



REPUBLIC OF ALBANIA  
COUNCIL OF MINISTERS

**2010 INTEGRATED PLANNING SYSTEM CALENDAR**

Prepared by: DSDC, Ministry of Finance and Ministry of European Integration

**February 2010**

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## ACRONYMS

AA	Audit Agency
AFCOS	Anti-Fraud Co-ordination Service
CAO-NAO	Competent Accrediting Officer-National Authorising Officer
CFCU	Central Financing and Contracting Unit
CoM	Council of Ministers
DSDC	Department of Strategy and Donor Coordination
FIA	Fiscal Impact Assessment
FTI-DoL	Fast Track Initiative on Division of Labour
IPA	Instrument for Pre-Accession Assistance
IPS	Integrated Planning System
MIS	Management Information System
MIP	Ministry Integrated Plan
MIPD	Multi-annual Indicative Planning Document
MMP	Ministry Monitoring Plan
MOEI	Ministry of European Integration
MoF	Ministry of Finance
MTBP	Medium-Term Budget Programme
NF	National Fund
PAM	Performance Assessment Matrix
PEIP	Programme Expenditure and Investment Planning
PIA	Policy Impact Assessment
PIM	Public Investment Management
PPR	Programme Policy Review
RIA	Regulatory Impact Assessment
SAA	Stabilisation Association Agreement
SPC	Strategic Planning Committee
SPO	Senior Programme Officers
TA	Technical assistance
WBIF	Western Balkans Infrastructure Funds
WGSBI	Working Group on Strategy, Budget and Integration

## INTRODUCTION

Integrated Planning System (IPS) is published yearly and includes all processes and activities related to IPS implementation. Main components of IPS are: National Strategy for Development and Integration, European Integration, Medium-Term Budget Programme and External Assistance.

IPS calendar 2010 is composed of four chapters, one for each component, listing all processes and activities as well as their respective agenda. General overviews on all components are included as Annex 1. IPS Calendar 2010 is newly structured in order to highlight the agenda of each process for a better coordination and a better functioning of IPS system in general. SWG calendar is included for the first time in this document as Annex 2.

The 2010 Integrated Planning System Calendar is managed by the coordinators appointed for this process, including , Alma Gerxhani ([agerxhani@km.gov.al](mailto:agerxhani@km.gov.al)) at the Department of Strategy and Donor Coordination, Vilma Causholli ([vcausholli@minfin.gov.al](mailto:vcausholli@minfin.gov.al)) at the Ministry of Finance, and Patris Kraja ([patris.kraja@mie.gov.al](mailto:patris.kraja@mie.gov.al)) at the Ministry of European Integration. Within line ministries, General Secretaries are the coordinators for the IPS calendar.

## NATIONAL STRATEGY FOR DEVELOPMENT AND INTEGRATION [NSDI]

The National Strategy for Development and Integration 2007-2013 (NSDI) represents the fundamental strategic document of the country that harmonizes for the first time the perspective of the sustainable economic and social development, integration into the European Union and NATO structures, as well as the achievement of Millennium Development Goals. NSDI document was approved in March 2008 and synthesises 21 sector and 17 crosscutting strategies. From 2010 onwards, the focus for NSDI will shift to the implementation, monitoring and reporting on the NSDI through the main policy and financial planning processes.

### NSDI key processes and outputs

1. Policy Priorities Notes
  - a. Setting out priority policies and projects for MTBP 2011-2013
2. 2010 Ministry Integrated Plan
  - a. 2010 Ministry Monitoring Plan
3. 2009 Ministry Annual Reports (MAR)
4. 2009 Annual Progress Report
5. Sector and Crosscutting Strategy Monitoring
6. Policy Impact Assessment

### 2010 NSDI CALENDAR

#### 1. Policy Priorities

Month	Date	Responsibility	Action
January	15	DSDC/line ministries	Ministries submit officially their priority policies for the MTBP 2011-2013
February	27	SPC	SPC approves the most significant priority policies to be included in the MTBP ceilings for 2011-2013

#### 2. Ministry Integrated Plans (MIPs)

Month	Date	Responsibility	Action
December 2009	1-8	DSDC	Prepares the 2010 MIP outline and instructions and send them to line ministries
	30	DSDC/line ministries	Negotiate the reporting indicators of 2010 MIPs
January 2010	15	Line ministries	Ministries submit the completed 2010
March 2010	10	DSDC	Finalises the 2010 MIPs
	25	DSDC/LM	Publish 2010 MIPs

#### 3. Ministry Annual Reports (MARs)

Month	Date	Responsibility	Action
February	10	DSDC	Prepares the 2009 MARs outline and instructions and send them to line ministries
March	10	LM	Ministries submit the completed 2009 MARs
	25	DSDC	Revision of 2009 MARs
	30	DSDC LM	Finalize and publish 2009 MARs

**4. 2009 NSDI Annual Report<sup>1</sup>**

Month	Date	Responsibility	Action
February	16	DSDC	Distribute instructions for ministry inputs to the 2009 Annual Report
March	19	LM, institutions	Selected institutions submit their inputs
April	29	DSDC	Revise 2009 report, integrate external assistance report and send for comments to institutions and donors
May	29	DSDC	Finalize Annual Progress Report
June	30	DSDC	Publish the synthesis report (NSDI + EA)

**5. Monitoring of sector and crosscutting strategies**

Month	Date	Responsibility	Action
February		DSDC/LM	New indicators to monitor strategies are proposed, PAM <sup>2</sup> defined after applied to two pilot sectors
March-April follow agenda of MTBP 2011- 2013		DSDC/LM MF	Translation of new performance indicators into MTBP, define a baseline for the unit of measurements of these indicators, PAM procedures to be included in IPS calendar.
March		DSDC	PAM presented to LMs, training LMs to prepare their own PAM indicators
May		DSDC/MF	New format of Progress report introduced for MTBP quarterly monitoring data and PIM monitoring chapter combined
July		DSDC	Semi-annual progress report on sector strategy built around PAM matrix to be submitted to SPC

**6. Policy Impact Assessment**

Month	Date	Responsibility	Action
February - March		DSDC/ Legal Dept of CoM	Options paper on policy impact assessment models elaboration and consultations with MoF, MoEI, other relevant entities. Finalization of the Policy Impact Assessment Model
March		DSDC/MoF/LM	Round table discussions with MoF, DSDC, relevant ministries, on how to implement the model of PIA. Coaching of MoF, MoE, and pilot ministries on policy implementation assessment.
April		DSDC	Submission of formal proposal of Impact Assessment to GMC/SPC for approval
May-June		DSDC/LM	Launching of the two "How to do" Manuals for DSDC and LM staff on preparation of Impact Assessment and on assessing impact assessment
July		DSDC/LM	Trainings with LM for developing and improving skills on policy analysis of LM staff; pilot policy impact assessments in some LM.
September		DSDC/LM	Briefing notes for review by ministers on assessments of PIA implemented by pilot LM
September		DSDC/Legal Dept	Discussion with Legal Department (PM Office) and MoF about legal instruments needed for implementing PIA. Draft- revision of relevant secondary legislation.

<sup>1</sup> NSDI Annual report and EA report will be integrated in a single document - 2009 Progress Report

<sup>2</sup> Performance Assessment Matrix

## EUROPEAN INTEGRATION

European Integration is our major goal and the Government of Albania will continue to be fully engaged in the implementation of its European agenda, as a foreign policy priority, especially during 2010. All efforts made in framework of IPS implementation are proving positive in better reflecting the initiatives of European Integration.

Several dates set out in the calendars below are indicative in some cases. They will be updated case by case depending on the EC service calendar for respective issues.

European Integration key processes and products are:

1. SAA implementation:
  - a. Assess implementation of the NPI-SAA
  - b. Reflect SAA implementation priorities in MTBP and budget process
  - c. Monitor the NPI-SAA
  - d. Analyses of European Partnership Document and Annual Progress Report
  - e. Strengthening EU-Albania joint structures upon SAA entry into force
  
2. Instrument of Pre-Accession (IPA)
  - a. Finalise IPA 2010 programming
  - b. Programme IPA 2011
  - c. Programme the instrument for the project preparation of Investment in Infrastructure (IPF) 2010
  - d. Decentralisation
  
3. Initiation of "acquis" translation process into Albanian
  - a. Certification of translated acts
  - b. Translation of acts reflecting the priorities of NPI-SAA
  - c. Translation standardisation

### *Application for EU candidate status*

Month	Responsibility	Action
16 December 2009	EU, MOEI	EU hands the membership questionnaire to Albania and the process of its completion is started
16 December-February 2009	MOEI	Coordinating the work for completing the answers to questionnaire
January 2010	MOEI	Completing the procedures for the selection of translators for translating the questionnaire into English.
February 2010	MOEI	Quality control to the questionnaire' answers and their finalization
November 2009-March 2010	MOEI (with support of SMEI)	Technical assistance(training, external experts) for ministries and institutions related to issues addressed in questionnaire
March 2010	MEI	Send the completed questionnaire to EC

**1A. Assess implementation of the NPI-SAA**

Month	Day	Responsibility	Action
March	1-7	MOEI Line ministries	MOEI distributes instructions and methodology for NPI-SAA review. Establish inter-ministerial working groups for the NPI-SAA review process. Assess progress in implementing the obligations in the period October 2009 - March 2010 and analysis reasons of unaccomplished commitments
	15	Line ministries	Review deadlines related to the SAA obligations
		Line ministries	Review institutional responsibilities deriving from the SAA
		Line ministries	Review prioritisation of EU legislation to be transposed into domestic legislation
	20	Line ministries	Describe external assistance by sector
	25	MOEI Line Ministries	Reassess legal initiatives to be undertaken by state institutions in the NPI-SAA
25	MOEI Line Ministries	Reassess implementing activities to be undertaken by state institutions in the NPI- SAA	
April	1	MOEI Line Ministries	Reassess and redefine necessary administrative capacities by sector
	7	MOEI MoF	Reassess and redefine financial costs according to 2010-2012 MTBP
		MOEI	Updates database in order to monitor electronically the NPI-SAA by the line ministries and other central institutions
		MOEI State Institutions	Official correspondence between MOEI and state institutions about transferring of data to the NPI-SAA database system Send final papers to finalise the document.
		MOEI	Processes data and prepare final 2010-2014 NPI-SAA document for approval by CoM
	15	MOEI	Submits 2010-2014 NPI-SAA document for approval by CoM
		CoM	Approves Decision No. 577 on "Some changes and additions in the Decision no.463, date 5.07.2006 of the Council of Ministers to approve the National Plan for SAA Implementation"

**1b. Monitor the NPI-SAA**

Month	Day	Responsibility	Action
January	4	Institutions	Monthly SAA implementation monitoring report
February	4	Institutions	Monthly SAA implementation monitoring report
February	20	MOIE	Bi-monthly report to EC
March	4	Institutions	Monthly SAA implementation monitoring report
April	4	Institutions	Monthly SAA implementation monitoring report
April	20	MOEI	Bi-monthly report for European Commission
May	4	Institutions	Monthly SAA implementation monitoring report
June	4	Institutions	Monthly SAA implementation monitoring report
June	20	MOEI	Bi-monthly report for European Commission
July	4	Institutions	Monthly SAA implementation monitoring report
	20	MOEI	Progress report on the Stabilisation-Association process for the period June September 2010
August	4	Institutions	Monthly SAA implementation monitoring report
September	5	MOEI	Updated Progress Report 2010
October	4	Institutions	Monthly SAA implementation monitoring report
November	4	Institutions	Monthly SAA implementation monitoring report
December	4	Institutions	Monthly SAA implementation monitoring report

**2A. MIPD and Finalise IPA 2010 programming**

Month	Responsibility	Action
February	MOEI	Provides fiches for projects IPA 2010 to be submitted to EC
March	EC, MOEI	Discussions with EC programming mission for IPA 2010
April-May	EC, MOEI, LM	Comments to be reflected in projects
May-June	EC	Consultations within EU services
September	EC	Approves IPA 2010 project fiches in the IPA Committee
December	MOEI	Starts the procedures for approval of IPA Financing Agreement for 2010

**2B. Programme IPA 2011**

Month	Responsibility	Action
June	MOEI	Prepares IPA 2011 Programming Calendar
July	MOEI, LM	Prepares sector analysis and identifies priorities according to the reviewed NPI-SAA, sector strategies and other strategic documents
September	LM	Prepare the project-fiches for IPA 2011
September	MOEI, DSDC Line ministries	Consultations with line ministries are completed
October	SPC	Approves IPA 2010 project ideas
November	EC/MOEI/DSDC/Line Ministries	Approved projects are negotiated with IPA programme mission
December	Line ministries	Finalise and submit IPA 2011 project fiches

**2C. Programming for Infrastructure Projects Facility (IPF) for 2010**

Month	Responsibility	Action
January - February	LM	Prepare the project-fiches for IPF
February	SPC	Approves project-fiches for the fifth round of IPF
February	MEI	Officially submits the project-fiches to EU Directorate for Enlargement
June	Steering Committee of WBIF	Approves list of projects for support in the fourth round
June - July	LM	Prepare project-proposals for IPF support
July	KPS	Approves project-proposals for the fifth round of IPF
July	MEI	Officially submits proposals and project-fiches to EU Directorate for Enlargement
December	Steering Committee of WBIF	Approves list of projects for support in the fifth round

**2D. Decentralization**

Month	Responsibility	Action
January 2010	MF, CoM	Set up National Fund (NF)
until May 2010	LM	Staff recruitment for IPA structures in LM, NF and AA (Audit Agency)
January-November 2010	CFCU/MF	Bimonthly report to EU on DIS performance: First report to be issued in March
April 2010	GoA + TA	Establish AFCOS <sup>3</sup>
March-April 2010	TA	Preparation of report on GAP assessment
May-and on	TA	GAP plugging
October 2010	TA	Audit report on the draft of "Compliance Assessment"
November 2010	CAO-NAO <sup>4</sup>	Submission of application and accrediting package to EU Commission

**3. Translation of the "acquis communautaire" into Albanian**

Month	Responsibility	Action
December 2009-January 2010	MOEI	Select translator for translating questionnaire (which will initially translate the acquis)
January 2010	MOEI	Install TRADOS software which will serve for unification of terminology and speeding up translation process.
January 2010	MOEI	Install electronic system to manage the preparation of Albanian version of acquis communautaire
March 2010	MOEI	Translation of questionnaire
April-December	MOEI	Translates "Acquis" according to priorities

<sup>3</sup> AFCOS-Anti-Fraud Co-ordination Service

<sup>4</sup> Competent Accrediting Officer-National Authorising Officer

## MEDIUM-TERM BUDGET PROGRAMME [MTBP]

Medium-Term Budget Programme (MTBP) is the core element of the Integrated Planning System (IPS). The MTBP process is led by Ministry of Finance and requires each ministry to develop a three-year plan within a specified expenditure ceiling to achieve programme policy objectives as intermediate steps to achievement of NSDI, sector and crosscutting strategies goals.

### MTBP key processes and products

1. *Macroeconomic assessment and forecast*
2. *Economic and financial updates*
3. *Preparation of 2011-2013 MTBP and 2011 State Budget*
  - a. MTBP 2011-2013 preparation process
    - i. Assessment of priorities: Programme Policy Review (PPR)
    - ii. Assessment of priorities: Program Expenditure and Investment Planning (PEIP)
  - b. Assessment of priorities: Annual Budget

Notes:

- MTBP related dates and activities are cross-referenced in other sections of this document

### 2009 MTBP AND BUDGET CALENDAR

Month	Date	Responsibility	Action
December 2009		MoF	Prepares and submits to SPC the Public Investment Management calendar
December 2009		SPC/CoM	Discusses and approves the Public Investment Management calendar
December 2009	30	MoF	Submits to SPC the <i>Macroeconomic and Budget Assessment and Forecast Report</i>
January	6-7	SPC/CoM	Approves the <i>Macroeconomic and Budget Assessment and Forecast Report</i>
January	14	CoM	Discusses and approves Economic Fiscal Programme
February	2	MoF	Submits to SPC the MTBP preparation ceilings
February	5-12	SPC	Discusses and approves the MTBP preparation ceilings.
February	15	CoM	Submit for information to the Parliament the <i>Macroeconomic and Budget Assessment and Forecast Report</i> and MTBP preparation ceilings
February	22	MoF	Sends to Line ministries the guidelines on Budget Preparation and additional expenditures
February - April	23 Feb 30 Apr	Line Ministries	Prepare budget requests
April	20	MoF	Sends to SPC the updated macroeconomic forecast for approval
April	27-29	SPC/CoM	Approves the updated macroeconomic forecast

2010 Integrated Planning System Calendar

April	30	Line Ministries	Submits to MoF the respective budget requests
May	3 - 14	MoF, MOEI and DSDC	Analyse the budget request
May	17 - 31	MoF, MOEI and DSDC	Organize hearings with budget institutions
June	1 - 11	MoF	Prepares the MTBP and other expenditure ceilings
June	15	MoF	Submits to SPC the MTBP document and other expenditure ceilings for discussion and approval
June	18-30	SPC/CoM	Approves the MTBP document and other expenditure ceilings
July	10 - 30	CoM	Submits to the Parliament the revised MTBP document
July	9	MoF	Sends the complementary guideline on Budget preparations for LM and their additional expenditures
July - August	13 - 30	Line Ministries	Prepare the revised budget requests
August	17	MoF	Submits the updated macroeconomic forecast to SPC
August	20-27	SPC/CoM	Approves the updated macroeconomic forecast
August	31	Line Ministries	Submit to MoF the revised budget requests
September	1 - 15	MoF, MOEI and DSDC	Analyse the revised budget requests
September	16 - 30	MoF, MOEI and DSDC	Organize hearings with budget institutions
October	5	MoF	Submits to CoM the updated macroeconomic forecast
October	8-15	SPC/CoM	Approves the updated macroeconomic forecast
October	1-20	MoF	Prepares the revised MTBP and submits to SPC for discussion
October	22-28	SPC/CoM	Approves the annual draft budget and the revised MTBP
October	29	CoM	Submits the annual draft budget and the revised MTBP to the Parliament

**2. The reports, and economical and financial updates**

Month	Responsibility	Action
March	MoF	Macroeconomic and Financial assessment for 2009
April	MoF	Quarterly update of Macroeconomic and Financial assessment for 2010
July	MoF	Quarterly update of Macroeconomic and Financial assessment for 2010
October	MoF	Quarterly update of Macroeconomic and Financial assessment for 2010
November	MoF	Annual Macroeconomic Report for EC

## EXTERNAL ASSISTANCE

Greater alignment of external assistance to the national strategic priorities and budgeting process is a key objective of the Albania Government's new Integrated Planning System (IPS). The effectiveness of external assistance management has been the focus of attention of the Government and donors operating in Albania for many years and attempts to address this have gone through cycles of institutional architecture and process improvements.

### Key products/processes related to external assistance

1. Monitoring External Assistance
2. Donor Coordination Activities
3. Monitoring the Implementation of Paris Declaration
4. Fast-Track Initiative on Division of Labour (FTI/DoL)

### 2010 EXTERNAL ASSISTANCE CALENDAR

#### 1. Monitoring External Assistance<sup>5</sup>

Month	Date	Responsibility	Action
January-March		DSDC	Update and analyse data on donor projects and programmes
April		CoM	Approval by the SPC of the External Assistance Progress Report and its launching
March-May		DSDC	Design EAMIS procedures
June-August		DSDC	Update and analyse data on donor projects and programmes
October - December		DSDC	Launch EAMIS

#### 2. Donor Coordination Activities

Month	Date	Responsibility	Action
January		DSDC	Meeting of the IPS Support Group
		DSDC	Prepare a calendar for the donor programming missions and cooperation agreements
		DSDC/DTS	Establish a calendar for the meeting of the Sector Working Groups 2009-2010 <sup>6</sup>
March		EC/DSDC	Organizing the workshop for exchanging best practices on the preparation of sector strategies and their efficient implementation and financial support, as well as developing methodology for setting standards and priorities, Bosnia-Herzegovina.
May		DSDC	Meeting of the IPS Support Group
		DSDC/DTS	Government-Donor Roundtable
October		DSDC	Meeting of the IPS Support Group
		EU/DSDC	Regional Donor Coordination Conference in Brussels
November		DSDC/DTS	Government-Donor Roundtable

<sup>5</sup> EA progress report, an important document on external assistance monitoring, will be part of NSDI Progress Report for 2009 and the timeframe for this is shown in NSDI calendar.

<sup>6</sup> SWG calendar is attached as Annex 2

**3. Monitoring Implementation of the Paris Declaration**

Month	Date	Responsibility	Action
January- June		DSDC/DTS	Launch the process 2010 Survey on Paris Declaration
		DSDC/DTS	Send the survey to donors and LMs. Consultations for completing the survey
		DSDC	Prepare the report based on survey results. Consulting the report with donors and LMs
		DSDC	Send the report to OECD/DAC. Prepare the launch of the final report
January- March		DSDC	Taking concrete steps and defining timelines to improving effectiveness of external assistance in the framework of Harmonisation Action Plan
January- March		DSDC	Evaluation of Albanian public procurement system through OECD/DAC methodology
May-June		DSDC	Update of the Harmonisation Action Plan Preparation based on 2010 Survey results and findings on the evaluation of procurement system.

**1. Fast Track Initiative on Division of Labour (FTI-DoL)**

Month	Date	Activity
January	DSDC/Italy/DTS	Finalization of the matrix on division of labour
February- March	DSDC/Italy/DTS	Defining concrete steps and timeline to improving external assistance effectiveness in the framework of Fast Track Initiative on Division of Labour
April- November	DSDC/Italy/DTS	Enlarge the initiative to include a wider donors' community.

## 2009 STRATEGIC PLANNING COMMITTEE INDICATIVE SCHEDULE

The major goal of drafting IPS calendar is to set a preliminary agenda of SPC, the structure which approves main SPI processes. The calendar below is drafted through harmonising the agenda of each process.

Month	Day	Responsibility	Action
January	6	MoF/ DSDC	SPC approves the Macroeconomic framework 2011-2013
February	6-12	MoF/ DSDC	SPC discusses the Priority Policies Document that effects ceiling forecast SPC approves the 2011-2013 MTBP ministry ceilings SPC approves the project-fiches for IPF fourth round
March	20	DSDC/LM/MOEI	SPC approves the Foreign Aid Progress Report and new procedures for foreign aid management
April	27	MF/DSDC	SPC approves the updated 2011-2013 macroeconomic framework
June	19	MF/DSDC	SPC approves the MTBP document and new MTBP ceiling expenses
July		MIE/DEBASKON	Approves project-proposals for the fifth round of IPF
August	21	MF/DSDC	SPC approves the updated macro framework and discuss budget issues Submission to Council of Ministers of the state budget for final approval
October	9 23	MF/DSDC/MOEI	SPC approves the updated macroeconomic framework SPC approves the annual state budget and the reviewed MTBP document SPC approves the IPA 2011 project ideas

## PUBLICATIONS IN IPS FRAMEWORK 2010

Some of the publications issued in 2010 in the framework of IPS implementation are given in the table below.

Month	Responsibility	Publication
February	DSDC	IPS Calendar
June	DSDC	2009 NSDI and External Assistance Progress Report
April-May	LM	2009 PIM for 14 line ministries
Every month	DSDC and DTS	Monthly Informative publication "Government-Donor Dialogue"
February	DSDC	IPS Communication Guidelines
October	MoF	Publication of Draft- Budget

**ANNEX 1: GENERAL OVERVIEW OF PROCESSES**

## **7. National Strategy for Development and Integration**

The NSDI crystallises the medium- to long-term vision of the development of the country based on an open and transparent process, which guarantees the broad inclusion of the civil society, local government, the business community, the academia, the Albanian political spectrum and other groups of interest. Implementation of NSDI envisages the building of policy analysis capacity to ensure that the goals/objectives of NSDI are effectively translated into concrete policies and programs at the ministry level.

### **1. Priority Policies**

Beginning of 2010 planning for the 2011-2013 MTBP takes place. DSDC plays an important role in ensuring that policy priorities expressed in the sector and crosscutting strategies are reflected throughout the MTBP ceilings process. Before the formal commencement of the MTBP process, the Ministry of Finance along with DSDC prepare these presentations for the SPC: 1) macroeconomic framework (MoF); 2) Policy Priority Note 2011-2013 (DSDC); 3) Medium-Term Public Financial Programme (MoF); 4) IPS calendar (MoF, MOEI, DSDC); and 5) MTBP initial ceilings proposal (MoF).

#### **a. Policy Priority Note, for inclusion in the MTBP 2011- 2013**

The DSDC prepares the *Policy Priority Note* to help the SPC determine the ministry budget ceilings and provide information for potential projects and financial needs for the MTBP 2011-2013. The PPN combines ministry proposals with an analysis completed by DSDC. To guide ministries, instructions prepared by DSDC will be issued by January 2010, based on which the ministries will identify major new or existing policies that have a significant financial value. Ministry proposals will be presented for discussion and approval to the SPC in February, which will decide on the priorities that should be taken into account for the MTBP 2011-2013 ceilings to be approved in the next SPC meeting in February.

### **2. 2010 Ministry Integrated Plan**

The MIP highlights the key MTBP commitments, including European integration commitments, planned legislation, major public investments, anticorruption measures, and external assistance projects. The MIP is published by mid-year 2009 and comprises two main parts:

a. *The 2010 Ministry Annual Report*, which highlights the results achieved against the commitments of the Ministry Integrated Plan of the previous year.

b. General analytic programme for the draft-laws for 2010, which is a detailed list of all draft-laws prepared by LM to be proposed to Council of Ministers for every field, subject of reporting on quarterly basis. Performance of such process will be monitored twice e year.

### **3. Ministry Annual Reports for 2009**

Ministry Annual Report (*MARs*) outline the results on commitment to previous PIM and include: reporting on the progress achieved in relation to objectives of sector and cross-cutting strategies for 2009 at each ministry; reporting results 2009 towards EU agenda, reporting the performance in public expenditures, and foreign assistance projects, as well as reporting on anti-corruption measures for 2009.

### **4. The NSDI 2009 Annual Report**

The NSDI Annual Report presents the progress achieved against 45 high-level indicators. Much of this information is gathered through INSTAT or specific surveys and only requires a modest amount of ministry input. It is prepared and completed in mid-year of the 2010. NSDI Progress Report for 2009 will also include the progress report on external assistance.

### **5. Sector and Cross-cutting strategy monitoring**

An effective implementation of NSDI calls for an appropriate monitoring system whereby ministries report regularly on progress made towards the key objectives and outputs set out in the MTBP to deliver sector strategies. It is anticipated that DSDC will monitor ministry progress and outputs towards objectives of sector and cross-cutting strategies starting by reviewing the

indicators of the strategies, which will then be translated into concrete measures to PBA. Advisory Groups and civil society will have a role in the revision process and identification of appropriate indicators aiming to enhance a fruitful dialogue on result-oriented country policies

#### *6. Policy Impact Assessment(PIA)*

Policy Impact Assessment is a process carried out prior to drafting policy or legal framework, and requires prior identification to related policy impacts (economic, social institutional, etc.). The process provides decision makers with policy options to be undertaken. The introduction of policy impact assessments will be coordinated and, where appropriate, combined with the preparation of (i) Fiscal Impact Assessment (FIA) which establishes the multi-year costs of implementing a draft law and identifies any fiscal impacts on other ministries or levels of government and (ii) Regulatory Impact Assessment (RIA) which requires that the financial and regulatory burden placed on businesses by any new or amended regulation be consulted on and assessed before being approved. All impact assessments will need to take into account the implications and requirements for European integration. The product of this process is a document which includes a short summary of issues for decision makers. Whenever is estimated that the policy/law is priority has high impact, detailed financial and institutional analysis are prepared and appended in the above mentioned document. This new process will need to be developed as part of the overall framework within which proposals, mostly legal, are submitted to the Council of Ministers.

### **European Integration**

After the process of SAA ratification by all member states has been finalised, the Albanian authorities submitted the application for EU membership while it is forecasted that the completed EU questionnaire composed of 35 chapters will be submitted within March 2010.

One of the issues, related to EU integration is also the approximation of Albanian Legislation to EU. For this purpose during 2009, the Directory of European Legislation Translation it was set up and is functioning within the Ministry of Integration. Translation priorities will be decided by the MOEI in cooperation with the interested line ministries.

#### **1. SAA implementation**

##### *a. Assess implementation of the NPI-SAA*

The MOEI will lead the review process of the NPI-SAA based on November 2009 EC progress report. This year there will also be a full reassessment of the plan in terms of content and form, in order to ensure a higher legibility and to reflect the new methods of electronic reporting. During this review a special attention will be also paid to the aspects related to the SAA entry into force. Similarly, MOEI will coordinate the process for completing the EU questionnaire with all Albanian institutions expected to be finalized end within March 2010

##### *b. Reflect NPI priorities for SAA implementation in the MTBP*

During the budget planning cycle, the line ministries must give special attention to ensuring that there is an organic link between the priorities of the NPI-SAA and MTBP process. For that purpose, the plan review timetable will be aligned with the MTBP preparation timetable.

##### *c. Monitor the NPI-SAA*

Regular monitoring of the NPI-SAA will continue to be regularly monitored through 2010 on a monthly basis, through "on line" systems and periodical reports. EC will be provided with bi-monthly reports as well as contributions for the annual Progress Report, the first in the mid of June 2010 and the second contribution in the beginning of October 2010. Some reporting data may be adjusted to suit the pace of requests from EC. Furthermore, the reporting takes place also at joint meetings of EU-Government of Albania, held in the framework of SAA Council, Committee or 7 subcommittees which monitor SAA and will meet regularly in 2010.

##### *d. Analyses of the European Partnership Document and Annual Progress Report*

In November 2009, EC issued the annual Progress Report during the Stabilisation-Association process. The government will decide the revision of the NPI-SAA, taking into account the new priorities and recommendations prescribed in the Annual Report.

*e. Strengthening of EU-Albania joint structures established upon SAA entry into force*

SAA entry into power established EU-Albania joint structures, which supervise agreement's implementation and realisation, as prescribed in the articles 116, 120 and 121 of SAA. SAA Council and SAA Committee and subcommittees EC-Albania are all established. 2010 will serve for strengthening these structures.

During 2009, EU units were established within LMs at director level in order to better align with the new stage of EU-Albania relations after the start of the process for EU membership application followed by negotiations for every chapter.

*2. Instrument of Pre-Accession*

The CARDS programme is in the stage of project implementation and no longer requires any programming activities. Planning and programming with respect to EU assistance now occurs exclusively for IPA.

*a. Finalise IPA 2009 programming*

Following discussions and approval by the IPA Committee of the EC for the 2009 IPA programme, the financial agreement is expected to be signed during the first quarter of 2010. This will serve as the starting point for implementing projects included in this programme.

*b. Programming IPA 2010 and starting the programming of IPA 2011*

The IPA 2010 has begun in July 2009 and it is believed that the package of project fiche for IPA 2010, prepared by Albanian institutions will be ready within January 2010. It will then be submitted for further comments and suggestions to EC Delegation in Tirana. All comments/suggestions will be reflected by the beneficiary institutions. Further, the final package will be submitted for approval to EC Services in Brussels according to respective procedures. In July 2010 begins IPA 2011 programme.

*c. Programme the instrument for the Project Preparation of Investment in Infrastructure (IPF) 2010*

To support IPA national, the financial instrument of Western Balkans Financial Framework (WBIF) with EC, EIB, EBRD,CEB as key players is set up to create joint financial recourses with the contribution of EU, international financial partners, EU member states and other donors. During January 2010, Line Ministries will prepare proposals for financing priority projects in sectors like transport, energy, environment, social issues, SME, energy efficiency and finance. Following the approval of IPF to be submitted in its fourth round to SPC, MOEI in the quality of NIPAC will forward this to EU Commission in February 2010. The authority which will select and approve the fourth round projects of IPF is the Steering Committee of WBIF, to be carried out in June 2010. In addition, in June 2010, Line Ministries will start the preparation for the fifth round of IPF package to be presented to SPC. After the approval of the fifth round, NIPAC officially submits the list of project proposals by the end of July 2010, with the aim to have the approval of WBIF Steering Committee.

*d. Decentralisation*

According the road map reviewed and approved (July 2009) on establishing MIS for IPA component several actions are foreseen:

- I. Finalize the structures and capacity building (including manual or procedures and trainings for the respective staff) within July 2010. Institutions included in DIS are: NIPAC Office, responsible for monitoring funds of IPA component I, Ministry of Finance (National Fund) and Central Finance and Contracting Unit(CFCU) LMs/SPOs, Audit Agency for EU Funds (AA), Internal Audit;
- II. Following the request of EU Commission related to measures on anti-corruption and anti-fraud, every beneficiary country of EU community assistance, should set up and independent AFCOS<sup>7</sup>, planned to complete within the first half of 2010. The structure

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<sup>7</sup> AFCOS-Anti-Fraud[1] Co-ordination Service. Fraudulent practise means a manipulation of facts in order to influence a selection process or and execution of a contract.

will be responsible for coordinating all legal, administrative and operational acts in order to guard EU financial interests, and be able to cooperate with OLAF<sup>8</sup>.

- III. To implement the first phase of "Gap Assessment" and the second phase "Gap plugging" related to DIS instalment in Albania within the first half of 2010, while contracting and implementing the phase III (Compliance Assessment) is foreseen to be completed within October 2010. An important activity foreseen in this regard is the preparation of accrediting package and submission of the application to Commission by the end of 2010.

### *3. Translation of the "acquis communautaire" into Albanian*

A key component of the Stabilisation-Association process towards full membership is the translation of the European legislation- "acquis communautaire" into Albanian. For this purpose, based on Prime Minister's Order No.119/2007 "Procedures of translating European Union legislation into Albanian and of Albanian legislation into one of the European Union languages", a directory of translating the European Legislation has been established at the MOEI, which will manage the process of translating the EU legislation in cooperation with all stakeholders as well as certifies the previous translated legislation or the one's which will be translated by the ministries or other central institutions. During 2009 the DCM no.1193 date 3.12.2009 "On procedures of translating EU questionnaire in the framework of Albania joining EU" was issued which appoints MOEI as coordinator of the process. Following the above, the selection of translators (to be engaged with the translation of the acquis and all related) and efforts are made to install Trados translation software. An electronic system is also set up in order to manage the translation of the acquis. The priorities of translation will be defined in cooperation with relevant ministries following regular consultations with the EC.

## **Medium-Term Budget Programme**

The aim is to ensure an explicit linkage between budget allocations and programme policy objectives, reaching greater predictability and effectiveness in resource allocations. Drafting of PBA goes through processes described below.

### *1. Macroeconomic assessment and forecast*

The 2010-2013 macroeconomic assessment and forecast will be prepared at the beginning of the year in order to inform the setting of strategic priorities, aggregate expenditure, revenue and deficit targets, and forecasting of MTBP ceilings at the ministry level. The initial forecast is normally presented in December and finalized early in January. The assessment and forecast are updated at two key points during the year: in April, prior to finalization of the MTBP and MTBP expenditure ceilings (taxation measures may also be taken at this time) and in August, before the draft state budget is submitted to Parliament.

### *2. Economic and financial updates and reports*

On quarterly basis, updates on the country's economic and fiscal performance will be published. Updates will be prepared following the end of each quarter. In addition, a year-end assessment will be completed before the end of the first quarter. An annual report is provided to EC before the end of November.

### *3. Preparation of 2011-2013 MTBP and 2011 State Budget*

The first government-wide MTBP was implemented in 2006(MTBP/State Budget for 2007-2009). MTBP and State Budget 2007-2009 were submitted to Parliament for information. The same steps have been followed in the successive years. Key stages of MTBP 2011-2013 approved by DCM no 4 date 7.01.2010 to be developed during 2010 in the central government units and the additional expenditures are as follows:

#### *a. Assessment of priorities: Programme Policy Review (PPR)*

In the framework of the MTBP process, each ministry prepares policy statements on its budget programmes and reviews them. The revision takes place during March, once the MTBP ceilings for each ministry have been defined for the MTBP 2011-2013. The PPR sets the stage for the preparation

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<sup>8</sup> OLAF-European Anti-Fraud Office

of Program Expenditure and Investment Plan and enables ministries to develop indicative programme budgets. The DSDC, in cooperation with Ministry of Finance and Ministry of Integration will coordinate the PPR process. The aim of the PPR is to ensure that the goals and objectives set out in the NSDI, sector and crosscutting strategies and the Stabilisation and Association Agreement (SAA) are reflected in the ministry expenditure requests expressed through the MTBP.

*c. Assessment of priorities: Programme Expenditure and Investment Planning (PEIP)*

In the period May-June, line ministries submit to the Ministry of Finance their Programme Expenditure and Investment Planning (PEIP) in the framework of the MTBP. These are reviewed by the Ministry of Finance, DSDC, and the Ministry of European Integration and subsequently debated during the budget negotiations with line ministries. The DSDC and Ministry of European Integration will participate in these hearings focusing on the achievement of their objectives set out in the sector strategies and SAA commitments, through the PEIP process. Following the conclusion of the budget negotiations, the Ministry of Finance prepares the draft MTBP 2011-2013 for presentation and approval to the SPC.

*d. Assessment of priorities: 2011 Annual budget*

If there is a significant variance, the DSDC will complete an assessment to determine the impact of these changes on the implementation of the sector and crosscutting strategies. Council of Ministers will discuss and approve the first draft MTBP and the MTBP expenditure ceilings during June. The second MTBP draft and the annual draft budget will be discussed and approved during October.

## External Assistance

The ownership and the role of the government in donor coordination have been increased through years. The Government of Albania is committed towards taking priority actions by considering the recommendation of analytic report 2008 on monitoring, Paris Declaration and Accra Agenda for Action. The Harmonization Action Plan prepared by DSDC and DTS is a concrete step towards fulfilling Paris Declaration objectives and clearly shows the good cooperation among government-donor structures. Effectiveness of external assistance is measured and assisted through below processes.

### *1. Monitoring External Assistance*

The External Assistance Orientation Document was launched in April 2008. This document includes the Government mid-term priorities in order to assure that the external assistance is in line with the priorities set at the sector and cross-cutting strategies. In 2009 the Government will undertake monitoring of the external assistance through updating and analysing data on the donor projects and programmes. External Assistance Progress Report 2008 was published in October 2009, prepared by DSDC with the primary source the donor's database administered by DSDC, enriched with data from OECD/DAC, EAOD, NSDI as well as 2008 Paris Declaration Survey's results.

Monitoring of external assistance will be carried out in 2010 through updating and analysing the data on projects and donors and the external assistance report for 2009 will be published. External Assistance Progress Report for 2009 will be included as a chapter of the 2009 NSDI Progress Report. Furthermore in 2010 the Government will review the procedures of external assistance management which will pave the way to designing and later launching of EAMIS (External Assistance Management Information System). EAMIS will enable strategic management of the external assistance including preparation of the reports setting the priorities and donor support, project monitoring and evaluation, assessment of the external assistance in general, etc.

### *2. Donor Coordination Activities*

Donor coordination will continue to be achieved through different activities such as Government-Donor Roundtables, Sector Working Groups with donors, donor missions, bilateral agreements and special programmes. Cooperation with the Donor Technical Secretariat (DTS) and the IPS Support Group will continue. The calendar includes the months of the Government-Donor Roundtables that will be convened during 2010. At the beginning of 2010 a calendar for the donors programming/negotiating missions and a calendar of the Sector Working Group meetings will be established, the latter is attached to 2010 IPS calendar.

### 3. Monitoring the Implementation of Paris Declaration

In line with the commitments toward meeting Paris and Accra Agendas, in cooperation with the Donor Technical Secretariat a Harmonisation Action Plan was finalized in November 2009. It identifies the actions which need to be followed by the Government and the donors in the two coming years for increased aid effectiveness. The performance of 12 indicators of Paris Declaration will be measured through 2010 Survey, which will be launched by OECD/DAC in first quarter of 2010. DSDC and Ministry of Finance are the national coordinators, while the Donor Technical Secretariat is the donor focal point in managing the survey. Promoting use of national procurement systems is also important for the effectiveness of external assistance. One of the most concrete steps foreseen in Harmonization Action Plan is related to public procurement and application of OECD/DAC methodology in assessing its quality. During May-June 2009, the OECD/DAC methodology was introduced to main stakeholders. Assessment will take place in January-March 2010.

### 4. Fast-Track Initiative on Division of Labour (FTI/DoL)

The Fast Track Initiative on Division of Labour aims to support smooth implementation of EU Code of Ethics in Albania. Italy is chosen as facilitator of Fast-Track Initiative in Albania. The initiative will be integrated within existing structures of donor coordination (specifically in Sector Working Groups) led by Government of Albania and focusing especially on sectors related to EU integration agenda.

**ANNEX 2: SWG MEETINGS' CALENDAR**









