Strategy for Social Inclusion

2007-2013

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Abbreviations

ADRF Albanian Disability Rights Foundation

CARDS Community Assistance for Reconstruction, Development and Stabilisation

CRC Convention on the Rights of the Child

DFID UK Department for International Development

ECCD Early Childhood Care and Development

EEO Equal Employment Opportunities

EU European Union

EUR Euro

GDP Gross Domestic Product
GOA Government of Albania

GTZ Gesellschafi für Technische Zusammenarbeit

HALE Health Life Expectancy

ISCED International Standard Classification of Education

IDA International Development Association
INSTAT Albanian National Institute of Statistics

IPH Institute of Public Health
ISS Institute of Social Securities
KESH Albanian Power Corporation
KfW Kreditanstalt fur Wiederaufbau

MCYS Ministry of Culture, Youth and Sports

MDG Millennium Development Goal

MEUR Million Euros

MICS Multiple Indicator Cluster Survey

MLGD Ministry of Local Government and Decentralisation

MOES Ministry of Education and Science

MoLSAEO Ministry of Labour and Social Affairs and Equal Opportunities

MOF Ministry of Finance MOH Ministry of Health

MPWTT Minstry of Public Works, Transport and Telecommunications

NAP/Incl. National Action Plan for Social Inclusion

NCEA National Centre for Evaluation and Assessment

NES National Employment Service

NSSED National Strategy for Social and Economic Development

NSDI National Strategy for Development and Integration

NGO Nongovernmental Organisation

OHCR Office of the High Commissioner for Human Rights
OSCE Organisation for Security and Cooperation in Europe

PEIR Public Expenditure and Institutional Review

SDC Swiss Development Cooperation

SIDA Swedish International Development Association

SIS Social Inclusion Strategy

UNECE United Nations Economic Commission for Europe

UNHCR United Nations High Commissioner for Refuges

UNICEF United Nations Children's Fund

USAID United States Agency for International Development

UNDP United Nations Development Programme

VNICA Vulnerability and Institutional Needs Capacity Assessment

WHO World Health Organisation

Introduction

This Social Inclusion Strategy is a component of the National Strategy for Development and Integration. It focuses on poverty and social exclusion risks that remain even after the onset of economic growth. As a crosscutting strategy, it is fully consistent with the underlying sector strategies and in particular those policies and institutional arrangements described in these strategies that aim to assist vulnerable individuals, families and groups in the community so that they are able to operate on their own, to be self-sustaining and to have the same rights as other members of society¹. It serves three main purposes:

- Present the government strategic direction, previously outlined in the government programme (September 2005), in an integrated manner and provide the monitoring framework against which progress can be assessed.
- Identify through a process of consultation across government, with non-government stakeholders, and the donor community, policy areas that call for improvement as well as for better coordination between line ministries.
- Organise for the preparation of a social inclusion action plan, which is a standard requirement for European Union accession.

The presentation of this Social Inclusion Strategy is modelled on a National Action Plan on Social Inclusion (NAP/Incl.) of European Union member states. Chapter 1 presents the major challenges facing the poor and particular groups that are at risk of social exclusion. This is followed by the priorities and objectives of the government to combat social exclusion (Chapter 2) and a description of the current situation, along with strategies and measures being undertaken or proposed at a national level to make progress towards these objectives (Chapter 3). Indicators that will be used for monitoring progress in poverty reduction and social inclusion have been selected from relevant European Union indicators and national Albanian indicators are listed in Chapter 4. Appendices provide; further statistical information, description of the institutional arrangements within government and a list of special initiatives being implemented by government with external funding.

Equitable and inclusive growth is the key to promoting economic and social development. Recent improvements in the economy have led to significant numbers of people being lifted out of poverty. It is important that the development process does not exclude or leave anybody behind. By 2009 households living in absolute poverty will be reduced by 50 percent and there will be no families in extreme poverty. However social exclusion is not only defined by poverty. There are groups in society who face the threat of deprivation or barriers which prevent full participation in society and policies need to be targeted to their needs to be effective. The multi-dimensional nature of poverty and social exclusion requires action on many fronts. While this is a national level strategy, with decentralisation, local government will have an active role to play in improving access to services and in ensuring integration of minority groups. Active partnership is required with NGOs and donors for policy development and monitoring, funding and service delivery. The fight against poverty and exclusion must be mainstreamed across government policy and taken up by society.

¹ This strategy is sourced from the sector strategies of Social Protection, Employment, Education, Health, Transport, Water, Urban Planning and Justice, which are already approved or are currently being developed. This strategy should also be read in conjunction with the cross-cutting strategies of Rural Development, Organised Crime, Terrrorism and Trafficking, Information and Communication Technology and Decentralisation.

Chapter 1: Major Trends

Economic Developments

Albania remains one of the lowest income countries in Europe with a per capita income of €2150 in 2005. However, its cumulative growth since 1990 has been among the highest of all transition economies. Real income has surpassed the levels before the transition, despite the fact that the country suffered from a major breakdown of social order in 1997.

As in all transition countries, the main mechanism for growth has been the reallocation of resources to more productive activities through reforms such as liberalising prices and trade and privatising property and enterprises. This has been achieved within a stable macroeconomic framework: the budget deficit has fallen from 7.5 percent of GDP in 2000 to 3.4 percent of GDP in 2005, while inflation has been below 3 percent in recent years. However, the collection rate of public revenue (24.4 percent of GDP in 2005) remains much lower than in neighbouring countries (for example, 35.8 percent in Macedonia, 40.6 percent in Bulgaria and 44.9 percent in Croatia according to the latest IMF country reports). However the latest data from the Ministry of Finance (September 2006) suggests that total revenues have risen 13.6 percent over the previous year. High remittance inflows have stimulated demand for services and construction: remittances reached €802 million or 11.6 percent of GDP in 2005.

Since 2002, annual growth rates have averaged about five percent. However, some recent studies have suggested that the growth rates of productivity has been declining². Although it is difficult to attribute this trend to any specific factor, it has been argued that institutional issues related to corruption and the rule of law may be responsible for holding back growth and will require for structural reforms. Despite substantial improvements, the state of energy, transport and water infrastructure also remains a major concern.

Demographic Developments

The population of Albania is 3.1 million. We should take into consideration the population that migrated during the last 15 years, which is approximately 800,000. The population is one of the youngest in Europe, as the proportion of population below 15 years was 29.5 percent according to the 2001 Census, while the proportion of population over 65 years was 7.4 percent (whereas the European Union15 average is 16.6). In the next fifteen years this distribution of the population is going to change gradually. Depending on the fertility assumption the proportion of population below 15 years is expected to be 19-22 percent. Depending on the external migration assumptions, the proportion of population over 65 years is expected to grow to 12-13 percent³. Even so, the Albanian population will still be younger on average.

The transition period has been characterised by high migration. First, internal migration from rural to urban areas, and the Tirana-Durres corridor in particular, resulted in an increase in the share of the urban population from 35.5 percent in 1991 to 42 percent in 2001. The concentration in urban areas may be larger if one takes into account the settlement of migrants into peri-urban areas, which are considered rural from an administrative point of view. Whlle works are in progress to provide basic infrastructural services, large-scale illegal construction on the periphery of cities has meant that residents lack access to legal

² For example, Albania: Selected issues, IMF Country Report 06/285, July 2006

³ Population projections for Albania 2001-2021, Population and Housing Census 2001, INSTAT, 2004

connection to water and electricity. Second, external migration primarily to Greece and Italy was so strong that the total resident population declined between 1991 and 2001. International migration has been both permanent and temporary.

Poverty and Social Exclusion

Poverty rate

The poverty rate in Albania is one of the highest in Europe. The Living Standards Measurement Survey (LSMS) enables the monitoring of poverty trends and characteristics for the period between 2002 and 2005. The LSMS is also capable of measuring the different aspects of social exclusion in the sense of "several types of deprivation and barriers, which alone or together, prevent the full participation in areas such as employment, education, health, environment, housing, culture, access to rights or family support, as well as training and job opportunities."

As a result of high growth rates in recent years, there was a massive reduction in poverty. Absolute poverty, measured as having real monthly per capita consumption below 4891 lek in 2002 prices, fell from 25.4 percent in 2002 to 18.5 percent in 2005. Extreme absolute poverty, measured as having real monthly per capita consumption below 3047 Lek in 2002 prices to capture the population that would have difficulties meeting even their basic nutritional needs, fell from 4.7 percent to 3.5 percent.

Poverty rates and trends are not the same across the country. Due to sample size restrictions, the LSMS can only provide reliable estimates for urban and rural areas and for four broad regions of the country; Tirana, Coastal, Central and Mountain.⁶

Table 1 Poverty rates for Albania 2002 and 2005 across region and by urban/rural (percent)

| Region | Absolute poverty, 2002 | Absolute poverty, 2005 | Extreme poverty, 2002 | Extreme poverty, 2005 |
|-------------|------------------------|---------------------------|-----------------------|--------------------------|
| Coast | 20.6 | 16.2 | 3.6 | 2.2 |
| Central | 25.6 | 21.2 | 4.6 | 5.2 |
| Mountain | 44.5 | 25.6 | 10.8 | 3.2 |
| Tirana | 17.8 | 8.1 | 2.3 | 1.0 |
| Other urban | 20.1 | 12.4 | 4.8 | 2.7 |
| Rural | 29.6 | 24.2 | 5.2 | 4.5 |
| Total | 25.4 | 18.5 | 4.7 | 3.5 |

Source: LSMS 2002 and LSMS 2005

The analysis of the data suggests that poverty reduction would have been even faster if it had not been for an increase in inequality and the fact that some of the poorest people did not benefit accordingly from economic growth. This was observed particularly in the coastal

⁴ Poverty indicators are based on estimates of consumption rather than income because it is considered that the elicited income information has a larger margin of error.

⁵ COM (2000) 79 final: Communication from the Commission: Building an Inclusive Europe

⁶ The *coastal* area includes the districts of Lezhe, Kurbin, Kavaje, Mallakaster, Lushnje, Delvine, Sarande, Durres, Fier, and Vlore), the *central* area includes the districts of Kucove, Skrapar, Kruje, Peqin, Gjirokaster, Permet, Tepelene, Devoll, Kolonje, Pogradec, Mirdite, Puke, Malesi e Madhe, Shkoder, Elbasan, Berat, Korce, Mat, and Tirana rural), and the *mountain* area includes the districts of Kukes, Has, Tropoje, Bulqize, Diber, Gramsh, and Librazhd.

and central areas. Among some of the standard measures of inequality, the share of total consumption enjoyed by the poorest 20 percent of the population fell from 12.7 percent to 8.2 percent between 2002 and 2005.

Absolute poverty lines are defined in relation to a pre-determined basket of food (and non-food) items and allow easy comparison over time and across population groups. Relative poverty lines, which are the preferred measure in the European Union, reflect the degree of destitution in relation to the income of the rest of the population. The most common measure is the so-called at-risk-of-poverty rate, which expresses the share of individuals living in households where consumption is less than 60 percent of the national median. These measures are more sensitive to changes in inequality and this is consistent with the results shown in the table below, which suggest that relative poverty rates increased on average between 2002 and 2005.

Table 2 Comparison of relative poverty rates between 2002 and 2005 by region

| Region | Relative poverty, 2002 | Relative poverty, 2005 |
|----------|------------------------|------------------------|
| Coast | 11.3 | 14.1 |
| Central | 14.3 | 20.0 |
| Mountain | 23.9 | 20.4 |
| Tirana | 9.1 | 7.5 |
| Total | 13.9 | 16.6 |

Source: LSMS 2002 and LSMS 2005

In the context of Albania, both sets of indicators are important, as they provide a broader picture of changes in the welfare status of the population.

Characteristics of the Poor

The table below shows that poverty is associated with specific demographic characteristics. For example, poor households tend to be larger, have more children, and more likely to have unemployed members. In addition, poor people suffer from lower access to basic services, such as schools, health centres, telephones, water and sanitation.

⁷ The Gini coefficient, which measures the extent to which the actual distribution differs from an equal distribution, increased slightly from 0.28 to 0.29. This compares well with the European Union15 average (0.31) but it needs to be taken into account that the figures for Albania refer to consumption inequality, which tends to be more equally distributed than income.

Table 3 Characteristics of the poor

| | 2002 | | | 2005 | | |
|--|--------------|------|--------------|--------------|------|--------------|
| | Non- poor | Poor | Extreme poor | Non- poor | Poor | Extreme poor |
| Mean household size | 4.0 | 5.7 | | 4.0 | 5.5 | |
| Women-headed households (%) | 13.1 | 9.3 | | 11.7 | 8.1 | |
| Aged 60 and over (%) | 19.7 | 10.2 | | 14.7 | 9.8 | |
| Number of members under 15 years | 1.0 | 2.1 | | 0.9 | 1.9 | |
| Dependency ratio ¹ | 0.77 | 1.12 | | 0.7 | 1 | |
| Unemployed (%) ² | 5.0 | 8.7 | 13.4 | 3.4 | 4.8 | |
| Discouraged, seasonal and laid off workers (%) | 3.6 | 5.3 | 6.4 | 3.4 | 4.2 | |
| Years of schooling of household head | 7.9 | 6.2 | | 9.8 | 8.0 | |
| Net primary education enrolment (%) ³ | 94.1 | 91.6 | 88.6 | 92.3 | 82.8 | |
| Net secondary education enrolment (%) | 46.7 | 19.4 | 19.8 | 53 | 23.9 | |
| Distance from health centre: one hour or more (%) | 1.0 | 9.2 | | 5.6 | 12.7 | |
| Crowding: more than 3 persons per room (%) | 20.3 | 48.6 | | 18.7 | 44.9 | |
| Access to fixed telephone line (%) | 25.2 | 7.1 | | 27.2 | 5.8 | |
| Access to mobile telephone line (%) | 46.9 | 15.9 | | 83.9 | 64 | |
| Running water inside the dwelling (%) | 55.7 | 32.7 | | 58 | 31.5 | |
| Toilet outside the dwelling and without piping (%) | 68.0 | 41.4 | | 73.9 | 45.8 | |
| Electricity: more than 12 hours in a day without service within 24 hours (%) | 12.5 | 16.1 | | 1.5 | 3 | |

Notes: (1) Dependency ratio = (number of children 0-14) + (number of older people 60 and over) / (number of household members aged 15-59). (2) Unemployed is workers 15 and over only. (3) Net enrolment rate is number of children enrolled as a percentage of the total children of the official school age population.

Chapter 2: Vision, Priorities and Goals

Greater prosperity based on sustainable development will lift people out of poverty. Social development will enable participation by all in our society. Every child will have the best possible start in life. There will be opportunities to work for all those who are able to do so and for those who are unable to work there will be sufficient provision to enable a decent quality of life. No one will be excluded or left behind.

To achieve this vision the government has given top priority to:

- Providing the protection of a formalised labour market
- Increasing labour market participation by women
- Tackling disadvantages in education and training with particular emphasis on secondary school enrolments
- Modernising social assistance
- Alleviating child poverty
- Improving access to services for vulnerable groups
- To tackle barriers to participation for Roma, people with disabilities and older people
- · Reducing domestic violence

The following targets for social inclusion have been set:

Poverty Level

• By 2015 absolute poverty will be reduced to 12.2 percent and there will be no households living in extreme poverty.

Labour Market Participation by Women

 By 2009 the proportion of women in wage employment in the private non-agricultural sector will be 45%

Formalising the Labour Market

 By 2009, 75 percent of unemployed (including those who are inactive) will have been assessed and 40 percent of these offered some form of vocational training

Tackling Disadvantages in Education and Training

- By 2009 funding of education will be 5 percent of GDP
- By 2009 students will on average achieve 13 years of education with an increase to to 15 years by 2012
- By 2009, 40% percent of the population from 15-24 years of age will have ISCED 0, 1, or 2 as the highest level of education

Modernising Social Assistance

- By 2013, the ndihma ekonomike benefit (9000 lek) will approximate the poverty line as long as it does not exceed the level of the minimum pension at national level.
- In 2013, the number of beneficiary households to be part of the ndihma ekonomike scheme is targeted 70000.

Social care

- By 2008, all residential centers for the disabled and elderly will be transferred to the local government
- By 2008 new services closer to the family will be established.

During 2007, all NGOs working in the social area will undergo the licencing process.

Health

- By 2009, the level of maternal mortality per 100 mije live births will be 14 percent.
- By 2009, the level of infant mortality per 1000 live births will be 13 percent.

Housing

- Increasing the dwelling area per person
- Increasing rental housing against total housing needs

Legal assistance

Institucionalization of free legal assistance for vulnerable groups.

Water and Sanitation

- By 2009 90 percent of the population with have access to piped water supply, out of which 85 percent inside the dwelling
- By 2009, 80 percent of the population in the rural areas will have access to piped water supply, out of which 50 percent inside the dwelling

Transport

Between 2005-2009, 4000 kilometres of rural road to be rehabilitated and asphalted

Telecommunications

• By 2009 there will be a 90 percent fixed line penetration rate

Children at risk

- By 2015 all children of 5-6 years of age will have access to pre-primary education
- By 2015 infant mortality (children under five) reduced to 10 deaths per 1,000 live births

Integration of Roma

- Increasing the employment rate of Roma women and girls thus reducing poverty.
- Increasing the education level of the children from the roma community which has an impact on prevention of social phenomena.
- Offering free voccational training.

People with disabilities

- The disability benefit will be indexed annually parallel to the increase of the minimum salary at national level.
- Nine daily community services for the disabled will be established in different communes.

Older people

 By 2009 pensions will be doubled and with no pension under the national poverty line.

Reducing domestic violence

 By 2009 level of domestic violence reported increased in proportion to the incidence in society

Chapter 3 Significant Challenges and Policy Response

This chapter describes the situation based on available information in each of the priority areas: labour market; social assistance; access to services and areas of special attention including children; Roma; people with disabilities; gender equality and domestic violence. Following on from the situation analysis is an outline of current government policy aimed at reducing poverty and decreasing the risk of social exclusion.⁸

Increasing Female Participation in the Labour Market

Situation

The labour force in Albania⁹ fell by 15 percent between 1989 and 2001 according to the Census. The labour force lost more than 5 percent of men, as a result of international migration, and 25 percent of women. There is evidence that women are becoming discouraged and therefore less active in seeking work. In the absence of a labour force survey, INSTAT uses two other sources to monitor labour market trends: administrative and household survey data. The labour force participation rate for men aged 15-59 years in 2005 was estimated between 68.5 percent (according to administrative data) and 73 percent (according to the LSMS) of households. Similarly, the labour force participation rate for women aged 15-54 years in 2005 was estimated between 47 percent (administrative data) and 50 percent (LSMS) respectively.

Sixty seven percent of women employed nationally are working in rural areas and of those 87 percent are self-employed or unpaid. Labor force activity for women in rural areas is typically linked to family farms. ¹⁰ Female employment has decreased most in urban areas because of: the closure of factories, the increasing significance of male-oriented activities such as trade and construction; and internal migration to urban areas, in which women face more problems entering the urban labour market in the current economic environment.

The unemployment rate measured by those unemployed workers who register at local employment offices was 14 percent in 2005 and has been decreasing continuously in the last four years, as would be expected by continuous years of economic growth. Female unemployment rate measured by the local employment offices is 5 percent higher than male unemployment rates. According to the LSMS, which distinguishes between active and discouraged job seekers, there are a high percentage of people, who would have liked to work but are no longer actively looking for a job. About two thirds of the unemployed have been looking for a work for more than 12 months.

The general perception is that – despite high and sustained growth rates – the rate of job creation has been modest. The Labour Market Assessment concludes that the most important barrier to job creation is the unfavourable business climate. Contract violations,

⁸ In addition, Appendix 1 provides a fuller statistical picture of the situation and the Appendix on Special Initiatives outlines particular projects in each of the priority areas.

People aged 15 years and above who are either employed or unemployed but actively look for work
 World Bank, Albania Labour Market Assessment, 2006,

anti-competitive practices, corruption, customs and trade regulations, tax rates, and electricity are all cited as significant problems for Albania¹¹

While the 1995 Labour Code and the 2004 Gender Equality Act provide for equal treatment for women and men, on average their earnings are still significantly lower than those of men, as are their participation rates. INSTAT data (2003) shows that women's average monthly pay is lower than that of men's in all economic sectors. The wage gap between men and women can be a limiting factor in women's participation in the labour market. Men earn approximately 35 percent more than women with the same personal characteristics such as level of education, level of work experience, similar sector of employment.

Policy Task To encourage participation of women in the formal labour market

Policy response

A major pillar of the Government Programme is the employment of every Albanian who is able and willing to work. The ultimate goal is to reduce the level of unemployment to the level of European Union Countries. The Government with the support of the international community is committed to a range of strategies which should significantly improve the business climate and expand the formal labour market. This will allow the space for equity considerations to be addressed.

Particular policies included in the Employment Sector Strategy (pending) reflecting commitment to equality and non-discrimination in favour of disadvantaged groups are:

- The professionalisation of employment services and the application of international standards to job skills training;
- Special assistance for training and employment for disadvantaged groups,
- The waiver of course fees for specific groups who have been excluded from the labour market, once they have registered as unemployed. These include: disabled persons, disadvantaged teenagers, victims of trafficking, ex-prisoners, and Roma and Egyptian women.¹²
- Employment promotion programmes targeted at improving the employment of women; especially women from the Romani community, women over 35, divorced women with social problems and women with disabilities. This programme operates through a) direct subsidies for employers b) on the job training and c) waiver of fees on vocational training programmes. ¹³.

Target

• By 2009 the proportion of women in wage employment in the private non-agricultural sector will be 45%

Formalising the Labour Market

Situation

High informality in the economy with a wide cash economy, and a culture of low compliance has resulted in a narrow revenue base. To support its development plans, including providing a safety net for the poor, government needs a sustained increase in revenue.

¹¹ World Bank, Albania Labour Market Assessment, 2006,

¹² DCM- Vocational Training System Tariffs, 4.04.2006

¹³ DCM- Programme for Employment Promotion for Unemployed Women, 18.09.2003. Included in the Employment Sector Strategy and implemented through the National Employment Service

There are major deficiencies in the transparency and enforcement of tax laws and there is massive underreporting of employees for purposes of Personal Income Tax and withholding of Social Security Contribution.

In the non-agricultural sector, 55 percent is employed informally. This includes 28 percent in self-employment or unpaid work, and 27 percent of the workforce is in unregistered wage employment with significant numbers in the construction sector (LSMS 2004). They are more likely to come from poor households and have little education. Workers in the informal sector work longer hours for lower pay and do not have social protection or recourse to justice under the labour laws. Companies operating in the informal market are also unlikely to invest in training for their workers. There is little movement over time of workers from the informal sector to the formal sector. If they move out of the informal sector it is to self-employment or unemployment.

Policy task To expand the size of the labour market, at the same time reducing the size of the informal labour market

Policy Response

Greater collaboration between the National Employment Service, tax offices and customs will aim at increasing labour market control. INSTAT has set up a register for incorporated enterprises that will be extended to include unincorporated enterprises. The banking system will be empowered to track cash flows to monitor the informal labour market.

A priority of the Finance Sector Strategy 2007-2013 (draft) is spreading the tax burden more equitably by designing policy and administrative measures which reduce disincentives for formalised employment and achieve a higher level of compliance. The Finance strategy also includes developing a mix of taxes which better support policies for equity, and economic and business development in the first instance through developing more robust administrative capacity and gaining an acceptable level of compliance. In the short and medium term, tax policy reforms aimed at simplifying and reducing tax rates will be introduced at a measured pace, to ensure that revenue gains are sustainable. Emphasis will be on further reducing the tax wedge on labour, mainly through cuts in social security taxes, which remain the highest in the region, while taking care of the sustainability of the pension system. From 2006, the employer's contribution to social and health insurance will be reduced from 29 percent to 20 percent, which is a considerable reduction of the tax wage on labour. This policy aims at a progressive increase of the declared number of employees. In the short-medium term parallel reductions in the profit tax and personal income tax are envisaged. Decrease in the profit tax and the effective tax rate for businesses would lower the incentive to underreport and register as small business.

The quality of the workforce will be raised through vocational training in professions most sought after by the labour market. Standards will be set for professional qualifications that will be accepted internationally.

Valuable information for understanding the informal labour market and for developing further policy to reduce the informal labour market will be available from the results of the planned Labour Force Survey to be undertaken by INSTAT in 2007.

Target

 By 2009, 75 percent of unemployed (including those who are inactive) will have been assessed and 40 percent of these offered some form of vocational training

Tackling Disadvantages in Education and Training-Increasing **Secondary School Enrolment**

Situation

Education is essential to developing a skilled workforce to support economic growth. However public spending for education dropped from 4.2 percent of GDP in 1996 to 2.8 percent in 2004. Secondary education is underfunded. This situation translates into larger class sizes, greater use of dual shifts, and other efficiency measures, at the secondary than at the primary level. 14

While universal enrolment at the primary level is close to being achieved enrolment rate in secondary education was only 59 percent in 2005. This is approximately two-thirds the rates of European Union15 and the European Union-8 countries In addition access is inequitable. The enrolment rate for secondary school of students from the poorest (20 percent) households is 30 percent compared with 79 percent from the wealthiest (20 percent) households (LSMS 2005). The enrolment gap widens significantly for rural areas. A typical child from the poorest families (bottom 20 percent) can expect to complete 10.2 years of education; compared to a child from the wealthiest families (to 20 percent) who will receive 16.5 years. Albanians between the age of 25-64 years have 9.6 years of education compared to the OECD average of 14 years. 15 Specific groups are also disadvantaged in access to education including Roma and children with disabilities (see below).

An assessment by the National Centre for Assessment and Evaluation (NCAE), in 2003 found significant variations in learning outcomes by region, and family socio-economic status. Fourth grade students from families in the wealthiest 25 percent performed significantly better in reading, mathematics, and Albanian language assessments than students from families in the bottom 25 percent. Students who live in urban areas and single grade classes perform better on average than those in rural areas.

Policy Task: Prevent early departure from formal education and training and improve the quality of education ensuring skills relevant to the labour market.

Policy Response

The vision of the Government is for continuous education starting from the preschool age and continuing through the entire course of life- to provide a quality and mass education for all. Public funds for education, including higher education, will reach the level of 5 percent of GDP. The objective of the education system will be the development of individual capacities and skills to gain knowledge and to use it.

Policies that promote equity include; free preschool, basic education including textbooks and secondary education, free transportation and lodging stipends for children attending school some distance from their home (often in poor rural areas) and special incentives to attract teachers to work in remote and difficult areas.

In order to break generational inheritance of poverty, government will pay special attention to the vocational training of children from poor families. Vocational high schools will enjoy priority in pre-university education in response to regional economic trends and the labor market. The Government will open a large number of vocational schools in the rural areas, mainly for agro-business, aiming to attract more than 40 percent of high school students.

World Bank PEIR, 2006World Bank PEIR, 2006

Comprehensive educational reform through the Albania Education Excellence and Equity programme will result in improved quality of learning conditions for all students and increased enrollment in general secondary education especially for the poor. The curriculum will be updated (revision of basic education curriculum by 2010 and secondary education by 2015) and teacher training improved to ensure that students are provided with skills relevant to the labour market. Science laboratories and ICT facilities will be provided to support the new curriculum. School autonomy will be increased providing the opportunity for schools to develop solutions targeted at the needs of their communities. In particular there will be an improvement and rationalization of education infrastructure in secondary education. There will be more efficient investment in physical infrastructure and human resources based on school mapping that takes into account demographics. Financial allocations will take into account the unequal economic development between regions.

Targets:

- By 2009 funding of education will be 5 percent of GDP
- By 2009 students will on average achieve 13 years of education with an increase to 15 years by 2012
- By 2009 40 percent of the population 15-24 years old will have their highest level of education ISCED 0,1,2

Modernising Social Assistance

Situation

Social protections programmes have an important impact on poverty in Albania. The social protection system in Albania includes a contribution-based social insurance (pensions) scheme, a general revenue-funded social assistance and labor market programs. The value of total social protection public transfers represents 28 percent of consumption for the poorest 20 percent of rural households and 38 percent of consumption for the poorest 20 percent of urban households. In the absence of social protection programmes, the poverty rate would have been 11 percentage points higher for the population and 20 percentage points higher for the recipients. 16

In the area of social assistance the state provides:

Ndihme Ekonomike provides a means-tested monthly cash benefit to approximately 120,000 households of which 69,000 are in rural areas and 51,000 in urban areas (2005). Ndihme Ekonomike is provided at a lower or partial level for 57 percent of the households (mainly in rural areas) and at a higher level for 43 percent (mainly in the cities). The number of beneficiaries has been declining in the last five years (from 150 thousand households) with the improved economic situation and the introduction of a work requirement. During the last four years, the number of beneficiaries had been reduced by 35 thousand and the economic assistance funds have decreased from 4 billion lek to 2.8 billion lek.

Coverage of the extreme poor has increased but there are problems with leakages to wealthier groups and non-coverage of poor households (67 percent are not covered). The real value of the benefit has decreased by 27 percent in urban areas and 17 percent in rural areas, and on average the benefit is 15 percent of the poverty line. 17 The average amount of

 $^{^{\}rm 16}$ World Bank, Public Expenditure and Institutional Review (PEIR), 2006 $^{\rm 17}$ World Bank PEIR 2006

NE per family during 2006 has been reduced by 23 percent against the highest year in the last five years.

The **Disability Benefit** for persons with disabilities is the largest social assistance programme with a rapid expansion of recipients in recent years (see People with Disabilities section below). Real expenditure on the programme almost doubled between 2000 and 2005 and the real value of the benefit increased by over 60 percent. Eligibility is not means tested. People who became disabled through a work accident and who were contributing to the social insurance scheme, benefit from a disability benefit paid by the Social Insurance Institute.

Since 2003 there has been an **Electricity Subsidy** available for the poor and people with disabilities. Implementation has been difficult. Between January and March 2006, only 37,000 households received the subsidy out of a targeted 191,500.

Policy Task To ensure that economic assistance is targeted to needy households and individuals and contributes to making work pay.

Policy Response

The Law on Social Assistance and Services No. 9355, 10.03.2005, is currently being implemented. It widens the margins for the benefits of all groups in need, creates the necessary room for decentralization and increases the competence of local government and participation of civil society in the provision of social care services. For Ndihme Ekonomike two groups are specifically targeted:

- Parents of three children are supported with a monthly payment until the children have completed compulsory education.
- Orphans aged 18-25 years no longer living in institutions and unemployed orphans (previously in institutions) over 25 years of age are provided with 3000 lek monthly, on top of the Ndihme Ekonomike.

The minimum level of Ndihme Ekonomike will be increased from 500 lek to 800 lek monthly and the maximum level from 6500 lek to 7000 lek monthly.

A review of Ndihme Ekonomike is currently underway to reassess the:

- Structure of the NE including the value of the benefit in relation to the poverty line
- Rules for receiving benefits i.e. eligibility criteria and responsibilities of beneficiaries, including information required from the beneficiary and links between receipt of Ndihme Ekonomike and active employment measures
- Techniques for distinguishing between applicants for benefits so that, as far as possible, the cash benefits are only paid to those who are intended to benefit and are not paid to those who are not intended to benefit
- System of administration including ease of use for the beneficiary, ease of use for the worker, central and local roles

The electricity subsidy is being increased from 9 to 36 percent of the electricity price and will now be targeted at 270,000 households. Civil servants will be eligible if they are being paid less than 35,000 lek monthly under certain conditions e.g. are the solely employed person in their household and the subsidy has not already been granted..

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¹⁸ World Bank PEIR 2006

Targets

- By 2013, the ndihma ekonomike benefit (9000 lek) will approximate the poverty line as long as it does not exceed the level of the minimum pension at national level.
- In 2013, the number of beneficiary households to be part of the ndihma ekonomike scheme is targeted 70000.

Access to Services

Infrastructure and public service delivery, including health and education services, is poor in rural areas, particularly so in mountainous areas and in peri-urban areas with large informal settlements due to internal migration. Destruction of infrastructure in the nineties and migration of professionals have exacerbated the situation. A policy of decentralized service delivery is already being implemented in some sectors, including health, education and social services. However the traditional formulas that have been used for allocation of investment funds and recurrent spending from central government to local government have not necessarily related to poverty needs. Capacity to monitor local government service delivery or expenditure where policies are being implemented to reduce social exclusion needs to be developed. In addition to relevant sector strategies, the cross cutting strategies of rural development, regional development will provide for improvements to facilitate access to services.

Social Care

Situation

Albania has not traditionally used institutionalized care as a way of providing for its elderly, orphans or disabled people. There are 26 institutions (23 residential) throughout the country. These are currently provided by central government and in the process of being decentralized to local government. Where there are community based services these are provided by International and local NGOs.

Policy Task: To improve residential services and develop daily support services within a family setting and community based services throughout the country.

Policy response

The Strategy of Social Services (2005-2010) and the Law on Social Assistance and Services (2005) paves the way for the deinstitutionalisation and decentralisation of the care institutions to local government with the development of services close to families and community. This reform will encourage the civil society in the provision of and development of new social care services in partnership with local government. Currently residential centres are being developed under the Social Services Project to improve the quality of their services and to extend their functions to include day care. There will be licensing agreements with both government and private providers. Establishment and monitoring of service standards is underway to ensure an improvement in the quality of services being provided. Regional Social Service Commissions have recently been established. These are partnerships between the government, NGO providers and businesses, to map local needs and provide vehicles for funding.²⁰

The Strategy for Social Services proposes the establishment of a Social Fund from 2008, to provide grants on a co-funding basis for Local Government and NGOs establishing social care services in the community. Funding will come from donors and private entities with government contribution.

¹⁹ National Strategy for Decentralisation and Local Autonomy 1999

²⁰ DCM 563 Definition on the Responsibilities of Qark in the Establishment of Social Services

Targets

- By 2008, all residential centers for the disabled and elderly will be transferred to the local government
- By 2008 new services closer to the family will be established.
- During 2007, all NGOs working in the social area will undergo the licencing process.

Health

Situation

The health sector is one of the government's priorities. Funding on health is low and increases the risk of poverty. While Albania spent around 6 percent of GDP on health services in 2005, government expenditure was only 2.5 percent of GDP. The rest was out-of-pocket payments. The health sector has begun the implementation the Long Term Strategy for the Development of the Albanian Health System (2004), the Strategy of Public Health and Health Promotion (2003) and the Mental Health Policy (2003) and Action Plan (2005). The National Action Plan for Children; the Plan for Improving the Living Conditions of Roma; the National Plan for People with Disabilities all contain commitments for improving health services.

Life expectancy for Albanians is lower than the European average. Infant mortality and maternal mortality rates (particularly in rural areas) remain high in comparison with the level in European countries (see Alleviating Child Poverty, below).

Poor living conditions including overcrowding, polluted environments and poor nutrition result in low health status which the healthcare services are not able to effectively respond to . This requires increasing the access in the health care services and improving its quality. While the incidence of tuberculosis in Albania remains high, it is reducing in-line with an average international rate. Albania is beginning to also see an increasing incidence of non-communicable diseases. For men, the effects of tobacco, alcohol and high blood pressure comprise the greatest burden of disease and for women, high blood pressure and obesity

The migration from rural to urban areas in the early 1990s and the transition period lead to the break down of Albania's health care system and the quality of the primary health care. There has been a large scale reduction in staff working in remote areas and a loss of qualified medical staff to the private sector or through migration. The process of a country-wide coverage with health centers providing primary health care, has been completed but only 50 percent of the needs for ambulatory services is fulfilled.

There is a severe shortage of mental health services (both medical and social) for adults and children and very little support for caregivers. There is a need for capacity building and human resource development as well as new alternatives such as mental health community centers, protected shelter for long term stay, day care and mental health care for special groups such as children and elderly.

Informal tariffs for providers of health services produce inequality and lower access to health care They are the main challenge for improving the quality of services, and the efficiency of the sector. While outpatient care expenses, because they are more frequent, have a higher impact on poverty, the income shock for low income families when they face hospitalization, can be catastrophic- with the average hospital payment being four times the monthly per capita income of the poorest 20 percent of the population. ²¹

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²¹ World Bank PEIR, 2006

Policy tasks: Ensure that the population has access to essential health care services and is protected from the impoverishing effects of health expenditures.

Policy Response

The government has pledged a high quality and honest health service with guaranteed access for all and this will be the aim of the new Health Sector Strategy.

The draft law on 'Health Care in the Republic of Albania' which will underpin current health sector reform, covers the following matters important to social inclusion:

- Reform of primary health care to improve service quality and increase coverage to the whole country with special attention given to care of mothers and children.
- A crackdown on out-of-pocket payments to medical staff
- The reform and modernization of the public health sector with planned decentralisation.
- Programmes of disease prevention; especially vaccination programmes, health care promotion, drinking water monitoring and air quality control.
- Special services and/or discounts for targeted groups for health services and medications. Groups will include, Mothers and children, disabled people, retirees, etc.

A draft law is being proposed to have Regional Health Authorities plan and oversee implementation of primary health care services in their area, with the Ministry of Health retaining the management of the hospital network.

A law to protect the health of the population from the harmful effects of tobacco products has been approved by the Council of Ministers and is currently before parliament.

Reform of health financing with the Health Insurance Institute as the sole purchaser of health services will improve health system performance. The Proshendeti project financed by USAID provides a new funding model for health care services through the Health Insurance Scheme. This pilot project in Berat will be rolled out throughout the country. Reproductive health is a priority with free contraceptives being provided at all health centres. The government is now completely funding the mass vaccination programmes and implementing the National Immunisation Plan 2001-2010 to ensure complete coverage.

The Mental Health Policy and Action Plan will use existing health and other social sector resources including local government to provide access to mental health services, compatible with international standards. Activities include the de-institutionalization of the psychiatric hospitals through expanding mental health services to provide multi-disciplinary care in the community. Six mental health services are operating on the basis of a Community Mental Health approach supported by donors.

Target

- By 2009, the level of the maternal mortality per 100 live births will be 14 percent
- By 2009 the level of the infant mortality per 1000 live births will be 13 percent.

Housing

Situation

At the end of the communist era, Albania had one of the lowest levels of housing provision in Europe. In the last 15 years, Albanian cities have had rapid social and economic transformation. By 1995, following on from the 1993 housing reforms, 98 percent of 238,700 registered Albanian families had bought their homes with a below market payment (Andoni 2004). Privatisation was of benefit to low income families but unfortunately many have not been able to afford ongoing maintenance. The National Housing Agency, established in 1993 constructs or buys apartments to sell to those registered as homeless in 1993. however this category is not necessarily poor.

Migrants from rural areas have settled on the periphery of urban centres, informally building on vacant lots. The result is that the quality of housing and the amount of floor space consumed has increased for all income groups. According to the 1989 census data, there were 2.7 people per room. The 2002 LSMS and the 2005 LSMS show that density has eased down to 2.25 people per room, although it remains much higher than in the rest of Europe. The 2002 LSMS and the 2005 LSMS show that the dwelling area has increased to almost 20 m², an increase of almost 3 m² per capita compared to 2002, which brings it within the usual range of Central and Eastern European countries.

Through informal development the poorest households have been able to build significant real assets, however these are on the periphery of towns with a lack of infrastructure and insufficient space left for roads. However recent survey data suggests that the cost of housing has significantly increased in the last few years and that the supply of houses available to the poor is decreasing. A major problem for low income households in Albania is the very small proportion of rental housing units on the market. This is estimated at 5 percent, as compared to 30-50 percent in most market economies. ²²

The formal real estate market is expanding but is limited by three main factors:

- Absence of recent legal master plans and approved local regulations
- Lack of funded municipal programmes to build primary infrastructure
- De facto impossibility of acquiring undeveloped land for development²³

Problems persist with lack of affordable housing for the very poor, widespread informal development, weak institutions and legislation and lack of respect for the rule of law.

Policy Task: Provision of social housing for those who are unable to earn and development of the regulatory environment and financial sector to provide access to housing to those on low incomes.

Policy Response

The National Housing Strategy (2001) will be revised and integrated in the Urban Planning Sector Strategy. The aim of housing policy is to develop a favorable, legal, institutional, fiscal and financial climate for the development of the free market, an increased offer for affordable housing, distribution of direct subsidies for low income families and vulnerable groups, promotion of urban revival programs and programs to modernize the building maintenance. raise local government capacities to manage housing issues and encourage multi-lateral partnerships between the public and (central and local), private sector (profitable and non-

²² Bertaud, 2006 ²³ Bertaud, 2006

profitable) and the community. While minimizing the role of the state in housing, housing policy aims to identify target groups for assistance and to develop accessibility to housing finance with the aim of home ownership, of high value in Albanian society. Details of initiatives for Roma are in the relevant section below.

The National Housing Strategy has three main priorities:

- 1. Supporting access of the poor to adequate housing including providing low rent social housing;
- 2. Developing the financial sector for housing and private-public partnerships for the provision of more affordable houses
- 3. Stimulating programmes for housing improvements and maintenance.

In 2004 the law "On Social Programmes for the Housing of City Dwellers" to provide the legal framework for the Housing Strategy was passed (implementation will begin in 2007). One of the mid-term priorities is to determine new standards relating to the housing policy. In this framework, the right to shelter will be reviewed according to international and European standards and the average financial condition of a typical household will be reviewed in order to assess their ability to afford housing.

Government is committed to complete the process of legalization of houses, in particular in the urban areas with new settlements. Citizens will have to pay between 100-400 thousand lek for the legalization of the houses and the ownership title over land. This process will favor more people in need. Government has committed itself to compensate the land owners. Legalization of building spaces not authorized in the initial construction permit will be conducted by levying a penalty of 4 percent on their market price. On a case by case basis, the illegal construction areas will be developed and urbanized through investments in infrastructure and basic services such as health and education. In the entire process a distinction will be made between illegal constructions for social needs and those for private profitable purposes, punishing the latter.

Initiatives are underway to provide basic infrastructural services. Decentralisation means that local government has been given a major role to design appropriate regulations and enforce them, produce urban plans, establish a local tax base for infrastructure and services and attract financing for primary infrastructure. A \$20m project is being funded by the World Bank for Land Management and Urban Development which will improve efficiency of the land and property markets through greater security of tenure and improved land management regulations and enforcement.

Target

- Increasing the dwelling area per person
- Increasing the percentage of rental housing against total housing

Legal Assistance

Situation

At present there is no public provision of legal assistance for civil cases. The Tirana Legal Aid Society started in 1999 as an NGO to provide legal aid in civil cases in Albania. Amongst the biggest groups of TLAS beneficiaries are minorities, invalids and disabled individuals, pensioners, unemployed and other families with low income. Of the 6,000 clients that have been provided services by this NGO, 60 percent had problems that could be resolved by advocacy or direct support, for example registering for benefits. The remaining 40 percent required representation in court where 88 percent of the cases have been successful. There are two other NGOs providing legal assistance- the Advocacy Centre for Women which takes women and family cases and the Clinic of Minors which deals with child penal cases. There are some organizations that offer legal assistance as a part of their mission, but not their only service. An example is the Albanian Disability Rights Foundation which is now providing a legal aid service for disabled people.

For criminal cases the government will provide support for the poor. However complex procedures, low and delayed payments mean that people are sometimes not represented or are badly represented. Figures on the number of people receiving legal assistance are difficult to source.

Policy Task To provide a fair legal process for each citizen

Policy Response

Essential reforms are needed to guarantee a fair legal process for each citizen, easy access to justice, justice and equality before the law for all citizens, humane treatment during the detention period and the transformation of the penal punishment into an opportunity for reeducation. A proposal has been made to government for establishing the legal framework and strategy for legal aid in civil cases.

Target: Institucionalization of free legal assistance for vulnerable groups.

Water and Sanitation

Situation

Albania has abundant water resources to ensure quality water supply for the population. Despite the numerous interventions, the situation of water supply for the population is not at the required level. The percentage of the population supplied with drinking water, is undefined. Data vary considerably from 90-97 percent in urban areas to 50-67 percent in rural areas. Water consumption is divided between domestic consumers (75 percent) and non domestic consumers (25 percent). Approximately only 36 percent of water supply is invoiced and of this only 73.5 percent is paid. Water loses are due to the dire conditions of the water infrastructure which is old and needs repair, lack of water meters, illegal connections and uncontrolled urbanization.

A poverty and social impact analysis conducted for the Municipal Water and Wastewater Project found that poor households, which have settled in city fringes and new settlements, are less likely to be paying for water services. Water supply for the rural areas is the biggest problem that rural communities face. Traditionally, investment funds in rural areas had been lower, which is reflected in the low quality services in these areas.

Fifty percent of the population is connected to a water-borne sewerage network. Rural residents use septic tanks and other means of disposal. In most areas sewerage systems are malfunctioning and there is the risk of contaminated drinking water.

Currently, in Albania there is only one facility in Kavaja for wastewater treatment, financed by KFW. Construction work has started on other similar facilities in Durres, Lezhe, Saranda, Korca and Pogradec. Waste water discharges especially in the vicinity of turist zones and delicate eco-systems, is the concern of the business community and the environmentalists, Donors have financed studies to ensure sustainable solutions to minimize the negative effects of the discharges from sewages in Albania's seas and lakes. These projects aim at creating a solid legal basis for the protection of the quality of these waters, through the formulation of a strategy for the management of the water of the sea and lakes and monitoring their quality.

While international standards for water quality have been adopted, these are proving very difficult to attain given the aging infrastructure, lack of wastewater treatment facilities, and lack of technical expertise and equipment. a study carried out by the World Bank shows that the need for investments are around \$US170 million per year for the next decade

Policy Task To achieve sustainable water supply and sanitation services at European Union standards in urban and rural areas.

Policy Response

The government aims to achieve sustainable water supply and sanitation services at European Union standards in urban and rural areas. The Water Supply and Wastewater Strategy (2003) set out to tackle two problems: intermittent water supply and poor water quality.

Strong measures are being taken with support from the international community, to strengthen the discipline of the sector, to reduce the illegal access to and waste of drinking water; and to increase the financial and managerial performance of water supply companies. Decentralisation of water and sewage companies continues with a National Action Plan currently being formulated.. Through support to the decentralization process the Government will support municipalities and communes to increase the quality and quantity of this service and simultaneously encourage them to gradually cover the costs of the service. At the same time, the Government will create opportunities for attracting private capital in this sector through concession and management contracts.

Improvements in rural areas are closely linked with the decentralization process in which the local governments will be responsible for the operation of the water supply. A rural water and sanitation strategy has been prepared, which aims to change the way that the water supply is delivered by Government.

Targets

- By 2009, 90 percent of the urban population will have access to piped water supply out of which 85 percent inside the dwelling
- By 2009, 80 percent of the rural population will have access to drinking water supply, out of which 50 percent inside the dwelling.

Transport

Situation

An improvement in the rural road network is critical for the economic development of rural areas and for poverty alleviation. The road network allows people to access markets and information as well as health care and education, and it also enables people to move more easily to where income opportunities exist. Passable roads facilitate the provision of social services and are a precondition for investment in the rural areas. While a number of roads have been upgraded with donor assistance in the last few years, and most of the construction and rehabilitation of rural roads has been decentralized to the communities, conditions have not improved significantly in the more remote areas. Recent analysis by the World Bank (2006) shows that the poorer municipalities appear to receive lower levels of conditional allocations for road investment. Very little maintenance is conducted even on newly constructed roads due to both lack of funding and lack of capacity and organization.

Even if roads are in good condition, public transport needs to be accessible for the disabled and elderly. Little information is available on accessibility of public transport for vulnerable groups..

Policy task To ensure that accessible transport is provided in both urban and rural areas.

Policy Response

Transport strategy will be integrated across government with balanced regional development, rural development and social inclusion²⁵. Substantial investment under the National Plan for Transport will result in the upgrading of the main corridors and maintenance of rural roads. In cooperation with the local governments and respecting local autonomy, the Government will finance improvement of road infrastructure of municipalities and communes. Effects will include enhanced access to health and education and increasing opportunities for development of rural areas. Participation of communities in the construction and maintenance of rural roads is seen as key to sustainability of a community road network.

There is commitment to the implementation of the principle of 'life without barriers' for disabled persons. ²⁶ Certified public transport operators have an obligation to work together with people with disabilities and elderly to implement standards that will improve access to public transport. The implementation of the National Plan for People with Disabilities will ensure greater ease of access for disabled people in towns and cities. People registered as disabled receive free urban transport and reduced prices for inter-urban transport.

Target

Between 2005-2009, 4000 kilometers of rural road to be rehabilitated and asphalted

²⁴ Rural Strategy in Albania: Underpinning Growth and Sustainable Development, World Bank, 2002

²⁵ Along with the National Action Plan for Transport, see also, the crosscutting strategies for Rural Development (pending) and Regional Development (pending).

Social Protection Sector Strategy (pending) and National Plan for People with Disabilities 2003-2014

Telecommunications

Situation

Telecommunication and information technology are fundamental for rapid and modern development integration into Europe. One of the legacies of Albania's isolation until 1991 was the poor condition of the telecommunications infrastructure. The situation is worse in rural areas where Albtelecom infrastructure was heavily damaged following the fall of the communist regime in 1990, and again after the collapse of the pyramid investment schemes in 1997. Where it exists, the rural mainline network consists primarily of open wire and typically ends at the post or telecom office in the commune. 27 In rural areas private operators are licensed to provide access to these telephones. Fixed line services are currently provided by Albtelecom (a State Owned Enterprise). The penetration rate remains below 8 percent in Albania (2005), which is a third of the rate of Bosnia and Herzegovina, Macedonia, Serbia and Montenegro. The fee for a fixed line connection should be only 14,000 lek with some reductions for the northern city of Kukes, but informal payments can substantially increase this amount. Blind and para and tetraplegic persons are eligible for reduced tariffs and excluded from the monthly telephone tax. Mobile phone penetration (2005) is 40 percent and coverage extends to 85 percent of the population. However with the extremely high rate for outgoing calls, rural customers use their phones mainly to receive calls and then to call back on fixed-line phones.²⁸

Policy task: provide inexpensive, high quality and a variety of telecommunication services available for all.

Policy Response

The National Information and Communications Technology (2003) strategy will be replaced wit new ICT legislation and strategy in 2007 reflecting European standards. This will provide for a liberalized and fully competitive telecommunications sector with a regulatory environment that ensures access to telecommunications for all. The Ministry of Public Works and Transport and Telecommunication (MPWTT) has started the procedure to amend the law on telecommunications to support liberalization and competition. Privatisation of up to 80 percent of Albtelecom will begin by the end of 2006.

Target

By 2009 there will be a 90 percent fixed line penetration rate per household

Vulnerable Groups and Areas of Special Attention

The Constitution guarantees equality before law; and freedom from discrimination on the basis of race, gender, ethnicity and language. However a number of groups require special attention because of vulnerabilities associated with their situation.

In recognition of their particular vulnerability and risk of social exclusion, cross-cutting, national level policies and action plans have been developed for children. Roma and people

²⁷ National Telecommunications Cooperative Association Albania: Telecommunications and Private Sector Investment in Rural Access, 2003
²⁸ National Telecommunications Cooperative Association Albania: Telecommunications and Private

Sector Investment in Rural Access, 2003

with disabilities. The government is also in the process of developing national policies and action plans for gender equality and domestic violence.

It is fully acknowledged that there are other vulnerable and at risk groups in Albania. While economic growth will continue to reduce poverty, and systemic public sector reforms will improve access to services, vulnerability needs assessments will continue to aid government in assessing priorities for targeting assistance.

Children at Risk

Situation

Albania has made progress on behalf of its children during the transition period, but many remain excluded and invisible. In 2005, 245,000 children lived in absolute poverty (LSMS 2005).. Economic growth has lead to a decrease of children living in poverty of 34 percent since 2002. These children live in the most deprived communities, some in remote villages, and others on the edges of the major cities. They include Roma children, children lacking parental care, disabled children, trafficked children²⁹ and children working on the street. Children who are not necessarily poor also face exclusion- on the basis of gender, ethnicity or disability.

Infant mortality (number of deaths of children up to 1 years of age per 1,000 live births) has seen a 50 percent decrease in the last 15 years, from 35 in 1990 down to 15 in 2004. However, by European Union standards, the rates are still high. Respiratory tract, infant and diarrhea diseases are the main causes of child mortality. They are mainly a consequence of inadequate living standards, poor hygiene, lack of access to healthcare services, lack of knowledge and training of medical personnel in dealing with infant diseases and lack of adequate knowledge and pertinent information on the part of mothers, families and communities with regard to child rearing, child nutrition and child.

Albania has an obligatory vaccination scheme which maintains child immunisation rates at a high level against measles, diphtheria, tetanus, pertussis, tuberculosis, poliomyelitis, hepatitis B as well as rubella (GOA and UNDP 2004) Surveys indicate that more than 95 percent of children receive vaccination, which is comparable with European Union standards.³⁰ However children from some minority groups are not vaccinated to the level of the majority of the population.

Inadequate infant feeding practices together with poverty and lack of access to quality health services result in poor nutritional status of pre-school children. Twenty two percent of children under five suffer from chronic malnutrition (Multiple Indicator Cluster Survey, 2005).

Children are exposed to many environmental threats such as water and air pollution, waste and urban refuse accumulation. They are also at risk from contaminated food, dilapidated and unhealthy homes, dangerous road traffic, etc.

Early childhood education with early intervention for disadvantaged children is important for their educational success. Less than 50 percent of children are enrolled in early childhood institutions, public and private (2005).

30 Nutrition Country Profile Republic of Albania FAO, 2005

²⁹ Strategies and action plans for prevention of trafficking and special services for victims of trafficking are included in the cross cutting strategy 'Organised Crime, Anti-Trafficking and Anti-Terrorism'

The data from Social Services for 2004 estimated that Albania had 1,198 children who were in institutional care. This situation compares favourably with other countries in the region.³¹ There is little data on orphans and children with social and economic problems, or children with special needs.

In Albania it is common for children from poor families to work, mainly in the informal market selling cigarettes, washing cars or begging. Given the high rates of poverty of Roma and Egyptian children, a high proportion of working children are from these groups. A survey by the ILO and the Institute for Contemporary Studies found that 40 percent of Roma families and 43 percent of Egyptian families require their children to work, and for this reason the children do not go to school. Almost half of children working on the street come from families that have migrated to the cities during the transition.

There are estimates from 2001, included in the National Strategy against Human Trafficking, that about 4,000 Albanian children have emigrated to neighbouring countries without their parents and are at risk of being subjected to hard labour, begging and other forms of exploitation.

No control is exercised over families in evident cases of child negligence, abuse or battery to protect the rights of the child and to reinforce parental responsibility. No coercive measures are taken for parents who abandon their children or do not send them to school. Albanian legislation does not contain a unified legal instrument to provide for the treatment of children who fall victim to exploitation, abuse, violence, etc. Instead relevant provisions are scattered in specific pieces of legislation in accordance with the nature of the abuse.

Policy task develop a more integrated policy and the institutional structures to ensure early intervention for at-risk children, their development and protection from all types of abuse, violence and exploitation.

Policy Response

The National Children's Strategy and action plan (2005-2010) 32, published at the end of 2005, covers all aspects of children's lives, and includes specific actions in relation to child poverty. An Inter-Ministerial committee on the Rights of the Child was established in 2004 with the MoLSAEO responsible for overseeing the implementation of the strategy and action plan. Currently a national action plan on early childhood care and development is being developed to provide integrated treatment of children through a combination of services supplied by various line ministries.

Albania is undergoing a reform through which child services are being transferred from the institutions to the family, the community or the social family. The delivery institutions and the services themselves are being transferred from a responsibility of central to local government. The Social Protection Strategy puts in place targeted measures that will positively and directly impact the growth and development of Roma and Eygptian children and children with disabilities.

Penal cases for minors as well as for adults, are considered by the penal sections of the district courts. Minor's sections in predetention centers have been set up and others are in the process of being established. Special care is being taken to separate minors from adults in the prisons while creating conditions for them to attend school, use the library, engage in sports and culture activities and practice their religion. To ensure the child's best interests are being genuinely facilitated, the services of psychologists have been made available in

the courts, especially in divorce cases. Furthermore, social workers are now a growing reality in the country's prisons and pre-detention centres. Future steps include:

- Appropriate organizational structures and targeted services provided by prosecutions, courts and correction services. This includes special sections in courts, establishment of a Delinquency Correction Institute and provision of rehabilitation services.
- Improved procedures for treatment of minors especially in the penal, civil and family codes
- Implementation of legislation that promotes child rights and protection of the child from threats to their life, health, education and normal growth

In 2005 the National Strategy for People with Disabilities was approved. Although the Strategy views disability from an overall perspective and not specifically from the child's perspective, it places strong emphasis on measures to prevent disabilities, starting from early childhood. It also provides for child rehabilitation and integration measures by creating conditions for them to attend school, to participate in social life and to prepare for the challenges of the future.

The problem of child labour is now a primary focus of the Albanian government. It has ratified the International Labour Office (ILO) Convention No. 138 "Concerning minimum working age" and Convention No.182 "On the worst forms of child labour". In accordance with ILO standards, government has enacted legislation and ratified the European Social Card to prevent child labour (under 15 years of age). The new Labour Code acknowledges 16 years as the minimum working age for children and provides special protection for working children while harmonizing domestic legislation with the ratified conventions. The National Steering Committee on Child Labour, established in November 2001, is fully operational and the Child Labour Unit within the Ministry of Labour, Social Affairs and Equal Opportunities is the national focal point on child labour issues.

The Ministry is playing a central role in combating child labour, coordinating all activities with the governments' agencies, implementing and monitoring related programmes with the support of ILO/IPEC.

The "Child Labour Monitoring System" project, implemented by the Child Labour Unit aim at: a)establish an institutional framework for pilot CLMS; b)reinforce the capacity of the stakeholders to implement a CLMS; c)test a model of CLMS in three regions: Tirana, Korca and Berati, and propose models for replication of CLMS and related good practices.

The CLMS Action Plan on how CLMS is coordinated amongst different national, district and local levels, the CLMS coordination chart and the CLMS Framework, were endorsed by NSC and are being implemented to enforce compulsory education and create opportunities for professional training.

The cross-cutting strategy on 'Organised Crime and Anti Trafficking' includes measures to protect children at risk in these areas.

Sector wide reforms will increase access for children to health and education. Under the Millennium Development Goals, the Health Sector has set the objective of reducing mortality to 10 deaths per 1,000 live births for children up to 5 years of age, by the year 2015. This will be achieved through integrated outpatient management including examination, treatment and combined counseling for main childhood diseases, as well as improving maternal and child nutrition.

In the Education Sector access will be provided to pre-primary education for all children of 5-6 years of age by 2015, and the majority of children between three to five years old. In the short term this will be accomplished using community models implemented by NGOs. A

further aim is to establish multi-professional agencies in Local Government Units to deal with various issues obstructing the integration, development and equality of children. Reduction in illiteracy among school dropouts through special programmes e.g. the 'Second Chance'. Programme.

Targets

- By 2015 all children of 5-6 years of age will have access to pre-primary education.
- By 2015 Infant mortality (children under five) will be reduced to 10 deaths per 1,000 live births

Roma

Situation

Questions on ethnicity were omitted from the 2001 census but expert estimates put the number of Roma at between 90,000 and 100,000 out of a population of 3.3 million.³³ The overwhelming majority of Roma in Albania live below the poverty line. A poverty line of PPP \$4.30 a day was used and a PPP of \$2.15 for 'extreme' poverty. 34 Poverty rates among Roma in Albania are 78 percent compared to the majority 35 at 22 percent at the time of the survey (2005). Extreme poverty for Albanian Roma is particularly high at 39 percent. The average expenditure is 555 euros per month for Roma compared to 875 for the majority of Albanians.36

Discrimination, lack of regular income and a lack of employment opportunities combined with larger households lead to lower educational attainment, poorer health, indebtedness and poor or no accommodation. Traditional lifestyles and poverty also lead to uprooting the family which further impacts on educational opportunities for children and access to services.

The unemployment rates, while difficult to assess, are significantly higher for Roma with women facing higher unemployment than men (60 percent compared to 33 percent (UNDP survey 2004). Data from the UNDP survey supported the view that Roma tend to be involved to a greater extent in informal employment and in low skill jobs. In Albania, 79 percent of Roma are employed in the informal sector compared to 22 percent of the majority population. One consequence is Roma lack of participation in the social security scheme and therefore no pension on retirement. 37

The UNDP survey (2004) found that Roma children spend, on average, less than half the time of children from majority households in the educational system. As a result, one in four of Roma surveyed is illiterate. Roma women (across the region) are shown to be particularly vulnerable. Three quarters of Roma women do not complete primary education (compared with one in five women from majority communities) and almost a third are illiterate (compared with 1 in 20 women from majority communities). Roma girls suffer from lack of educational opportunities with lower enrolment rates and lower educational attainment. The national average gross enrolment rate for secondary school for Albania (2002-2003) was 81

³³ Liègeois, 2006

³⁴ The poverty and extreme poverty thresholds (PPP \$4.30 and PPP \$2.15 per day expenditures) are based on thresholds used by the World Bank 2005a. However an equivalised, rather than per-capital measure of expenditures is taken in the UNDP report from calculations by the OECD.

The term 'majority' is used to refer to the 'majority-in-proximity sample' (non roma communities living in close proximitey) which was the approach adopted for the UNDP survey in developing control groups. It was chosen over a 'nationally representative sample' for reasons outlined in the report on Roma and Displaced in South East Europe, UNDP 2006

At Risk: Roma and the Displaced in South East Europe UNDP 2006

At Risk: Roma and the Displaced in South East Europe UNDP 2006

percent and for Albanian Roma it was 12 percent (2004). Household poverty was identified as a major determinant of lower educational attainment and lower enrolment.

Around 20 percent of Roma children (up to age 14) are reportedly not vaccinated compared to around 3 percent of the majority. Inadequate information or appropriate medical identification is often responsible for incomplete vaccination coverage³⁸.

Reported differences in nutrition security across the region, are much more pronounced than differences in health status. Roma household expenditures on food are much lower than in majority households. 39

The Vulnerability Assessment Study: Roma in Albania, UNDP (2005) found that 65 percent of Roma live in ramshackle buildings. Frequent change of dwellings, early marriage, and ignorance of the law have resulted in Roma not being registered. This results in their not being able to apply for benefits they are entitled to under Albanian law.

Policy Task For government to work with Roma to improve the status of the Roma community in Albania, through the institutionalization of policies and programmes to reduce poverty, overcome discrimination and achieve integration.

Policy Response

Albania is party to all the main international human rights and minority protection instruments.

The National Strategy to Improve the Living Conditions of Roma Minority in Albania (2005) is a multidimensional strategy aiming to release Roma from the trap of poverty and social exclusion.⁴⁰ The government and Roma will work in partnership with the Roma community for the implementation of the strategy. A secretariat for Roma has been established in the State Social Services Directorate of the Ministry of Labour and Social Affairs and Equal Opportunities, to promote and monitor implementation of the strategy. The government has pledged to take steps to fight stereotypes, prejudice and discriminatory practices. Important areas covered in the strategy include:

- Registering of Roma to ensure protection of rights and access to services.
- Providing education, including access to pre-schooling, incentives to attend primary schools, support for children to learn Albanian, provision of teachers who can speak Roma and adult literacy programmes
- Preserving cultural heritage and family values including preservation of traditions and empowerment of women,
- Increasing employment with employer subsidies and access to vocational training courses. Cooperation is being sought between the National Labour Service and local governments to implement subsidized training programmes and public works projects that encourage labour market participation by unregistered unemployed Roma.
- Benefiting from measures being taken to formalize the informal labour.
- Social protection with access to benefits including NE and unemployment.
- Coverage of health services in Roma communities and promotion of family planning. immunization coverage and ante-natal and post-natal care. Studies are planned to assess disease incidence and mortality rate in the Roma community and identify measures to reduce and control them.

At Risk: Roma and the Displaced in South East Europe UNDP 2006
 At Risk: Roma and the Displaced in South East Europe UNDP 2006
 Adopted by DCM No. 633/2003 and to be integrated into the Social Protection Strategy (pending)

- Improving living conditions including building modest houses, establishing property rights, building road access and providing basic services (water, sanitation, electricity and telecommunications) to Roma sites
- Measures in improving access to justice and public order through recruiting Roma as police officer and prevention of trafficking.

Policies targeted in the new strategy for the employment and vocational education of children in the informal economy will also in particular help Roma children who are disproportionately in this situation. The National Strategy aims to provide consulting services for business development, market surveys and access to credit for Roma communities to establish their private businesses.

Priority treatment will be offered to the Roma and Egyptian communities through a special education program, in order to overcome the consequences of their long-term discrimination.

For the improvement of housing in the 2006/07 budget there are funds allocated for specific dwellings for Roma as per the Social Protection Strategy which includes the National Strategy for Roma. Efforts will begin with (i) an identification of the families in need of housing, the size of families and their present living conditions, to be followed by (ii) an identification of houses in need of rehabilitation and repair work, (iii) the design and costing of rehabilitation work; (iii) the identification of ownership rights over the land on which Roma have made their homes; (iv) an estimation of needs for land and construction material and calculation of bill of quantities; (v) encouraging the Roma community to contribute labor to the building and repair work; and (vi) the construction of inexpensive modest homes for the homeless and families in the worst of conditions.

Targets

- Increasing the employment rate of Roma women and girls thus reducing poverty.
- Increasing the level of education for Roma children, preventing social exclusion.
- Offering free vocational training courses.

The Ballkan Egyptians

Among the minority and ethnic groups, the Balkan-Egyptians are identified as another important community. This community has almost the same social and economical issues as the Roma. The group does not speak the Roma language and has a different mentality and lifestyle and as such, it is necessary the formulation of specific social policies targeted to the needs of the Balkan-Egyptians. So far, there is no policy document which deals with the problems and policies that the government needs to adopt to support this group and it is recommended the formulation of a separate Strategy for this group, like the Strategy for Improving the Living Conditions of the Roma.

Among the most active Balkan-Egyptian NGOs, "Nefreta" Association is well known as an advocate of the interests of this ethnic group.

People with Disabilities

Situation

The collection of statistics on people with disabilities is limited to those who receive the disability allowance. Statistics are not disaggregated by gender and there is little information on the employment levels of people with disabilities.

Article 25 of the Albanian Constitution guarantees the rights and fundamental freedoms of People with Disabilities. The legal framework for the improvement of their social and

economic status, which aims at offering the guarantee of equal opportunities for people with disabilities in the Albanian society, is improving gradually. There has been a rapid expansion of the number of recipients of the disability allowance in recent years (from 43,100 in 2000 to 58,542 in 2005) with real expenditure almost doubling between 2000 and 2005. The disability benefit is 50 percent of the minimum wage. Currently, this benefit is 8.000 lek/monthly per person. The disability allowance started in 1993 and traditionally targeted people certified as disabled prior to age 21 (24 if attending university). But from 2005 the law has been changed to include people who become disabled in adulthood as a result of injuries or illnesses not related to work, and the definitions of disabilities have been changed to be consistent with international standards.

The Blind, Para and Tetraplegic benefit includes; cash monthly benefit for disabled person and an additional benefit for caregivers; exclusion from direct taxation; petrol grant; electricity subsidy; reimbursement for medicines; free public transport and 50 percent reduction for interurban transport. Persons with limited mental, physical and sensor abilities receive a cash monthly benefit along with an additional benefit for care-givers if needed. The Work Invalids benefit (for those injured at work and were contributers to social insurance) includes the invalids pension from the Institute of Social Insurance; exclusion from direct taxation; petrol grant; electricity subsidy; reimbursement for medicines; free public transport and 50 percent reduction for inter-urban transport.

While state disbursements have been increasing for people with disabilities, there has not been an integrated or sustained approach aimed at rehabilitation. The Labour Code prohibits any kind of discrimination in employment and professional training of people with disabilities. Legislation from the mid 1990's specifies that an employer with 25 employees must have one who has disabilities who is able to do work, or pay a penalty to the National Employment Fund⁴¹. Unfortunately this law is not well implemented. However improvements are planned. Vocational Training is provided free of charge to people with disabilities attending public courses and reimbursement is given for private courses.⁴²

The State provides some funding for NGOs managed by people with disabilities to produce mobility aids.

There is an estimated 12,000 disabled children (INSTAT 2003). Children with special needs are either mainstreamed or attend special classes. Day care centers and specialised schools offer services to 1140 children. 80-90 percent of the children with hearing and vision impairment are being served in these schools.

Policy Task To mainstream policies and measures which promote the full inclusion of people with disabilities in all fields of daily life.

Policy Response

The National Strategy for People with Disabilities (2003-2014) and associated action plan is in accordance with international guidelines of the United Nations, Council of Europe and European Union.⁴³ The strategy outlines measures for improving the living conditions of people with disabilities in the fields of education, employment, support services and access with a focus on the ability and competence of the individual rather than on their impairment.

⁴¹ National Strategy on People with Disabilities. An employer can chose to employ one person with an aggravated disability or five persons with light disabilities.

⁴² Law No. 8872 "On Education and Vocational Training in the Republic of Albania", dated 29.03.2002 ⁴³ Adopted by DCM No. 8/2005 and to be integrated into the Social Protection Sector Strategy (pending).

The seven key objectives of the strategy are:

- 1. Encouraging and educating for a non-disabling society
- 2. Ensuring rights for people with disabilities
- 3. Providing the best education for people with disabilities
- 4. Providing opportunities in employment and economic development for people with disabilities
- 5. Fostering and aware and responsive public service
- 6. Supporting quality living in the community for people with disabilities
- 7. Collecting and use relevant information about people with disabilities and disability issues.

The strategy was approved by a Decision of the Council of Ministers No. 8, on 1st July 2005 and is currently is being costed, immediate priorities determined and a monitoring and evaluation framework established. An interministerial committee has been formed to oversee the implementation of the strategy, especially the creation of the legal framework, and a Secretariat has been established within the Ministry of Labour and Social Affairs and Equal Opportunities to support the committee and to follow up on the agreed actions of individual ministries

A draft law on 'Standards for Services to People with Disabilities' is being prepared. It aims at guaranteeing minimum standards for services offered to people with disabilities.

From 2007 the statistics on those receiving a disability allowance will be disaggregated by type of disability, amount of payment, age group and gender.

Targets

- The disability benefit will be indexed annually parallel to the increase of the minimum salary at national level.
- Nine daily community services for the disabled will be established in different communes.

Older People

Situation

While Albania has the youngest population in Europe the proportion of population over the age of 60 is gradually rising. It is predicted to be 12.2 percent of the population by 2010 up from 10.4 percent in 2000. Recent INSTAT data for 2005 shows that nearly 37,000 people over the age of 66 are living below the poverty line. While this is significantly less than in 2002 (a 31 percent reduction) it is still not acceptable and care for elderly persons in order to meet their needs and improve the quality of their lives constitutes one of the priorities in social policy.

While there is little data available on health, wellbeing and social welfare of older people, high levels of chronic illness, a huge burden of avoidable disability, economic deprivation and lack of social opportunities mean that most people struggle to survive in old age, rather than enjoying personal and social opportunities. Society as a whole is thus deprived of much of the contribution it could gain from the experience of its older citizens, and in addition pays a price in social and medical care.

There are few residential homes for older people (five are publicly funded) and no long-term care hospitals. Most older people are cared for by relatives. The risk of poverty and social exclusion is higher for older people living alone.

All citizens, who have worked and paid their contributions, are entitled to an old age pension and in the cases where they do not have any income, they are supported through NE. Low by regional standards, urban pensions are still equal to more than one third of household consumption among the poorest urban households while rural pensions equal about 20 percent of consumption among the poorest rural households.⁴⁴ The pension system with its high contribution rate and low benefits is unsustainable and in need of reform.

Policy task: Alleviate economic hardship and social deprivation from the lives of older people and enable people to live healthier lives, survive longer, and stay fitter throughout their old age.

Policy Response

With the decentralization and deinstitutionalisation of social services to local government it is expected that new community based services will be developed for the elderly including daily support services within a family setting and community centres. Standards are being set for care of the elderly in line with international standards.

Income support and access to services is critical to improving the quality of life of older people. Actions are being taken to reduce the significant gap between rural and urban pensions. A review of the pension system is currently underway to ensure future sustainability.

Special measures had been taken to improve health services for the elderly by continuing to increase the number of reimbursable medicines. The elderly pay a minimum price for the 400 most required medicines. Particular groups of elderly receive free medicines and examinations.

Measures have been taken to facilitate the urban transport, social services, etc.

Specific measures should be worked out to include old people in the social and cultural life promoting their human and intellectual values and empowering the solidarity among generations.

Specific structures within government should assess the new demographic situation and define the type of institutional and community service, social inclusion as well as coordinate activities between central and local government and NGOs and the civil society in general.

Target

 By 2009 pensions will be doubled and with no pension under the national poverty line.

Youth at risk

With the youngest population in Europe, approximately 70%, youth is a social group at risk of being socially excluded. This group can be vulnerable to phenomena such as HIV/AIDS, violence, drug abuse, abuse with alchool and smoking, trafficking of young girls etc.

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⁴⁴ World Bank PEIR, 2006

Policy task: Alleviate economic difficulties and social exclusion for young people and create opportunities for a healthier life, away from crime, drugs, alchool and other negative phenomena of the society.

The policy task and policy response for the coming years is fully reflected in the Cross-Cutting Strategy on Youth.

Gender

Situation

The 1995 Labour Code and the 2004 Gender Equality Law provide for equal treatment for women and men however women constitute one of the groups that have suffered the adverse consequences of social transition, emigration and unemployment. Poor pension entitlements, based as they are on employment records, mean that many women are also at risk of poverty and social exclusion in old age. Women are frequently in situations of vulnerability because they have the main responsibility for caring for children and other family members, they earn lower wages than men and have less access to jobs⁴⁵. Policies for the mitigation of such situations relate specifically to: employment and support for women as head of families; those trafficked or at risk of trafficking; those who have been abused; and those from minority communities.⁴⁶

Policy task: achieve equally beneficial outcomes for both women and men through a combination of mainstreaming and targeted measures. In particular increase economic sustainability, participation in decision making and access to justice.

Policy Response

The Government is committed to improving gender equality as a very important aspect of the development of the country in particular in rural and undeveloped areas. An Equal Opportunities Department has been established within the MoLSAEO⁴⁷, to develop both mainstreamed and targeted, policies and measures in the fields of gender, ethnic minorities (both cultural and linguistic), people with disabilities, age discrimination and race. Immediate priority is encouraging gender equity and wider participation of women in the economic, political and cultural life of the country.

Functions of the new directorate include:

- Coordinate research and analysis on issues related to equal opportunity
- Formulate legislation and regulations to achieve equity across government
- Monitor legislation and regulations addressing equity across government
- Oversee the implementation of international agreements entered into by the Government of Albania relating to equity
- Coordinate programmes developing awareness in equal opportunities

The Directorate is overseeing a revision of the 2004 Law on Gender to facilitate implementation and to strengthen anti-discrimination of men and women and producing a Gender Strategy due by December 2006. This strategy is being widely consulted and will

⁴⁵ See Participation of women in the labour market

⁴⁶ Labour market participation of females, victims of domestic violence and initiatives for Roma women are included elsewhere in this strategy. The Organised Crime and Anti-Trafficking cross-cutting strategy presents the policies for women and children victims of trafficking.

⁷⁷ Following on from changes in the law no. 9198, "On Gender Equality in Society" dated 1.7. 2004

cover; Women and Decision Making; Economic Empowerment; Rights, Legislation and Institutional Mechanisms; Social Care, Health Care; Media; Education and Elimination of Gender differences.

Domestic violence

Situation

Albania's Constitution and legal framework provides for equal rights and protection for all citizens. However the problems of domestic violence- physical, sexual, psychological and economic abuse, perpetrated by intimate partners and other family members- have not been fully acknowledged in Albanian society. The few studies available show that domestic violence cuts across socio-economic boundaries, is grossly under-reported, is not represented in national statistics and there is a lack of services available for victims including poor recourse to justice.

There is no obligation by law for police departments, lawyer's offices, healthcare centres or social services to gather and report data on domestic violence.⁴⁸ The Social Services Strategy points to the lack of:

- awareness raising services on the role of women in the family
- counseling and rehabilitation services for victims
- specialists; sociologists, psychologists, jurists and doctors to deal with problems of violence in the family.

Current legislation does contain provisions aimed at protecting spouses from domestic violence but there has been little application of them by the courts in practice. ⁴⁹ The government has prepared a draft law "On Measures Against Domestic Violence" and the strategy on prevention of domestic violence.

The draft law was a result of a petition which gathered over 20,000 signatures.

Policy Task: To obtain recognition of domestic violence as a crime mainly perpetrated against women and develop measures aimed at prevention and protection of victims of violence.

Policy Response

Effective policies and measures to prevent domestic and family violence are high priority. The main focus at present is on establishing a legal framework, The National Draft Law Against Domestic Violence, for combating violence against women and supporting victims. A national strategy and plan of action, The Domestic Violence Strategy- 2007-2012 has been drafted and will be incorporated in the Social Protection Strategy. It will ensure:

- Data collection on domestic violence at a national level- reporting of the crime
- Cooperation between institutions and handling by police of domestic violence
- An increase in services for battered women
- Further improvement of laws on protection of women.

⁴⁸ From Study on Reproductive Health , Final Report 2005, quoted in Domestic Violence- A Presentation on the Existing Situation in Albania, 2006.

⁴⁹ Country Reports on Human Rights Practices, US Department of State. 2005

• Government support of services to victims through NGOs

Target

 By 2009 level of domestic violence reported increased in proportion to the incidence in society

Chapter 4: Accountability, Monitoring and Evaluation

For government policies to reduce the effects of social exclusion requires concerted effort across government and partnership with wider society. Sector strategies each have their own accountability, monitoring and evaluation mechanisms which provide information for the monitoring of policies designed to reduce the risk of social exclusion and poverty. Within some of these strategies are important action plans with cross-government institutional arrangements; for example the action plans for Roma, children and the disabled. Each of these has formal monitoring processes both internal and externally to international agencies.

Medium to long term progress in the implementation of the social inclusion crosscutting strategy will be assessed on the basis of the monitoring indicators listed below. To ensure accountability and continue to give an overview of developments in the areas of social inclusion bulletin will be produced. This will include developments in the area of social inclusion. Where information is available on progress (see below for timetable of reporting on monitoring indicators) this will be included in the bulletin. The Social Inclusion Advisory Group (representative of NGOs) will provide a formal channel in future to provide feedback on social inclusion policies for the bulletin.

Currently, policy evaluation is provided primarily by donor agencies and research institutions. Capacity to produce high quality information suitable for evaluation is being built within the National Institute of Statistics. During 2005, the Policy Monitoring and Evaluation Unit in MOLSAEO conducted a study to evaluate the distribution of NE block grants. Limited staff and lack of capacity has presented an obstacle to conduct periodic studies. This means that during 2007, MOLSAEO will need to reassess staffing and capacity building needs within the policy monitoring and evaluation unit, which will also monitor and evaluate the Social Inclusion Cross-Cutting Strategy through the bulletin mentioned above. In this way, MOLSAEO will focus on its responsibilities to the Social Inclusion Strategy by applying social policies that will help reduce poverty and support groups in need, as well as focusing on its role as coordinator of cross-cutting issues in areas covered by the participating ministries.

Monitoring Indicators

Two sets of indicators will be used; the European Union Indicators (Laeken) and national Albanian Indicators.

1. The Laeken indicators, were adopted by the European Council in 2001 to monitor progress towards poverty eradication by 2010 and to improve understanding on social exclusion. The indicators address social outcomes rather than the means by which they are achieved. They cover what have been considered as the most important factors leading to social exclusion. The use of these indicators allows some degree of comparison with other European countries, and draws attention to the statistical surveys that will allow their measurement.

There is one major restriction. Those Laeken indicators that measure poverty do so by means of income comparisons. This is appropriate in economies where the labour market is formal and the reporting of income is reliable. However, in Albania where the majority of people are employed informally, welfare levels are best measured with

consumption and it is recommended that this approach be used in the foreseeable future. Although this means that the indicators will not be strictly comparable to those of the European Union member states, they will nevertheless provide a more reliable picture of socioeconomic conditions.

Some of the Laeken indicators have been left out either because the necessary statistical instruments are unlikely to become available in the next seven years (such as those needed to measure low income persistence) or because they are less relevant for Albania (for example, regional cohesion).

2. Second, the decision which introduced the Laeken indicators, called for European Union member states to also identify and adopt indicators which would highlight their specificities in particular areas. These need not be harmonised at the European Union level. For example, the Laeken indicators consider poverty in Europe as an issue of relative deprivation, in other words they focus on the proportion of people living on less than 60 percent of the median income, irrespective of whether the median is equal to, say, 500 euro or 5000 euro. In Albania, the median income is much lower than in European Union member states and absolute poverty is still a fundamental policy concern. Therefore, the second set of indicators captures further issues of national significance. Among them, indicators attached to the Millennium Development Goals, which Albania has committed to achieve by 2015, feature prominently.

The following table presents each indicator, together with the definition, source, baseline value and target value. Two surveys will be the main sources of information:

- the Living Standards Measurement Survey (LSMS) is a nationally representative household survey, first conducted in 2002, repeated in 2005, and – according to the Five-Year Statistical Programme of INSTAT – next expected to take place in 2008
- the Labour Force Survey (LFS) is a nationally representative survey that will be carried out for the first time in 2007

Other indicators are expected to be measured primarily through administrative data. However, it is also proposed to introduce two indicators that will measure key socioeconomic aspects of the Roma population. So far, there is no source of information available to assess the education and health status of the Roma. The Ministry of Labour, Social Affairs and Equal Opportunities will work to secure funding that will enable the monitoring of progress in this policy area.

| | | Indicator | Breakdown | Current source | Future source | Value (Year) |
|----|--------------|--|---|----------------|------------------|-----------------|
| 1. | Laeken 1A | At-risk-of-poverty rate Percentage of individuals living in households where the total equivalent household <i>consumption</i> is below 60 percent national equivalent median <i>consumption</i> | Total (male and female) O-17 (male and female) | LSMS | LSMS | |

| | | Indicator | Breakdown | Current source | Future source | Value (Year) |
|----|--------------|--|---|----------------|------------------|-----------------|
| 2. | Laeken 1B | At-risk-of-poverty rate by activity status Percentage of individuals aged 18+ living in households where the total equivalent household consumption is below 60% national equivalent median | Wage-employed (male and female) Self-employed (male and female) Unemployed (male and female) Retired (male and female) Other inactive (male and female) | LSMS | LSMS | |
| 3. | Laeken 1C | At-risk-of-poverty rate by household type Percentage of individuals living in households where the total equivalent household consumption is below 60% national equivalent median consumption | Household with no dependent children: Single person, 65 years and over Two adults, at least 1 person 65+ Households with dependent children: Single parent, 1+ children Two adults, 2 children | LSMS | LSMS | |
| 4. | Laeken 13 | At-risk-of-poverty rate before social cash transfers Percentage of individuals living in households where the total equivalent household consumption is below 60% national equivalent median consumption Calculate equivalent consumption: 1. excluding all social cash transfers 2. including all retirement and survivors pensions but excluding all other social cash transfers | Male Female | LSMS | LSMS | |
| 5. | Laeken 1E | At-risk-of-poverty <i>threshold</i> 1. in euro 2. in lek | Single person household Household with 2 adults, 2 children | LSMS | LSMS | |
| 6. | Laeken 2 | Consumption quintile ratio Ratio of total consumption of the 20% of the country's population with the highest consumption (top quintile) to that of the 20% of the country's population with the lowest consumption (lowest quintile) | | LSMS | LSMS | |
| 7. | Laeken 4 | Relative median poverty risk gap Difference between the median equivalent consumption of persons below the at-risk-of-poverty threshold and the threshold, expressed as a percentage of the threshold | Male Female | LSMS | LSMS | |

| | | Indicator | Breakdown | Current source | Future source | Value (Year) |
|-----|-----------------|--|---|----------------|------------------|-----------------|
| 8. | Laeken 11 | Dispersion around the at-risk-of-poverty threshold Share of persons with an equivalent <i>consumption</i> below: 1. 40% 2. 50% 3. 70% of the national equivalent median | | LSMS | LSMS | |
| 9. | Laeken 14 | Gini coefficient Measure of consumption inequality ranging from zero (perfect equality) to one (perfect inequality) | | LSMS | LSMS | |
| 10. | Laeken 7 | Population living in jobless households Persons aged 0-60 living in eligible households where none is working. Eligible households are all except those where everybody falls in one of these categories: aged less than 18 years old aged 18-24 in education and inactive aged 60 and over and not working | | LSMS | LSMS | |
| 11. | Laeken 8 | Early school leavers not in education and training Share of total population of 18-24-year olds having achieved ISCED level 2 or less and not attending education or training | Male Female | LSMS | LSMS | |
| 12. | Laeken 18 | Persons with low educational attainment Share of population whose highest level of education or training is ISCED 0, 1 or 2 | Total (male and female) 25-34 (male and female) 35-44 (male and female) | LSMS | LSMS | |
| 13. | Laeken (new) | Activity rate Share of employed and unemployed people in total population of working age 15-64 | Total (male and female) 15-24 (male and female) 25-54 (male and female) 55-59 (male and female) 60-64 (male and female) | INSTAT | LFS | |
| 14. | Laeken 6 | Long term unemployment rate Total long-term unemployed population (≥12 months) as proportion of total active population | Male Female | INSTAT | LFS | |

| | | Indicator | Breakdown | Current source | Future source | Value (Year) |
|-----|--------------|---|-----------------|-------------------------------|------------------|-----------------|
| 15. | Laeken 16 | Long-term unemployment share Total long-term unemployed population (≥12 months) as proportion of total unemployed population | Male Female | INSTAT | LFS | |
| 16. | Laeken 17 | Very long term unemployment rate Total very long-term unemployed population (≥24 months) as proportion of total active population | Male Female | Currently not available | LFS | _ |
| 17. | Laeken 9 | Healthy life expectancy Number of years a person is expected to live in a healthy condition at age 0 at age 45 at age 65 | Male Female | МОН | МОН | |
| 18. | Laeken 10 | Self-defined health status by consumption level Ratio of proportions in bottom and top quintile groups (by equivalent consumption) of the population aged 16+ who classify themselves in poor or very poor health | Male Female | LSMS | LSMS | |
| 19. | MDG 1A | Poverty headcount ratio Percentage of individuals below the national poverty line | Male Female | LSMS | LSMS | |
| 20. | MDG 1B | Extreme poverty headcount ratio Percentage of individuals below the national extreme poverty line | Male Female | LSMS | LSMS | |
| 21. | MDG 3A | Proportion of women in wage employment in non-agricultural sector | | INSTAT LSMS | LFS | |
| 22. | MDG 3B | Proportion of seats held by women in national parliament | | Parliament | Parliament | |
| 23. | MDG 5 | Infant mortality rate | | INSTAT and MOH | INSTAT and MOH | |
| 24. | MDG 7A | Proportion of population with access to piped water supply inside the dwelling outside the dwelling | Urban and rural | LSMS | LSMS | |
| 25. | MDG 7B | Proportion of population with access to toilet facility inside the dwelling outside the dwelling | Urban and rural | LSMS | LSMS | |
| 26. | Other | Number of cases of domestic violence reported | | MOI | MOI | |
| 27. | Other | Number of cases receiving legal assistance by the state | | Currently not available | To be developed | _ |
| 28. | Other | Proportion of households with fixed telephone lines | Urban and rural | MOPWTT | MOPWTT | |

| | | Indicator | Breakdown | Current source | Future source | Value (Year) |
|-----|-------|--|-----------------|-------------------------------|------------------|-----------------|
| 29. | Other | Proportion of households with mobile telephone | Urban and rural | MOPWTT | MOPWTT | |
| 30. | Other | Proportion of individuals who visited a public ambulatory (during the four weeks before the survey) to receive health care | Urban and rural | LSMS | LSMS | |
| 31. | Other | Dwelling area per person | Urban and rural | LSMS | LSMS | |
| 32. | Other | Net primary education enrolment rate of Roma children | Male Female | Currently not available | New survey | |
| 33. | Other | Measles immunisation rate of Roma children aged 0-1 | Male Female | Currently not available | New survey | |
| 34. | Other | Disability allowance as proportion of the national poverty line | | MOLSAEO LSMS | MOLSAEO LSMS | |
| 35. | Other | Pensions as a proportion of the national poverty line | | MOLSAEO LSMS | MOLSAEO LSMS | |

Definitions

- Activity status: the status that individuals declare to have occupied for more than half the number of months in the calendar year
- Dependent children: Individuals aged 0-15 years and 16-24 years if inactive and living with at least one parent
- **Equivalent median consumption:** household total disposable income divided by its equivalent size, to take account of the size and composition of the household, attributed to each household member
- **Equivalent size:** in order to reflect differences in household size and composition, household consumption figures are divided by equivalent adult using a so-called equivalence scale, which gives a weight of 1 to the first adult, 0.5 to any other household member aged 14 and over, and 0.3 to each child below age 14; for example, the equivalent size of a household that consists of 2 adults and 2 children below the age of 14 is: 1 + 0.5 + (2x0.3) = 2.1
- **Median:** the middle point of a distribution, with half of the population less than or equal to the median, and half of the population greater than or equal to the median

Appendices

Appendix 1: Statistical Picture of Social Exclusion

Appendix 2: Institutional arrangements across government

Institutional arrangements

| Social Inclusion Area | Strategy | Policy develop- ment | Funder | Provider | Policy evaluation | Monitoring |
|--------------------------------|-----------------------------|----------------------------|--------------------------|---------------------------------|----------------------|---------------------|
| Increase | Otrategy | ment | Tulluci | MoLSAEO | evaluation | Wormoning |
| female | | | | Labour offices | | Labour |
| participation in the labour | | | | located in Local Government | | Inspectorate within |
| market | Employment | MoLSAEO | | premises | MoLSAEO | MoLSAEO |
| | | | | MoLSAEO | | |
| | | | | Labour offices | | Labour |
| Formalisation of the labour | | | | located in Local Government | | Inspectorate within |
| market | Employment | MoLSAEO | | premises | MoLSAEO | MoLSAEO |
| | | | | P. S | | National |
| | | | | | | Centre for |
| Taakling | | | | | | Evaluation |
| Tackling disadvantages | | | | | | and Assessment |
| in education | | | | MoES. | | (NCEA) within |
| and training- | | | | Decentralisation | | the MoES; |
| increasing secondary | | | | of some maintenance | | Inspectorate within |
| enrolments | Basic education | MoES | MoES | budget? | MoES | MoLSAEO |
| o oo | Vocational training | MoLSAEO | MoLSAEO | MoLSAEO | MoLSAEO | MoLSAEO |
| | J | | | Local | | |
| | | | | Government- | | |
| Modernise Social | Employment- benefits for | MoLSAEO- Employment | | distribution of unemployment | | |
| Assistance | unemployed | Directorate | MoLSAEO; | benefit | MoLSAEO | SSS |
| | . , | | | Local | | |
| | | M-LCAFO | | Government - | | SSS for |
| | | MoLSAEO- Directorate | | distribution of economic | | oversight of LG |
| | Social Protection- | of Social | | assistance and | | disbursement |
| | Ndhime Ekonomike | Services | MoLSAEO; | disability | MoLSAEO | of NE |
| | | | | Local | | SSS for |
| | | MoLSAEO- | | Government - distribution of | | oversight of LG |
| | Social Protection- | Directorate | | economic | | disbursement |
| | benefits for disabled | of Social | | assistance and | | of disability |
| | and families | Services | MoLSAEO; | disability MoLSAEO- in | MoLSAEO | benefits |
| | | | | the process of | | |
| | | | | being | | |
| Improve | Social Protection- | | | decentralised to | | |
| access to | social care institutions | MoLSAEO | MoLSAEO; | Local Government | MoLSAEO | SSS |
| services | IIISUUUUUIS | IVIULSAEU | IVIULSAEU, | MoH (incl. | IVIULOALU | 333 |
| | | | | Regional Health | | |
| | Health | MoH | MoH, HII | Authorities) | MoH | MoH |
| | | | MPWTT- Directorate of | Local | | |
| | | MPWTT- | Housing and | Local Government | | MPWTT- |
| | | Directorate | Local | and National | MPWTT- Directorate | Directorate of |
| | Housing | of Housing | Government | Housing Agency | of Housing | Housing |

| Social | | Policy | | | Deller | |
|---|--|--|---|---|--|---|
| Inclusion Area | Strategy | develop- ment | Funder | Provider | Policy evaluation | Monitoring |
| | Water provision | MPWTT- General Directorate for Water and Sanitation | MPWTT and Local Government (in process of decentralisation to Local Government) | Local Government (able to contract for private provision). Regulation on tariffs and disconnection the responsbility of the Water Regulatory Agency | ?Supervisory Council for Water and Sanitation represented by Central Government and Local Government | MPWTT till decentralised to Local Government |
| | Wastewater and sewerage | MPWTT | MPWTT and Local Government(in process of decentralisation to Local Government) | Local Government | Ministry of Environment | MPWTT till decentralised to Local Government Water quality- |
| | Water resources and quality | MPWTT | MPWTT | MPWTT in consultation with Local Government | MPWTT | State Sanitary Inspectorate of Ministry of Health |
| | Transport | MPWTT | MPWTT for National Roads and LG for rural roads | General Roads Directorate (? Agency of part of MPWTT) for National Roads and LG for rural roads | MPWTT for National Roads and LG for rural roads | MPWTT for National Roads and LG for rural roads |
| | Telecommunications Legal Assistance | MPWTT MJ | MPWTT MJ | Albtelecom (joint stock holder- Ministry of Economy) MJ | MPWTT, Telecommunications regulatory agency | MPWTT, |
| Areas of Special Attention including vulnerable Groups | Social Protection-child action plan | MLSA | Participating ministries | Participating ministries | Molsaeo | MLSA |
| | Social Protection- disabilities action plan | MLSA | Participating ministries | Participating ministries | MLSAEO- EEO Unit | MLSA- EEO Unit with input from Association of People with Disabilities |
| | Social Protection- elderly | MoLSAEO | | D # : :: | | 1,11,01,5 |
| | Social Protection- Roma action plan Social Protection- | MoLSAEO | Participating ministries | Participating ministries | MoLSAEO | MLSA- Roma secretariat MLSA- EEO |
| | gender action plan Social Protection- | MoLSAEO | Participating ministries | Participating ministries | MoLSA- EEO Unit | Unit |
| | domestic violence action plan | MoLSAEO | Participating ministries | Participating ministries | MoLSA- EEO Unit | MLSA- EEO Unit |

Appendix 3: Special Initiatives

Overall

Initiatives are being undertaken by government in partnership with donor agencies to reduce social exclusion. This chapter identifies important initiatives currently underway. While donor projects in partnership with NGOs are not included it is acknowledged that these are also an important component of reducing the risk of social exclusion in Albania.

Donor coordination in Albania is currently going through a rapid transition phase from a donor-led approach to country-owned coordination. Donor agencies in line with are aligning their efforts with the sector priorities identified through the integrated planning system. The European Commission, UNDP, OSCE and the World Bank are coordinating the process by the donor community in-country, supported by a number of bilateral donors and international organisations. Projects being undertaken by donors across sectors are listed on this website: http://www.aidharmonisation.org.al/

Increasing Participation by Women in the Labour Market

| Donor | Project | Brief description | Type of finance | Currency | Committed | Scheduled Start Date | Scheduled Completion Date |
|---------|---------|---|-----------------|----------|-----------|-------------------------|------------------------------|
| Curadan | | Increasing the efficiency of the National Employment Service and promoting gender | | | | | |
| Sweden | | awareness for female employment issues | | | | | |

Formalising the Labour Market

| Donor | Project | Brief description | Type of finance | Currency | Committed | Scheduled Start Date | Scheduled Completion Date |
|-------|---------|-------------------|-----------------|----------|-----------|-------------------------|------------------------------|
| | | | | | | | |

Tackling Disadvantages in Education and Training-Increasing Secondary School Enrolment

| Donor | Project | Brief description | Type of finance | Currency | Committed | Scheduled Start Date | Scheduled Completion Date |
|--|---|--|-----------------|----------|-----------|-------------------------|------------------------------|
| World Bank with Council of Europe Bank and EIB | Albania Education Excellence and Equity Programme | Improved quality of learning conditions of all students, and increased enrolment in general secondary education especially the poor. | Loan | US\$ | | | |
| ? | Education for All/ Fast Track Initiative | | | | | | |
| OSCE | Minority Education | Equal access to education to all members of minority groups. | Grant | EUR | 3,850 | planned | |

Modernising Social Assistance

| Donor | Project | Brief description | Type of finance | Currency | Committed | Scheduled Start Date | Scheduled Completion Date |
|---------------------|--|-------------------------------|-----------------|----------|-----------|-------------------------|------------------------------|
| World Bank and DFID | Social Service Delivery Programme (SSDP) | See under Social Care (below) | | | | | |

Benefiting Municipalities- and the Poor

| Donor | Project | Brief description | Type of finance | Currency | Committed | Scheduled Start Date | Scheduled Completion Date |
|---|--|---|-----------------|----------|-----------|-------------------------|---------------------------------|
| World Bank | Land Management and Urban Development Project | To promote sustainable economic growth through development of efficient land and property markets, strengthening the capacity and resource basis of municipalities, and improvement of urban infrastructure and productivity. | | | | | |
| World Bank | Strengthening Urban Communities in informal settlements | Part of the grant is currently implemented in Kamza Municipality sites for the construction of a children's green area and a kindergarten/community center. The four cities supported are 1)Lezha, 2)Durres, 3)Fier and 4)Saranda. | Grant | MUSD | 0.2 | | |
| World Bank and Italian government | Community Works Project 2 | Implemented by Allbanian Development Fund (ADF) and participating municipalities. The objective is to alleviate bottlenecks hindering development (including infrastructure and services) through processes of participatory local development as a result of a) improving access to quality social and economic infrastructure and social services through sustainable micro-projects b) promoting institutional development at the local level. | Loan | MUSD | 13.1 | 2004 | 2008 |
| UNDP | Kukes Regional Development Initiative | Rehabilitation and/or reconstruction of small community public infrastructure works encompassing health, education, communication and rural/agricultural activities in Kukes Region | Grant | MUSD | 0.299 | 2005 | 2007 |
| Austria | Community development, community based neighborhood planning and upgrading | Contribute to the social development and upgrading of low-income neighborhoods, through community development work and community based improvement actions. | Grant | MEUR | 0.45 | 2004 | 2007 |

Access to Services- Social Care

| Donor | Project | Brief description | Type of finance | Currency | Committed | Scheduled Start Date | Scheduled Completion Date |
|------------|---|---|-----------------|----------|-----------|-------------------------|------------------------------|
| DFID | Social Service Delivery Programme (SSDP) | The objective is to improve standards of living of poor and vulnerable population groups in Albania by: (i) increasing their access to well targeted and effective social care services; and (ii) assisting the Government to develop, monitor and evaluate more effective social policy; and (iii) improving capacity for planning, managing and delivering social care services with increased involvement of local governments, communities and civil society. | Grant | £ | 2,500,000 | 2004 | 2007 |
| World Bank | SSDP | Ditto | Loan | MUSD | 10.0 | 2002 | 2008 |
| World Bank | SSDP | Ditto | Grant | MEUR | 3.03 | 2004 | 2008 |
| OSCE | Protection of Orphans | Improving legislation concerning orphans. Improving conditions in orphanages. | Grant | EUR | | planned | |

Access to Services- Health

| Donor | Project | Brief description | Type of finance | Currency | Committed | Scheduled Start Date | Scheduled Completion Date |
|---------------|---|---|-----------------|----------|-----------|-------------------------|------------------------------|
| World Bank | Albania Health Sector Modernisation Project | To improve both physical and financial access to and the actual use of high quality primary care services, with an emphasis on those in poor and under-serviced areas as well as to diminish the unnecessary use of secondary and tertiary care facilities. To increase the effectiveness of the MoH and HII in formulating and implementing reforms in provider payments and health system performance. To improve governance and management in the hospital sector. | | | | 2006 | 2009 |
| KfW | Family Planning | Improvement of maternal health, and family planning | Grant | MEUR | 1 | 2006 | 2008 |
| Italy | Rehabilitation & Equipments for 5 polyclinics | | Loan | MEUR | 5.1 | .2005 | ? |
| Sweden | Mental Health Reform | The project will support for the development and stabilisation of a network of mental health services under the MoH via national and regional workshops | Grant | MSEK | 6.8 | 2004 | 2006 |
| Sweden | Reform of Mental Health Services in Albania | Creation of a National Mental Health Plan with decentralisation of community health services and establishment of protected apartments for care. Have a pilot with Tirana Regional Health Authority. | Grant | MEUR | 1.20 | 2004 | 2006 |
| France | Improving health care for mine/UXO Victims in Northeast Albania | To improve emergency and ongoing healthcare of mine/UXO victims in Northeast Albania, at both the village and the regional level through provision of trainings to nurses and doctors, and provision of modern medical equipment and supplies. | Grant | US | 63,000 | 2006 | 2006 |
| UNOPS and WHO | Albania | пполоси сушртнети ана эпрриез. | Grant | 03 | 00,000 | 2000 | 2000 |

Access to Services- Housing

| Donor | Project | Brief description | Type of finance | Currency | Committed | Scheduled Start Date | Scheduled Completion Date |
|-------|---------|-------------------|-----------------|----------|-----------|-------------------------|------------------------------|
| | | | | | | | |

Access to Services- Legal Assistance

| Donor | Project | Brief description | Type of finance | Currency | Committed | Scheduled Start Date | Scheduled Completion Date |
|-------|-----------------------------------|--|-----------------|----------|-----------|-------------------------|------------------------------|
| OSCE | Fair Trial Activities | Increase transparency in court practices and to raise trial standards. Increase the respect for human rights/procedural rights during pre-trial detention and trial. | Grant | EUR | 19,897 | planned | |
| OSCE | Fair Trial Development Project | The aim of the three-year Fair Trial Development Project is, through an analysis of the legal framework and how trials are <i>de facto</i> conducted, to increase transparency, as well as to raise trial standards and the respect for human rights within the Albanian justice system. | Grant | EUR | | planned | |

Access to Services- Water, Sanitation, Roads- Rural Areas

| Donor | Project | Brief description | Type of finance | Currency | Committed | Scheduled Start Date | Scheduled Completion Date |
|------------|--|--|-----------------|----------|-----------|-------------------------|---------------------------------|
| KfW | Social Investment Fund | Investment in social infrastructure (water, education, health) in mainly rural areas | Loan | MEUR | 2.3 | 2004 | 2006 |
| KfW | TA Social Investment Fund III | TA for the investment in social infrastructure (water, education, health) in mainly rural areas | Grant | MEUR | 0.26 | 2004 | 2006 |
| CARDS 2001 | Local community development programme | Rehabilitation of local infrastructure works projects,i,e,roads, water, sewage | Grant | MEUR | 10.0 | 2003 | 2006 |
| CARDS 2002 | Local Community Development technical assistance | Rehabilitation of local infrastructure works projects | Grant | MEUR | 7.40 | 2003 | 2007 |
| CARDS 2003 | Local Community Development works | Rehabilitation of local infrastructure works projects,i,e,roads, water, sewage | Grant | MEUR | 1.00 | Planned | |
| CARDS 2003 | Local Community Development Works | (KRDI money given to UNDP) | Grant | MEUR | 2.5 | 2005 | 2007 |
| CARDS 2004 | Local Community Development Programme | Rehabilitation of local infrastructure works projects,i,e,roads, water, sewage | Grant | MEUR | 7.50 | Planned | |
| World Bank | Road maintenance | The project consists of two components: (i) Maintenance of National and Rural Roads; and (ii) Traffic Safety, each comprising works, goods, and technical assistance sub-components. | Loan | MUSD | 30.0 | 2002 | 2007 |

Access to Services- Specific Water and Sanitation Projects

| | | | | | 1 | |
|---|---|---|---|---|--|---|
| Project | Brief description | Type of finance | Currency | Committed | Scheduled Start Date | Scheduled Completion Date |
| Sewerage Kavaja | Construction of a new sewerage treatment plant and sewer network in the city of Kavaja | Grant | MEUR | 5.48 | 2002 | 2006 |
| Accompanying Measures Sewerage Kavaja | Construction of a new sewerage treatment plant and sewer network in the city of Kavaja | Grant | MEUR | 0.15 | 2004 | 2006 |
| Water Supply and Sewerage Elbasan | Rehabilitation of main and secondary networks of water supply and sewerage in the city of Elbasan | Loan | MEUR | 5.8 | 2002 | 2030 |
| Environmental Protection Lake Ohrid/Pogradec | Rehabilitation of main and secondary networks of water supply and sewerage in the city of Pogradec | Grant | MEUR | 1.19 | 2001 | 2008 |
| Accompanying M. Env. Protection Lake Ohrid | Rehabilitation of main and secondary networks of water supply and sewerage in the city of Pogradec | Grant | MEUR | .77 | 2002 | 2006 |
| Water Supply Pogradec (Ohrid lake) | Rehabilitation of main and secondary networks of water supply in the city of Pogradec | Loan | MEUR | 0 | 2001 | 2007 |
| Sewerage Pogradec | Construction of sewerage treatment plant & sewer network | Grant | MEUR | 1.29 | 2001 | 2008 |
| Water Supply Berat, Kucova, Lushnja | Rehabilitation of main and secondary networks of water supply. | Loan | MEUR | 1.03 | 2005 | 2009 |
| Water Supply Kruja II | Rehabilitation of main and secondary networks of water supply in the city of Kruja | Grant | MEUR | 0.2 | 2004 | 2006 |
| Sewerage Kavaja II | Construction of a new sewerage treatment plant and sewerage network in the city of Kavaja | Grant | MEUR | .01 | 2005 | 2007 |
| Sewerage Korca III | Construction of a new sewerage treatment plant and sewer network in the city of Korca | Grant | MEUR | 0 | 2004 | 2008 |
| Environmental Protection Lake Shkodra | Rehabilitation of sewerage system in the city of Shkodra | Grant | MEUR | | planned | |
| Water Supply Program | Rehabilitation of rural water supply systems | Loan | MEUR | 0 | planned | |
| | Sewerage Kavaja Accompanying Measures Sewerage Kavaja Water Supply and Sewerage Elbasan Environmental Protection Lake Ohrid/Pogradec Accompanying M. Env. Protection Lake Ohrid Water Supply Pogradec (Ohrid lake) Sewerage Pogradec Water Supply Berat, Kucova, Lushnja Water Supply Kruja II Sewerage Kavaja II Sewerage Korca III Environmental Protection Lake Shkodra | Sewerage Kavaja Accompanying Measures Sewerage Kavaja Accompanying Measures Sewerage Kavaja Water Supply and Sewerage Environmental Protection Lake Ohrid/Pogradec Water Supply Pogradec (Ohrid lake) Water Supply Berat, Kucova, Lushnja Water Supply Berat, Kucova, Lushnja Water Supply Kruja II Sewerage Kavaja II Construction of a new sewerage treatment plant and sewerage in the city of Kavaja Rehabilitation of main and secondary networks of water supply and sewerage in the city of Pogradec Rehabilitation of main and secondary networks of water supply and sewerage in the city of Pogradec Rehabilitation of main and secondary networks of water supply and sewerage in the city of Pogradec Construction of main and secondary networks of water supply in the city of Pogradec Construction of sewerage treatment plant & sewer network Water Supply Berat, Kucova, Lushnja Construction of main and secondary networks of water supply. Rehabilitation of main and secondary networks of water supply in the city of Kruja Construction of a new sewerage treatment plant and sewerage network in the city of Kavaja Construction of a new sewerage treatment plant and sewerage network in the city of Kavaja Construction of a new sewerage treatment plant and sewerage network in the city of Kavaja Construction of a new sewerage treatment plant and sewerage network in the city of Korca Environmental Protection Lake Shkodra Rehabilitation of sewerage system in the city of Shkodra | Project Brief description finance Sewerage Kavaja Construction of a new sewerage treatment plant and sewer network in the city of Kavaja Grant Accompanying Measures Sewerage Kavaja Construction of a new sewerage treatment plant and sewer network in the city of Kavaja Grant Water Supply and Sewerage Elbasan Rehabilitation of main and secondary networks of water supply and sewerage in the city of Elbasan Loan Rehabilitation of main and secondary networks of water supply and sewerage in the city of Pogradec Rehabilitation of main and secondary networks of water supply and sewerage in the city of Pogradec Rehabilitation of main and secondary networks of water supply and sewerage in the city of Pogradec Rehabilitation of main and secondary networks of water supply and sewerage in the city of Pogradec (Ohrid lake) Rehabilitation of main and secondary networks of water supply in the city of Pogradec Construction of sewerage treatment plant & sewer network Water Supply Berat, Kucova, Lushnja Rehabilitation of main and secondary networks of water supply. Rehabilitation of main and secondary networks of water supply in the city of Kruja Grant Construction of a new sewerage treatment plant & Grant Sewerage Kavaja II Construction of a new sewerage treatment plant and sewerage network in the city of Korca Environmental Protection Rehabilitation of sewerage system in the city of Korca Environmental Protection Rehabilitation of sewerage system in the city of Shkodra Rehabilitation of sewerage system in the city of Shkodra Grant | Sewerage Kavaja Construction of a new sewerage treatment plant and sewer network in the city of Kavaja Grant MEUR | Project Brief description finance Currency Committed Construction of a new sewerage treatment plant and sewer network in the city of Kavaja Grant MEUR 5.48 Accompanying Measures Sewerage Kavaja Construction of a new sewerage treatment plant and sewer network in the city of Kavaja Grant MEUR 0.15 Water Supply and Sewerage Elbasan Environmental Protection Lake Ohrid/Pogradec Pogradec (Ohrid lake) Rehabilitation of main and secondary networks of water supply and sewerage in the city of Elbasan Environmental Protection Lake Ohrid Pogradec Pogradec (Ohrid lake) Rehabilitation of main and secondary networks of water supply and sewerage in the city of Pogradec (Ohrid lake) Rehabilitation of main and secondary networks of water supply and sewerage in the city of Pogradec (Ohrid lake) Rehabilitation of main and secondary networks of water supply and sewerage in the city of Pogradec (Ohrid lake) Rehabilitation of main and secondary networks of water supply and sewerage in the city of Pogradec (Ohrid lake) Rehabilitation of main and secondary networks of water supply in the city of Pogradec Loan MEUR 0 Sewerage Pogradec Sewer network of water supply in the city of Pogradec Loan MEUR 1.29 Water Supply Berat, Kucova, Lushnja Rehabilitation of main and secondary networks of water supply. Rehabilitation of main and secondary networks of water supply in the city of Kora Grant MEUR 0.2 Construction of a new sewerage treatment plant & Grant MEUR 0.2 Sewerage Kavaja II Construction of a new sewerage treatment plant and severage network in the city of Kora Grant MEUR 0.1 Sewerage Korca III Postection Rehabilitation of sewerage system in the city of Korca Grant MEUR 0 Environmental Protection Rehabilitation of sewerage system in the city of Korca Grant MEUR 0 | Project Brief description Finance Currency Committed Start Date |

| Donor | Project | Brief description | Type of finance | Currency | Committed | Scheduled Start Date | Scheduled Completion Date |
|-------------|--|---|-----------------|----------|-----------|-------------------------|---------------------------------|
| KfW | Water Supply Program TA | Technical assistance for rehabilitation of rural water supply systems | Grant | MEUR | 0 | planned | |
| KfW | Accompanying Measures Sewerage Pogradec | Various capacity building measures for project sponsor in Pogradec | Grant | MEUR | 0.90 | 2003 | 2006 |
| Austria | Water supply Shkodra | Substantial improvement of the water supply and management system of the city of Shkodra (Istitutional Strengthening) | Grant | MEUR | 0.045 | 2004 | 2007 |
| Austria | Water supply 4 villages (Barbullush, Muriqan, Bushat, Ranxa) | Investment into the water supply system | Grant | MEUR | 0.09 | 2004 | 2006 |
| Austria | Water supply Koplik | Improvement of Water supply system in Koplik-feasibility study and investments | Grant | MEUR | 0 | | |
| EIB | Municipal Water and Wastewater | | Loan | MEUR | 0 | 2003 | |
| IDB | Rural infrastructure project | | Loan | MACU | 4.9 | 2000 | |
| IDB | Water supply & Sewerage F.Kruje - Peshkopi | | Loan | MACU | 0.8 | 2003 | |
| Italy | Further rehabilitation intervention of water system in Tirana | | Loan | MEUR | 8.5 | | |
| Luxembourg | TA to Water Supply & Sanitary Services Strategy | | Grant | MEUR | | 2006 | 2008 |
| OPEC | Water supply rehabilitation | | Loan | MUSD | 2.3 | 2002 | |
| Switzerland | Pogradec Water Supply Project | The overall project is contributing to the regional improvement of the water quality in the ecologically unique Lake Ohrid. | Grant | CHF | | 2001 | 2007 |
| World Bank | Municipal Water and Wastewater | The project includes the following components: (a) Management Contract; (b) Investment Fund; and (c) TA for project implementation and sector reform. | Loan | MUSD | 6.84 | 2003 | 2009 |

Access to Services-Telecommunications

| Donor | Project | Brief description | Type of finance | Currency | Committed | Scheduled Start Date | Scheduled Completion Date |
|-------|---------|-------------------|-----------------|----------|-----------|-------------------------|---------------------------------|
| | | | | | | | |

Vulnerable Groups- Children at Risk

| Donor | Project | Brief description | Type of finance | Currency | Committed | Scheduled Start Date | Scheduled Completion Date |
|------------|--|---|-----------------|----------|-----------|-------------------------|---------------------------------|
| UNFPA | Family Planning Programme | | | | | | |
| UNICEF | Programme for the Management of Child Illnesses | | | | | | |
| UNICEF | Extended Vaccination Programme | | | | | | |
| CARDS 2004 | Establishment of Judicial Systems in Juvenile and Commercial Matters: Detention Centre for minors (renovation and construction) | Construction or renovation of a detention center for children in conflict with the law in accordance with European Union standards and international human/children rights instruments. | Grant | MEUR | 0.75 | planned | |
| ILO/IPEC | Child Labour Monitoring Systems (CLMS) in Albania | The program tragetstargets the establishment of the institutional framework for pilot CLMS at the national, district and local level, capacity building, pilot testing, and documentation, validation and proposal for replicating the CLM model. | Grant | USD | 61,855 | 2005 | 2007 |
| OSCE | Juvenile Justice | Facilitating the implementation of the National Strategy for Children; developing a comprehensive juvenile justice system. | Grant | EUR | | planned | |
| Spain | Reinsertion of children at risk in their own schools in the municipalities of Vlora, Fier, Berat, Elbasan, Durres and Shkoder (Budget 203) | Together with Albanian Red Cross, the Spanish Red Cross has identified municipalities where groups of children at risk needs an extra support. | Grant | MEUR | | 2006 | 2007 |

| Donor | Project | Brief description | Type of finance | Currency | Committed | Scheduled Start Date | Scheduled Completion Date |
|------------|-----------------------------|--|-----------------|----------|-----------|-------------------------|---------------------------------|
| World Bank | Early Childhood development | Provision of community-based centers for mothers and young children in the Northeast of Albania. Addresses multiple needs: the needs of deprived young children for care and education; mothers and families for information on ECD issues; socially and culturally sensitive issues of domestic and community violence; gender issues as the isolation of women; and institutional issues | | | | | |

Vulnerable Groups- Roma

| Donor | Project | Brief description | Type of finance | Currency | Committed | Scheduled Start Date | Scheduled Completion Date |
|-------------|---|--|-----------------|----------|-----------|-------------------------|---------------------------------|
| Switzerland | Classes for Alternated Education and Vocational Training (CEFA) (PHASEIV) | The children at risk, especially from Roma and Egyptian community are educated and have completed the vocational training in order to contribute to their self-integration into the society. | Grant | CHF | 920,000 | 2005 | 2006 |
| OSCE | Implementation of Roma Strategy | To make an assessment survey of the needs of Roma population and the implementation of the Roma Strategy. | Grant | EUR | 3,000 | planned | |
| UNDP | Minority Rights Capacity Building and Advocacy | UNDP Albania is embarking on a programme to improve the overall economic and social conditions of disadvantaged minorities, particularly Roma and Egyptian persons living in poverty. | Grant | MUSD | 0.030 | 2005 | 2006 |

Vulnerable Groups- People with Disabilities

| Donor | Project | Brief description | Type of finance | Currency | Committed | Scheduled Start Date | Scheduled Completion Date |
|-------------|--|---|-----------------|----------|-----------|-------------------------|------------------------------|
| Switzerland | Construction of a Daily Center for Handicapped Persons in Berat (LIRA) | To assist in the field of human and institutional development in order to improve the living conditions of mentally and physicaly handicapped persons by building a new daily centre. | Grant | CHF | 520,000 | 2004 | 2006 |
| Switzerland | Unit for Special Pedagogy at the University of Vlora (PHASE II) | Improving the quality of life of the handicaped persons, thus facilitating their integration into the society. | Grant | CHF | 1,500,000 | 2004 | 2006 |
| OSCE | Reinforce the National Strategy on People with Disabilities | Support the implementation of the National Strategy on People with Disabilities by establishing a monitoring structure. | Grant | EUR | 6,000 | planned | |

Vulnerable Groups- Older People

| Donor | Project | Brief description | Type of finance | Currency | Committed | Scheduled Start Date | Scheduled Completion Date |
|-------|---------|-------------------|-----------------|----------|-----------|-------------------------|------------------------------|
| | | | | | | | |

Areas of Special Attention- Gender Equality

| Donor | Project | Brief description | Type of finance | Currency | Committed | Scheduled Start Date | Scheduled Completion Date |
|--------|--|--|-----------------|----------|-----------|-------------------------|---------------------------------|
| Norway | Gender Mainstreaming II | Building capacity of the Gender Institute at the University of Tirana. Providing outreach to local schools and regional universities. Strengthening capacities of the MoE. Further gender mainstreaming for the overall programme of the Training Institute of the Public Administration | Grant | US | 227,000 | 2006 | 2007 |
| OSCE | Support to national mechanisms for gender equality | Assist the National Gender Machinery in establishing an efficient structure and effective work procedures to implement the Gender Equality Law. | Grant | EUR | 7,000 | planned | |
| Sweden | Women in Leadership | To improve women participation in policy making and leadership through training, media support and advocacy with political parties | Grant | MEUR | 0.20 | | |

Areas of Special Attention- Reducing Domestic Violence

| Donor | Project | Brief description | Type of finance | Currency | Committed | Scheduled Start Date | Scheduled Completion Date |
|--------|--|---|-----------------|----------|-----------|-------------------------|---------------------------------|
| Canada | Strengthening local structures and actions to effectively respond to the violence against the children | The Project aims to prevent child abuse and domestic violence in Shkodra through increasing the capacity of local governmental structures and local police officers. (total 6 communes in Shkodra Municipality and the Municipality of Koplik – northern west part of Albania). | Grant | CDN | | 2006 | 2006 |
| OSCE | "No!" to domestic violence: Women Counseling Center Kukes | Counselling service to maltreated women. Awareness raising about the societal problem of violence against women. | Grant | EUR | | 2004 | 2006 |

Appendix 4: National Strategies and Consultation

The government has a wide range of strategies and action plans formulated in the past five years many of which have been widely consulted within government and with civil society and with donor agencies. This includes the recent National Action Plan for Children, the National Action Plan for Disabilities, the National Action Plan for Roma and the Social Services Strategy. The Employment, Vocational Training (to be included in Employment and Basic Education), Housing, ICT and Health strategies are undergoing revisions. New action plans for gender equality and domestic violence are currently in the process of being developed and both are being extensively consulted.

The Social Inclusion Strategy is a synthesis of current sector strategies or where the strategy is being developed, of current government policy. The inputs describe the current situation of the poor and socially excluded using recent survey and administrative data and explain the current policy by government aimed at improving the situation. The inputs into this draft social inclusion strategy were checked for accuracy by each responsible line ministry and the advisory group. The next stage of the process will include further consultation with the advisory group and with donor agencies.

| Sector Strategy | Social Inclusion Area | Current Strategy/Action plan | Consultation/ Participation Process occurred | |
|-----------------------------|---|--|---|--|
| Employment (pending) | Labour Market Participation | Strategy on Employment | | |
| Employment (pending) | - Labour Market Participation, - Tackling Disadvantages in Education and Training | Strategy on Vocational Training (under revision) | Needs Assessment for vocational training | |
| Education | Tackling Disadvantages in Education and Training | National Education Strategy 2004-2015 | Widespread with government, NGOs, donors and clients | |
| Social Protection (pending) | Modernising Social Protection Systems | Social Services Strategy 2005-2010 | Vulnerability and Institutional Needs Capacity Assessment (2000) | |
| Social Protection (pending) | Providing access to care | Social Services Strategy 2005-2010 | Vulnerability and Institutional Needs Capacity Assessment (2000) | |
| Social Protection (pending) | Alleviate Child Poverty | National Child Strategy of Albania and National Action Plan 2005 | Yes | |
| | | National Report and Strategy Plan on Child Labour | | |
| Social Protection (pending) | Reducing gender inequality | National Action Plan on Gender | Currently underway | |

| Sector Strategy | Social Inclusion Area | Current Strategy/Action plan | Consultation/ Participation Process occurred |
|-----------------------------|--|--|--|
| Social Protection (pending) | Reducing domestic violence | National Action Plan on Domestic Violence | Currently underway |
| Social Protection (pending) | IVulnerable groups Roma | National Strategy to Improve the Living Conditions of Roma Minority in Albania (2005) | Yes |
| Social Protection (pending) | Vulnerable groups- People with disabilities | National Strategy on People with Disabilities 2004-2014 | Yes |
| Social Protection (pending) | Vulnerable groups Older people | Social Services Strategy | Yes |
| | | Toward a Healthy Country with Healthy People: Public Health and Health Promotion Strategy 2002-2010 (revision 2007) | Yes |
| Health (pending) | Access to Services- Health | -The Long Term Strategy for the Development of the Albanian Health System -Toward a Healthy Country with Healthy People: Public Health and Health Promotion Strategy 2002-2010 (revision 2007) -Mental Health Policy (2003) and Action Plan (2005) | Yes |
| Justice pending | Access to Legal Assistance | | |
| Water | Access to Services – Water | Albanian Water Supply and Sanitation Sector Strategy 2003 | |
| Transport | Access to Services- Transport | National Master Plan on Transport 2006 | |
| ICT (pending) | Access to Services- Telecommunications | National Information and Communications Technology Strategy (2003) | |

| Sector Strategy | Social Inclusion Area | Current Strategy/Action plan | Consultation/ Participation Process occurred |
|--------------------------|-------------------------------|---|--|
| Urban Planning (pending) | Ensuring decent accommodation | National Housing Strategy 2001 (under revision) | |

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