 31 December 2010[18]. The participating UN Agencies also bring additional funding to support the programmes specified in this Programme, referred to as Other (non-core) Resources from donors, to USD 29.9 million, as indicated in Table 3 below. Other Resources represent already secured donor funding to on-going or future UN Programmes under the One UN Programme.

Table 3. Financial Commitments of the Participating UN Agencies

Regular Resources	Other Resources
US$ 11,316,395	**US$ 29,920,905**

178.   Participating UN Agencies will develop a joint resource mobilisation strategy in collaboration with the Government based on the budgetary framework for the One UN Programme (Annex 3) which includes existing resources of the participating agencies as well as new funds to be raised to address the funding gap, through the common pooled funding mechanism to support coherence and implementation of the One UN Programme, i.e. the One UN Programme Coherence Fund.

179.   The above funding commitments are exclusive of funding received in response to emergency appeals, which may be launched by Government or by the UN System usually in response to a Government request.

180.   **Types of Support, Service Provision and Accountabilities.** The participating UN Agencies will provide support to the development and implementation of activities within the One UN Programme which may include cash assistance; technical support by UN staff and by hired consultants; supplies, commodities and equipment; procurement services; recruitment of personnel; transport; research and advocacy in support of policy development in Albania; programme development; monitoring and evaluation; training activities; and staff support. Part of the Agencies' support may be provided to Non Governmental Organisations as agreed within the framework of the individual Annual Work Plans.

181.   Additional support may include access to UN Agency-managed global information systems, the network of the participating UN Agencies' country offices and specialised information systems, including rosters of consultants and providers of development services, and access to the support provided by the network of UN specialised agencies, funds and programmes. The participating UN Agencies shall appoint staff and consultants for programme development, programme support, technical assistance, as well as monitoring and evaluation activities.

182.   Participating UN Agencies and the Government will work closely to ensure that the responsibilities and accountabilities of all the parties involved in One UN Programme implementation are clear, including Implementing Partners and participating UN Agencies. Annex 1 contains the Terms of Reference of the key institutions and other entities involved in the strategic management and execution of the One UN Programme. Most of the activities will happen as agreed in the Participating Agencies' Annual Work Plans. In the case of UN Agency funding of national partners the latter will be fully accountable for those inputs and delivery of

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[18] Subject to availability of funds

planned outputs. The participating UN Agencies will provide support services on the request of Implementing Partners. Where participating UN Agencies provide direct and indirect support to counterparts the participating UN Agencies have primary accountability.

183. **Financial Planning and Fund Transfers**. Participating UN Agencies' funds are distributed by calendar year in accordance with the One UN Programme. Specific details on the allocation and yearly phasing of UN Agencies' support will be reviewed and further detailed in participating agency annual work plans and project documents, if necessary. Any unspent funds not earmarked for specific initiatives may be re-allocated based on mutual consent between the Government and UN Agencies, through a decision of the JEC.

184. Participating UN Agencies will consult with concerned ministries and agencies on timely requisition of cash assistance or advance, supplies and equipment, or services. Participating UN Agencies will keep concerned officials informed of the movement of commodities, in order to facilitate efficient and timely clearing, warehousing and distribution. In consultation with the Government, participating UN Agencies maintain the right to request the return of commodities supplied but not used for the purpose specified in the annual work plans, and those commodities will be reprogrammed within the framework of the One UN Programme.

185. In case of direct cash transfer or reimbursement, the participating UN Agencies shall notify the Implementing Partner of the amount approved by the participating UN Agencies and shall disburse funds to the Implementing Partner within ten working days of notification. In case of direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner; or to vendors or third parties for obligations incurred by the participating UN Agencies in support of activities agreed with Implementing Partners, the participating UN Agencies shall proceed with the payment within ten working days.

186. The participating UN Agencies shall not have any direct liability under the contractual arrangements concluded between the Implementing Partner and a third party vendor. Where more than one UN agency provides cash to the same Implementing Partner, programme monitoring, financial monitoring and auditing will be undertaken jointly or coordinated between those UN agencies.

6.4 COMMITMENTS OF THE GOVERNMENT

187. **Project Documents and Annual Work Plans**. Participating UN Agencies and Implementing Partners will sign project documents and annual work plans with details on accountability for the use of funds provided by participating UN Agencies, including banking arrangements, accounting and financial reports, audit and control mechanisms, and closing procedures. The Government shall designate the names, titles and account details of the recipients authorised to receive such funds. Responsible officials will utilise such funds and other assistance in accordance with Government and UN Agency rules, ensure that funds are spent against approved annual work plan budgets, and adequately reported.

188. Any balance of funds not utilised or which could not be used according to the plans shall be reprogrammed by mutual consent between the Government and the UN Agency, or returned to the UN Agency. Failure to do so will preclude the UN Agency from providing further funds to the same recipient.

189. The transfer of supplies and equipment procured by participating UN Agencies for the Government may be agreed between the two parties. Final legal transfer shall be accomplished upon delivery to the UN Agency of a signed Government receipt. Should any of the supplies and equipment not be used for the purposes for which they were provided as outlined in the project or annual work plan concerned, the UN Agency may require the return of those items, and the Government will make such items freely available to the UN Agency.

190. Funds for travel, stipends, honoraria and other costs shall be set at rates commensurate with those applied in Albania, but not higher than those applicable to the UN System, as stated in the ICSC circulars.

191. **Resource mobilisation.** The Government through its line Ministries will ensure that counterpart funds necessary for the One UN Programme will be made available in a timely and adequate manner, which consists of both in-kind and in-cash contributions for personnel, premises, supplies, and technical assistance. The Government will work closely with participating UN Agencies to mobilize 'Other' resources from donors and the private sector, to support One UN Programme implementation. The Government will permit contributions from individuals, corporations and foundations in Albania, which will be tax exempt.

7. PERFORMANCE, MONITORING AND EVALUATION

7.1 OVERALL ONE UN 'REFORM TARGETS'

192. Performance targets of the One UN Programme are for the most part to be reflected in separate projects and sub-programmes implemented by the Participating Agencies, and as reflected in annual work plans. However, the One UN Programme constitutes a reform agenda in its own right, with baselines, indicators and targets. Overall One UN reform targets are listed below. Performance indicators associated with the achievement of outcomes of the One UN Programme are discussed in Section 7.2, below.

- **Reform Target #1. DAC Baselines and Targets**. Both Albania and the UN system are signatories to the Paris Declaration. The Government of Albania has committed to meeting 12 targets as agreed through the declaration. The One UN Programme will contribute to Albania's achievement of selected targets by 2010. These are described in Annex 5. These cover such targets as reducing the number of missions, a greater percentage of missions are joint, reducing the number of separate project implementation units, aligning and/or harmonizing UN systems with government systems.

- **Reform Target #2. Inclusion of UN Agencies**. The One UN Programme in Albania was developed with the philosophy of "strategic inclusiveness" where those UN Agencies and Funds that could contribute to the country's top development priorities as defined by the Government were included in the first phase. It is an open process where the Government of Albania and the RC will review the situation and based on new or emerging priorities, other UN Agencies may be invited to participate in the One UN Programme during the second half of 2008. Target: by the end of this programme cycle (2010) all resident and at least half of the non-resident agencies active in Albania will be participating agencies in this One UN Programme.

- **Reform Target #3. One Fund Target.** As noted in the Integrated Results and Budgetary Framework (Annex 2), approximately 45% of the total UN resources for One UN programming in Albania is to be mobilized and managed under the One UN Fund. By the end of the programming target, 65% of total available resources will be managed under the One UN Fund.

- **Reform Target #4. One UN House**. By the end of the programming cycle (2010), all resident UN agencies will have acquired accommodation in the One UN House, with measurable achievement in economies of scale through the provision of related One UN Premises facilities and common services.

- **Reform Target #5. Harmonized UN Management Practices**. By the end of the programming cycle (2010) the following UN operational practices will be harmonized among the participating UN agencies:

    a) Joint narrative and financial reporting to Government and Donors
    b) Travel and banking facilities for UN Albania
    c) Security arrangements
    d) Medical services
    e) Joint UN Procurement Plan for Operations and Programme
    f) Long term agreements for translation/editing, workshops

g) Procurement of fuel and vehicle maintenance and IT equipment

In addition to all operations practices, all efforts will be made to ensure coordination of the following cross-cutting practices: joint missions, evaluations, communications and resource mobilization.

7.2 MONITORING AND EVALUATION PLAN

193. The participating UN Agencies will work closely with the Government to set up a Monitoring & Evaluation (M&E) Plan (see Annex 4). The One UN Programme Monitoring and Evaluation (M&E) plan builds on that contained in the current UNDAF. The plan provides an overview of M&E activities as they relate to the pursuit of results at the national level by government, and those set out in this One UN Programme document. The M&E Plan consists of the M&E framework (Annex 4, Table 1) and the M&E programme cycle calendar (Annex 4, Table 2).

194. The One UN Programme M&E Plan will ensure continuous monitoring and evaluation of both the One UN Programme and Annual Work Plans. The M&E plan will include process and impact indicators that help track the synergy and value added of the UN working together in the One UN Programme, such as reduced transaction costs and enhanced impact.

195. A Joint M&E system to support the implementation of the M&E Plan will be developed in 2007 and will be used for the 2008 One UN Programme Annual Review and/or other formal reviews to be scheduled. Participating UN Agencies will explore the possibility of thematic or functional clustering of M&E activities during 2007. However, UN Agency specific M&E systems will continue to be used until the joint M&E system is established, or as long as agency specific systems may be required, to monitor and provide feedback on contributions to the One UN Programme outcomes and results.

196. The joint M&E system will take a results-based management (RBM) approach. Outcomes and results of the programme will be tracked using the Integrated Results Framework and related indicators. A range of M&E instruments is expected to be used under the joint M&E system. These will include regular Government surveys, sectoral baseline and end-line surveys, supplementary investigations (especially in the regions), joint periodic reviews and monitoring, and independent assessments and evaluations. Data management systems (such as the IPSIS and EAMIS) will be used for tracking outcomes and progress indicators. To ensure that M&E work is conducted successfully, UN Agencies will designate specialised staff to coordinate M&E work, and provide necessary budget allocations.

197. Potential problems and successes will be identified throughout the implementation of the One UN Programme, particularly through periodic progress reports including annual reports and field monitoring. Such reports will outline the challenges faced in implementation and resource utilization. Reporting will be in accordance with the existing procedures of individual participating UN Agencies until the Joint M&E system is in place.

198. The Government and participating UN Agencies agree on general procedures for annual work plan reviews as follows:

a) In the last quarter of the year, Implementing Partners and participating UN Agencies shall jointly conduct annual technical review meetings for all activities covered by projects/programmes and annual work plans under the One UN Programme.

Implementing agencies that are responsible for part of the implementation of the Annual Work Plans or projects, other UN agencies, donors, and collaborating NGOs, shall also be invited to these meetings, as appropriate. Ad hoc reviews of individual annual work plans or projects may be conducted when there are serious implementation problems or urgent unforeseen priority issues to be addressed.

b) The Joint Executive Committee will review the year's activities, progress toward annual work plan / project outputs, contribution to the One UN Programme outcomes and results, and proposed activities for the subsequent year. The Implementing Partners' annual reports for the past year and draft annual work plans for the next year will be important inputs for the annual technical reviews. Upon agreements reached, the annual reports and annual work plans will be completed and approved.

c) In an effort to increase coordination and reduce transaction costs, individual annual work plan technical reviews will be consolidated with one technical review per implementing partner or per thematic area/component (outputs or results under each outcome in the Integrated Results Framework are grouped in the five outcome areas). Annual reports will also be prepared jointly by participating UN Agencies.

199. **One UN Programme Reviews** The Government and participating UN Agencies agree on general procedures for One Programme Reviews. Review meetings will be organised by the Joint Executive Committee, in order to (i) review One UN Programme implementation, including progress toward achievement of One UN Programme outcomes and results, and their contribution to national development priorities and goals; (ii) discuss overall funding allocations; (iii) review and evaluate the management, coordination, and quality of the One UN Programme implementation; (iv) identify changes in priorities and needs for UN support, and (v) make recommendations for adjustments to the One UN Programme and its implementation.

200. **Outcome evaluations**. At least three of the One UN Programme Outcomes will be selected by the JEC and evaluated at least once during the One UN Programme cycle (2007-2010). The Outcome evaluation will be carried out by an independent party under the guidance of the Joint Executive Committee and with broad participation of key stakeholders, as appropriate. This will provide an opportunity to update and improve implementation strategies, establish continuing relevance to national priorities, and to incorporate emerging issues and other UN agencies in the One UN Programme, as appropriate. A mid-term Review of the One UN Programme will be conducted in 2009 to introduce revisions as maybe required. The final evaluation of the One UN Programme will be conducted in 2010. This will feed into planning of the next One UN Programme cycle, 2011-2015.

201. **Implementing partner reporting.** In order for timely information to be received on the movement and use of equipment, supplies and grants in implementing the programme, a system of administrative reporting and monitoring shall be instituted by the Administrative Agent (UNDP). Each of the Government organisations concerned shall provide periodic status reports to the UN Agency concerned. Key indicators on financial delivery and results achieved shall be provided relative to the targets for each period. The Government and participating UN Agencies shall develop and mutually agree on the common format to be used and the frequency of reporting. Implementation of Annual Work Plans will be reviewed in the Joint Executive Committee.

202. **Other evaluations and reviews**. The Government is committed to organise evaluations or technical reviews of specific programme components and country programmes and, where appropriate, sectoral/thematic forums with the participation of donors, civil society, private sector

and participating UN Agencies. The reports of these evaluations and reviews will be made available to participating UN Agencies and will help guide further development of co-operation between the Government and participating UN Agencies. The Government will permit and facilitate periodic monitoring visits by UN Agency officials, experts, and persons providing services, to observe and monitor all phases of the programme of co-operation, meet beneficiaries, and assess progress and performance.

203.   The Government agrees to the participating UN Agencies independently publishing both nationally and internationally, any results and experiences arising from the Programme.

7.3   ADMINISTRATIVE AND FINANCIAL REPORTING

204.   Each participating UN Agency shall provide the Administrative Agent with the following statements and reports prepared in accordance with a harmonised accounting and reporting procedures applicable to the participating UN Agency concerned:

   a) Annual financial reports as of 31 December each year with respect to the funds disbursed to it from the One UN Fund Account, to be provided no later than three months after the end of the applicable reporting period.

   b) Annual progress report on One UN Programme implementation will serve as the narrative part of the report on the One UN Fund.

   c) A final financial report, after the completion of the One UN Programme and including the final year of the Programme, to be provided no later than 30 April of the year following the financial closing of the Programme.

   d) A final certified financial statement, to be provided no later than 30 June of the year following the financial closing of the Programme.

205.   In line with the Government's policies and strategies for the management of external assistance and until such time that a harmonised reporting format and procedure is mutually agreed and accepted by Government and Participating UN Organizations, the Participating UN Organizations will utilise for financial and administrative reporting the methodologies and formats as developed and approved by the Joint Executive Committee.

206.   The Administrative Agent shall compile narrative progress and financial reports submitted by each Participating UN Organization, and shall provide consolidated reports to the Resident Coordinator once these have been agreed upon by all Participating UN Organizations but no later than 4 months upon receipt thereof.

207.   The Administrative Agent shall also provide to the Resident Coordinator for submission to donors and Participating UN Organizations, an annual certified Financial Report on its activities as Administrative Agent ("Report on Sources and Uses of Funds") as well as a final Financial Report and certified Financial Statement no later than 30 June of the year following the financial closing of the One UN Fund.

208.   Consolidated One UN Fund reporting and documentation, including agreements, will be posted on the UN Website and the DSDC Website.

7.4 FINANCIAL ACCOUNTING, MONITORING AND AUDITING

209.   Auditing shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of the respective Participating UN Organizations in line with harmonised procedures applicable to the Participating UN Organizations.

210.   The activities of the Administrative Agent and the Resident Coordinator shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP.

211.   A standard Fund Authorization and Certificate of Expenditures (FACE) report, reflecting the activity lines of the annual work plan, will be used by Implementing Partners to request the release of funds, or to secure the agreement that the participating UN Agencies will reimburse or directly pay for planned expenditure. The Implementing Partners will use the FACE to report on the utilization of cash received. The Implementing Partner shall identify the designated official(s) authorized to provide the account details, request and certify the use of cash. The FACE report will be certified by the designated official(s) of the Implementing Partner.

212.   Cash transferred to Implementing Partners should be spent for the purpose of activities as agreed in the annual work plans only. Cash received by the Government and national NGO Implementing Partners shall be used in accordance with established national regulations, policies and procedures consistent with international standards, in particular ensuring that cash is expended for activities as agreed in the annual work plans, and ensuring that reports on the full utilization of all received cash are submitted to the appropriate UN Agency within six months after receipt of the funds. Where any of the national regulations, policies and procedures are not consistent with international standards, the regulations, policies and procedures of the UN Agency concerned will apply.

213.   In the case of international NGO and Implementing Partners cash received shall be used in accordance with international standards in particular ensuring that cash is expended for activities as agreed in the annual work plans, and ensuring that reports on the full utilization of all received cash are submitted to the appropriate UN agency within six months after receipt of the funds.

214.   To facilitate scheduled and special audits, each Implementing Partner receiving cash from a UN Agency will provide that UN Agency or its representative with timely access to: (i) all financial records which establish the transactional record of the cash transfers provided by the UN Agency; and (ii) all relevant documentation and personnel associated with the functioning of the Implementing Partner's internal control structure through which the cash transfers have passed.

215.   The findings of each audit will be reported to the Implementing Partner and the UN Agency. Each Implementing Partner will furthermore: (i) receive and review the audit report issued by the auditors; (ii) provide a timely statement of the acceptance or rejection of any audit recommendation to the UN Agency that provided cash, and where the GSA has been agreed to conduct the audits also to the GSA; (iii) undertake timely actions to address the accepted audit recommendations; and (iv) report on the actions taken to implement accepted recommendations to the UN agencies, on a quarterly basis.

7.5   KEY SUCCESS FACTORS

216.   **Visible leadership, meaningful commitment**. Both the government and the participating UN Agencies must demonstrate leadership and their commitment to the One UN Programme and the implementation of the HLP recommended reforms in Albania. Such commitment must be translated into clearly defined accountability structures, decision-making authorities, roles and responsibilities and supporting reporting, monitoring and performance measurement. Leadership and commitment must be visible and sustained, reflected in concrete actions and change. Such commitment will initially be shown through each party's signature to this One UN Programme framework document and an active, functional decision-oriented JEC. Commitment to reform must not only be visible and meaningful at the country level, it must also be evident at the regional and corporate headquarters levels of the participating agencies.

217.   **Good management**. The structuring and operation of the Joint Executive Committee supported by a reasonable level of programme coordination capacities will be key to good management, to minimizing risks and to optimising chances for overall successful implementation. Good management is seen as the prime determinant of success and will need to be supported by adequate programme coordination capacities. As a pilot, it will be incumbent on all parties to this agreement to demonstrate prudent but flexible management, and to be 'entrepreneurial' – especially the UNCT and RC -- to try and test the proposed new ways of programming, funding and implementation. Little will be gained through a 'minimalist' and 'risk aversion' approach to the challenges of reform.

218.   **Managing change, expectations and risks**. It is accepted at the outset that there are considerable risks associated with the implementation of the One UN Programme – a major change in the way UN agencies programme and work. Room will need to be made for experimentation and learning, to understand that the envisaged reforms imply a long term process of complex change, to closely manage expectations, to continuously monitor progress, and to make adjustments quickly as and when required. Special attention is to be given to the factors for successful implementation, and the development of appropriate change and risk mitigation measures.

219.   **Validity of planning assumptions**. The One UN Programme is based on the development and integration priorities as set out in the draft NSDI, SAA and Sector strategies. It is recognized that the NSDI and most of the sector strategies will receive formal approval by end 2007. Hence, there is some risk that priorities may change by the time that final approvals are made. It is assumed that the development priorities set out herein will remain valid. In the event that national priorities are adjusted, then the One UN Programme framework document will be amended to reflect the changed priorities. This applies as well to the Government's development and approval of the 'Document for the Coordination and Management of External Assistance' and related decree.

220.   **Maintaining focus**. This One UN Programme presents a somewhat broad scope and diverse range of activities. There is a risk that programme activities could become too spread out and lose focus. There may be competing demands for support from government. There may be competing demands from donors as to where and how they will want to channel their funds. There will be competing demands from the UN agencies themselves in terms of which outcomes are more important than others. The UN system cannot be all things to all people, and careful decisions will need to be made jointly by Government and the UN to focus the limited available resources on clear priorities.

221.   **Funding availability**. The combined resources of the UN development system represent a small percentage of total ODA flows to the country, which in turn represent about

only 4% of GDP. It is expected that as Albania achieves it's socio-economic and growth objectives, the role of ODA will become increasingly marginal. Funding for One UN Programmes simply may not become available, as donors channel their funds to higher priority programme countries. This will place increasing pressure on the UN system to manage available funds strategically, to focus on clear priorities and gaps that are not otherwise funded from the Government budget or other external sources. Greater efforts may need to be found to economize and achieve economies of scale. The move to One UN house will be a step in this direction. The JEC will pay special attention to the UN system 'cost of doing business' relative to funding availability.

222. **Communications** are key to expanding the awareness and understanding of the overall One UN reform initiative and the One UN Programme. As understanding increases, greater acceptance of and commitment to the proposed reforms will be secured – from the local UN participating agencies, from their respective regional and headquarters units, from Government and from the donor community. The One UN Programme will feature the development of a joint communications strategy.

223. **Sustainable national capacities**. The sustainability of programme results is a risk in view of limited capacities and the absorption of capacities within a civil service that is relatively small. The One UN Programme has a strong focus on supporting the development of crosscutting capacities at the national and local levels. This requires the participating UN Agencies to bring international, regional and national experience to bear on national challenges, and requires technically competent and experienced staff that are credible communicators with partnership and programme management skills. The increased emphasis on crosscutting and cross-sectoral programming will also require staff to work in a more collaborative fashion.

224. **Learning and networking**. To support implementation of the One UN Programme, relevant parties will seek external know-how as needed from UN agencies, national organisations, and national and international experts and consultants. Participating UN Agencies will tap into global and regional knowledge networks and assistance programmes, and will cooperate with leading national and international policy and research institutions. Efforts will be made to strengthen and effectively use participating UN Agencies' in-house expertise and research results.

225. **Adequate UN management capacities**. The development and implementation of the One UN reforms places increased demands on the participating UN agencies, especially their heads, the RC and Office of the RC. Not only must time and resources to be committed to the One UN, agencies must also focus on ongoing delivery. The implementation of the One UN will depend on qualified and committed staff within the UN agencies themselves, and the availability of sufficient resources to manage the overall process. Agencies will need to make available competent staff with the necessary technical skills and the required allocation of time to programme, plan, coordinate and deliver results. Additional financial and human resources (estimated in Section 4.5 of this document) are required to design, coordinate and implement the One UN reforms. A joint capacity assessment of the participating agencies and the Office of the RC is to be carried out, and an appropriate capacity development plan developed, funded and implemented.

8. OTHER PROVISIONS

226. This UN One UN Programme document does not supersede previously signed CPAPs between the Government of Albania and UNDP, UNFPA and UNICEF. Internal action plans of the other participating UN agencies cover programme activities to be implemented during the period from 2008 through 2010. These action plans may be modified by mutual consent, as and when needed, and become effective upon signature.[19] The Annual Work Plan (AWP) of the One UN Programme may, however, in the next planning cycle replace the CPAPs and equivalent operational plans and agreements of the participating agencies, subject to a decision by the participating agencies.

227. In the event of any significant change in the situation requiring adjustment to objectives or need to extend the duration and scope of the planned programme components, the Government will make a formal request to the Joint Executive Committee (i.e. to the RC and participating UN Agencies) and an amendment to this One UN Programme Document will be negotiated and agreed.

228. In the event of a failure by one party to fulfil any of its obligations under this One UN Programme:

   a) where the defaulting party is one of the participating UN Agencies, the Government may either (i) suspend the discharge of its own obligations vis-à-vis the defaulting party by giving written notice to that effect to the defaulting party or (ii) terminate the One UN Programme vis-à-vis the defaulting party by giving written notice of sixty (60) days to the defaulting party; and

   b) where the defaulting party is the Government, the UN Agency to which the Government has defaulted, either alone or together with all other participating UN Agencies, may either (i) suspend the discharge of its own obligations by giving written notice to that effect to the defaulting party or (ii) terminate the One UN Programme by giving written notice of sixty (60) days to the defaulting party.

229. The Government will honour its commitments in accordance with the provisions of the cooperation and assistance agreements outlined in Section 6.4 of this document and as reflected in its role as chair of the GMC, as co-chair of the Joint Executive Committee and in the role of the Director, DSDC. The Government shall apply the provisions of the Convention on the Privileges and Immunities[20] of the United Nations agencies to the Agencies' property, funds, and assets and to its officials and consultants. In addition the Government will accord to the Agencies and their officials and to other persons performing services on behalf of the Agencies, the privileges, immunities and facilities as set out in the cooperation and assistance agreements between the Agencies and the Government.

230. The Government will be responsible for dealing with any claims that may be brought by third parties against any of the Agencies and its officials, advisors and agents. None of the Agencies nor any of their respective officials, advisors or persons performing services on their behalf will be held responsible for any claims and liabilities resulting from operations under the cooperation and assistance agreements, except where it is mutually agreed by Government and a particular Agency that such claims and liabilities arise from gross negligence or misconduct of that Agency, or its officials, advisors or persons performing services.

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[19] The practical implications of this will need to be further explored specifically for the case of the existing WHO BCA.
[20] Adopted by the UN General Assembly on 13 February 1946.

231.   No taxes, tolls, duties, value added tax (VAT) or any other forms of national taxation shall be levied on supplies, equipment, or services furnished by participating UN Agencies under this One UN Programme, whether procured by the participating UN Agencies or procured by the Government. The Government will be responsible for paying all import duties required for supplies and equipment imported for use by UN Agency supported programmes and projects.[21]

232.   This One UN Programme and the Integrated Results and Budgetary Framework in Annex 2 are prepared in the English and Albanian language in eight copies of equal validity, with each party keeping one set of the originals.

233.   Any dispute between the Government and a UN Agency shall be resolved in accordance with the basic agreements stipulated in this One UN Programme document. Any dispute among the participating UN Agencies shall be resolved exclusively among the participating UN Agencies through good faith consultations.

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[21] The Government will be responsible for the clearance, receipt, warehousing, distribution and accounting of supplies and equipment made available by UNICEF.

IN WITNESS THEREOF the undersigned, being duly authorized, have signed this One UN Programme on 24 October 2007 in Tirana, the Republic of Albania

For the Council of Ministers of the Republic of Albania

Signature: _____

Name: **Gazmend Oketa**

Title: **Deputy Prime Minister**

For the United Nations

Signature: _____
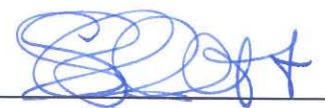
Name: **Gülden Türköz-Cosslett**

Title: **UN Resident Coordinator**

SIGNATURES OF PARTICIPATING AGENCIES

For UNDP	For UNEP
Signature: _[signature]_	Signature: _[signature]_
Name: Philip Peirce	Name: Christophe Bouvier
Title: UNDP Deputy Representative	Title: Regional Director

For UNESCO	For UNFPA
Signature: _[signature]_	Signature: _[signature]_
Name: Engelbert Ruoss	Name: Gülden Türköz-Cosslett
Title: Director, UNESCO BRESCE-Venice	Title: UN Resident Coordinator and UNFPA Representative

For UNHCR	For UNICEF
Signature: _[signature]_	Signature: _[signature]_
Name: Hossein Kheradmand	Name: Carrie Auer
Title: Representative	Title: Representative
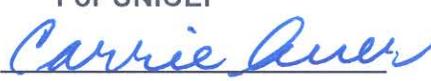
For UNIFEM	For WHO
Signature: _[signature]_	Signature: _____
Name: Christine Arab	Name:
Title: Country Programme Manager	Title:

For ILO	For FAO
Signature: _[signature]_	Signature: _[signature]_
Name: Petra Ulshoefer	Name: Maria Kadlecikova
Title: Director. SRO Budapest	Title: Regional Representative for Europe and Central Asia, REUD
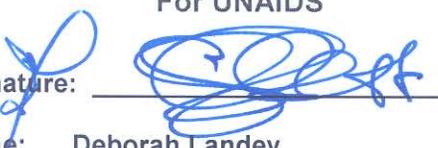
For UNAIDS	For UNV
Signature: _[signature]_	Signature: _[signature]_
Name: Deborah Landey	Name: Gülden Türköz-Cosslett
Title: Deputy Executive Director	Title: UN Resident Coordinator

ANNEXES

1   Selected Terms of Reference

2   Integrated Results and Indicators

3   Integrated Budgetary Framework - One UN Coherence Fund (by year)

4   Monitoring and Evaluation Plan

5   DAC Baselines and Targets

6   List of Government Sectors

7   Acronyms

ANNEX 1   INSTITUTIONAL AND MANAGEMENT STRUCTURES, TERMS OF REFERENCE

This annex contains detailed terms of reference for the institutional, management and coordinating structures identified in Section 5 of this document. These TOR reflect the discussions and agreements between the RC and UN Agency Heads and between the UN and the Government.

1.1   Government Modernization Committee (GMC)

1.2   Joint Executive Committee (JEC)

1.3   Government Inter-ministerial Working Group (Government)

Annex 1.1   Government Modernization Committee (GMC)

By order No. 11 of the Council of Ministers (30 January 2006), the Inter-Ministerial Committee is chaired by the Deputy Prime Minister[22] and inter alia is to: (1) *"ensure the flow of the technical process for the preparation of the documents of the national strategy, and liaise the strategy with the donors; (2) ensure efficient coordination of the government modernization program; and (3) ensure establishment of the capacities and structures, in compliance with the recommendations of the strategy for the 'consolidation of an integrated planning system', amended".*

The mandate of the GMC is to oversee and coordinate the implementation of the Integrated Planning System[23]. Harmonization and simplification of systems and procedures for the management of external assistance pursuant to the Paris Declaration falls within the mandate of the GMC. The One UN Programme – as an externally funded and joint effort between the Government and the UN to reform the UN in Albania – will logically receive strategic direction from the GMC.

With respect to the Programme, the GMC will serve as the Government's highest-level policy, coordination and decision making authority. The GMC will monitor progress and ensure coordination of the One UN Programme with the Government Modernization Programme, the PAR, the IPS and other inter-ministerial and cross-sectoral policies and priorities. It will meet at least once a year and its main role is as follows[24]:

    a) Formally approves the One UN Programme document and subject to mutual agreement with the UN RC, also review and possibly approve the annual work plan for the One UN Programme.

    b) Provides high-level policy direction and coordination across government.

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[22] The membership of the Committee consists of the Ministers of (1) Finance; (2) Economy, Trade, and Energy; (3) Interior; (4) Public Works, Transports and Telecommunications; and (4) European Integration.

[24] A special meeting of the GMC was convened on 21 March 2007 and attended by the UN Resident Coordinator and Heads of Resident UN agencies. The One UN Initiative was presented and discussed, and the overall institutional arrangements of the government as pertaining to the One UN Programme approved.

c) Reviews and approves annual reports on the performance of the Programme (including financial reports), including major evaluations of substantive achievements by each beneficiary, monitoring and evaluation reports, annual work-plans etc.

d) Approves strategies and means for the harmonization of UN systems and procedures with those of the government (in line with the Paris Declaration).

e) In any case of urgency, the Chair of the GMC may delegate authority to another member of the committee, or to the Joint Executive Committee (described below) to make appropriate decisions.

Annex 1.2   One UN Programme - Joint Executive Committee (JEC)

The JEC will make executive decisions necessary for implementation of the One UN Programme Framework document, in accordance with strategic decisions made by the GMC, and with work plans and sub-programmes approved by the GMC. The JEC makes decisions by consensus. Where consensus cannot be achieved, the matter will be referred to the GMC for decision, unless the matter is of a strictly UN system nature in which case it will be referred to the RC.

(1) Co-Chairs

       Government: Director, DSDC
       United Nations: Resident Coordinator

(2) Membership and Non-resident agencies

a) As noted in Section 5.1 and 5.2 of this document, resident participating UN agencies are full voting members of the JEC.

b) Subject to a decision by the RC, non-resident UN agencies may be provided the option of ex-officio membership in the JEC by attending JEC meetings, or proxy membership through a resident agency.

c) Subject to a decision by the RC, a non-resident participating or cooperating agency may become an occasional (non-voting) ex-officio member of the JEC by attending, for example, meetings on an annual basis.

d) A non-resident participating or cooperating UN agency will be fully consulted during the course of One UN Programme development and be provided with routine performance and monitoring reports, and other such opportunities for involvement as may be agreed with the RC.

(3) Programme Management

The role of the JEC applies to the executive management of the One UN Programme as a whole, and to the management of the One Fund, as follows:

a) Acts on behalf of the GMC as authorised.

b) Formally approves the annual work plan for the One UN Programme (see also section 5.3 on the subject of the annual work plans).

c) Reviews and approves funding proposals from donor agencies and/or beneficiaries opting to participate in the One UN Programme (whether such projects would be ear-marked and implemented outside of the One Fund, or within the One Fund).

d) Reviews and monitors the One UN Programme and the annual work plan through progress reports, and takes such measures, as it may deem necessary to increase the effectiveness of programme delivery and the achievement of One UN Programme objectives and results.

e) Prepares meetings of the GMC, including prior approval of material for submission to the GMC for its own approval, such as new sub-programmes, projects and other proposals from beneficiaries or from organisations applying to become beneficiaries.

f) Takes appropriate action to ensure that adequate communication is maintained pro-actively between all stakeholders of the programme, that activities of the programme are adequately publicised, and that its results are highly visible.

g) Recommends to the GMC the strategies and means for harmonization of UN systems and procedures with those of the government (in line with the Paris Declaration).

h) Makes any other such decisions as may be appropriate to the successful implementation of the One UN Programme and the achievement of One UN reform objectives in Albania, as a pilot country.

(4) Fund Management

a) Reviews and approves funding priorities.

b) Approves the allocation of resources mobilized through the One UN Programme Fund (the principles and description of which is contained in Section 6.1 of this document).

c) Prioritises and decides on the allocation of funds from the One UN Programme Fund, and provides oversight of the management and operations of the One UN Programme Fund. The prioritisation will be guided by recommendations from One UN Programme Annual Reviews and other inputs.

d) Seeks inputs from Inter-Agency teams or UN Outcome Groups, and/or establishes ad hoc sub-committees to deal with emerging issues, as appropriate.

e) In the event that agreement is not reached by the JEC on the allocation of One UN Funds, the matter will be referred to the RC for ultimate decision (see also Section 5.2 under the Role of the One UN Leader / RC).

(5) Meeting Venue

The JEC meets every two months. The location of the meeting alternates between the offices of the Director, DSDC and the Resident Coordinator. Notice of meetings is made one week-prior to the meeting date. Meeting materials are prepared by the Office of the RC and sent to members one week in advance. The Office of the RC maintains records of meetings, decisions and follow-up actions.

Annex 1.3   Government Inter-Ministerial Working Group

The Working Group is composed of Secretary General level representatives of those Ministries and Agencies that are the primary counterparts of the UN agencies (i.e. the Ministry of Finance, Ministry of Integration, Ministry of Economy, Ministry of Interior, Ministry of Foreign Affairs, the main Social Sector ministries, and DSDC). Special ad hoc sub-working 'task' groups may be set up to tackle specific issues, such as the One UN House, respond to a major evaluation on a programme component, and so on.

The Working Group meets on an as needed basis for consultations on:

a) the substantive, technical aspects of all proposals for sub-programmes, projects and other activities arising directly from the One UN Programme document.

b) the substantive, technical aspects of progress reports submitted by the beneficiaries and by the Programme Coordinator, participating agencies, implementing partners and of reports submitted by external evaluators.

c) on institutional entry points for capacity development and other crosscutting issues, in terms of the mission and objectives of the programme.

The Group endeavours to take into account particularly the needs of UN reform and implementation of the HLP recommendations: to be responsive to a changing national political and administrative environment; and to assist the Government in its task of European integration.

ANNEX 2 INTEGRATED RESULTS MATRIX AND INDICATORS

DEVELOPMENT GOAL 1: MORE TRANSPARENT AND ACCOUNTABLE GOVERNANCE			
Expected Results	**Key Indicators**	**Means of Verification**	**Participating Agencies and Partners**
OUTCOME 1.1: National Institutions and Public Sector able to respond to the requirements of the EU Accession process, including implementation of the IPS.			
1.1.1. **National capacities for collection, analysis and use of data strengthened to support evidence based development policies;**	# of surveys, reports, assessments, qualitative analysis produced during the One UN Programme period (NHDRs; MDG, Status of Women, Status of Children Progress Reports); # of evidence-based legislation and sub-legislation/policies and procedures in place to support MDGs and NSDI; Sex-disaggregated data used in policy planning by Government	INSTAT UN and National Publications produced on a regular basis	UNDP; UNIFEM; UNFPA; UNICEF; ILO, WHO, WB Line Ministries, INSTAT, Civil Society organizations, think tank institutions, DSDC, MOLSAEO, Academia
1.1.2. **National capacity strengthened to retain the required human resources in public sector and academia**	Incentive and retention policies introduced in public administration and civil service. # of key capacity gaps in public sector and academia addressed through Albanian professionals from the Diaspora.	CoM DoPA	UNDP, UNESCO CoM, DSDC, Ministry of Interior, DoPA, MoLSAEO, MoEUI, Local Government, Academia, international partners : WB, IOM
1.1.3. **Government systems are modernized and public administration increases its effectiveness through implementation of ICT strategy and e-governance**	# of laws adopted in e-governance; NAIS (National Agency for Information Society) created and functioning; More Government Institutions are connected to and using information management networks and related software applications (i.e., status of IPSIS & EAMIS implementation);	NAIS (National Agency for Information Society) at the CoM; DSDC	UNDP CoM, Ministry of Public Works, Transport and Telecommunications, MoF, Academic institutions, local Governments in pilot regions.

DEVELOPMENT GOAL 1: MORE TRANSPARENT AND ACCOUNTABLE GOVERNANCE			
Expected Results	**Key Indicators**	**Means of Verification**	**Participating Agencies and Partners**
1.1.4. **Migration Management is enhanced through better alignment between migration policies, labor market strategies and employment creation policies, especially targeting youth.**	Innovative youth employment programmes implemented in two regions with high migration rates; Study on remittances for investment in development and decent work for youth National Action Plan for Youth Completed		ILO, UNICEF, UNDP, IOM MoLSAEO, Local Governments in Pilot regions, CSOs, Ministry of Interior,
1.1.5. **Asylum laws and National Action Plan implemented by Government in line with international and EU standards.**	# of policies/laws resourced to allow for adequate implementation;		UNHCR MoFA, MoI, MoEUI, civil society partners,
OUTCOME 1.2: Government policies and practices necessary to promote social inclusion and reduction of regional disparities are strengthened.			
1.2.1 **Government at all levels has systems and mechanisms in place to coordinate, implement and monitor the NSDI with strong emphasis on social inclusion.**	# of evidenced-based GoA policies and legislation enacted that directly support children, gender equality and minority rights, youth, RH rights and disaster preparedness; MDG targets incorporated in NSDI with clear links to EU social agenda. Baseline: National Plans of Action and/or Strategies for Children; Youth; Roma; Health; and Gender Equality; are approved and incorporated into NSDI (as of November 2007)	More ambitious national MDG targets and indicators adopted and progress monitored; Status of Women and Gender Equality Reports;	UNDP, UNICEF, UNFPA, UNIFEM, UNHCR, ILO, WHO DSDC, Local Governments, MoLSAEO, MoF, IPH; MoI, media, civil society and human rights' networks; international Partners, IOM.
1.2.2 **Government effectively resources and implements national and international gender equality commitments at all levels.**	% of total budget from line ministries allocated to the National Strategy on Gender Equality and Domestic Violence; Gender equality priorities incorporated into key sectors of the NSDI	Annual Financial Report of the Ministry of Finance providing budget analysis	UNIFEM, UNDP, UNFPA, UNICEF, MoLSAEO, MoF, DSDC, other line ministries, local governments; CSOs; International partners;

DEVELOPMENT GOAL 1: MORE TRANSPARENT AND ACCOUNTABLE GOVERNANCE			
Key Indicators	**Means of Verification**	**Participating Agencies and Partners**	
OUTCOME 1.3: Government adopts economic policy, regulatory & institutional frameworks that promote pro-poor growth, socially-inclusive legal & economic empowerment.			
1.3.1 **Government and national institutions are able to more effectively address challenges of WTO, SAA, regional trade agreements implementation and sovereign credit rating establishment**	Increased FDI flows particularly in targeted sectors such as textile, leather and agro-food. ; ALBINVEST & MoETE have strengthened capacity and mechanisms for business and investment promotion, including the establishment of one industrial zone	METE Alb Invest	UNDP Ministry of Economy, Social Partners, Business associations. MoEUI
1.3.2. **Government puts in place legal and economic reforms necessary to reduce the extent of informality in business, employment and property sectors.**	Diagnostic Study for the Legalization of Informal Economy completed;		UNDP, ILO Ministry of Economy, CoM, Business partners, ALUZNI
1.3.3. **Government and Social Partners effectively implement international labor standards**	# of sub-legislation/policies in place to enforce international labour standards ;		ILO MoLSAEO, State Social Service, Social Partners, Business Partners.
1.3.4. **Government is better able to protect cultural heritage and promote cultural and sustainable eco-tourism.**	# of legal instruments, standards and management plans developed to support protection of cultural heritage; # of staff employed at cultural sites trained in cultural heritage, management, conservation and protection; Increase of domestic and international tourism to cultural heritage sites;		UNESCO, UNDP, UNEP MoTYSC, MoEnv, MoA&F, MoFA, Local governments in pilot regions, local business associations.
1.3.5. **Government puts in place policies, regulatory and institutional frameworks that are more socially inclusive and pro-poor and actively promotes Corporate Social Responsibility (CSR) and Global Compact.**	# of business apply CSR (Corporate Social Responsibility)		UNDP, ILO, WB Regulatory Entities (e.g. Telecom, Energy, etc) Private sector, MoE.

DEVELOPMENT GOAL 2: GREATER PARTICIPATION IN PUBLIC POLICY AND DECISION MAKING			
Expected Results	**Key Indicators**	**Means of Verification**	**Participating Agencies and Partners**
OUTCOME 2.1 Civil Society better able to participate in public debate & advocate for state-citizen accountability.			
2.1.1 **Civil society (including Roma, women, migrants, youth) has capacity and mechanisms to monitor performance of state institutions, and be part of the decision-making and policy process.**	# of monitoring and reporting mechanisms and tools used by civil society to document progress towards achievement of the NPA for Roma, Children and Youth and the National Strategy for Gender Equality and Domestic Violence; Baseline: 50% of CSO influence local decision making (CS capacity assessment, Feb 2006); 12 Advisory groups established at line ministries level for consultation on sectoral and crosscutting strategies; Two Alternative Reports produced in 2005/2007 and submitted to HR Monitoring bodies (CRC and CEDAW)	# of consultations with CS organizations in the monitoring of sectoral/national policies and strategies; CS assessments report by different organizations EU progress monitoring reports National Alternative Reports on Human Rights conventions, prepared by CSOs;	UNICEF, UNFPA, UNDP, UNIFEM CSOs, INSTAT, Local NGOs., Media Reporters, Office of Ombudsman; International Partners, IOM
2.1.2 **Increased dialogue between duty bearers and women, children and youth in decision making process that impact their lives**	# of town hall and community meetings, organized with participation of CSOs, users/interest groups, women, youth and minorities, holding on-going dialogue with local and national Government; National Labour Council used as forum for national deliberations and tripartite social dialogue, bringing together employers' organizations and public authorities. Baseline: No official reports reflecting the participation of citizens in decision-making have been established;	CS assessments report by different organizations Published reports, media reports, administrative records;	UNICEF, UNFPA, UNDP, UNIFEM, NGOs, CSOs, MoLSAEO, MoTYSC, State Social Service, CoM. Office of Ombudsman , Human Rights NGOs & Institutions

DEVELOPMENT GOAL 2: GREATER PARTICIPATION IN PUBLIC POLICY AND DECISION MAKING			
Expected Results	**Key Indicators**	**Means of Verification**	**Participating Agencies and Partners**
2.1.3. Roma participation in decision making and access to services increased	# Volunteer/self help groups coordinating/networking with relevant NGOs and local governments in the provision of services;		UNV, UNDP, UNICEF, UNFPA CSOs, Local Governments, volunteer and self help- groups.
2.1.4. Tripartite social dialogue between employers' and workers' organizations and national authorities enhanced	National Labour Council used as forum for national deliberations and tripartite social dialogue on economic and social policies		ILO National Labour Council Employers and Workers organizations
OUTCOME 2.2: Institutions and Forums in place to support people's participation and empowerment to take active part in policy formulation and decision-making.			
2.2.1 Media reports on development issues are more systematic and of better quality.	% of issue specific, broad-based national coverage of human rights and equality issues in print, TV and radio media;	Newspapers; Radio and TV broadcasts;	UNDP, UNICEF Institute of Media, Free Media Forum, other NGOs and Training Institute
2.2.2 Promotion of women's participation in politics, decision making, public debate and the integration of gender equality policies in the implementation of the NSDI.	% of women in decision-making positions at the local level; Coordination/alliances established among CSOs targeting women's political activity and women's role as decision-makers; % of politically active women (as voters, candidates, elected officials and in administration of elections) at the local and national level; Baseline: Currently, limited reliable information available about women's political participation at local and national level;	National Alternative Reports on Human Rights conventions, prepared by CSOs; Status of Women and Gender Equality report; Published reports, media reports, administrative records;	UNIFEM MoLSAEO, MoEUI, CoM, DSDC, MoF, MoI, local governments, Parliamentary Commissions; International Partners , OSCE

DEVELOPMENT GOAL 3: INCREASED AND MORE EQUITABLE ACCESS TO QUALITY BASIC SERVICES			
Expected Results	**Key Indicators**	**Means of Verification**	**Participating Agencies and Partners**
OUTCOME 3.1: Government is able to provide quality affordable primary health care at all levels			
3.1.1 **Relevant government departments and MoH put in place, inclusive policies, regulatory and institutional frameworks and standards for delivery of services for maternal, child health, adolescent health, family planning, STIs and HIV/AIDS, and surveillance and control of major non-communicable and communicable diseases.**	% of budgets allocated by line ministries and locally to support these policies, frameworks and services; # of standards, sub-legislation and policies in place;		WHO, UNICEF; UNFPA, UNAIDS MoH, IPH, Family Planning associations, CSOs, DSDC
3.1.2 **Civil Society and user groups, with special focus on excluded and marginalized groups, are better able to demand quality health care services.**	# of users of quality health services; # of traditional non-users accessing quality health services		UNFPA; UNICEF; UNAIDS, WHO Associations & Network of NGOs
OUTCOME 3.2: Institutional framework for education in place that promotes inclusive quality education for all children.			
3.2.1 **The Ministry of Education encourages the inclusion of children from marginalized groups and their participation in education.**	# of marginalized groups participating in education planning;		UNICEF MoES, Institute of Curricula & Standards, Regional Education Directorates.
3.2.2 **MoES has put in place relevant standards for sector reform on quality of learning process, governance and management, human resources development and financing of pre-university education.**	# of standards in place for sector reform on quality of learning; % of budget allocated to sector reform on quality of learning;		UNICEF, UNESCO MoES, Institute of Curricula and Standards, NGOs and other national institutions
3.2.3 **Children and their parents participate more actively in school administration and governance and their voice is recognized in school decision making process.**	# of parent groups formed and participating in school decision-making;		UNICEF MoE, Regional Education Departments, Schools & Children-Parent associations in pilot regions
3.2.4 **Educational and employment opportunities are expanded through the introduction of ICT in schools .**	# of primary and high schools where ICTs are introduced;		UNDP<, UNICEF MoES, Regional Education Departments, Youth Associations.

DEVELOPMENT GOAL 3: INCREASED AND MORE EQUITABLE ACCESS TO QUALITY BASIC SERVICES			
Expected Results	**Key Indicators**	**Means of Verification**	**Participating Agencies and Partners**
OUTCOME 3.3: Government adopts policies, regulatory and institutional frameworks that promote provision of integrated quality services, with special emphasis on strengthening social protection system.			
3.3.1 Child protection legislation policies, standards and protocols of care, as well as effective institutional mechanisms are in place across key sectors to operationalize child protection policies and monitor their implementation.	# of policies and standards in place; % of budget allocated to these standards;		UNICEF MoLSAEO, MoJ, MoI, Police anti-trafficking. Departments, Children Rights organizations , Children Alliance, IOM
3.3.2 A child oriented juvenile justice system is established offering alternative and educational measures to detention and promotes prevention programmes and social rehabilitation of child.	% of use of alternative measures in juvenile justice cases; # of prevention programmes functioning;		UNICEF MoJ, MoES
3.3.3 Civil Society and users groups, with special focus on the excluded and marginalized, are better able to demand quality social services.	# of target groups that are accessing social services; % of budget allocation of social services supporting specific target groups;		UNICEF; UNFPA, WHO Ministry of Health, Institute of Public Health, MoES, NGOs and associations
3.3.4 Stateless persons, in particular Roma, are registered and legalized to benefit from basic services.	Registration and legalization mechanisms are in place; # of registered persons;		UNHCR; UNICEF; UNDP; UNV MoLSAEO, MoI, local Governments, Roma NGOs,
3.3.5 Institutional, legal and community services on domestic violence are improved and awareness raised on negative impact of domestic violence	# of government/CSO partnerships targeting the eradication of domestic violence; % of population aware of the prevalence of domestic violence;		UNDP; UNICEF; UNFPA; UNIFEM MoJ, MoI, Women associations & networks, MoLSAEO, Regional Councils & local government institutions.

DEVELOPMENT GOAL 4: REGIONAL DEVELOPMENT TO REDUCE REGIONAL DISPARITIES			
Expected Results	**Key Indicators**	**Means of Verification**	**Participating Agencies and Partners**
OUTCOME 4.1: A national strategy on Regional Development, with linkages to sector strategies, the NSDI and the MTBP, is adopted and implemented aiming at promotion of social inclusion and reduction of regional disparities.			
4.1.1. METE and other Government institutions implement Regional Development Strategy with adequate human and financial resources.	Budget allocated in support of Regional Development within national budgets for 2008-2010; A central level department or agency for regional development established and adequately staffed.	#f of trained staff employed in support of regional development implementation; Confirmation of national budget for 2008 - 2010	UNDP Ministries of Interior, Economy, European Integration and Finance, local governments and international partners.
4.1.2. Comprehensive regional development strategies are developed and implemented in three disadvantaged pilot regions	Comprehensive Regional Development and sector specific investment plans prepared in a participatory manner in three pilot regions with linked finance from national budget. Regional Plans of Action for Children developed in 3 pilot regions; Budgets for Regional Strategies and Decentralization processes in three pilot regions are gender responsive and reflect gender equality commitments made;	Regional investment plans allocate budgets to strategies in the 3 pilot regions; Regional progress reports and assessments	UNDP; UNICEF; UNFPA; WHO; UNIFEM; Ministry of Interior, MoEUI, Regional Councils in Pilot regions, communes, CBOs and NGOs. DSDC, MOLSAEO's Dept of Equal Opportunities; International Partners
4.1.3. Central and regional governments are strengthened to design and implement regional development strategies and to coordinate the implementation of national and sub-national development agendas in line with NSDI and EU Accession process.	GOA policies, instruments and legislation in place that support regional development ; # of National and sub-national institutional structures targeting Regional Development are established and supported;	NDSI, NHDR, MDG Progress Report EU Report; Published strategies, regional EFA action plans, REDs administrative records;	UNDP; UNICEF; UNFPA; UNIFEM; UNHCR; ILO; WHO Ministry of Interior, Local governments, TIPA, MoEUI, and international partners; MOLSAEO's Depart of Equal Opportunities;

DEVELOPMENT GOAL 4: REGIONAL DEVELOPMENT TO REDUCE REGIONAL DISPARITIES			
Expected Results	**Key Indicators**	**Means of Verification**	**Participating Agencies and Partners**
4.1.4. **Economic development is expanded in the 3 pilot regions through locally appropriate initiatives, focusing on employment creation, income generation, farmers' productivity and equitable access to services, markets and capital.**	Policies and mechanisms in place for improving incomes and generating jobs; # of initiatives and changes observed in the rate of employment, levels of access to services and markets and economic activities	Published strategies, regional EFA action plans, REDs administrative records; NDSI, NHDR, MDG Progress Report EU Report;	UNDP, FAO, ILO Ministry of Economy, Ministry of Interior, Ministry of Agriculture, Local governments and business associations.
OUTCOME 4.2: Policies and Legal Frameworks and best practices in agricultural policy, land tenure and food safety processing within EU Accession Framework			
4.2.1. **Modern land consolidation improved through development of pilot design and implementation in selected communities**	% of consolidated land in selected communities		FAO Ministry of Agriculture, Local governments and business associations
4.2.2. **Fisheries legislation, food control and related agro-processing methods animal genetic resources adhere to EU standards.**	Legislation and standards introduced which are EU compliant;		FAO Ministry of Agriculture, Ministry of Integration, Local gov and business associations

DEVELOPMENT GOAL 5: ENVIRONMENTALLY SUSTAINABLE DEVELOPMENT			
Expected Results	**Key Indicators**	**Means of Verification**	**Participating Agencies and Partners**
OUTCOME 5.1: Government meets environmental requirements of EU accession process and of multilateral environment agreements.			
5.1.1 MoE has greater capacity to raise the profile of the environment in national policies and improves mainstreaming of environment and biodiversity into NSDI and sector strategies.	Genuine dialogue and co-operation with other Governmental authorities to achieve a strategic approach for environmental issues; Baseline None of the sectoral strategies consider environment protection	Annual Progress Report issued by the EC	UNEP, UNDP MoEFWA, DSDC, Line Ministries
5.1.2 Legal and regulatory mechanisms and fiscal incentives in place to reduce environmental degradation and to promote energy efficiency and sustainable natural resource utilization.	Increased number of infringement cases for breaches of environmental law Baseline No financial self-sustainability of environmental activities	EU progress monitoring reports on environment chapter and Annual Progress Report issued by the EC; Reports prepared for/by various international conventions secretariats; State of Environment Report; National Plan for the Approximation of the Environmental Legislation; Budget allocated for environment;	UNEP, UNDP MoEFWA, MoTE, Institute of Environment,

DEVELOPMENT GOAL 5: ENVIRONMENTALLY SUSTAINABLE DEVELOPMENT			
Expected Results	**Key Indicators**	**Means of Verification**	**Participating Agencies and Partners**
5.1.3 MoE has increased capacity for Environmental Assessment and information management	Better legal framework and more effective implementation of the relevant legal acts Baseline Insufficient enforcement of environmental assessment and information management	EU progress monitoring reports on environment chapter; Annual Progress Report issued by the EC; Reports prepared for/by various international conventions secretariats; State of Environment Report;	UNEP, UNDP MoEFWA, Environment NGOs and institutions, INSTAT
5.1.4. Level of civil society support and participation in mainstreaming environment increased, e.g., through enhanced community participation in environmental decision-making and monitoring.	Better legal framework and mechanisms and more effective implementation of the relevant legal acts; Baseline No proper public awareness, information and consultation is conducted in the permitting process;	EU progress monitoring reports on environment chapter; Annual Progress Report issued by the EC; Reports prepared for/by various international conventions secretariats;	UNEP, UNDP Local Government & NGOs in Pilot Regions,
OUTCOME 5.2: Environmental management improved to protect natural resources and mitigate environmental threats.			
5.2.1 Decision making for energy sector investment, including strategies for development of alternative energy sources, incorporates analysis of climate change risks.	Improved decision making in the energy sector and viable long term solutions; Baseline The national energy strategy does not consider the climate change risks	EEA Reports; National Plan for the Approximation of the Environmental Legislation; Local Environmental Action Plans; Reports prepared for/by various international conventions secretariats;	UNEP, UNDP MoETE & MoEFWA, Environment, Climate change & Energy institutes, Private Partners.

DEVELOPMENT GOAL 5: ENVIRONMENTALLY SUSTAINABLE DEVELOPMENT			
Expected Results	**Key Indicators**	**Means of Verification**	**Participating Agencies and Partners**
5.2.2 **Capacities and legal frameworks are in place for accessing Carbon Financing opportunities to support environmental investments under the Kyoto Protocol**	CDM projects officially registered by the UNFCCC Secretariat; Baseline No system for using the Clean Development Mechanism is currently in place	Annual Progress Report issued by the EC; Reports prepared for/by various international conventions secretariats;	UNEP, UNDP MoETE & MoEFWA, networks of NGOs
5.2.3 **Risks reduced to human and environmental health resulting from remediation of hot spots following inventory and prioritization of sites.**	Improved living conditions in hot spots areas due to measurable reduction of air and water pollution, improvement of waste management and nature protection systems; Baseline: The Government has limited capacities to intervene in cleaning up the hot spots	Local Environmental Action Plans; Reports prepared for/by various international conventions secretariats; Annual Progress Report issued by the EC;	UNEP, UNDP, WHO MoH, IPH, MoEFWA
5.2.4 **Enhanced capacities to improve air quality, solid waste management and drinking water access.**	Improved living conditions in urban areas due to measurable reduction of air pollution, improvement of waste management; **Baseline:** The Government has limited capacities of intervention	Local Environmental Action Plans; Annual Progress Report issued by the EC; EU progress monitoring reports on environment chapter;	UNEP, UNDP, WHO MoH, MoETE, MoEFWA, MoAFCP, National Institutes of Health & Consumer Protection, CSOs, Private Partners

ANNEX 3 ONE UN BUDGETARY FRAMEWORK

One UN Programme/Plan Outcomes / Country Programme Outputs	2007 Regular Core	2007 Other Received/ Pledged Non-core funds	2007 Other Unfunded	2008 Regular Core	2008 Other Received/ Pledged Non-core funds	2008 Other Unfunded	2009 Regular Core	2009 Other Received/ Pledged Non-core funds	2009 Other Unfunded	2010 Regular Core	2010 Other Received/ Pledged Non-core funds	2010 Other Unfunded	Total 2007-2010 Regular Core	Total 2007-2010 Other Received/ Pledged Non-core funds	Total 2007-2010 Other Unfunded	Totals per Outcome / Output
OUTCOME 1: GOVERNANCE																
Result 1.1.1 National capacities for collection, analysis and use of data strenghtened	95,000	150,000	40,000	375,000	300,000	550,000	370,000	100,000	720,000	290,000		65,000	1,130,000	550,000	1,375,000	3,055,000
Result 1.1.2 National Capacity strengthened to retain required human resources in public sector and academia	146,000	10,000	-	120,000	-	290,000	50,000	-	220,000	100,000	-	150,000	416,000	10,000	660,000	1,086,000
Result 1.1.3 Government systems are modernized and public administration increase effectiveness	70,000	111,440	142,000	21,000	-	242,000	-	-	200,000	150,000	-	-	241,000	111,440	584,000	936,440
Result 1.1.4 Migration Management is enhanced through better alignment	15,000	160,000		15,000	140,000	430,000			400,000		200,000	300,000	30,000	500,000	1,130,000	1,660,000
Result 1.1.5 Asylum laws and National Action Plan implemented by Government in line with EU standards	290,000		50,000	300,000			300,000			300,000			1,190,000	-	50,000	1,240,000
Result 1.2.1 Government has systems in place to implement NSDI with emphasis on social inclusion	205,300	532,782	60,000	95,800	105,000	701,000	95,800	105,000	449,280	95,800	10,000	427,400	492,700	752,782	1,637,680	2,883,162
Result 1.2.2 Government effectively resources and implements gender equality commitments	37,000		0	24,000	-	259,000	24,000	-	257,280	24,000	-	238,000	109,000	-	754,280	863,280
Result 1.3.1 Government and national institutions address challenges of WTO, SAA	55,573	50,000	50,000	30,000	350,000	-	30,000	50,000	-	-	-	-	115,573	450,000	50,000	615,573
Result 1.3.2 Government puts in place legal and economic reforms necessary to reduce informality	620,000	220,000	400,000	30,000	145,000	500,000			500,000				650,000	365,000	1,400,000	2,415,000
Result 1.3.3 Government and Social partners effectively implement labour standards	45,000	130,000	-	45,000	600,000	-	30,000	200,000	-		-	-	120,000	930,000	-	1,050,000
Result 1.3.4 Government better able to protect cultural heritage and promote eco-tourism	155,602	742,750	180,000	50,000	900,957	1,450,000	50,000	515,080	1,450,000	50,000		700,000	305,602	2,158,787	3,780,000	6,244,389
Result 1.3.5 Government puts in place policies, regulatory framework that are socially inclusive	50,000	148,000	-	60,000	-	450,000	10,000	-	350,000				120,000	148,000	800,000	1,068,000
Totals per year	1,784,475	2,254,972	922,000	1,165,800	2,540,957	4,872,000	959,800	970,080	4,546,560	1,009,800	210,000	1,880,400				-
Totals													4,919,875	5,976,009	12,220,960	23,116,844

Table1: Outcome 1 Governance

One UN Programme/Plan Outcomes / Country Programme Outputs	2007			2008			2009			2010			Total for 2007-2010			Totals per Outcome/Output
	Regular	Other		Regular	Other		Regular	Other		Regular	Other		Regular	Other		
	Core	Received/ Pledged Non-core funds	Unfunded	Core	Received/ Pledged Non-core funds	Unfunded	Core	Received/ Pledged Non-core funds	Unfunded	Core	Received/ Pledged Non-core funds	Unfunded	Core	Received/ Pledged Non-core funds	Unfunded	
OUTCOME 2: PARTICIPATION																
Result 2.1.1 Civil society has capacity and mechanisms to monitor performance of state	50,760	100,000	42,250	106,260	120,000	219,750	91,260	-	206,030	91,260	-	196,650	339,540	220,000	664,680	1,224,220
Result 2.1.2 Increased dialogue between duty bearers and women, children and youth	64,850	25,000	135,000	38,850	-	255,000	18,850	-	280,000	18,850	-	165,000	141,400	25,000	835,000	1,001,400
Result 2.1.3 Roma participation in decision making and access to services increased	2,500	182,500	-	50,000	350,000	650,000	50,000	300,000	550,000	-	100,000	400,000	102,500	932,500	1,600,000	2,635,000
Result 2.1.4 Tripartite social dialogue between employers' and worker's organizations and national authorities enhanced	5,000	75,000	-	-	116,000	-	-	66,000	-				5,000	257,000	-	262,000
Result 2.2.1 Media reports on development issues more systematic and of better quality	5,000	-	20,000	50,000	-	95,000	30,000	-	85,000	30,000	-	85,000	115,000	-	285,000	400,000
Result 2.2.2 Government increasingly promotes women's participation in politics, public debate	23,850	201,721	-	24,000	-	177,500	24,000	-	176,780	24,000	-	330,900	95,850	201,721	685,180	982,751
Totals per year	151,960	584,221	197,250	269,110	586,000	1,397,250	214,110	366,000	1,297,810	164,110	100,000	1,177,550				
Totals													799,290	1,636,221	4,069,860	6,505,371

Table2: Outcome 2 Participation

One UN Programme/Plan Outcomes / Country Programme Outputs	2007			2008			2009			2010			Total for Agency 2007-2010			Totals per Outcome/Output
	Regular	Other		Regular	Other		Regular	Other		Regular	Other		Regular	Other		
	Core	Received/ Pledged Non-core funds	Unfunded	Core	Received/ Pledged Non-core funds	Unfunded	Core	Received/ Pledged Non-core funds	Unfunded	Core	Received/ Pledged Non-core funds	Unfunded	Core	Received/ Pledged Non-core funds	Unfunded	
OUTCOME 3: BASIC SERVICES																
Result 3.1.1 MoH puts in place inclusive policies, regulatory and institutional frameworks	579,200	630,000	200,000	503,800	520,000	695,000	523,800	670,000	845,000	388,800	500,000	825,000	1,995,600	2,320,000	2,565,000	6,880,600
Result 3.1.2 Civil society and user groups demand quality health care services	87,580	100,000	72,000	104,580	-	150,000	87,580	-	145,000	67,580	-	130,000	347,320	100,000	497,000	944,320
Result 3.2.1 The Ministry of Education encourages the inclusion of children from marginalized groups	14,500	220,000	10,000	14,500	30,000	80,000	14,500	30,000	84,000	14,500	30,000	73,000	58,000	310,000	247,000	615,000
Result 3.2.2 MoEs puts in place relevant standards for sector reform	10,600	418,122	-	10,600	137,000	21,900	10,600	67,000	198,500	10,600	67,000	198,000	42,400	689,122	418,400	1,149,922
Result 3.2.3 Children and parents participate more actively in school administration and governance	23,360	50,000	-	23,360	-	105,000	23,360	-	115,000	23,360	-	90,000	93,440	50,000	310,000	453,440
Result 3.2.4 Education and employment opportunities are expanded through ICT	165,000	140,000	100,000	-	-	205,000	-	-	205,000	-	-	10,000	165,000	140,000	520,000	825,000
Result 3.3.1 Child protection legislation policies, standards and protocols are in place	35,460	1,200,000	-	44,220	50,000	128,000	44,220	-	328,000	27,340	-	236,800	151,240	1,250,000	692,800	2,094,040
Result 3.3.2 A child oriented juvenile justice system is established	-	860,000	-	-	600,000	-		-	400,000	-	-	300,000	-	1,460,000	700,000	2,160,000
Result 3.3.3 Civil society and users groups able to demand quality social services	8,890	100,000	191,200	11,000	20,000	310,000	11,000	-	320,000	6,650	-	205,000	37,540	120,000	1,026,200	1,183,740
Result 3.3.4 Stateless persons in particular Roma are registered and legalize to benefit from basic services	5,000	250,000	-	5,000	50,000	226,000	5,000	-	182,000	5,000		182,000	20,000	300,000	590,000	910,000
Result 3.3.5 Institutional legal services on domestic violence improved	10,000	70,000	-	65,000	90,000	200,000	-	-	150,000	-	-	150,000	75,000	160,000	500,000	735,000
Totals per year	939,590	4,038,122	573,200	782,060	1,497,000	2,120,900	720,060	767,000	2,972,500	543,830	597,000	2,399,800				-
Totals													2,985,540	6,899,122	8,066,400	17,951,062

Table 3: Outcome 3 Basic Service

One UN Programme/Plan Outcomes / Country Programme Outputs	2007 Regular Core	2007 Other Received/Pledged Non-core funds	2007 Unfunded	2008 Regular Core	2008 Other Received/Pledged Non-core funds	2008 Unfunded	2009 Regular Core	2009 Other Received/Pledged Non-core funds	2009 Unfunded	2010 Regular Core	2010 Other Received/Pledged Non-core funds	2010 Unfunded	Total for Agency 2007-2010 Regular Core	Total for Agency 2007-2010 Other Received/Pledged Non-core funds	Total for Agency 2007-2010 Unfunded	Totals per Outcome/Output
OUTCOME 4: REGIONAL DEVELOPMENT																
Result 4.1.1 METE and other government institutions implement Regional Development Strategy		-	-		-	800,000		-	400,000	200,000	-		200,000	-	1,200,000	1,400,000
Result 4.1.2 Comprehensive regional development strategies are developed and implemented	23,500	536,500	-	24,000	1,598,000	21,500	24,000	1,483,780	-	24,000	-	137,900	95,500	3,618,280	159,400	3,873,180
Result 4.1.3 Central and regional governments are strenghtened to design and implement	182,000		-	41,000	-	-	41,000	-	-	-	-	-	264,000	-	-	264,000
Result 4.1.4 Economic development is expanded in 3 pilot areas	118,320	1,983,950	-	150,870	470,000	70,000	-	-	1,000,000	-	-	1,000,000	269,190	2,453,950	2,070,000	4,793,140
Result 4.2.1. Modern land consolidation improved through development of pilot design				140,000			140,000			120,000			400,000	-	-	400,000
Result 4.2.2.Fisheries legislation, food control and agro-processing,animal genetic resources adhere to EU standards				100,000	978,000	100,000	225,000	780,000	100,000	125,000	648,738	150,000	450,000	2,406,738	350,000	3,206,738
Totals per year	323,820	2,520,450	-	455,870	3,046,000	991,500	430,000	2,263,780	1,500,000	469,000	648,738	1,287,900				-
Totals													1,678,690	8,478,968	3,779,400	13,937,058

Table 4: Regional Development

One UN Programme/Plan Outcomes Country Programme Outputs	2007			2008			2009			2010			Total for Agency 2007-2010			Totals per Outcome/Output
	Regular	Other		Regular	Other		Regular	Other		Regular	Other		Regular	Other		
	Core	Received/ Pledged Non-core funds	Unfunded	Core	Received/ Pledged Non-core funds	Unfunded	Core	Received/ Pledged Non-core funds	Unfunded	Core	Received/ Pledged Non-core funds	Unfunded	Core	Received/ Pledged Non-core funds	Unfunded	
OUTCOME 5: ENVIRONMENT																
Result 5.1.1 MoE has greater capacity to raise the profile of environment in national policies	30,000	15,000	-	30,000	30,000	80,000	30,000	30,000	80,000	30,000	25,000	25,000	120,000	100,000	185,000	405,000
Result 5.1.2 Legal and regulatory mechanisms and fiscal incentives in place	-	-	-	-	-	225,000	-	-	225,000	-	-	225,000	-	-	675,000	675,000
Result 5.1.3 MoE has increased capacity for Environmental Assessment and information	-	165,000	-	-	113,000	120,000	-	-	120,000	-	-	120,000	-	278,000	360,000	638,000
Result 5.1.4 Civil society provides increasingly substantive support in mainstreaming environment	-	200,000	-	-	200,000	175,000	-	-	175,000	-	-	150,000	-	400,000	500,000	900,000
Result 5.2.1 Decision making for energy sector investment includes climate change risks	27,000	507,000	-	102,000	599,000	825,000	127,000	387,000	822,000	157,000	381,000	802,000	413,000	1,874,000	2,449,000	4,736,000
Result 5.2.2 Capacities and legal framework in place for accessing Carbon financing opportunities	-	106,000	20,000	20,000	192,000	30,000	150,000	-	30,000	-	-	30,000	170,000	298,000	110,000	578,000
Result 5.2.3 Risk reduced to human and environmental health from remediation of hot spots	15,000	157,585	-		1,718,000	30,000		1,025,000	55,000		1,060,000	35,000	15,000	3,960,585	120,000	4,095,585
Result 5.2.4 Enhanced capacities to improve air quality, solid waste and drinking water access	15,000	-	-	-	20,000	625,000	-	-	840,000	200,000	-	600,000	215,000	20,000	2,065,000	2,300,000
Totals per year	87,000	1,150,585	20,000	152,000	2,872,000	2,110,000	307,000	1,442,000	2,347,000	387,000	1,466,000	1,987,000				-
Totals													933,000	6,930,585	6,464,000	14,327,585

| **TOTALS FOR ALL OUTCOMES** | 3,286,845 | 10,548,350 | 1,712,450 | 2,824,840 | 10,541,957 | 11,491,650 | 2,630,970 | 5,808,860 | 12,663,870 | 2,573,740 | 3,021,738 | 8,732,650 | 11,316,395 | 29,920,905 | 34,600,620 | 75,837,920 |
| | | | 15,547,645 | | | 24,858,447 | | | 21,103,700 | | | 14,328,128 | | | | |

Table 5: Outcome 5 Environment

ANNEX 4   MONITORING AND EVALUATION PLAN

The One UN Programme Monitoring and Evaluation (M&E) plan builds on the M&E plan contained in the current UNDAF. The plan provides an overview of M&E activities as they relate to the pursuit of results at the national level by government, and those set out in this One UN Programme document. The M&E Plan consists of two elements:

a) The Integrated Results Framework which includes indicators and baselines (Annex 2): is a management tool that brings together key elements in one table for easy and consistent reference for the Government, the JEC, the UNCT and partners.

b) The M&E programme cycle calendar (Table 1): This is an implementation tool to improve coordination of One UN M&E activities, enhance interagency collaboration in M&E, identify gaps in data collection and highlight how and when products of One UN M&E activities will be used. This table will be completed upon the approval of the One UN Programme.

The Albania One UN Programme M&E plan aims to encourage partnerships and continued strengthening of national M&E capacities. The UNCT will establish a M&E working group, including national and other partners, to oversee the monitoring and evaluation of the One UN Programme.

Table 1. Monitoring & Evaluation Programme Cycle Calendar [25]

Activities	2007	2008	2009	2010
Surveys/studies				
Monitoring systems				
Evaluations				
Reviews				

[25] This table will be completed upon approval of the One UN Programme

ANNEX 5   DAC BASELINES AND TARGETS

Albania has endorsed the Paris Declaration on Aid Effectiveness. Thirty donors responded to the 2006 DAC Survey and among them they account for about 93% of ODA. The high response rate is indicative of efforts made by both government and donors in Albania to accept the importance of the Paris Declaration. The general results of the survey are summarized in Table 1 below.

Table 1. Challenges & Priority Actions

Dimensions	Baseline	Challenges	Priority actions
Ownership	**Moderate**	■ Limited integration of various strategies and plans.	■ Complete and implement the National Strategy for Development and Integration.
Alignment	**Weak**	■ Uncoordinated systems for recording aid.	■ Government to implement reforms to PFM and procurement systems.
Harmonisation	**Weak**	■ Limited use of Programme-Based Approaches.	■ Donors to coordinate missions and share analysis.
Managing for results	**Weak**	■ Data is of insufficient quality, and untimely.	■ Establish country-level monitoring and evaluation system for National Strategy for Development and Integration.
Mutual accountability	**Weak**	■ Lack of mechanism for mutual assessment.	■ Finalise Harmonization Action Plan and ensure it includes a monitoring system.

Baseline based on the following three categories: Low, Moderate & Strong.
Source: OECD 2006 Baseline Survey on Monitoring the Paris Declaration

The One UN Programme and other One UN reforms in Albania will contribute significantly to each of the above-noted dimensions as embodied in the Paris Declaration. For example, ownership is crucial to aid effectiveness and good development results, it is central to the Paris Declaration, it is one of the underlying principles of assistance of the UN development system, and is an explicit principle of the One UN reform (as described in Section 3.1 of this document. Several indicators of the DAC survey (baselines and targets) address the issue of ownership, and the development and approval of the NSDI and sector strategies provide the optimal means of aligning UN Programme assistance to national priorities.

Similarly, the development and implementation of the IPS (as discussed in Section 2.2) will substantially strengthen Albania's ability to manage for results, and the One UN Programme is to be aligned with the IPS in terms of planning, the management and coordination of external

assistance, the NSDI and European Integration. Other features of the One UN Programme and explicit provisions for supporting Albania in meeting established targets are discussed below.

Baselines and Targets. Based on information provided by the Department of Strategy and Donor Coordination (DSDC), Table 2 on the following page presents the baselines for 2005 and the targets set for Albania. The source is the Baseline Survey undertaken in Albania by DSDC and the Ministry of Finance.

The UN system through the One UN Programme contribute to Albania meeting the targets that have been established for 2010, which is the final year of the One UN Programme pilot term. The targets of special attention include:

4 Coordinated capacity development, especially through the design and launching of a joint capacity development programme or facility as generally described in Annex 2. Here, UN support to the development of sustainable national capacities would be coordinated centrally by the government, targeting high priority capacity gaps identified through the NSDI and the SAA.

#6 Parallel PIUs. An explicit aim of the One UN Programme is to avoid the use of parallel programme or project implementation units. Rather, established institutional structures of the government and other sectors of society are to be used to execute and implement the activities and produce the results outlined in the One UN Programme document.

7 In-year predictability, where the use of the One Fund will optimise the in-year predictability of funds. This will be supported by the development and joint JEC approval of annual work plans that allocate funding to agreed priorities, results and outputs.

9 Use of programme based approaches. The One UN Programme is in fact based on such approaches. Implemented programmes, sub-programmes (e.g. joint programmes) will also use programme based approaches and results based performance management.

10a and 10b   Coordinated missions and analytical work. The UN system has already made considerable advances in coordinating country level analytical work (e.g. the Common Country Assessment) and in coordinating supporting missions. However, through the One UN Programme, a higher degree of coordination will result, including a lower number of total missions, and of those, most to be coordinated and/or joint.

#11 Sound performance assessment framework. The integrated results and resources framework is an integral component of the One UN Programme. The Annual Work Plans will detail specific performance targets (outputs, results) with corresponding measures for performance. This will be supported by formal reporting mechanisms, under the joint responsibility of the government and participating UN agencies (i.e. through the Joint Executive Committee and related mechanisms, as outlined in the Programme Document).

#12 Reviews of mutual accountability. Finally, the institutional, management and accountability structures of the One UN Programme define clear governance of the Programme. Roles and responsibilities are clearly laid out. The Monitoring and Evaluation Calendar allows for a formal review of mutual accountability. However, reviews of mutual accountability are an ongoing activity of the One UN Programme, as conducted by the JEC.

Table 2. DAC Baselines (2005) and targets (2010)

	INDICATORS	2005 Baseline	2010 Indicative Target
1	Ownership – Operational PRS	C	B or A
2a	Quality of PFM systems	4.0	4.5
2b	Quality Procurement systems	not any	not any
3	Aid reported on budget	36%	85%
4	Coordinated capacity development	29%	50%
5ai	Use of country PFM systems (aid flows)	14%	43%
5aii	Use of country PFM systems (donors)	1	9 out of 10 donors
5bi	Use of country procurement systems (aid flows)	4%	not any
5bii	Use of country procurement systems (donors)	5	not any
6	Parallel PIUs	55	18
7	In-year predictability	48%	74%
8	Untied aid	42%	progress
9	Use of programme-based Approaches	5%	66%
10a	Coordinated missions	14%	40%
10b	Coordinated country analytic work	31%	60%
11	Sound performance assessment Framework	D	B or A
12	Reviews of mutual accountability	No	Yes

References and additional information may be found at:

a) Government DSDC website www.km.al/dsdc or www.keshilliministrave.al/dsdc or

b) Donor Technical Secretariat website www.aidharmonisation.org.al.

ANNEX 6 GOVERNMENT AND CROSSCUTTING SECTOR STRUCTURE

Sector	Institutional responsibility
1. Agriculture and food	Ministry of Agriculture, Food, and Consumer Protection
2. Defence	Ministry of Defence
3. Economy ('Business and investment development')	Ministry of Economy, Trade and Energy
4. Energy	Ministry of Economy, Trade and Energy
5. Basic education	Ministry of Education and Science
6. Higher education	Ministry of Education and Science
7. Finance	Ministry of Finance
8. Social insurance	Ministry of Finance
9. Foreign affairs	Ministry of Foreign Affairs
10. Health	Ministry of Health
11. Public order (Police)	Ministry of Interior
12. Civil registry	Ministry of Interior
13. Justice	Ministry of Justice
14. Employment	Ministry of Labour, Social Affairs and Equal Opportunities
15. Social protection	Ministry of Labour, Social Affairs and Equal Opportunities
16. Spatial planning	Ministry of Public Works, Transport and Telecommunications (MPWTT)
17. Water	MPWTT
18. Transport ('National transport plan')	MPWTT
19. Tourism ('Tourism development strategy')	Ministry of Tourism, Culture, Youth and Sport
20. Culture	Ministry of Tourism, Culture, Youth and Sport
21. Statistics	INSTAT
Crosscutting	
1. Anti-corruption	Council of Ministers
2. Rural development	Ministry of Agriculture, Food, and Consumer Protection
3. Decentralisation	Ministry of Interior
4. Public administration	Ministry of Interior
5. Integrated border management	Ministry of Interior
6. Fight against organised crime, terrorism and trafficking	Ministry of Interior
7. Regional development	Ministry of Economy, Trade and Energy
8. Regulatory reform	Ministry of Economy, Trade and Energy
9. Consumer protection	Ministry of Economy, Trade and Energy
10. Environment	Ministry of Environment, Forests, and Water Administration
11. Property rights	Ministry of Justice
12. Social inclusion	Ministry of Labour, Social Affairs and Equal Opportunities
13. Gender equality	Ministry of Labour, Social Affairs and Equal Opportunities
14. Migration	Ministry of Labour, Social Affairs and Equal Opportunities
15. Information and communication technology	MPWTT
16. Youth	Ministry of Tourism, Culture, Youth and Sport

ANNEX 7   ACRONYMS

AWP   Annual Work Plan (of the One UN Programme)
BCA   Basic Cooperation Agreement (WHO)
CARDS   Community Assistance for Reconstruction, Development and Stabilization
CBO   Community Based Organizations
CIS   Commonwealth of Independent States
CoM   Council of Ministers
COP   Country Operations Plan (UNHCR)
CRC   Convention on the Rights of the Child
DAC   Development Advisory Committee (of OECD)
DFID   UK Department for International Development
DSDC   Department of Strategy and Donor Coordination
DTS   Donor Technical Secretariat
EAMIS   External Assistance Management Information System
EC   European Commission
ECD   Early Childhood Development
EFA   Education for All
EI   European Integration
EU   European Union
FACE   Fund Authorization and Certificate of Expenditures
FTA   Free Trade Agreement
GDP   Gross Domestic Product
GMC   Inter-Ministerial Government Modernization Committee
GSA   General Services Agreement
GTS   Government Technical Secretariat
HAP   Harmonization Action Plan
HLP   High Level Panel
HDI   Human Development Index
HOA   Heads of Agencies
ICT   Information and Telecommunications Technologies
IDA   International Development Assistance
IFAD   International Fund for Agricultural Development
IFI   International Financing Institutions
ILO   International Labour Organization
IMF   International Monetary Fund
IOM   International Organization for Migration
IPA   Instrument for Pre-Accession
IPS   Integrated Planning System
IPSIS   Integrated Planning System Information System
MDG   Millennium Development Goals
MDGF   MDG Achievement Fund (UNDP/Spain)
MEI   Ministry of European Integration
MoE   Ministry of Economy
MoF   Ministry of Finance
MTBP   Medium Term Budget Programme
NHDR   National Human Development Report
NGO   Non Government Organization
NPAL   National Plan for the Approximation of Legislation

NSDI	National Strategy for Development and Integration
OECD	Organization for Economic Cooperation and Development
OSCE	Organization for Security and Cooperation in Europe
PIM	Public Investment Management
RBM	Results Based Management
SAA	Stabilization and Association Agreement
SPC	Strategic Planning Committee
SWAP	Sector Wide Approach to Programming
TA	Technical Assistance
UNCT	United Nations Country Team
UNCTAD	United Nations Conference on Trade and Development
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNDAF	United Nations Development Assistance Framework
UNEG	United Nations Evaluation Group
UNEP	United Nations Environment Programme
UNESCO	UN Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
WB	The World Bank
WHO	World Health Organization
WTO	World Trade Organization