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 Labour and Social Affairs

Programme 1: Labour market

|  |  |  |  |
| --- | --- | --- | --- |
| Policy description | Policy goals | Policy objectives | Policy standards |
| (1) Increase legal employment within and outside Albania; reduce illegal migration and employment at informal economy.  (2) Avoid poverty due to low wages and unemployment, by setting a reasonable minimal wage and unemployment benefits for those who can not find a job.  (3) Develop active policies on labour market in accordance with EU employment guidelines. | (1) Promote and support full, productive employment services.  (2) Guarantee human right for profitable employment, advice and professional qualification for every position. Provide financial support. Reduce unemployment.  (3) Provide professional training to raise professional skills of unemployed job seekers registered in Employment Offices, for the most preferred occupations in the labour market. | Year 1  (1) Maintain existing jobs, create new ones, and provide vocational training of unemployed job-seekers in accordance with labour market professions, through funds for employment promotion programmes of the state budget and donors. (2) Continue establishment of Vocational Training Centres (VTC) in Elbasan, Fier, VTC4 and Korca. Provide equipment and furniture to existing centres and basic materials to the new ones. (3) Computerise employment services.  Year 2  (1) Maintain existing jobs, create new ones, and provide vocational training of unemployed job-seekers in accordance with labour market professions. (2) Continue investment in Korca, VTC4 and Vlora; provide equipment and furniture to existing VTC.  Year 3  (1) Continue investments in VTC building in Korca and begin reconstruction of Vlora VTC; provide furniture. | The following groups will be prioritised:  - Provide employment for trafficked women, women over 35 years old, Roma women, disabled women, single mothers, divorced women with social problems (according to DCM 632)  - Focus programmes of employment promotion on unemployed graduates in public or private institutions / enterprises through vocational exercises (applied training -probations)  - Reduce number of job-seekers to 150000 in 2006, 147000 in 2007, and 144000 in 2008. Reduce unemployment rate to 14% in 2006, 13.7% in 2007 and 13.4% in 2008.  - Increase unemployment benefits by 10% every year. |

Programme 2: Social insurance

|  |  |  |  |
| --- | --- | --- | --- |
| Policy description | Policy goals | Policy objectives | Policy standards |
| Guarantee distribution of benefits according to contributions and state budget support. | (1) Guarantee payment against gained rights in social insurance.  (2) Increase social insurance benefits to achieve the minimum living standards.  (3) Reduce state budget subsidies in social insurance fund.  (4) Improve mandatory social insurance system with supplementary schemes.  (5) Enhance financial sustainability through continuous increase in the number of contributors.  (6) Improve service quality through infrastructure development, computerisation and modernisation.  (7) Enhance institutional power and continuously improve administration. | Years 1-3  (1) Increase the level of revenues faster than the level of expenditures; (2) Align the rural to the urban pension scheme through increasing the level of contributions for the self-employed in agriculture; (3) Increase the number of contributors in the voluntary insurance scheme; (4) Improve infrastructure and increase the quality of services. | (1) Increase the level of benefits by 8% in urban areas and by 15% in rural areas;  (2) Revenue realisation: Lek 44502 million (2006), 49497 million (2007), and 54625 million (2008); (3) (a) Transfer from social insurance funds towards individuals: Lek 53397 million (2006), 58321 million (2007), and 63942 million (2008); (b) Transfer from state budget into Social Insurance Institute's budget: Lek 16274 million (2006), 16416 million (2007) and 17173 million (2008); (4) Increase urban pensions respectively by 9%, 8% and 7% and rural pensions by 14% per year;  (5) Increase level of other benefits at the level of annual inflation; (6) Decrease pensions’ period of contracting by two months; (7) Improve dependency ratio (old age pension/contributor) by 5% per year; (8) Improve replacement ratio (wage/monthly pension) by 1% per year; (9) Improve revenue ratio of contribution to GDP by 0.1% per year. |

Programme 3: Social protection

|  |  |  |  |
| --- | --- | --- | --- |
| Policy description | Policy goals | Policy objectives | Policy standards |
| Improve identification of individuals and families who are really in need. Improve effectiveness and efficiency of offering economic assistance (NE) and social services in community. | (1) Improve targeting of economic assistance and disabled peoples benefits (PAK) toward poorest families.  (2) Extend geographical coverage of social services.  (3) Develop new social services of high quality and community-focused in accordance with international standards.  (4) Improve the combined offering of social services by public authorities and NGOs through effective leadership and preparation of new financing strategies. | Year 1  (1) a. Implement new system of transferring grants for NE, PAK and social services;  b. Review criteria for NE distribution and criteria of disabled commission;  (2) a. Transfer House of Children and Babies to local government; b. Set up structures of social services at regional level; c. Establish database of needs and offered services at regional and national level (continue); (3) a. Establish legal base and start procedures for setting up the custody service; b. Carry out community-based projects, financed by the World Bank; c. Draft standards of PAK maintenance; d. License social service providers; (4) a. Approve tasks and control procedures for NE, PAK and social service inspectors; b. Review indicators and criteria of government grant allocations.  Year 2  (1) a. Implement new criteria of selection for providing social services; b. Review system of transferring grants for NE, PAK, and social services; PAK payment indexation; (2) a. Transfer PAK and centres for the elderly to local government; b. Continue to develop database on needs and services; (3) a. Develop procedures for individual evaluation on children care and provide training in this area; b. Continue implementation of 20 sub-projects in 8 regions; c. Draft standards for elderly people;  d. Train inspectors at national and regional level; e. Train local government;  (4) Develop legal framework on the use of the Social Fund.  Year 3  (1) Implement new criteria of PAK payment indexation; (2) a. Establish new structures in remaining regions; b. Continue to develop database on needs and services at community level; (3) a. Develop procedures for individual evaluation for other vulnerable groups and pilot in two regions; b. Finalise implementation of 20 sub-projects; c. Develop standards for trafficking victims; (4) Develop new sustainable projects for community through the use of the Social Fund. | (1) Complete transfer of six Houses of Children and Babies and 3 PAK Centres (2006);  2) Set up social service structures in four regions (2006);  3) Carry out 20 projects with the community (World Bank);  (4) Reduce number of families in NE scheme by 3% through annual control;  (5) Annual increase of PAK payment and number of PAK recipients by 10% and 0.5% respectively;  (6)Train State Social Service and local government staff;  (7) Establish 60 new community-based services financed by the World Bank project;  (8) Complete transfer of three PAK Centres and three centres for the elderly (2007);  (9) Complete transfer of two PAK Centres and two centres for the elderly (2008); |

Programme 4: Planning, management and administration

|  |  |  |  |
| --- | --- | --- | --- |
| Policy description | Policy goals | Policy objectives | Policy standards |
| To support the effective achievements of Ministry’s goals and objectives, by ensuring professional services (planning, development of legal framework, human resources and foreign relationship development), physical infrastructure, including IT services and other daily services. | 1)Increase the efficiency and effectiveness of staff performance through professional services and motivation; 2)Strengthening the institutional management; 3)Development of Information technology and computerisation of statistical system; 4) Organisation and restructuring of MoLSA making it capable to fulfil its obligations and government programmes in accordance with the NSSED and other international documents aiming at accomplishment of requirements of PVPE and other international agreements where the Republic of Albania is counterpart. | Year 1  1)Setting up an efficient electronic system of communication and information; 2) Improving of skills and human source efficiency for each position; 3)Functional and structural revising of MoLSA in accordance with the priorities of PoSA; 4) Undersigning of bilateral agreements for social security area with Romania and Hungary; 5) Studying current situation of the statistical system.  Year 2  1) Undersigning of bilateral agreement for social security area with Italy; 2) Setting up a statistical data base for the ministry; 3) Rationalising of role, mission and structures within MoLSA .  Year 3  1) Studying feasibility of information technology. 2) Setting up computerisation of central and local administration; 3) Undersigning of bilateral agreement for social security area with Greece. | Professional service’s standards have not been in full accordance with the development and Stabilisation -Association Process’s priorities. That’s why the strategic, human resources, communication and information, and achievement’s management, is going to be improved, Standards aim to create professional, sustainable and motivated administrate. |

Programme 5: Labour, health and security inspectorate

|  |  |  |  |
| --- | --- | --- | --- |
| Policy description | Policy goals | Policy objectives | Policy standards |
| Promoting an efficient system operation (formal and legal) of labour trade, through reducing the informality at labour market. Making inspections to ensure those private companies and their employees to be registered by law. Protection of employee’s interest by fulfilling their requirements of safety standards and also of healthy condition at work. | Promoting of job conditions by international standards to protect employee’s interest of safety and healthy conditions at work, and also increasing the support to those people who need to be protected. | Years 1-3  (1) Legislation approximation to achieve legal framework with international standards in the function of inspection policies. (2) Development of capacities for implementing labour legislation. |  |

Programme 6: Internal audit

|  |  |  |  |
| --- | --- | --- | --- |
| Policy description | Policy goals | Policy objectives | Policy standards |
| Internal audit helps the institution to improve the efficiency and efficacy of its operations, through undertaking independent control and preparing a report when they identify the most risked area and those area that lack efficiency in public funds’ administration. | 1) To give advise on projected management in order to add the value and to improve measures of public subject; 2) Systematically evaluation and improvement of productivity of risk, control and governance management. | Year 1  1) Developing an well-understanding memorandum for the audit of the other institutions like ISE and the Aid Inspectorial and Social Services; 2) Certification for the staff audit of pendant subjects; 3) Developing an well-understanding memorandum for the co-projects audit with foreign funding; revising standards to improve institutions audit performance.  Year 2  1) Furnishing of all audits and supervisors with internal audit certificate as qualified supervisors; 2) Developing a well-understanding memorandum for funds audit that currently are managed by local government for social assistance and disability; 3) Designing the new audit Plan regarding factors that rescue the use of funds for employment promotion and social assistance.  Year 3  1) Increasing the number of audits with permanent license as qualified supervisors; 2) Developing a well-understanding memorandum for the audit of funds managed by Vocational Training Centres with the new status; 3 Designing the new audit Plan regarding factors that affects increasing of the informality at labour market. | 1)Provide a permanent license as qualified auditors to 20% of the staff; (2007); 2) Provide a permanent license as qualified auditors to 30% of the staff (2008); |