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 Local Government and Decentralisation

Programme 1: Planning, management, and administration

Policy objective: Set up the computerized address book for every local government units; increase the efficiency of Ministry of Local Government structures; prevent, manage and rehabilitate affected areas from fatalities to protecting citizen’s lives

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| Activity 1: Addresses |
| Output Targets | Current Situation | Programme Reform Actions | Budget Management Implications |
| Provide the locality addresses for all Albanian citizens. | Decision-making process under way, denomination of squares has not yet been completed in two thirds of local government units. | Compile sub-legal acts, orders, and functioning methodologies; modernise sector; update budget financial effects for 2005. | The financial effect of this sector, which will consist of 5 people, is Lek 1.7 million annually. |
| Activity 2: Setting up the National Inspectorate of Civil Protection |
| Output Targets | Current Situation | Programme Reform Actions | Budget Management Implications |
| Increase the security and prevent fatalities. | A complete legal framework and many documents related to preparation of civil emergency staff already exist. | Compile sub-legal acts, orders, and functioning methodologies. | The financial effect of this sector, which will consist of 4 people, is Lek 1.7 million annually. |

Programme 2: Civil Registry

Policy objective: Improve and approximate services to modern standards; set up and administer National Register of Civil Registry Office

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| Activity 1: Establish and enforce civil registry structures |
| Output Targets | Current Situation | Programme Reform Actions | Budget Management Implications |
| Rapid service for all population through reducing service times. | In local government units with high population, the services provided by the civil registry offices are not of high quality because they are understaffed. | Draft sub-legal act to increase personnel. | The financial effect for Increasing the number of the personnel of some units in some districts at about 43 persons is Lek 10.2 million annually. |