Monitoring and evaluation

 presents progress relative to the NSSED objectives. It is clear that Albania has achieved all its growth targets for 2006 two years earlier. The achievement of the per capita income target has been accelerated by the devaluation of the dollar but the country’s growth rate performance has been according to plan.

Poverty indicators cannot be monitored on an annual basis given the country’s resources. Instead, the poverty monitoring plan envisaged that the 2002 LSMS would have a consumption module to allow the calculation of poverty rates but that the 2003 and 2004 waves of the LSMS would not include consumption questions. Instead, analyses of the type presented in Section would be performed. Indeed, the findings suggested that there is sufficient evidence to assume that progress is made with poverty reduction, as one would expect given the recent growth performance. The 2005 LSMS will include a consumption module that will allow a new round of estimates on poverty, which are likely to be presented in next year’s Progress Report.

The estimation of the level of the unemployment rate is fraught with difficulties. On the one hand, there are problems related to the large proportion of the labour force employed in the informal sector, the agricultural sector and in seasonal jobs abroad. In addition, there is no Labour Force Survey, which is the usual instrument to measure unemployment. Therefore the existing sources are not ideally suited for unemployment purposes and this explains why there are discrepancies in their estimates. Section discussed the differences between the Census and the LSMS and urged caution at the low levels suggested by the LSMS. However, it is clear that the labour market conditions are improving and this is also confirmed by the official unemployment rate, which is based on the administrative records of the Labour Offices of the Ministry of Labour and Social Affairs. According to this definition, the unemployment rate has fallen to 14.4% in 2003.

The health indicators are based on administrative data. Measures of infant, child and maternal mortality are based on the records kept at Ministry of Health institutions. This means that they would not cover incidents that do not take place in a maternity house or a health centre. These indicators are very difficult to estimate and can be very sensitive especially in small populations like Albania with low incidence. For example, the maternal mortality rate for 2004 corresponds to 3 deaths during the year. Figures from WHO Europe for all three measures are lower. For example, the infant mortality rate per 1000 live births for 2003 is reported 8.4, while the figure of the Ministry of Health figure is 17.3. This might have to do with the assumptions for a standard population that are used by WHO to calculate the rates. Although there is no denying that all three measures have been declining in recent years, the methods of measurement need to be reviewed to ensure that the living conditions of remote and marginalised populations are accurately monitored.

The education indicators are also based on administrative data with the exception of the literacy figures that were derived from the Census and for this reason these have not been updated. There has been progress in the net secondary education enrolment rate that has already exceeded the target. However, the share of vocational education enrolments in secondary education has remained constant.

Albania has also subscribed to the set of World Bank governance indicators, which are published every two years and were last published in May 2005. Some of the particular characteristics of these indicators need to be mentioned. First, the indicators measure the relative position of Albania and do not necessarily measure progress towards a desired standard. For example, the value of the measure on voice and accountability (48.1 in 2004) means that of 209 countries, 48% of these countries were rated below Albania and 52% were rated above. Second, it needs to be stressed that unlike other indicators reported in this chapter, the governance indicators are subjective. In other words, they are based on expert or informed opinions, perceptions and surveyed views. As a result, they can be legitimately criticised as vulnerable to bias in terms of the sources of these opinions. Third, they appear to be collected with significant time lags. For example, the data appear to suggest that Albania has regressed in terms of political stability between 2002 and 2004 when in fact the opposite appears to have happened. However, the government has set as priority the improvement of governance performance and recognises that the World Bank governance indicators are generally accepted internationally. Modest progress appears to have been achieved between 2002 and 2004, which is perhaps even more important considering the relative nature of the ranking.

Main NSSED objectives

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| --- | --- | --- | --- |
| Objective (unit) [MDG target if relevant] | Actual |  | Target |
|  | 2001 | 2002 | 2003 | 2004 |  | 2006 | 2015 |
| Growth |  |  |  |  |  |  |  |
| GDP per capita ($) | 1386 | 1557 | 1950 | 2604 |  | 2660 |  |
| GDP growth rate (%) | 7.6 | 4.7 | 6.0 | 6.0 |  | 6.0 |  |
| Budget deficit as proportion of GDP (%) | 6.6 | 5.6 | 4.4 | 4.6 |  | 5.0 |  |
| Inflation rate (%) | 3.1 | 5.2 | 2.4 | 2.9 |  | 3.0 |  |
| Poverty |  |  |  |  |  |  |  |
| Absolute poverty headcount rate (%) [1] |  | 25.4 |  |  |  | 20.0 | 10.0 |
| Extreme poverty headcount rate (%) [2] |  | 4.7 |  |  |  | 3.0 | 0 |
| Unemployment rate (%) [3] | 16.4 | 15.8 | 15.0 | 14.4 |  | 12.0 |  |
| Health |  |  |  |  |  |  |  |
| Infant mortality per 1,000 live births [12] | 17.4 | 17.5 | 15.5 | 15.1 |  | 15.0 | 10.0 |
| Maternal mortality per 100,000 live births [13] | 22.7 | 25.9 | 21.3 | 12.0 |  | 15.0 | 11.0 |
| Diarrhoeal diseases per 100,000 people | 1509 | 1623 | 1612 | 1448 |  | 600 |  |
| Education |  |  |  |  |  |  |  |
| Literacy rate of people aged 15-24 (%) [8] | 98.4 |  |  |  |  | 98.8 | 100 |
| Ratio of literate women to men aged 15-24  |  |  |  |  |  |  |  |
|  Urban areas (%) [10] | 90 |  |  |  |  |  | 100 |
|  Rural areas (%) [10] | 87 |  |  |  |  |  | 100 |
| Basic education completion rate (%) [8] | 97 | 98 | 98 | 97 |  | 99 | 100 |
| Secondary education net enrolment rate (%) | 38 | 42 | 50 | 55 |  | 50 | 90 |
| Share of vocational enrolment in secondary education (%) | 16 | 16 | 16 | 16 |  | 30 |  |
| Average number of years of schooling [8] | 9.5 |  | 10.5 |  |  | 10.8 | 13.5 |
| **Governance** (0-100) [19] |  |  |  |  |  |  |  |
| Voice and accountability |  | 47.5 |  | 48.1 |  |  | 81 |
| Political stability |  | 29.7 |  | 16.5 |  |  | 71 |
| Effectiveness of governance |  | 37.3 |  | 40.9 |  |  | 76 |
| Rule of quality |  | 42.9 |  | 48.3 |  |  | 83 |
| Rule of law |  | 17.9 |  | 25.1 |  |  | 74 |
| Control of corruption |  | 23.5 |  | 29.1 |  |  | 73 |

Albania has been one of the few countries to build their national development strategies around the achievement of the Millennium Development Goals. Some of the MDG indicators were included in the core set of NSSED indicators. reports on the remaining MDG indicators and the remainder of the chapter discusses whether sufficient progress is being made towards achieving the Millennium Development Goals.

Millennium Development Goals, selected indicators

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Goal | Target | Millennium Development Goals |  |  |  |  |  |  |
| Indicator | 2002 | 2003 | 2004 |  | 2006 | 2015\* |
| 1 | 1 | Poverty gap (incidence x depth of poverty) (%) | 5.7 |  |  |  | 5.0 | 3.0 |
|  | 1 | Share of poorest 20% in national consumption (%) | 12.7 |  |  |  | 11.5 | 6.3 |
|  | 2 | Prevalence of underweight in children under 5 years (%) | 14.0 |  |  |  | 12.5 | 8.0 |
|  | 3 | Youth unemployment rate (14-25 year olds) (%) | 22.8 | 15.53 |  |  | 21.0 | 15.0 |
|  | 4 | Foreign direct investment ($ million)4 | 153 | 178 | 341 |  | 300 | 600 |
|  | 5 | Fixed telephone lines per 100 inhabitants | 5.5 | 6.1 |  |  | 8 | 58 |
|  | 5 | Cellular telephone subscribers per 100 inhabitants5 | 27.1 |  |  |  | − | 78 |
|  | 5 | Personal computers in use per 100 inhabitants6 | 2.4 | 4.5 |  |  | − | 35 |
|  | 5 | Internet users per 100 inhabitants5 | 0.2 | 2.4 |  |  | − | 35 |
|  | 6 | Power generation (GWh)7 | 5406 | 5819 | 5971 |  | 6765 | 9342 |
|  | 6 | Annual power transmission losses (%) | 4.2 |  | 5.7 |  | 2.4 | 2.0 |
| 2 | 7 | Net primary education enrolment rate (%)8 | 92.5 | 94.0 |  |  | 98.5 | 100 |
|  | 8 | Primary education completion rate (%)8 | 88 |  |  |  | 92 | 100 |
|  | 8 | Primary education dropout rate (%)8 | 2.0 | 2.0 |  |  | 1.7 | 0 |
|  | 9 | Share of education budget allocated to primary education (%) | 23 |  |  |  | − | − |
|  | 9 |  Relative to share allocated to secondary education | 0.40 |  |  |  | − | − |
|  | 9 |  Relative to share allocated to tertiary education | 1.65 |  |  |  | − | − |
| 3 | 10 | Ratio of girls to boys in primary education |  | 0.94 | 0.93 |  | − | 1 |
|  | 10 | Ratio of girls to boys in secondary education |  | 0.92 | 0.94 |  | − | 1 |
|  | 10 | Ratio of girls to boys in tertiary education |  | 1.65 | 1.67 |  | − | 1 |
|  | 11 | Proportion of seats held by women in national parliament9 | 6 | 6 | 6 |  | − | 30 |
|  | 11 | Proportion of women appointed as prefects9 | 17 | 25 | 25 |  | − | 30 |
|  | 11 | Share of women in non-agricultural wage employment (%) | 252 |  |  |  | − | 50 |
| 4 | 12 | Under-5 mortality rate per 10008 | 20.1 | 20.7 |  |  | 18 | 10 |
|  | 12 | Proportion of children vaccinated against measles (%) | 95 | 94 |  |  | 95 | 95 |
| 5 | 13 | Proportion of first prenatal visits by first trimester (%)8 | 42 | 47 |  |  | 50 | 70 |
|  | 13 | Promotion of births attended by skilled health personnel (%)8 | 98 | 90 |  |  | 98 | 98 |
| 6 | 14 | Proportion of people living with HIV/AIDS needing highly active anti-retroviral therapy who receive it (%) |  | 20 |  |  | 100 | 100 |
|  | 14 | Number of persons voluntarily taking an HIV test |  | 250 | 350 |  | 10000 | 50000 |
|  | 14 | Districts having a voluntary counselling and testing site |  | 4 | 1 |  | 6 | 15 |
|  | 14 | Number of condoms distributed (million) |  | 3 | 3 |  | 4 | 7 |
|  | 15 | Tuberculosis notification rate per 100,000 |  | 20 | 20 |  | 19 | − |
|  | 15 | Tuberculosis mortality rate (%) |  | 4.5 | 3.5 |  | 4 | − |
|  | 15 | Directly Observed Therapy Short-course coverage (%) |  | 30 | 40 |  | 60 | − |
| 7 | 16 | Land area protected to maintain biological diversity (%) | 3.6 | 5.8 | 6.3 |  | − | − |
|  | 16 | Land area covered by forests (thousand hectares) | 9911 |  |  |  | − | − |
|  | 17 | Population with access to safe drinking water (%)10 | 69.0 | 75.4 |  |  | − | 98 |
|  | 17 | Population with access to improved sanitation (%)10 | 63.8 | 68.3 |  |  | − | 95 |

\* Albania National Report: On progress towards achieving the Millennium Development Goals, 2004

1 2000; 2 2001; 3 LSMS 15-24 year olds; 4 Bank of Albania; 5 Ministry of Transport and Telecommunications; 6 2004 Human Development Report; 7 KESH; 8 INSTAT; 9 Ministry of Labour and Social Affairs, Committee for Equal Opportunities; 10 LSMS

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| Workshop on the relationship between the NSSED and the MDGsThe NSSED Department organised jointly with the UNDP a workshop in May 2005 to discuss the links of the NSSED to the Millennium Development Goals. The workshop was attended by about 80 people, representatives of central and local government, international and local NGOs, community based organisations, and development institutions. There were presentations by the NSSED Department on the future of the NSSED and by UNDP on the decade of bold ambition for MDGs. Roundtable discussions followed on six themes: poverty and hunger; education; gender; health; environment and governance/aid effectiveness.Several participants stressed that the principles and recommendations of the 2005 Millennium Project Report should be fully integrated in the NSSED. Although some of the Albanian development targets are well on track to be achieved, others (such as the proportion of the budget allocated to education) required thorough interventions at both the political and the operational level. Some participants observed that it would be necessary to set more ambitious objectives than the ones currently at the core of the NSSED. A reformulation of targets to balance with Albania’s aspirations of joining the European Union might be necessary. The MDG Needs Assessment methodology proposed by the Millennium Project, which requires a focus on the goals and works backwards to analyse what resources are needed to achieve them, was suggested by some participants.In order for Albania to reach the established targets, the participants called upon all development actors to start investing in quick-win initiatives. While there is still a need for improving governance and absorption capacity, quick win activities can be implemented immediately and without additional capacity building efforts and have proven to be successful before. Furthermore, they can be easily scaled up and replicated if funds are made available. Some examples of quick win initiatives proposed by the working groups included:* provision of school buses where possible;
* afforestation, especially with fast growing species;
* promotion of solar panels;
* regional systems for waste management;
* mobile health clinics for remote areas;
* one-stop shops at institutions providing public services.

Finally, based on the Paris Declaration of the High Level Forum on Joint Progress toward Enhanced Aid Effectiveness (Harmonisation, Alignment, and Results), it was concluded that:* donors should respect government priorities, including those of local government;
* donors should make use of government systems in aid disbursement;
* there should be mechanisms of direct financial support to the implementation of the regional strategies;
* there should be permanent coordination of donors in several fields where information sharing is still weak (e.g. environment).
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| Millennium Development Goal 1: Eradicate extreme poverty, hunger and other dimensions of povertyTarget 1: Halve between 2002 and 2015, the proportion of people living in extreme povertyTarget 2: Reduce between 2002 and 2015, the proportion of people who suffer from malnutrition Target 3: Reduce unemployment, between 2002 and 2015, to reach EU standardsTarget 4: Establish an open trading and financial system for inclusive economic growthTarget 5: Make information and communication technologies availableTarget 6: Increase availability of electricity for allAssuming that the real growth rate will continue at least at 6-6.5% per annum and that a proportional relationship exists between growth and poverty reduction, one may conclude that Albania is on track to achieve the target of halving the population under the absolute poverty line by 2015. The poverty gap indicator is also on track. However, it should be kept in mind that a positive poverty gap is projected for 2015. In addition, the 2002 level (5.7%) is much higher than in some neighbouring countries: Croatia 0.5%, Romania 0.6% and Bulgaria 1.4%.A declining unemployment trend is observed over the last 5-6 years suggesting a gradual recovery of the Albanian economy. Expected levels based on the current trends are well below the MDG levels, implying that Albania is on track to reach both targets.Despite the fact that Albania has reached the target increasing trends in foreign direct investment, the rise does not appear sustainable, as there are large variations across years. In addition, at $57 per capita, the level of investment is very low: the respective figures were $181 in Bulgaria, $440 in Croatia and $125 in South-East European countries on average. The foreign direct investment target is far from being on track.The same is true of energy consumption, as Albania lags significantly behind the 10 countries that joined the European Union in 2004, which consume on average 4659 KWh per capita.  |

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| Millennium Development Goal 2: Achieve high quality basic universal educationTarget 7: Primary school attendance of both boys and girls ensured 100% by 2015Target 8: Implementation of measures to assure improved quality of primary educationTarget 9: Approximation of financial indicators for primary education in line with OECD countriesComparing the actual figures with projections based on a time trends, the net primary education enrolment and dropout rates are not fully on track. There are also substantial inequalities in enrolment rates with the poor and those in rural areas being less likely to attend school, as the 2005 Human Development Report has shown. The largest divergences are observed in the distribution of the education budget. In the 10 countries that became European Union members last year, the share of the education budget allocated to primary education was 35% in 2003. The monitoring system of education indicators could benefit from better coordination. |

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| Millennium Development Goal 3: Promote gender equality and empower womenTarget 10: Eliminate gender disparities in primary and secondary education preferably by 2005 Target 11: Eliminate gender disparity in elected organs and decision making positions The record on eliminating gender disparities in education was mixed last year. There was no progress in primary education. While there was some progress in secondary education, significant disparities remain: in rural areas the ratio of boys to girls is 0.82, which makes it questionable whether the target will be met by 2006.The very low number of women in the decision-making system is an issue of concern. The latest data on the number of female candidates in the coming parliamentary elections do not appear to show that Albania is on track unless quotas are set in the future.  |

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| Millennium Development Goal 4: Reduce child mortalityTarget 12: Reduce the under-5 mortality rate by 10/1000 by 2015Albania has made good progress towards meeting the targets. Since 1990, the child mortality rate has dropped by half, from 42 to 21 deaths per 1000 live births in 2002. The infant mortality rate has also fallen from 28 to 17.3 deaths per 1000 live births in 2002. However, prenatal deaths have increased from 12.5 to 14.1 deaths in 2001. An extended immunisation programme has been established in recent years, which has resulted in a high level of childhood immunisation (more than 90%), which has considerably reduced the infant mortality rate from infectious diseases.Malnutrition, especially in rural and suburban areas, has a considerable impact on child mortality. Although figures remain alarming, an improvement of the malnutrition prevalence in the children 0-3 years old has been observed in recent years. Breastfeeding has been and, generally, continues to be a tradition in Albania. Approximately 61% of all 3-month-old babies seem to be breastfed (compared to the European average of 60%). It should be stressed that there are significant concerns about the data on child mortality. Under-reporting of infant mortality is suspected in rural remote areas. |

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| Millennium Development Goal 5: Improve maternal healthTarget 13: Reduce the maternal mortality rate by half by 2015Since 1990, the maternal mortality rate has decreased from 37.7 to 22.7 deaths per 1000 live births in 2001. Maternal mortality is higher in rural areas, especially in the northeast where the indicator is 5-6 times higher than the national average. The decline in the prevalence of abortion by 24% in the 1990s and the reduction of births per woman by almost half (from 3.9 births per woman in 1990 to 2.1 births in 2001) over the same period have been important factors. Abortions, haemorrhages, eclampsia, complications from anaesthesia and infections rank among the major causes of maternal mortality.Although Albania is on track to meet the target on improving maternal health, it should be stressed that these are not sufficiently ambitious: the Albanian target for 2015 is almost double the current average rate in the European Union (6%) and even higher than the rate in the 10 new member-states (8%).  |

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| Millennium Development Goal 6: Combat HIV/AIDS and tuberculosisTarget 14: Halt and reverse the incidence of the HIV/AIDS virus by 2015Target 15: Halt and reverse the tuberculosis notification rate by 2015Albania is considered to be a low prevalence HIV/AIDS country, with no outbreaks of the disease recorded. By the end of 2003, 117 cases of persons infected with HIV/AIDS had been reported, out of which 42 had developed AIDS and 37 had died. The main determinant of the epidemic appears to be unprotected sex, as approximately 90% of the cases were infected this way. About 70% of the diagnosed persons are believed to have been infected during a stay abroad. Although the rate of diagnosed cases by sex in the mid-1990s was almost 4 men to a woman, it has almost equalised in the last 2 years.Source: HIV/AIDS Surveillance in Europe, European Centre for the Epidemiological Monitoring of AIDS (EuroHIV), End-year report, November 2004The number of HIV infected persons in Albania is estimated by different specialists to exceed the number of officially reported cases. Stigmatisation and other cultural factors still undermine HIV related statistics in Albania. The establishment of a comprehensive management information system for HIV/AIDS should be considered a priority by the government. A July 2003 estimate using the SPECTRUM programme, developed by WHO and UNAIDS, raises the numbers of infected persons in Albania to between 400 and 700. In the absence of efficient intervention, the number of infected persons could rise to 4000 by 2010. The vulnerability to HIV/AIDS in Albania is a result of several factors such as the high proportion of young population, lack of knowledge and awareness especially in rural areas, increased mobility of population (especially visits abroad), and an increased number of drug users and commercial sex workers.Tuberculosis is perceived as a public health threat despite the fact that the notification rate is only 20/100,000. In 2002, a total of 612 patients were registered. Out of these, 571 were new and 28 were relapsed; 225 cases started the treatment. The mortality rate was 4.5% among the cases treated. |

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| Millennium Development Goal 7: Ensure sustainable environmental developmentTarget 16: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resourcesTarget 17: Reduce the proportion of people without access to safe drinking water and proper sewage infrastructureForest coverage fell by 8% in the 1990s (from 1.07 million hectares in 1990 to 0.99 hectares or 37% of the total area in 2000) compared to an increase of 4% in the 1980s. Forests have been over-utilised. Limited financial resources for their management have resulted in insufficient control over logging, grazing, and occupation. On the other hand, the total area protected for biological diversity has increased in recent years.Although air pollution is not monitored comprehensively, it is generally believed that the level of pollutants is quite high, especially in urban centres, and the levels of nitrogen oxides and sulphur dioxide have doubled in the second half of the 1990s. Major sources of air pollution include oil extraction and refining, domestic heating, cement production, unregulated garbage burning and road transport.The situation regarding drinking water and sewage system remains problematic. Despite improvements between 2002 and 2003, access to drinking water is low and it is lower for the poor (57%) rather than the non-poor (70%) according to the 2003 LSMS. |

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| Millennium Development Goal 9: Establish and strengthen a good governance processTarget 19: Reform overall state systems of public administration, legislation and policies in accordance with EU standards of justice, rule of law, and market economies by 2015.Good governance is one of the highest priorities for the government. Indeed, Albania is the only country in the world that has considered the governance targets as a ninth MDG. Monitoring of progress relies on the governance indicators published every 2 years by the World Bank. There is no formal domestic system of monitoring governance but monitoring the implementation of the Action Plan could be a substitute. The government has fulfilled 60% of the measures included in the Anti-Corruption Action Plan. Alternatively, a system of outcome or second tier indicators that could be specific and sensitive to policy actions in the short term could be considered. |