



2006 Survey on Monitoring The Paris Declaration

Country Chapters

ALBANIA

The 2006 Survey on Monitoring the Paris Declaration was undertaken in 34 countries that receive aid. The results of the survey are presented in two volumes. **Volume 1** provides an overview of key findings across 34 countries. **Volume 2** presents the baseline and key findings in each of the 34 countries that have taken part in the survey. This chapter is based primarily on the data and findings communicated by government and donors to the OECD through the Paris Declaration monitoring process. A more detailed description of this process, how this chapter was drafted and what sources were used is included in Volume 1, Chapter 2.

Both Volume 1 (Overview) and Volume 2 (Country Chapters) of the 2006 Survey on Monitoring the Paris Declaration can be downloaded at the OECD website:

www.oecd.org/dac/effectiveness/monitoring

A second round of monitoring will be organised in the first quarter of 2008 and will be an important contribution to the Accra High-Level Forum on Aid Effectiveness in September 2008.

2 ALBANIA

WITH A POPULATION OF 3.2 MILLION, Albania has seen its average annual income rise from USD 1 390 in 2002 to USD 2 080 in 2004 (gross national income per capita). According to the latest survey, conducted in 2002, less than 2% of the population lived below the dollar-a-day international poverty line, with 12% falling below the two-dollars-a-day threshold. In 2004, net official development assistance (ODA) to Albania was USD 362 million, up from USD 309 million in 2002. As a percentage of gross national income (GNI), net ODA in 2004 amounted to 4.7%, down from 6.7% in 2002.

Albania has endorsed the Paris Declaration on Aid Effectiveness. Thirty donors have responded to the 2006 survey; together, they account for at least 93% of ODA. Such a high response rate reflects the efforts that have been made to ensure that all donors in Albania understand the importance of the Paris Declaration.

DIMENSIONS	BASELINE	CHALLENGES	PRIORITY ACTIONS
Ownership	Moderate	Limited integration of various strategies and plans.	Complete and implement the National Strategy for Development and Integration.
Alignment	Low	Uncoordinated systems for recording aid.	Government to implement reforms to public financial management and procurement systems.
Harmonisation	Low	Limited use of programme-based approaches.	Donors to co-ordinate missions and share analysis.
Managing for results	Low	Data is of insufficient quality, and untimely.	Establish country-level monitoring and evaluation system for National Strategy for Development and Integration.
Mutual accountability	Low	Lack of mechanism for mutual assessment.	Finalise Harmonization Action Plan and ensure it includes a monitoring system.

OVERVIEW
Box 1. 1
Challenges
and priority
actions

OWNERSHIP

OWNERSHIP IS CRUCIAL TO AID EFFECTIVENESS and good development results, and is central to the Paris Declaration. It has been defined in terms of a country's ability to exercise effective leadership over its development policies and strategies. Achieving this is not a simple undertaking, especially in countries that rely heavily on aid to finance their development. Nor of course, can it be measured by a single indicator. Indicator 1 provides an entry point to the issue of ownership, focusing in particular on whether a country has an operational development strategy, with which donors can align their development assistance.

INDICATOR 1

Albania received – along with 58% of the sampled countries – a C rating for its development strategies in the World Bank’s 2005 Comprehensive Development Framework assessment. This assessment is made on the basis of a range of criteria: whether the country has a long-term vision, with medium-term strategy derived from that vision; whether there are country-specific development targets with holistic, balanced and well-sequenced strategy; and whether there are the capacity and resources for implementation.

The World Bank’s Aid Effectiveness Review for 2006 explains that the long-term vision for Albania is to be a member of the European Union (EU) and NATO. In June 2006, Albania signed a Stabilization and Association Agreement with the EU, completing the first step towards EU accession. The country’s medium-term strategy is set out in the National Strategy for Socio-Economic Development (Albania’s Poverty Reduction Strategy).

Albania is pursuing medium-term policies consistent with its vision of EU accession, but most of these policies are not integrated with the National Strategy for Socio-Economic Development. Efforts are being made to integrate Albania’s economic, political, social and developmental goals through a process referred to as the Integrated Planning System. This will cumulate in a revised national strategy, the National Strategy for Development and Integration (NSDI), that will span the years 2007-13.

The National Strategy for Socio-Economic Development incorporates the Millennium Development Goals (MDGs), and aims to solidify the link between the strategy’s targets and the MDGs. The country is now reinforcing the relationship between the National Strategy for Socio-Economic Development (and its successor) and the Stabilization and Association process.

An annually updated Medium-Term Budgetary Process connects plans and budgets. However, the co-existence of various plans and strategies has in recent years generated duplication and weakened the link between plans and resource allocation processes. Once the various plans and strategies are integrated, it will be easier for the government to prioritise and make decisions about resource allocation. Already, the 2006 budget reflects processes that are better integrated with the country’s plans and strategies.

In its Aid Effectiveness Review for 2006, the World Bank reports that Albania’s government has made a solid effort to take the lead in co-ordinating external assistance. To this end, it recently established the Department of Strategy and Donor Coordination (DSDC, located within the Council of Ministers).

The DSDC was designed to:

- Co-ordinate the implementation of the Integrated Planning System (IPS), that ensures that the government’s priorities (including the requirements for EU and NATO integration) are fully reflected in the core government policy and financial planning processes.
- Co-ordinate the formulation and monitoring of the National Strategy for Development and Integration in which the government’s priorities will be articulated. The National Strategy is based on a new strategic planning methodology that calls upon all ministries to develop their respective sector strategies and a limited number of cross-cutting strategies.
- Ensure that external assistance effectively supports implementation of the government’s priorities.

Since its creation in January 2006, the DSDC has:

- Ensured that the work of two new committees of the Cabinet office, the Strategic Planning Committee (under the Prime Minister) and the Government Modernization Committee (under the Deputy Prime Minister), is fully supported.
- Prepared instructions and standards for the sector and cross-cutting strategies that underpin the National Strategy, provided extensive comments to the first drafts, put on track the consultation process with domestic stakeholders and the donor community, and prepared the first draft of the National Strategy.
- Designed the donor co-ordination functions in order to take over the responsibility from other government agencies and offer the first port of call for donor partners. In addition, it is responsible for organising the major co-ordination activities such as the donor-government roundtable and the IPS support group (policy-level advisory board). During 2007, the DSDC plans to develop an external assistance strategy tied to the National Strategy for Development and Integration.

To co-ordinate the technical assistance it receives and to streamline the support line ministries receive on the core government policy and financial planning processes, the DSDC has been a key player in the preparation of the Integrated Planning System Trust Fund, which will pool donor community contributions.

Civil society has been invited to the drafting table for sector and cross-cutting strategies that feed the NSDI. Parliamentary engagement in the formulation and implementation of development strategies has been patchy, although the government has sought to improve matters.

Overall, the picture of ownership in Albania is reasonably positive. The new National Strategy for Development and Integration provides grounds for cautious optimism that a B rating – the target for Indicator 1 of the Paris Declaration – is attainable by 2010.

ALIGNMENT

FOR AID TO BE EFFECTIVE, it must be aligned with national development strategies and plans. Indicators 2 to 8 of the Paris Declaration seek to assess the degree of alignment attained, looking at a number of dimensions of alignment. Alignment of aid in Albania remains relatively weak, as donors do not consider the country's public financial management (PFM) and particularly procurement systems to be of sufficient quality, and there is no co-ordination in recording and reporting on aid.

BUILDING RELIABLE COUNTRY SYSTEMS

Albania, currently an International Development Association (IDA) country, received a score of 4.0 (on a scale of 1 to 6) under the World Bank's Country Policy and Institutional Assessment for 2005 for the quality of its public financial management systems. This puts the country some way above the average of 3.2 for all IDA countries.

Albania became eligible for World Bank lending in 2006. At the same time, the country is still eligible for IDA borrowing. Albania is expected to fully graduate from IDA to World Bank only in 2008. Until then, the country will receive a blend of both IDA and World Bank resources.

The World Bank's Aid Effectiveness Review for 2006 notes that aligning country systems with EU standards – a goal that must be reached before the long-term vision of EU membership is attained – is a challenge. The government has an ambitious reform agenda, aiming to strengthen revenue administration, debt management, tax administration and audit functions, as well as tackle civil-service reform. Meeting the 2010 target of a CPIA score of 4.5 will require that such reforms are implemented with determination and urgency. Reforms are also being undertaken to increase transparency in public procurement, with, for instance, the amendment of the Law on Public Procurement in 2004. However, considerable problems with procurement remain.

Albania was placed 126th out of 158 countries in Transparency International's 2005 Corruption Perceptions index. The new government, formed in September 2005, is committed to tackling corruption.

INDICATOR 3
Table 2.1

Are government budget estimates comprehensive and realistic?

	Government's budget estimates of aid flows for FY05 (USD m) a	Aid disbursed by donors for government sector in FY05 (USD m) b	Baseline ratio* c=a/b (%) c=b/a
Austria	--	3	
Canada	--	1	
CEB	--	8	
Council of Europe	--	0	
Czech Republic	--	0	
Denmark	--	0	
EBRD	--	19	
European Commission	--	56	
EIB	--	10	
France	--	0	
Germany	--	13	
Greece	--	16	
Hungary	--	0	
IFAD	--	3	
IMF	--	0	
Islamic Dev. Bank	--	10	
Italy	--	21	
Japan	--	15	
Korea	--	0	
Kuwait	--	1	
Netherlands	--	2	
Norway	--	6	
OPEC Fund	--	1	
OSCE	--	3	
Spain	--	2	
Sweden	--	5	
Switzerland	--	5	
United Kingdom	--	3	
United Nations	--	5	
United States	--	0	
World Bank	--	63	
Total	85	269	32%

* Baseline ratio is $c = a / b$ except where government's budget estimates are greater than disbursements ($c = b / a$).

ALIGNING AID FLOWS ON NATIONAL PRIORITIES

Indicator 3 seeks to assess the degree to which aid flows are aligned with national priorities, using the proportion of aid recorded in the budget as a proxy. The baseline survey for Albania shows 32% of aid being recorded in the national budget. This is a considerable way off the 2010 target of 85%.

The table provides government's budget estimates of aid flows for fiscal year 2005 (numerator) as a percentage of aid disbursed by donors for the government sector for the same period (denominator). This ratio tells us the degree to which there is a discrepancy between budget estimates and actual disbursements. The discrepancy can be in two directions: indeed budget estimates can be either higher or lower than disbursements. In order to have a single measure of discrepancy that is always less than 100%, the ratio is flipped when budget estimates are higher than disbursements.

The gap between aid and aid recorded on the budget results from the fact that the country has lacked a co-ordinated system for reporting aid. Donors have tended to deal with particular line ministries, and their contributions have not in the past been centrally recorded. The government is streamlining mechanisms for reporting aid to central ministries so that

it can be reflected in the national budget. The establishment of the Department for Strategy and Donor Coordination, the implementation of the Integrated Planning System, and the setting up of a new Department of Public Investment Management, along with related initiatives, are expected to shore up the process. It is equally important that donors appreciate the importance of reporting aid to the Ministry of Finance, rather than just to the particular ministry or government agency.

CO-ORDINATING SUPPORT TO STRENGTHEN CAPACITY

Under the Paris Declaration, donors pledge to provide a greater proportion of their technical assistance in a manner which is co-ordinated with country programmes. For Albania, the baseline survey reports that 28% of technical assistance is co-ordinated with country programmes.

If the 2010 target of 50% is to be reached, government and donors will have to make a concerted effort. The government will need to set out its capacity development needs more clearly, and donors will need to provide technical assistance in a manner which supports these needs. Some progress is being made under the Integrated Planning System, as donors provide more joint support and the government identifies more clearly the country's technical assistance needs. The implementation of a Multi-Donor Trust Fund to support the implementation of the IPS, managed by the World Bank, should also improve the nature of technical assistance.

How much technical assistance is co-ordinated with country programmes?

INDICATOR 4
Table 2.2

	Co-ordinated technical co-operation (USD m) a	Total technical co-operation (USD m) b	Baseline ratio (%) c=a/b
Austria	0	1	38%
Canada	0	1	1%
CEB	--	--	--
Council of Europe	0	0	36%
Czech Republic	0	0	0%
Denmark	0	0	--
EBRD	0	0	0%
European Commission	6	32	20%
EIB	--	--	--
France	--	0	--
Germany	0	6	2%
Greece	1	3	31%
Hungary	0	0	--
IFAD	--	--	--
IMF	0	0	--
Isl.Dev Bank	--	--	--
Italy	2	9	18%
Japan	--	--	--
Korea	--	--	--
Kuwait	--	--	--
Netherlands	1	1	70%
Norway	0	0	0%
OPEC Fund	--	--	--
OSCE	3	3	100%
Spain	0	2	0%
Sweden	5	9	64%
Switzerland	4	8	51%
United Kingdom	3	3	89%
United Nations	2	6	26%
United States	0	46	0%
World Bank	17	25	67%
Total	44	156	28%

INDICATOR 5
Table 2.3

How much aid for the government sectors uses country systems?

	Aid disbursed by donors for government sector (USD m) a	Public financial management				Procurement	
		Budget execution (USD m) b	Financial reporting (USD m) c	Auditing (USD m) d	Baseline ratio (%) avg (b,c,d) / a	Procurement systems (USD m) e	Baseline ratio (%) e / a
Austria	3	0	0	0	0%	0	0%
Canada	1	0	0	0	0%	0	0%
CEB	8	--	--	--	--	--	--
Council of Europe	0	0	0	0	0%	0	0%
Czech Republic	0	0	0	0	0%	0	100%
Denmark	0	0	0	0	--	0	--
EBRD	19	0	0	0	0%	0	0%
European Commission	56	4	4	4	7%	4	7%
EIB	10	--	--	--	--	--	--
France	0	--	--	--	--	--	--
Germany	13	0	0	9	23%	1	10%
Greece	16	4	4	4	25%	4	25%
Hungary	0	0	0	0	--	0	--
IFAD	3	--	--	--	--	--	--
IMF	0	0	0	0	--	0	--
Islamic Dev. Bank	10	--	--	--	--	--	--
Italy	21	0	0	0	0%	0	0%
Japan	15	--	--	--	--	--	--
Korea	0	--	--	--	--	--	--
Kuwait	1	--	--	--	--	--	--
Netherlands	2	0	0	0	0%	0	0%
Norway	6	0	0	0	0%	0	0%
OPEC Fund	1	--	--	--	--	--	--
OSCE	3	0	0	0	0%	0	0%
Spain	2	0	0	0	0%	0	0%
Sweden	5	0	0	0	0%	0	0%
Switzerland	5	0	5	5	67%	5	100%
United Kingdom	3	0	0	0	0%	0	0%
United Nations	5	1	0	0	4%	1	19%
United States	0	0	0	0	--	0	--
World Bank	63	39	27	5	37%	0	0%
Total	269	47	39	26	14%	15	6%

USING COUNTRY SYSTEMS

The Paris Declaration encourages donors to make increasing use of country systems for public financial management and procurement where these are of sufficient quality to merit their use.

Despite the fact that Albania received a rating of 4.0 for its PFM systems, the baseline survey reports that, averaged across all three components, 14 % of aid makes use of the country's PFM systems. For procurement, only 6% of aid does so.

With a rating of 4.0 for its PFM systems, the 2010 target is that 43% of aid makes use of Albania's PFM systems, averaged across the three components. Given the current state of play, this target is ambitious.

Progress will require, first and foremost, the implementation of the government's planned reforms to its PFM systems. Only then can other donors make more extensive use of the country's systems. The same logic applies to use of procurement systems: this will not happen until the systems themselves are made more reliable.

AVOIDING PARALLEL IMPLEMENTATION STRUCTURES

The Paris Declaration calls for a substantial reduction in the number of project implementation units (PIUs) that are parallel in the sense that appointment decisions and accounting relationships involve the donor alone. In Albania, donors have established a total of 57 parallel PIUs. The 2010 target (a two-thirds reduction in the number of parallel PIUs) is to reduce the number to 18 or less.

Some donors, particularly the World Bank, have begun to phase out parallel PIUs. Others have expressed an interest in moving in this direction, but have not yet launched the process. An interim measure being considered is to establish one PIU for each implementing ministry or government agency. Such a move is to be strongly encouraged.

How many PIUs are parallel to country structures?

	Parallel PIUs (units)
Austria	1
Canada	0
CEB	--
Council of Europe	0
Czech Republic	0
Denmark	0
EBRD	0
European Commission	11
EIB	--
France	--
Germany	17
Greece	0
Hungary	0
IFAD	--
IMF	0
Islamic Dev. Bank	--
Italy	5
Japan	--
Korea	--
Kuwait	--
Netherlands	2
Norway	1
OPEC Fund	--
OSCE	3
Spain	0
Sweden	0
Switzerland	0
United Kingdom	1
United Nations	6
United States	0
World Bank	10
Total	57

INDICATOR 6
Table 2.4

INDICATOR 7
Table 2.5

Are disbursements on schedule and recorded by government?

	Disbursements recorded by government in FY05 (USD m) a	Aid scheduled by donors for disbursement in FY05 (USD m) b	Aid actually disbursed by donors in FY05 (USD m) FOR REFERENCE ONLY	Baseline ratio* (%) c=a/b c=b/a
Austria	0	3	3	0%
Canada	--	1	1	
CEB	6	8	8	73%
Council of Europe	0	0	0	0%
Czech Republic	0	0	0	0%
Denmark	0	0	0	
EBRD	7	20	19	36%
European Commission	24	66	56	37%
EIB	10	10	10	100%
France	0	0	0	0%
Germany	8	13	13	64%
Greece	0	0	16	
Hungary	0	0	0	
IFAD	3	3	3	94%
IMF	0	0	0	
Islamic Dev. Bank	8	10	10	79%
Italy	3	0	21	0%
Japan	1	15	15	6%
Korea	--	0	0	
Kuwait	1	1	1	96%
Netherlands	0	2	2	11%
Norway	0	0	6	
OPEC Fund	0	1	1	20%
OSCE	0	4	3	0%
Spain	0	0	2	
Sweden	0	5	5	0%
Switzerland	0	5	5	0%
United Kingdom	0	3	3	0%
United Nations	--	4	5	
United States	0	0	0	
World Bank	37	48	63	77%
Total	108	222	269	49%

* Baseline ratio is $c = a / b$ except where disbursements recorded by government are greater than aid scheduled for disbursement ($c = b / a$).

PROVIDING MORE PREDICTABLE AID

Recipient countries are better able to plan and make effective use of aid when aid is provided in a predictable manner. Indicator 7 seeks to assess the in-year predictability of aid, measuring the proportion of planned disbursements (as reported by donors), that are recorded by government in the national accounting system as having been disbursed.

The table looks at predictability from two different angles. The first angle is donors' and government's combined ability to disburse aid on schedule. In Albania, donors scheduled USD 222 million for disbursement in 2005 and actually disbursed – according to their own records – slightly more than expected (USD 269 million). The discrepancy varies considerably among donors and is mainly due to late disbursements carried over to 2005 and to delays in implementing programmes. The second angle is donors' and government's ability to record comprehensively disbursements made by donors for the government sector. In Albania, government systems recorded USD 108 million out of the USD 269 million notified as disbursed by donors (40%), indicating that a significant proportion of disbursements were not captured, either because they were not appropriately notified by donors or because they were inaccurately recorded by government.

Indicator 7 on predictability has been designed to encourage progress against both of these angles so as to gradually close the predictability gap by half by 2010. In other words, it seeks to improve not only the predictability of actual disbursements but also the accuracy of how they are recorded in government systems – an important feature of ownership, accountability and transparency. In Albania, this combined predictability gap amounts to USD 99 million (49% of aid scheduled for disbursement). Closing this predictability gap will require donors and government to work increasingly together on various fronts at the same time. They might work at improving:

- the realism of predictions on volume and timing of expected disbursements;
- the way donors notify their disbursements to government;
- the comprehensiveness of government's records of disbursements made by donors.

UNTYING AID

According to OECD data covering 44% of 2004 commitments, 59% of aid to Albania is untied. This leaves considerable room for the progress on aid untying to which donors are committed under the Paris Declaration.

INDICATOR 8

HARMONISATION

DONOR FRAGMENTATION imposes transaction costs on recipient countries. Indicators 9 and 10 of the baseline survey measure various elements of harmonisation. In Albania, there is substantial room for progress. Donors need to make more use of programme-based approaches, and – with government leadership – do more to co-ordinate their missions and share their country analysis.

INDICATOR 9
Table 2.6

How much aid is programme based?

	Budget support (USD m) a	Other PBAs (USD m) b	Total (USD m) c=a+b	Total disbursed (USD m) d	Baseline ratio (%) e=c/d
Austria	0	0	0	3	0%
Canada	0	0	0	1	0%
CEB	--	--	--	8	--
Council of Europe	0	0	0	0	0%
Czech Republic	0	0	0	0	0%
Denmark	0	0	0	0	--
EBRD	0	0	0	54	0%
European Commission	4	0	4	56	7%
EIB	0	0	0	10	0%
France	0	0	0	0	0%
Germany	0	0	0	13	0%
Greece	0	0	0	3	0%
Hungary	0	0	0	0	--
IFAD	0	0	0	3	0%
IMF	0	0	0	0	--
Islamic Dev. Bank	0	0	0	10	0%
Italy	0	0	0	14	0%
Japan	0	0	0	15	0%
Korea	0	0	0	0	0%
Kuwait	0	0	0	1	0%
Netherlands	0	0	0	8	0%
Norway	0	0	0	--	--
OPEC Fund	--	--	--	1	--
OSCE	0	0	0	3	0%
Spain	0	0	0	4	0%
Sweden	0	1	1	9	10%
Switzerland	0	3	3	10	31%
United Kingdom	0	0	0	3	0%
United Nations	0	2	2	7	26%
United States	0	0	0	46	0%
World Bank	0	8	8	63	12%
Total	4	13	17	343	5%

USING COMMON ARRANGEMENTS

Delivering aid through programme-based approaches (PBAs) can reduce the transaction costs associated with aid. Yet in Albania, only 5% of aid is programme based.

PBAs are a relatively new concept for Albania, with only a few donors, led by the multilaterals, making use of them. Commendably, donors are beginning to take up PBAs (for example, supporting the sector-wide approach for education). If the 2010 target of 66% is to be reached, then the use of PBAs will need to branch out to other sectors such as transport, health, decentralisation and public administration reform.

CONDUCTING JOINT MISSIONS AND SHARING ANALYSIS

A total of 257 donor missions were hosted by Albania in the survey period, with only 23 of these missions being co-ordinated. The increasing use of sector-wide approaches (SWAs) should make joint missions more popular. The establishment of an External Assistance Calendar, tracking the main events for each donor, should also help to deliver progress towards the 2010 target of 40% co-ordinated missions.

Almost one-quarter of country analysis was shared, with the UN conducting a large number of its analyses jointly. Donors are cautiously conducting more joint analysis, with the Public Expenditure and Institutional Review (a joint effort between the government, the World Bank and DFID) providing a recent example. However, the 2010 target of 66% will be a stretch.

How many donor missions are co-ordinated?

	Co-ordinated donor missions (missions) a	Total donor missions (missions) b	Baseline ratio (%) c=a/b
Austria	1	4	25%
Canada	0	3	0%
CEB	--	--	--
Council of Europe	0	0	--
Czech Republic	0	2	0%
Denmark	0	0	--
EBRD	10	40	25%
European Commission	0	3	0%
EIB	--	--	--
France	--	--	--
Germany	0	14	0%
Greece	0	7	0%
Hungary	0	0	--
IFAD	--	--	--
IMF	--	--	--
Islamic Dev. Bank	--	--	--
Italy	0	30	0%
Japan	--	--	--
Korea	--	--	--
Kuwait	--	--	--
Netherlands	0	2	0%
Norway	2	13	15%
OPEC Fund	--	--	--
OSCE	4	7	57%
Spain	0	0	--
Sweden	3	13	23%
Switzerland	0	0	--
United Kingdom	1	12	8%
United Nations	10	80	13%
United States	0	5	0%
World Bank	5	22	23%
Total (discounted*)	23	257	9%

* The total of co-ordinated missions has been adjusted to avoid double counting. A discount factor of 35% has been applied.

INDICATOR 10a
Table 2.7

INDICATOR 10b
Table 2.8

How much country analysis is co-ordinated?

	Co-ordinated donor analytical work * (units) a	Total donor analytical work (units) b	Baseline ratio (%) $c=a/b$
Austria	0	0	--
Canada	1	1	100%
CEB	--	--	--
Council of Europe	0	0	--
Czech Republic	0	1	0%
Denmark	0	0	--
EBRD	0	1	0%
European Commission	0	0	--
EIB	--	--	--
France	0	0	--
Germany	0	4	0%
Greece	1	3	33%
Hungary	0	0	--
IFAD	--	--	--
IMF	--	--	--
Islamic Dev. Bank	--	--	--
Italy	2	3	67%
Japan	--	--	--
Korea	--	--	--
Kuwait	--	--	--
Netherlands	0	1	0%
Norway	0	0	--
OPEC Fund	--	--	--
OSCE	2	2	100%
Spain	0	0	--
Sweden	0	2	0%
Switzerland	0	0	--
United Kingdom	0	0	--
United Nations	15	39	38%
United States	0	8	0%
World Bank	1	9	11%
Total (discounted*)	17	74	22%

* The total of co-ordinated analysis has been adjusted to avoid double counting. A discount factor of 25% has been applied.

MANAGING FOR RESULTS

THE PARIS DECLARATION calls for partner countries and donors to work together to manage resources on the basis of desired results and use information to improve decision making. This means both strengthening the capacity to undertake such management and helping to increase the demand for a focus on results. Indicator 11 focuses on one component of this effort: the establishment of a cost-effective results-oriented reporting and assessment system by the country.

Along with 54% of the countries assessed as part of the World Bank's 2005 review of the Comprehensive Development Framework, Albania received a rating of D for its reporting and assessment system. The rating is based on three criteria: the quality of development information; the degree to which stakeholders have access to it; and the extent to which there is a co-ordinated monitoring and evaluation of the country's development efforts.

The World Bank's Aid Effectiveness Review for 2006 for Albania sees institutional co-ordination, data collection and quality as "important challenges". The Institute of Statistics is building its capacity and improving the quality of its data, but efforts to co-ordinate with line ministries are in their infancy. Public awareness of the government's strategies is reported to be low, as the government has made limited efforts to disseminate development information. In terms of country-level monitoring and evaluation, steps are

being taken to address identified weaknesses. For example, all line ministries now include monitoring and evaluation units, and the government is designing a system to monitor and evaluate the implementation of the National Strategy for Development and Integration. External assistance reporting (EAMIS) is assumed to be one of the sub-components of this larger system.

For Albania, reaching the 2010 target of a B for “managing for results” seems ambitious. The government and donors will have to make considerable strides in the quality of information, stakeholder access to information, and monitoring and evaluation, if the target is to be reached

MUTUAL ACCOUNTABILITY

THE PARIS DECLARATION calls for donors and partner countries to be accountable to each other for the use of development resources, and in a way that tends to strengthen public support for national policies and development assistance. This in turn requires governments to take steps to improve country accountability systems and donors to help by being transparent about their own contributions. This indicator looks at whether there is a country-level mechanism permitting joint assessment of progress in implementing agreed commitments on aid effectiveness, including those in the Declaration itself.

No such mechanism currently exists in Albania. Encouragingly, though, Albania is working with donors to finalise a Harmonization Action Plan that covers both government and donor commitments and actions. This should provide a starting point for mutual assessment and mutual accountability.

BASELINES AND TARGETS

THE TABLE BELOW presents the 2005 baselines and the targets for Albania. The baseline values are taken from the discussion above, which draws on various sources of information. The main source is the baseline survey undertaken in Albania under the aegis of the National Co-ordinators (Albana Vokshi and Mezir Haldeda).

INDICATORS	2005 BASELINE	2010 TARGET
1 Ownership – Operational PRS	C	B or A
2a Quality of PFM systems	4.0	4.5
2b Quality procurement systems	Not available	Not applicable
3 Aid reported on budget	32%	85%
4 Co-ordinated capacity development	28%	50%
5a Use of country PFM systems (aid flows)	14%	43%
5b Use of country procurement systems (aid flows)	6%	Not applicable
6 Parallel PIUs	57	19
7 In-year predictability	49%	74%
8 Untied aid	59%	More than 59%
9 Use of programme-based approaches	5%	66%
10a Co-ordinated missions	9%	40%
10b Co-ordinated country analytical work	22%	66%
11 Sound performance assessment framework	D	B or A
12 Reviews of mutual accountability	No	Yes

Table 2.9
Baselines
and targets

ACRONYMS

DSDC	Department of Strategy and Donor Coordination
EU	European Union
GNI	gross national income
IDA	International Development Association
IPS	Integrated Planning System
MDG	Millennium Development Goal
NSDI	National Strategy for Development and Integration
ODA	official development assistance
PBA	programme-based approach
PFM	public financial management
PIU	project implementation unit
SWAp	sector-wide approach