Mid-term plan of priority actions

As mentioned in Chapter 1, this year the matrices of mid-term priority actions were developed in line with the medium-term budgeting process. This was decided in order to address a criticism made by various stakeholders, not least in the Joint Staff Assessment of last year’s Progress Report, that it is often not clear what the cost of priority policies is and whether they fit into the MTBP. According to the instructions issued by the Ministry of Finance, the preparation of the medium-term budget relies on the contribution of line ministries in 2 steps:

**Programme Policy Review** Ministries describe policy goals and objectives for each programme.

**Programme Expenditure and Investment Planning** Ministries identify target output levels for each of their programmes and allocate sufficient resources from their medium-term budget preparation ceiling to each programme for the delivery of those target outputs. Resource allocations include allocations for public investment.

Only 5 ministries have worked through these procedures this year: Education, Health, Labour and Social Affairs, Agriculture and Food, and Territorial Adjustment and Tourism. In addition, the Ministry of Transport and Telecommunications submitted a review of one of its programmes. Their Programme Policy Review matrices are presented below. A Programme Policy Review is not intended to be a full and comprehensive review of the sort that is required for an update of the NSSED. However, line ministries need to demonstrate that they have:

* identified and described each of their expenditure programmes;
* reviewed the policies relating to each expenditure programme to ensure that a programme policy statement can be written (or revised);
* reviewed the policies so that they are consistent with and reflect wider national policies (NSSED, European integration, NATO accession); and
* identified the status of each of their policy statements (for example, whether any particular policy statement has implicit or explicit Council of Ministers approval)

The NSSED Department took part in the process through the MTBP Secretariat and reviews of the line ministry inputs for consistency with the national strategy.

Of the remaining ministries, the 8 ministries with the largest shares in the budget were asked to prepare a sector expenditure strategy, a less comprehensive procedure to encourage a strategic approach to the planning of public expenditure. The sector strategies identify concisely target outputs, beneficiaries, the current situation, plans for reform and the budget implications for each programme to consolidate the link between budgets and policies. Of these ministries, the following submitted a sector expenditure strategy: Defence, Finance, Industry and Energy, and Local Government and Decentralisation. The NSSED Department was directly involved in assisting the Budget Department in the development of these strategies. The following ministries did not submit a strategy: Culture, Youth and Sport, Environment, Justice, and Public Order.

It must be stressed that the matrices do not yet indicate whether the proposed activities will receive budget funding, as the medium-term budget programme process had not yet been completed at the time of writing. However, their inclusion in the Progress Report is considered essential in showing the links between the NSSED and MTBP processes. This is a first small but significant step for the NSSED Department to assume an increasing role in the formulation of strategies at the sector level. In the context of the Integrated Planning System, the NSSED Department will assume increasing responsibilities over the coordination of sector and crosscutting strategies. The prioritisation process will need to be ever more strategic in linking long-term goals with medium-term policies that are embedded in medium-term budgeting.

* 1. Ministry of Agriculture and Food

Programme 1: Planning, management and administration

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| Policy description | Policy goals | Policy objectives | Policy standards |
| Improve functioning via strengthening of capacity for implementing policies to bring planning, management and administration closer to EU standards.  Sustainable maintenance of the building for providing efficient and commode conditions for employees. Strengthen the use of Ministry’s resources. Training. | Creation of an efficient ministry. Continuous improvement of leading capabilities of the Ministry staff and other levels of decision making. Approximation of working conditions to EU standards. Creation of a modern accounting system by 2010. | Year 1  Reconstruct old building and maintain new building. Improve conditions 50%. Train 50% of new staff and 25% of existing staff. Modernise accounting system 5%. 30% offices with internet.  Year 2  Improve conditions 80%. Train 50% of new staff and 35% of existing staff. Modernise accounting system 20%. 55% offices with internet.  Year 3  Improve conditions 100%. Train 50% of new staff and 45% of existing staff. Modernise accounting system 32%. 70% offices with internet. | Number of employees taking master, diploma, certificates for short run training.  Modern accounting program.  Modern building. |

Programme 2: Agricultural and food security inspections and consumer protection

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| --- | --- | --- | --- |
| Policy description | Policy goals | Policy objectives | Policy standards |
| Reconstruct veterinary service to match European integration requirements. Control epidemiological situation especially for zoonotic diseases. Strengthen food security, consumer protection, phytosanitary control, plant protection service and food inspectorate in accordance with EU standards. | Approximation of veterinary and phytosanitary service, plant protection and Food Inspectorate with European standards | Year 1  Preparation of 40 draft regulations applying the Veterinary Law. Vaccination against anthrax and brucellosis of 1.000.000 animals. Search for TBC in 100.000 animals. Elimination of positive animals. Preparation of nutritive codex.  Years 2-3  Support and strengthening of 7 veterinary and phytosanitary inspection points of border control. Vaccination against anthrax and brucellosis of 1.000.000 animals. Search for TBC in 100.000 animals. Elimination of positive animals. | Vaccines and phytosanitary control in accordance with European standards. |

Programme 3: Irrigation and drainage infrastructure

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| --- | --- | --- | --- |
| Policy description | Policy goals | Policy objectives | Policy standards |
| Improvement of national policies for irrigation and drainage, reform of irrigation, drainage and flood protection system, transferring the responsibilities of decision making to Water User Associations and Drainage Boards. | Increase agricultural production through the fulfilment of farmer needs for water and improved drainage and flood protection of agricultural lands. Complete independence of Water User Associations and Drainage Boards. | Years 1-3  Rehabilitate and improve 20000 ha of irrigation and drainage infrastructure. Collect evidence on the most damaged dikes of irrigation reservoirs and rehabilitate 10 dikes. Capacity of 28 drainage pumping stations to grow by 20% (through repairs of 5 drainage pumping stations (hidrovors). Transfer of irrigation responsibilities to WUA for 20000 ha. | Fulfil farmer demands for water up to the optimal application of 3,500m3/ha/season  Drainage system performance (by free leakage): 7 lt/sec/ha; endurance: 80mm of rain for 24hrs when hidrovors are used.  Flood protection security of 20% or an iterative 1 time in 5 years |

Programme 4: Support the agricultural, fish, agro-industrial and plant production

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| --- | --- | --- | --- |
| Policy description | Policy goals | Policy objectives | Policy standards |
| Create conditions for modernisation and improvement of technological process, increased production and competitiveness of food products through better quality, technology and market infrastructure. Conserve genetic resources in farms and set up new structures to implement breed programs. Cooperate with GTZ and FAO for marketing policies. Free trade agreements with and EU and international organisations in cooperation with the private sector. | Achieve technological progress and growth of agriculture, farming and agro-processing | Year 1  Develop and finalise wine cadastre. Increase credit for agro-industry by Lek 7 million to construct milk collection centres with cooling systems. Gradual harmonisation of EU Regulation 493/99. Complete 2 wholesale markets, monitor grants with competition.  Year 2  Increase credit for agro-industry by Lek 8 million to construct new lines for horticulture processing (2KR) and create links between farmers and agro-processing associations to promote agricultural products through participation in national and international fairs (Fair of Agribusiness in Tirana, Green Week in Berlin).  Year 3  Increase credit for agro-industry by Lek 9 million to develop viticulture and wine industry through new technological lines. | EU Regulation 1493/99 |

Programme 5: Research and extension

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| Policy description | Policy goals | Policy objectives | Policy standards |
| To continually increase the provision of applied research, technical expertise and support agricultural extension services and agro-business for profitable, efficient and sustainable agricultural production.  To provide technical and economic assistance for farmers by public extension service. | Raise quality of agricultural research to internationally recognized standards (OECD)  Fit research projects to increased needs of beneficiaries.  Sustainable increase of farmer income. | Years 1-3  Support and supervise 37 research projects; disseminate results. Implement agricultural research policy (Year 1 establish management body of the National Agency for Research and Technology Transfer; Year 2 reorganise Regional Research and Technology Transfer Centres). Establish and equip 20 Agriculture Information Centres. Train agricultural specialists and farmers (220 days for specialists and 600 days for farmers). On Farm Research (OFR) for the development of new technologies (25-30 projects per year). Extension services based on contracts (10-15 contracts per year). | (1) Number of new varieties of plants and animal breeds improved and/or created/ registered at National Seed Agency according to OECD standards. (2) Agency to function as semi–independent structure and include beneficiaries in decision-making. (3) Adoption rates by the farmers of the research project results. (4) Number of farmers contacted by Agriculture Information Centres. (5) Participation and cost-sharing of farmers and private agricultural specialists in extension activities (demonstrations, field days, training events, selling of extension materials etc). |

Programme 6: Management of natural resources

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| Policy description | Policy goals | Policy objectives | Policy standards |
| Sustainable management of agricultural land, including forests and pastures, through legal and regulative background for administration and development of land market and sustainable use of natural resources. Sustainable development of fisheries through rehabilitation and modernisation of fishing activity and ports, support and management of the sector, support of aquaculture, and facilitation of licensing. | Develop fully functional land market (according to EC standards) and sustainable use of forests and pastures. Provide stable development of fishery in seas and internal waters, according to international standards to increase production in the optimal exploitation limits. Support the process of management, rehabilitation and modernisation of marine and ports infrastructure. | Years 1-3  Monitor Fishery Project of World Bank. Invest in ports infrastructure, piers construction and first phase of fishing port of Durres. Invest in the maintenance of lagoons and wholesale markets. Strengthen control of Fishery Inspectorate through the logistical equipment and 1500 inspections in land and sea per year. Repopulation of the pond categories with fingerlings, with 1.000.000 koran and 1.500.000 carps. Keep national register of fishing vessels according to EU standards. Monitor fishing reserves according to FAO and EU standards. | Approximate legislation for conservation and management of fishing reserves according to international standards FAO-GFCM for accountable fishing. |

Programme 7: Integrated rural development

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| Policy description | Policy goals | Policy objectives | Policy standards |
| Administer and coordinate all policies and investments in rural areas to increase rural incomes and to protect resources. | Coordinate projects in rural areas. | Year 1  Prepare and approve Rural Development Strategy. Initiate pilot regional development projects (Lezhe, Elbasan), expand credit for agricultural inputs, 6% production growth in north eastern areas (MADA project)  Year 2  Creation of Payments Agency to coordinate funds for rural development. 30% of investments used for rural infrastructure of mountainous areas; 10% to modernise and consolidate farms.  Year 3  Increase number of trained farmers by 20% in rural policies, Common Agriculture Policy, agrarian environment policies and afforestation, and in EU standards. | 10% export growth of agricultural products that match EU standards (tomatoes, potatoes, watermelons, cucumbers and medicinal herbs).  Train regional administration and farmers in EU standards adopted for the products that will be exported. |

Programme 7: Advisory services