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COUNCIL OF MINISTERS**

**NATIONAL STRATEGY
FOR
SOCIO - ECONOMIC
DEVELOPMENT**

(EXECUTIVE SUMMARY)

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NATIONAL STRATEGY FOR SOCIO-ECONOMIC DEVELOPMENT

Medium-term Program of the Albanian Government
“Growth and Poverty Reduction Strategy”.
(GPRS 2002-2004)
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The Medium-term Program “Growth and Poverty Reduction Strategy” (GPRS 2002 – 2004) is the first step taken by the Albanian Government in supporting the country’s development perspective with a strategic, long-term vision. The draft was prepared under the guidance of the Prime Minister, through an intensive process of collaboration between the governmental institutions and civil society and with the support of international partners.

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PRIME MINISTER

ILIR META

List of abbreviations

ABBREVIATION	FULL NAME
2KR	Agricultural Production Growth Project
AAATA	Asistance for Albanian Associations of Trade and Agro-Business
AAC	Albanian Agro-Business Council
ADF	Albanian Development Fund
AMC	Albanian Mobile Communication
ANEP	Agricultural National Extension Project
ASP	Agricultural Services Project
BA	Bank of Albania
CM	Council of Ministers
CSC	Civil Service Committee
DFI	Direct foreign investments
DFID	Department for International Development
DoPA	Departamenti i Administratës Publike
EBRD	European Bank for Reconstruction and Development
ERP	Economic Reform Program
ESAF 1	Enhanced Structural Adjustment Facility 1
ESAF 2	Enhanced Structural Adjustment Facility 2
EU	European Union
FYROM	The Former Yugoslav Republic of Macedonia
GAISS	General Administration of Assistance and Social Services
GDP	Gross Domestic Product
GFPD	General Forest and Pasture Department
GPRS	Growth and Poverty Reduction Strategy
GTZ	German Technical Cooperation
HC	Health Center
HII	Health Insurance Institute
IDA	International Development Agency
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation

IFDC	International Fertilizers Development Center
IMF	International Monetary Fund
INSIG	Insurance Institute
INSTAT	Institute of Statistics
IPRSP	Interim Poverty Reduction Strategy Paper
IPRS	Immovable Property Registration System
IT	Information Tecnology
LM	Line Ministries
LSMS	Living Standard Measurement Survey
MADA	Mountain Area Development Agency
MAF	Ministry of Agriculture and Food
MAFF	Mountain Area Financing Fund
ME	Ministry of Environment
MECT	Ministry of Economic Cooperation and Trade
MES	Ministry of Education and Science
MEU	Monitoring and Evaluation Unit
MF	Ministry of Finance
MICS	Multiple Indicators Cluster Survey
MLGD	Ministry of Local Government and Decentralization
MLSA	Ministry of Labor and Social Affairs
MPEP	Ministry of Public Economy and Privatization
MTEF	Medium-Term Expenditure Framework
NACSG	National Advisory Civil Society Group
NCCUDR	National Center of Children Upbringing, Development and Rehabilitation
NFRE	Non-farm Rural Ecomony
NGO	Non-Government Organizations
NPRC	National Property Restitution Commission
PATI	Public Administration Training Institute
PHI	Public Health Institute
RFF	Rural Finance Fund
RTGS	Real Time Gross Settlement

SAA	Stabilization Association Agreement
SIDA	Swedish International Development Agency
SME	Small and Medium Enterprise
SST	Sexually Transmitted Diseases
TAU	Tirana Agricultural University
TRHA	Tirana Regional Health Authority
TS	Technical Secretariat
TUHC	Tirana University Hospital Center
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
UPI	Urban Planning Institute
USA	United States of America
USD	United States Dollar (1 USD = 145 Lek)
VAT	Value Added Tax
VRI	Veterinary Research Institute
WB	World Bank
WHO	World Health Organization
WTO	World Trade Organization

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1 EXECUTIVE SUMMARY

1.1 GENERAL CHARACTERISTICS OF GPRS

1. In recent years Albania had made significant progress in all fields. Public order and security have been strengthened and institutional reform has made strides ahead. Macroeconomic stability has been achieved while maintaining relatively high growth rates. Structural reforms have been further deepened and tangible improvements have been made in the area of infrastructure. Albania has become a more open economy and its regional and European integration have become attainable prospects. Albania has taken these steps with the support of the international partners.

2. Despite these achievements, Albania continues to have a relatively weak economy, characterized by fragile internal and external macroeconomic balances. Income per capita continues to be among the lowest in Europe. Poverty is relatively high, and economic inequality has been steadily growing. Poverty is most prevalent in the rural areas, especially the remote regions of the country. Education indicators have worsened, such as enrollment in primary education and, especially, in secondary education. Health care has deteriorated, especially in rural and remote areas of the country. Infant and maternal mortality rates and disease incidence remain very high. Health care has deteriorated, especially in rural and remote areas of the country.

3. The Growth and Poverty Reduction Strategy (GPRS) addresses acute problems encountered in the course of development, with a particular focus on poverty. It also reflects the special importance attached by the government and other stakeholders to the need to tackle these problems.

4. The principles underlying the preparation and implementation of the Strategy are: (i) harmonization with the country's long-term objectives for development and European integration, (ii) prioritization of policy actions, (iii) the Strategy's dynamic character, (iv) "Albanian" ownership of the Strategy and cooperation with the partners involved in the development of the country.

5. Being a medium-term development strategy, the GPRS focuses on poverty reduction through sustainable and inclusive economic growth. Being a basic factor for the development and modernization of the economy, as well as for Albania's preparation for European integration, growth is a fundamental objective of the Strategy. However, the need to address the most acute problems as well as time and financial constraints necessitate the prioritization of the Strategy's objectives and its corresponding public measures. GPRS's main objectives are:

- i) GDP growth of 22-25 percent during the entire three-year 2002-2004 period;
- ii) Reduction of the number of people living in poverty with the aim of alleviating poverty, in particular, for worst-affected social groups and areas;
- iii) Tangible improvement of infrastructure and related services, such as supply of potable water, electric power, sewage, etc., increasing the access of the poor to these services.
- iv) Reduction of infant and maternal mortality rates and disease incidence.

v) Increase of the level of 8-year (elementary) and secondary education enrollment and average schooling period.

6. *The priority sectors* of public actions are:

- i) Health and education
- ii) Infrastructure
- iii) Improvement of governance
- iv) Economic growth
- v) Social support
- vi) Macroeconomic stability.

Priority fields, which require special attention: Health, education, and infrastructure;

Strategy pillars: Improvement of governance and growth;

Conditions for implementation of Strategy: Social support and macroeconomic stability.

7. The GPRS is more than a rigid framework of objectives, priority sectors and measures, but rather an instrument to achieve a higher level of development, which encourages an active participation of all stakeholders in its implementation. The Government and the other stakeholders will take measures to ensure the continuous monitoring of the strategy's implementation. The government will also update the objectives and priority public measures annually, on basis of the results of the monitoring and in cooperation with the stakeholder groups.

8. Prepared with the aim to address the problems of poverty and development in Albania, the GPRS is an Albanian strategy. The GPRS is the outcome of the coordinating efforts of the central government, the local government, the civil society, the private sector, the representatives of the poverty-affected groups etc. The implementation of the Strategy will require the same cooperation. The Albanian ownership of the Strategy is reinforced by its "financial cost" on the state budget. The financial effect of the Strategy has been forecast in the Medium-Term Expenditure Framework (MTEF). The GPRS is also connected and harmonized with the sector development strategies, such as the strategies of education, health, decentralization etc. While being an Albanian strategy, the GPRS is also a product of a close cooperation with the international partners involved in the development of the country. While emphasis is being put on the mobilization of the internal resources and their effective and efficient use, the implementation of the strategy will also require considerable technical and financial support from international partners.

1.2 PARTICIPATORY PROCESS

9. The preparation of the strategy is the institutional responsibility of:

- *The Steering Committee* (composed of some of the members of the Inter Ministerial Economic Policy Committee, one representative each of the donor community and of civil society and chaired by the Prime Minister), which has identified the vision and the objectives of the Strategy and its basic relations with other development programs of the government.
- *The Interministerial GPRS Working Group*, set up by the Steering Committee, is composed of the deputy ministers and one department director from the Ministries of Finance, Health, Education, Labor and Social Affairs, Agriculture, Economic

Cooperation and Trade, Local Government and Decentralization, Transport, and Public Works and Tourism. The Group, which has been chaired by the Minister of Finances, has coordinated and guided the operational activity for the preparation of the Strategy.

- *The Sector Technical Groups*, some of them with a mixed membership from relevant Ministries and the civil society, have contributed to the identification of the sector strategic objectives and indicators and relevant public measures.

10. These structures have carried out a voluminous work consisting in the collection of data, analyses of the effects of past policies and measures, analyses and identification of the objectives, selection of priority measures and evaluation of their financial effects, definition of the responsibilities of relevant institutions and the coordination of their activities. The preparation of the GPRS has been both a challenge and a new experience.

11. The participation of civil society in the preparation of the Strategy has been achieved through the activity of the National Civil Society Advisory Group (NCSAG) composed of representatives of different civil society organizations and groups, and representatives of the private sector, local government and other sections of the society. NCSAG has helped to include civil society experts in the sector technical groups and to draw opinions and suggestions from civil society grassroots (by organizing regional and local meetings), providing the framework for their valuable contribution to the continuous improvement of GPRS drafts.

12. A number of consultations have taken place with *local government representatives*, aimed to reinforce the GPRS with data, suggestions, and adequate solutions regarding poverty and its reduction, local development opportunities and institutional commitments from specific local and regional angles. The consultations with the local government have also helped to identify the links between the GPRS and the ongoing decentralization process.

13. A number of consultations have also taken place with *the business community*. They have helped to draw the opinions of this community about business barriers in Albania and ways to overcome them. The business community has been especially consulted about private sector development policies, fiscal policies, and labor market policies. Adequate instruments for involvement of the business community in social support policies have also been discussed.

14. The GPRS preparation has been strongly supported by the international partners involved in the country's development. They have offered advice and suggestions at different stages of this process. Different activities related to the Strategy's preparation process, the participatory process, and the consultations with the stakeholder groups etc. have taken place with the financial support of the donors.

1.3 PROFILE AND CAUSES OF POVERTY

15. Despite its massive incidence in the previous system, poverty was officially recognized only after 1991. Poverty in Albania is a *multidimensional phenomenon*: (1) the low or very low level of the poor has been expanded *to include* (2) higher incidence of disease and lack of appropriate medical services, (3) illiteracy or low level of schooling, (4) high level of risk exposure and (5) low voice in government

decision making institutions. According to surveys and official statistics¹, (i) measured in relative terms, 29.6 percent of the Albanians are poor, while half of them live in the category of extreme poverty; in absolute terms, 46.6 percent of the Albanians are below the poverty line of \$2 per capita a day, while 17.4 percent are below the poverty of \$1 per capita a day; (ii) one in three families experiences problems with low quality housing; (iii) there are serious problems with potable water supply, sewage, and roads (especially secondary urban and rural roads), (iv) the infant and under-5 mortality rates are relatively high compared to the countries of the region, maternal mortality is also high; (v) almost one in seven children under 5 (14 percent) is malnourished, (vi) illiteracy has increased (only 88 percent of the population aged under 15 is able to write and read), and (vii) in addition to lack of incomes, 75 percent of the poor families experience acute social problems.

16. Poverty is more widespread in big families, with many children, and with aged people. Poverty is inversely related to the educational level: more than one third of the poor have only primary education and one fifth of them have only elementary education. The burden of poverty is on women. Poverty is more widespread in the country's *remote and rural areas*: four out of five poor people live in the countryside. Poverty indicators in rural areas, compared to those in urban areas, are nearly twice higher for every educational level, with the exception of the higher education, in the case of which poverty levels are equal. According to the LCS more than half of the families, in which the household head is unemployed, are poor. The chances to be poor are about six times higher for employed people living in the rural areas (32.6%) compared with employed people living in the urban areas (5.3%). The pensioners account for about 20% of the poor. The probability of the pensioners in the rural areas, including the disabled people who receive pensions, to live in poverty is twice as high as that of pensioners living in the urban areas

17. The inequality in the nationwide distribution of incomes is high. The Gini coefficient (according to LCS) was 0.43 for 1998. Inequality in the distribution of income has deepened continuously. According to APNSHS Poverty Survey conducted in 1996, the value of Gini coefficient was 0.276². Compared to some Central and Eastern European countries, income distribution is more unequal in Albania. The value of Gini coefficient for Bulgaria (1996) was 0.291, for Czech Republic (1997) 0.259, for FYROM (1997) 0.259, for Hungary (1998) 0.348, for Poland (1997) 0.3, for Russian Federation (1996) 0.483 and for Romania (1997) 0.422.

18. Being a multidimensional phenomenon, *poverty is an outcome of many factors*. The roots of current poverty in Albania lie deep in the past system, but they have also been nourished by developments accompanying the transition to market economy. The transition reforms, especially the price liberalization, privatization, and the economic restructuring processes, despite their positive transformation effects, have also led, especially at the outset, to the deterioration of some living standard indicators for certain groups of the population and certain areas of the country. On the other hand, the opening of the country to world trade and culture has led to an explosive increase of the needs of the people, who used “to be happy with little” in

¹ 1998 Living Conditions Survey (LCS) conducted by INSTAT; MICS 2000 Survey conducted by INSTAT with UNICEF support; 2001 Qualitative Assessment of Poverty in Albania conducted in 10 districts with World Bank support.

² The 1996 survey covered all of Albania, with the exception of Tirana.

the past. The urge to fulfill multiplied needs led to a multiplication of economic activities, and, ultimately, to increased well-being. But to many other people, who have limited opportunities, the increase of needs has been translated into increased poverty.

19. It should be noted, however, that the considerable negative effects of the economic reforms on the living standard of the people were not natural outcomes of reforms, but were, rather, due to the distorted implementation of economic reforms, the incoherencies, delays, contradictions and lack of clear programs. During the last 10 years the Albanian economy has been subject to several internal and external shocks. Lack of political stability in the first years of transition had its economic cost in the serious damage caused to the production capacities and infrastructure in both urban and rural areas. Living standards deteriorated and poverty assumed critical proportions. The stabilization process, the economic recovery and the progress in the reforms initiated in 1993 and 1994 soon came again to an abrupt halt. The flourishing of the pyramid schemes, especially during 1996, and the political unrest, the economic paralysis and the social upheavals following their collapse in 1997 dealt another blow at the living standards of the people. There were also political unrests in 1998. Meanwhile, the instability and the regional wars during the entire period have had their significant negative effects on the Albanian economy, too. In addition to their direct effects, the insecurity prevailing in the region has been especially tangible in the low level of foreign investment inflows into Albania.

20. *The rural areas* inherited a most profound backwardness from the past. The dissolution of the agricultural enterprises at the outset of the transition was accompanied with damages and destruction of agricultural machinery, damages to livestock and fruit-growing sector, the irrigation and drainage systems and many other assets. The agriculture was paralyzed and the arable land remained barren for almost a year. The privatization of the agricultural land opened the way to the relatively rapid recovery of agriculture (which for some time was the driving force behind the country's economic recovery), which took place along broadly extensive lines. However, the limited size of the agricultural farms (1.3 ha on average) made it difficult or impossible for many peasant families, especially those in the remote areas and those with low quality land, to make a living. In addition to the low mechanization level, agriculture suffers from a bad infrastructure, irrigation difficulties, and, especially, lack of market access. The level of the mobilization of other economic resources, in addition to land and livestock, is also low. The temporary massive emigration of young and adult men has made life very hard for the other family members, especially women, who have to plough the land, look after livestock, and keep the family. Another way-out has been the migration of the families to the urban areas, often with the help of money made in emigration. The damage to the infrastructure and the depletion of the population has led to the deterioration of the health services, water supply etc. in these areas. The worst affected category in the rural areas are members of the third generation, because of the very low level of pensions for the former members of the agricultural cooperatives.

21. The economic opening up of Albania and its market experience showed that Albania's pre-transition centralized economy was characterized by a significant allocation inefficiency. The closure of the industrial enterprises and the paralysis of the economic life in the first years of the transition were accompanied with massive

unemployment in *urban areas*. The economic restructuring processes have mitigated the problem to a certain extent, but the country still suffers from a high level of chronic unemployment. The unemployment is especially high among the young people and women. The problem is especially grave in some industrial centers of the country, where past economic activity was entirely concentrated in one or a few industrial enterprises, which are now closed down. Massive chronic unemployment is a source of poverty. The poor inherited infrastructure, damaged during the first years of the transition, has created serious difficulties for urban living, water supply, sewage etc. The health and educational services, burdened by massive population displacement, are also suffering from serious problems in many urban centers.

22. The government considers continued transition reforms a condition for achieving sustainable economic progress. However, in order to tackle directly the problems of poverty, the government's attention has focused on (i) restoration and maintenance of macroeconomic stability, perceived, above all, as price stability (which contributes directly to the protection of the living standard, especially of the poor groups of the population) and on (ii) the implementation of adequate policies for distribution and redistribution of incomes, which has mitigating effects on poverty. Attention has also been attached to (iii) promotion of economic growth and (iv) development of sectors contributing directly to the living standards such as health, education, infrastructure etc.

23. The Albanian transition, though assessed as difficult, has been characterized by important achievements in the main areas of economic reforms. The economy has been liberalized and opened up to a relatively high level. The privatization of small and medium-sized enterprises has ended and the privatization of large enterprises and public services is continuing at a relatively rapid pace. The foundations for a self-operational market have been laid and the business environment has been improved. The relatively high growth rates are rooted in the country's macroeconomic stability. The cooperation with countries in the region has intensified and the ground is being prepared for regional integration through establishment of bilateral and multilateral free trade areas. These achievements are a sound basis for the implementation of the GPRS. On the other hand, obstacles to the implementation of the Strategy include (i) still significant institutional weaknesses, especially reflected in the planning and implementation capacities of the public administration, (ii) weaknesses and vulnerabilities of the economy in general and (iii) risks related to regional security.

1.4 PRIORITY PUBLIC FIELDS AND MEASURES

24. Taking into account the multidimensional character of poverty, its high level, especially in certain areas and groups of the population, the achievements and failures in the transition reforms so far and the effects of direct poverty reduction policies implemented during the past decade, the Albanian government thinks that it is necessary to show special attention and commitment to the reduction of poverty. The reduction of poverty implies (i) the increase of opportunities for the poor, (ii) the increase of their participation and the strengthening of their voice in the governing institutions and (iii) enhanced security for the poor. In order to increase *opportunities* for the poor, the government will focus on stimulating inclusive economic growth, on increasing the access of the poor to services of education, health, urban and rural infrastructure etc. In order to *strengthen the voice of the poor*, the government will continue with institutional reforms by adopting ways and methods for the inclusion of

the poor in the decision making process . In order *to enhance the security for the poor*, the government will reform the programs of economic assistance, social care, support for the poor, and employment promotion, and will encourage the strengthening of social capital.

25. (i) Improvement of health and education services and (ii) improvement of infrastructure and vital services to the population are *priority fields of the Strategy, which require special attention*; (iii) the institutional reform and (iv) economic growth are *the pillars* of the Strategy; (v) the macroeconomic stability and (vi) social support are *conditions* for the implementation of the Strategy.

1.4.1 Improvement of health and education services

26. Lack of access to and low quality of health and education services are among the main indicators of poverty in Albania. On the other hand, health and education services are directly connected with social capital and represent fundamental factors for sustainable growth and development. Finally, the transition reforms in these two sectors have been slow. For all these reasons health and education services are priority fields of Growth and Poverty Reduction Strategy.

Health

27. The many problems plaguing this sector and its special role for poverty reduction make it a priority sector for the 2001-2004 period. The objectives in the health service in the context of GPRS are: (i) increased effectiveness and efficiency in the use of resources; (ii) access to health services in the whole territory of the country and the improvement of their quality; (iii) improvement of health indicators through specific interventions in specific fields. The objectives of poverty reduction strategy in the health sector are harmonized with the 10-year strategy for the development of this sector, whose *main objective is to achieve the improvement of the health indicators*.

28. *The enhanced effectiveness and efficiency* in the use of sector resources will be achieved through: (i) improvement of the process of planning, management, and better distribution of the resources; (ii) decentralization of responsibilities to local institutions (establishment of regional health authorities) and strengthening of the role of the professional organizations; (iii) commitment to an effective fight against corruption, which has become a worrisome problem for this sector; (iv) gradual application of the information systems with the aim of introducing an integrated network; (v) support for the privatization process in the health service and the monitoring of the private sector.

29. The following activities will be of special importance for *providing access to health services* in the whole territory of the country and for improving their quality: (i) Completion of the sanitary primary care map (during 2001-2004 period the communes' needs for health centers will be met 100 percent and the needs of the villages for outpatient clinics will be met 50 percent), providing the necessary infrastructure and training for the medical personnel; (ii) Preparation of master plans for development of health services in two regions; (iii) Reorganization of the hospital service through the establishment of regional hospitals; (iv) Adequate motivation of the medical personnel; (v) Improvement of the procedures for licensing private

activities with the aim of ensuring, above all, the delivery of the service in the rural areas and the small towns.

30. *The improvement of health indicators* through specific interventions in specific fields will be achieved through (i) improved health information and education, (ii) limitation and prevention of infective diseases, tuberculosis, SST, (iii) improvement of care for mother and child, etc. (iv) enhanced control of potable water and food.

Education

31. Education is a priority sector in the GPRS framework not only due to its specific role for increasing opportunities for the poor and its role as a main factor for development, but also because of the considerable decline of the education indicators during the last 10 years and the slow pace of the reforms of this sector. The sector's GPRS specific objectives are (i) increased attendance of the 8-year education, focusing on poor groups and the remote areas of the country, and increased attendance of secondary, mainly vocational education; (ii) improvement of teaching quality; (iii) expansion of the vocational education and its better adjustment to market demands; (iv) increased management effectiveness and financial efficiency of the educational system. These objectives are in harmony with the long-term objectives of the National Education Strategy.

32. *The increased attendance of the 8-grade education* will be achieved through: (i) enrollment of the children from poor families, especially those in the rural and suburban areas by implementing specific projects; (ii) support for children of poor families by offering them scholarships and textbooks free of charge or at low prices, and free food; (iii) improvement of the transport system for teachers and pupils and implementation of pilot projects for "school bus" service in five rural areas, which have adequate road infrastructure; (iv) further implementation of the school rehabilitation process and construction of new schools.

33. The objective *to increase quality of teaching* will be supported by (i) improvement of human resource management; (ii) better financial motivation of the employees in the education system, especially the teaching personnel in the rural and remote areas; (iii) improved availability of didactic equipment and better textbook supply.

34. *The expansion and improvement of the secondary vocational education* will be supported by (i) changes in the legal framework to ensure that vocational schools are opened in compliance with the needs and trends of development at regional and local level; (ii) diversification of the curricula and profiles of these schools in accordance with the demands of the labor market.

35. *Enhanced management effectiveness and financial efficiency of the education system* will be achieved through the implementation of administrative and financial reform in this sector, in particular (i) greater efficiency, coordination, and decentralization of the decision-making structures at all levels; (ii) establishment of special funds for the promotion of innovative initiatives of the schools, communities and local authorities; (iii) implementation of a comprehensive program for the training and retraining of the Ministry staff, the local authorities, and the school principals, based on improved recruitment and career criteria and procedures.

1.4.2 Infrastructure and vital services

36. The government considers the development of infrastructure and the improvement of related vital services a priority sector in the Growth and Poverty Reduction Strategy. In addition to its direct impact on raising living standards, the improvement of infrastructure is also of fundamental importance for the country's growth and economic development, because it reduces production costs, facilitates trade, and increases the economy's competitive edge. Infrastructure development has also been given priority due to its special role for Albania's regional and European integration processes. The priority attached to infrastructure improvements is reinforced by its still grave condition and high depreciation level, despite recent investments. Main activities include the commercialization of the infrastructure services and the establishment and consolidation of the relevant regulatory bodies.

37. **The energy sector** continues to be in a serious crisis, despite recent positive steps. Energy is of critical importance for fulfilment of basic needs, quality of life, economic growth and improvement of investment climate. The main factors contributing to the crisis are: (1) low production capacities critically depending on weather conditions because of their almost complete reliance on water resources, (2) low import capacities, (3) high level of depreciation and damage of distribution network and high level of non-technical losses due to abuses and illegal connections, (4) increased energy consumption, boosted by price liberalization of other energy resources at a time when electricity prices remained fixed and low compared to its costs. The Strategic Action Plan approved by the Albanian government and supported by the donors aims to set up a modern and effective energy sector, capable of meeting EU energy policy standards and requirements. Priority measures for the improvement of the energy situation include: (i) reduction of the non-technical losses in the network and increased level of energy bill collection; (ii) progressive liberalization of energy prices, while taking compensating measures for poor groups of the population; (iii) increased capacities for electricity imports; (iv) promotion of private sector involvement in production and distribution of electric power.

38. **Potable water supply and sewage situation** remains critical, especially in the rural and suburban areas. The damages to the potable water supply and sewage systems have had direct effects on the health of the population. The high depreciation level of the equipment, illegal constructions, inadequate tariff structure and poor management are some of the factors behind this situation. The Ministry of Public Works and Tourism has prepared a draft strategy for the water sector, aimed to make a radical improvement of the situation. Priority measures include: (i) investments for the improvement and expansion of the water supply system and for the improvement of water quality; (ii) rehabilitation of the sewage network; (iii) cost recovery through tariff regulation, elimination of the illegal connections, reduction of losses in the network, accurate measurement of water consumption, and improvement of payments; (iv) improvement of the sector management by transferring full water supply and sewage responsibilities to the local government, support for private sector involvement and encouragement to use alternative forms for the management of water supply systems, such as contracts for management or with concessions. In the context of the decentralization process, special attention will be attached to increasing the participation of the community in the projects for improvement of water supply and sewage systems.

39. Improvement of **transport service** is also of special importance for elevation of living standards, creation of opportunities for the poor, support for economic growth, operation of the market, regional cooperation and European integration of the country. The strategic objectives in the sector of transport include the establishment of a road network that is adequate for a modern and effective transport system, with a high level of road security and low environmental costs. A specific sector objective in the GPRS framework is the improvement of the secondary urban and rural road network. The measures to achieve these strategic objectives include: (i) the establishment of an adequate regulatory and institutional framework, (ii) the commercialization of the services and the privatization of the state transport operations, (iii) the progressive rehabilitation of the secondary rural and urban roads by encouraging community participation, (iv) the rehabilitation of the existing transport infrastructure, completion of the Stability Pact road projects, (v) improvement of the transport information systems and improved planning and management of the sector.

40. Despite recent intensive developments, **the sector of telecommunications** suffers from a relatively low coverage and penetration level of fixed and cellular telephone services, high tariffs and unsatisfactory service quality. Being directly linked with the standard and quality of life, the telecommunications service and the information technology today represent a powerful means for growth, development, and modernization. These services have particular effects on the work of public administration, trade, banks, financial markets, education, health etc. The objectives for the development of the sector include: (i) deepening liberalization of the telecommunications sector, (ii) expansion of the services and (3) improvement of quality. Priority public measures include: (i) privatization of the Albtelekom company; (ii) increasing the competition in the cellular telephony and the liberalization of competition in fixed telephony beginning from 2003; (iii) the extension of telecommunications service to rural areas; (iv) extension of Internet service to the education and training institutions and for business use; and (v) consolidation of the regulatory institutions.

1.4.3 Governance and public sector management

41. The government considers that progress in institutional reforms is fundamental for the attainment of the objectives of Growth and Poverty Reduction Strategy. The institutional reform will bring to all stakeholders, but, in particular, for the poor: (i) increasingly greater and equal chances to benefit from development opportunities; (ii) expansion of the rights and equal chances for representation and participation in public decision making process at all levels; (iii) fair distribution of development-related risk and supply of minimum adequate level of public goods and services.

42. The main objectives of the institutional reform, which are harmonized with the commitments in the context of Anti Corruption Strategy and Stability Pact are: (i) strengthening public order and the fight against organized crime; (ii) fight against corruption at all levels of administration; (iii) reform of the judicial system; (iv) deepening of public administration reform; (v) radical improvement of fiscal administration; (vi) deepening of the decentralization reform.

43. The government will carry on its efforts to consolidate *public order* and step up the fight against organized crime and trafficking. Priority measures in this field include: (i) institutional strengthening and capacity improvement of public order bodies; (ii) enhanced coordination and cooperation with international institutions in

the fight against organized crime and trafficking; (iii) harmonization of enforcement and prevention measures.

44. Based on the Plan of Measures in the Fight Against Corruption³, the government will intensify the fight against *corruption*, considering it one of the most negative transition phenomena, which has a high public cost. The main directions of the fight against corruption include: (i) increasing the transparency; (ii) enhancing legal and public accountability, (iii) adopting measures to prevent and discourage corruption; (iv) strengthening the voice and the participation of the public, stakeholder groups, business community, media, and, particularly, the poor.

45. The reform in the *judiciary*, which is one of the most important directions of the institutional reforms, is aimed to ensure that the law is applied equally for everyone. The reforms will be implemented on basis of an Action Plan for an Effective Work of Judiciary System in Albania⁴. Main public measures include: (i) improvement of the normative system, assessment of the effects of the laws, and improvement of their publication; (ii) elevation of the professional level of the judges, prosecutors, lawyers, and court administrators and improvement of the mechanisms for their motivation; (iii) institutional consolidation and improvement of the judiciary system (court system and its related institutions); (iv) increased access of the poor and social vulnerable groups to legal consultation and protection.

46. The deepening of the *public administration* reform will be one of the main commitments of the government. The main goals are: (i) to increase and improve planning and implementation capacities and effectiveness of the public administration; (ii) enhance public administration stability; (iii) increase its transparency and accountability. Priority public measures include: (i) improvement of institutional structures; (ii) strengthening of internal audit; (iii) full implementation of the civil servant status and reformulation of the status of political employee; (iv) improvement in public information and enhanced accountability to the public.

47. Improvement of fiscal administration is considered an aspect of special importance. Reforms in the tax and customs administration will be deepened. Reforms will be further extended to include budget and treasury bodies, procurement entities, and all parts of the institutional structure that administer financial and material resources. The reforms will aim to: (1) enhance planning, implementation and monitoring capacities; (2) increase efficiency; (3) enhance the transparency of the system. Main public measures include: (i) structural, normative, and methodological improvements and the computerization of the public finance system; (ii) increased professional level; (iii) strengthening of internal financial audit; (iv) improvement of public information on planning and use of financial and material resources at the level of institution and program.

48. The deepening of the *decentralization reform* and the strengthening of local government, which is directly linked with the GPRS objectives, will take place in harmony with the Strategy of Decentralization and Local Autonomy⁵. The main

³ Document approved by Government in 1998, updated annually.

⁴ Document approved by Government in 2000.

⁵ Document approved by Government in 2000.

directions of continued decentralization reform include: (i) identification of local public responsibilities and their effective delegation; (ii) balanced expansion of fiscal autonomy and property rights; (iii) enhanced local government capacities; (iv) increase of the transparency and level of community participation in governance.

1.4.4 Growth

49. The relatively high rates of economic growth in Albania during 1992-2000 period have not been accompanied by an equally high and balanced economic development. Economic inequality has deepened. Growth, as a result, has not been adequately targeted to poverty reduction.

50. The Albanian government considers growth the main instrument for the improvement of the living conditions and the reduction of poverty. Achievements to date in the economic reforms and their continuous implementation will help to achieve an inclusive, stable growth based on the mobilization of all production resources, especially human resources, in the urban and rural areas and to hand over an intact environment to the future generations. The government thinks that growth will have tangible effects on poverty reduction, particularly through the direct involvement of poor groups of the population in economic activities. On the other hand, sustainable and inclusive growth will create conditions for further deepening and acceleration of transition reforms, the strengthening of the economy in general, the consolidation of the macroeconomic stability, and the reduction of the economy's risk exposure level.

51. The goal is to achieve an annual growth rate of 7-8 percent of GDP during the three-year 2002-2004 period. The short and medium-term prospects for reaching this planned economic growth rate are based on: (i) maintaining growth rates in the main sectors of the economy, such as agriculture, construction, services, public expenditures etc.; (ii) continued political and institutional stability as an important factor for maintaining high growth rates; (iii) continuing and deepening macroeconomic stability; (iv) low expectations for economic shocks.

52. The growth is also based on (i) expected positive impact of deepening institutional and structural reforms; (ii) the combination of the use of extensive factors with the growing activation of intensive factors for growth; (iii) high level of monetary accumulation and so far unexploited private transfers as possibility for investments; (iv) investments in human capital, especially in education; (v) expected positive impacts from further economic opening-up, regional integration, and progress in European integration; (vi) promotion of direct foreign investments. Though long-term, these factors will also have positive effects at medium term, based on recently adopted measures and their continuous intensification.

53. The trend, which began in 1998, of a growing aggregate demand compared to GDP is, among others, a signal indicating to the government that it should resort to a greater application of economic policies aimed to encourage aggregate supply. Of special importance, in this context, are *structural reforms and more efforts for institutionalization of the market*. The priorities of the government will be (1) deepening of the market institutionalization and promotion of private sector, (2) consolidation of financial sector to increase the availability of credit in the economy and support investments, (3) improvements in the institutional framework for creation of an environment that attracts direct foreign investments.

54. Priority measures for *enhanced market institutionalisation* include: (i) measures to boost free market competition (ii) support for improved networks of services, advice, and information; (iii) improvement of relations of business community with the tax and customs administrations; (iv) increased property right security, especially those related to land. The promotion of *private sector development* will be based on (i) deepening privatisation process of public enterprises; (ii) promotion of free initiative by stimulating micro crediting schemes and taking institutional measures for development of SMEs, especially micro businesses.

55. The strategic objective of the government regarding the *financial sector* is to stimulate the creation of a functional and competitive financial market, which should be capable of responding to the needs of the economy, in general, and the development of the private sector, in particular. This will be achieved through (i) the development of the financial market and (ii) support for and improvement of banking services. The priority public measures for *restructuring and strengthening the financial market* include: (i) privatization of the Savings Bank and state-owned insurance company INSIG; (ii) reduction of banking intermediary costs; (iii) strengthening of the supervisory and regulatory system in accordance with the international standards; (iv) improvement and completion of the legal and institutional basis for the development of the capital market. The main measures *for the improvement of banking services* include: (a) promotion of competition among banks; (b) improvement of the payment system through installation of the Real Time Gross Settlement System (RTGS); (c) establishment of the Credit Information Office; (d) establishment of Deposit Guarantee Agency; and (e) stimulated expansion of savings-credit schemes in the entire country, especially in rural areas. One of the main goals of financial sector development is to stimulate private investments. Gaps in legislation, the absence of a fair market competition, the incidence of corruption in the issuance of licenses and public procurements and the high share of the informal economy are some of the factors that need to be overcome in order to achieve a growth in private investments. Private investments are forecast to account for 13.1 percent of the GDP in 2004 as compared to 12.5 percent in 2000, whereas public investments will increase from 6.5 percent of GDP in 2000 to 8.7 percent of GDP in 2004.

56. Specific measures will be taken to promote *direct foreign investments*. They include (i) establishment of Foreign Investment Promotion Agency with the status of 'one-stop-shop', which will offer services to investors; (ii) development of industrial parks with a concentrated infrastructure; (iii) organization of promotional activities to improve the country's image. Other factors, which are expected to have a positive impact on the increase of direct foreign investments include the continued privatisation process, the improvement of the infrastructure, improved public security, and the intensification of cooperation and integration processes at a regional level and further afield.

57. *Agriculture* is envisaged to continue to be the main contributor to GDP, despite decreasing growth rates in recent years. The strategic objectives aimed to be achieved during 2002-2004 period include: (i) maintaining growth rates of agricultural and livestock production at over 5 percent; (ii) increasing processing level of agricultural and livestock products; (iii) improving conditions for and raising level of domestic and foreign marketing of the agricultural and livestock products. The sectors of

construction, services and transport are expected to grow at high rates and increase their share in total GDP. The intensification of the regional stabilization and integration processes and the ongoing improvement in infrastructure are expected to have a particular effect on the growth of the sector of tourism. In the industrial sector some branches such as building material industry, light and foodstuff industry etc. are expected to maintain their high growth rates.

58. The government considers growth a component of *sustainable development*. The government's long-term objective for urban planning will be achieved through implementation of integral and strategic programs, which will help to harmonize the basic elements of the urban environment: land, technology, services, and civic cohabitation and culture. The government's attention during 2002-2004 will focus on: (i) strategic urban planning and programming; (ii) formulation of urban policies; (iii) improvements in the legal and institutional framework; (iv) improvement of housing policies. The government will also work to achieve a rural integrated development, based on the use of all production, agricultural, and non-agricultural resources and the development of market relations. Community initiatives will be encouraged. The government's attention during the 2002-2004 period will focus on (a) development of the sector of agriculture, livestock, and agro-processing; (b) protection and improvement of use of natural resources; (c) increase of access and quality of services of education, health, social protection, road infrastructure, potable water, and sewages; (d) diversification of rural economy and increase of revenues from non-agricultural activity. The government will support sustainable development with its *environmental policy*, which is also connected with the reduction of the poverty. The environmental policies during the 2002-2004 period will be directed at (i) halting the process of environmental degradation; (ii) creating conditions for rehabilitation of polluted areas by introducing minimum security standards; (iii) increasing sustainable use of environmental resources.

1.4.5 Social protection and social care

59. The essence of the Strategy suggests that poverty reduction will be achieved by primarily stimulating an inclusive growth and sustainable development. However, social measures in support of poor and socially marginalized groups are necessary to alleviate existing poverty, create adequate conditions for the poor and obtain the necessary social support for a high-rate growth and development. These measures will have a marked pro-active character, aiming to involve poor and socially marginalized groups, in economic activities and achieve their social integration. Social protection and social care are conditions for the implementation of the strategy. The main directions of the government's social support policies are: (1) promotion of employment and support for training the poor, so that they are able to meet labor market demand, (2) social protection and economic assistance for poor families, (3) social care for social marginalized groups, and (4) social insurance.

60. In view of Albania's high and long-standing unemployment level, (1) the promotion of employment and (2) implementation of training programs primarily directed at the poor represent important directions of the government's social policies. **The promotion of employment** for the poor will be achieved through specific measures consisting in (i) implementation of public works programs, (ii) implementation of community works programs, (iii) stimulation of micro crediting forms etc., in addition to fiscal incentives and general measures to stimulate investments and growth. The deepening institutionalization of the labor market will

also contribute to the promotion of employment. Implementation of training programs, focusing especially on the poor, are aimed to give them access to the labor market and to be better placed to meet labor market demand. In order to ensure that training programs are better tailored to market demands, the government will support in particular private initiatives for the establishment of training centers in accordance with well-defined criteria. The government will continue to provide financial support to the unemployed people in the form of unemployment benefits or by covering part of the training program costs.

61. The government's program for social protection and **economic assistance** in the GPRS framework aims to: (1) increase coverage rate of the poor with economic assistance (increase the number of the poor benefiting economic assistance in relation to the total number of the poor); (2) increase the coverage rate of the economic and social needs of the poor families through economic assistance; (3) implementation of active re-integration programs for the poor. *The increase of the coverage rate of the poor with economic assistance* will be based on: (i) decentralization of the economic assistance scheme, transferring the administration of economic assistance funds (allocated as block grants by government budget) under the responsibility of the local government; (ii) adoption of measures to increase management capacities and accountability of local government authorities and application of well-defined criteria in distribution of economic assistance to reduce and eliminate abuses; (iii) accurate assessment of economic and social indicators of the country's regions on basis of qualified surveys.

62. *The better fulfillment of the economic and social needs of the families for economic assistance* will be based on (1) the establishment of the database on the economic and social situation of different social groups; (2) the harmonization of the economic assistance with other mechanisms of social care, such as social services, with the aim of delivering assistance in compliance with the actual needs; (3) the identification of the economic and social priorities according to social groups and their characteristics, gradually targeting the system on the minimum living standard. *The implementation of active reintegration programs* will be based on creation of legal and institutional conditions for the promotion of new models in economic assistance delivery such as participation in profitable social business activities.

63. The government's program of **social care** for the socially marginalized groups envisages (a) a more comprehensive coverage, (b) quality improvement and (c) a more active character of this service. The attainment of these objectives will be supported, among others, by (i) the reform of the social service legislation for the complete decentralization of these services and application of other forms, apart from public ones, with the aim of achieving the real social reintegration of the marginalized categories through their participation in social business activities; (ii) development of professional capacities and encouragement of social society to fulfill the needs of new social groups at risk; (iii) harmonization of social service delivery with the economic assistance.

64. The **social insurance** programs in the GPRS framework aims to (i) improve the ratio between contributors and beneficiaries, and (ii) reduce the state budget subsidies for the pension scheme. The increase of the number of the contributors will be supported, among others, by (i) adoption of legal and fiscal measures to reduce the size of the informal economy; and (ii) stimulating participation of rural population in

social insurance contributions. The increase of the contributor/beneficiary ratio will have positive effects on *reducing state subsidies* to the pension fund. Legal and institutional improvements will be additional useful measures. The introduction of a social security number, the computerization of the information system and the improvement of the quality of this service will be some of the measures expected to contribute to the attainment of the aforementioned objective.

1.4.6 Stability and macroeconomic balances

65. The government considers that *maintaining macroeconomic stability* is a **fundamental condition** for the implementation of the GPRS. Maintaining and deepening macroeconomic stability is also a fundamental condition for the harmonization of the GPRS with the long-term objectives of the development and European integration of Albania.

66. *The monetary policy* of the Bank of Albania will continue to aim at *maintaining price stability*. The objective is to keep the inflation at low levels, at the range of 2 to 4 percent, while retaining the flexible regime of currency exchange rates. In pursuit of its objective to increase its control over inflation, the Bank of Albania is working on preparatory measures for implementation of an inflation targeting regime at medium term (3-5 years). The Bank of Albania will continue to rely entirely on market instruments during the next three years, aiming to increase the efficiency of the mechanism for the transmission of the monetary policy decisions to the economy. Through its monetary policy instruments the Bank of Albania will work to reduce the difference between high interest rates on credits and the interest rates on deposits, which would help to bring down the credit cost and stimulate, to a certain extent, the demand for crediting and investment growth. This would also contribute to the profilization of the monetary policy as a growth incentive policy.

67. *The fiscal policy* will also contribute to maintaining and deepening macroeconomic stability. The government will continue its policy of fiscal consolidation. Under MTEF, budget deficit is forecast to be reduced from 9.1 percent in 2000 to 7.8 percent in 2004. The attainment of this objective will be boosted by, first of all, measures for improvement of fiscal administration both in regard to budget revenues and budget expenditures, including, in particular, (i) expansion of taxable base through reduction of fiscal evasion; (ii) increase of collection rate of taxes on profit, income, and small business; (iii) improvement of tax collection rate of local government; (iv) modernization and computerization of tax system (v) improved allocation of budget resources and enhanced effectiveness of their use; (vi) timely, consistent planning of revenues and expenditures, which will help to identify and finance budget deficit at shorter periods of time, bringing down the cost of its financing. Through public investment programs for the development of education, health, scientific research etc, the fiscal policy under the MTEF is clearly distinguished by its stimulating effect on growth and the development of the country (public investment expenditures are forecast to increase from 6.5 percent of GDP in 2000 to 8.7 percent in 2004).

68. The government aims to make a gradual reduction of *the current account deficit* (from 7.0 percent of the GDP in 2000 to 6.6 percent in 2004⁷). This will be mainly achieved by improving the trade balance, supporting the recent positive trend of the

⁷ IMF assessment

substitution of a number of imported products by local products (agricultural products, building materials, light and foodstuff industry products) and stepping up efforts for creating conditions for export promotion. The volume of exports is forecast to increase by 48.8 percent in the 2002-2004 period, whereas the volume of imports is forecast to rise by 41 percent. The trade balance deficit as a share of the GDP is forecast to decrease from 21.7 percent in 2000 (after an increase in the years 2001 and 2002) to 20.5 percent in 2004. The private transfers are forecast to amount to \$580 million by 2004, accounting for about 38 percent of the volume of imports⁸.

69. The reliance on budgetary foreign assistance through grants and concessionary or almost concessionary loans will continue during 2000-2004. This assistance will amount to about \$250 million a year. The government will cooperate with international partners to secure and use effectively these resources. The government will intensify its efforts for improvement of the indicators of disbursement, absorption (project implementation), recording and monitoring of foreign financing. The experience of the year 2000, when actual disbursements amounted to 83.4 percent of the forecast in the Public Investment Program, as compared to 64.2 percent in 1999 and 73.2 percent in 1998⁹, shows that further improvements in this process are possible. With most of financing being given at concessional terms and with long repayment terms, debt servicing will be slightly less than 10 percent of the annual exports and the foreign debt will remain at the same levels as share of the GDP. The reserves of the Bank of Albania will be at the level of 4.2 months of imports¹⁰.

70. The general and sector financial effects of the Growth and Poverty Reduction Strategy are envisaged in 2002-2004 MTEF, while the financial effects of GPRS priority public actions are envisaged in the Matrices of action plans (Appendix 1).

1.5 GPRS IMPLEMENTATION, MONITORING AND EVALUATION

71. Monitoring and evaluation are key elements of the Strategy and its integral parts. The processes of monitoring and evaluation will help to follow the progress of the Strategy, to continuously measure the level at which its objectives are reached, and to identify the need and determine the directions of relevant adjustments in the implementation process of the strategy.

72. Monitoring and evaluation will be a continuous process and will be supported by the establishment of an adequate institutional system and the enhancement of the capacities for the collection, processing, analysis and use of the data. The main aspects of the GPRS monitoring and assessment process are:

- i) monitoring indicators, including their targets, during and until the end of the three-year period;
- ii) relevant institutional capacities;
- iii) resources and instruments of monitoring and evaluation;
- iv) distribution and use of monitoring and evaluation results.

⁸ IMF assessment

⁹ MECT

¹⁰ 2002-2004 MTEF

73. GPRS objectives are expressed and quantified through *indicators* and their targets. The indicators are divided into final and intermediary indicators. The long-term objectives of the country's development have been taken into account in the identification of the final indicators and their targets. Some of the *final indicators* are:

- i) Increase of the GDP at the rate of 22-25 percent in the three-year period (2000-2004) and by two or three times during the next 10-15 years¹¹.
- ii) The share of the population living in poverty according to the absolute poverty line (under \$2 per capita a day) will be reduced from 46.6 percent in 1998 to 38 percent in 2004 and 25 percent in 2015. The share of the population living in extreme poverty (under \$1 per capita a day) will be reduced from 17.4 percent in 1998 to 14 percent in 2004 and 9 percent in 2015.
- iii) The infant mortality rate is envisaged to be reduced from 21 per 1,000 living births in 2000 to 17 per 1,000 living births in 2004 and to 10 per 1,000 living births in 2015. The maternal mortality rate is envisaged to be reduced from 20 per 100,000 living births in 2000 to 15 per 100,000 living births in 2004 and to 11 per 100,000 living births in 2015. The incidence of diarrheal cases is forecast to be reduced from 1,200 per 100,000 inhabitants in 2000 to 600 per 100,000 inhabitants in 2004.
- iv) The level of enrollment in the 8-year education will increase from about 90 percent in 2000 to about 94 percent in 2004 and to 100 percent in 2015, divided by groups of the population and regions. The average schooling period is envisaged to increase from about 9.5 years (1998) to about 10 years in 2004. Secondary education enrollment level is intended to be increased from 40 percent in 2000 to about 50 percent in 2004.

74. *The intermediary indicators* are classified into indicators of employment and social protection, indicators of credit available to the economy, indicators of infrastructure, human development, rural and urban development and indicators of the environment. The quantitative objectives for intermediary indicators are coordinated with those of the Medium-term Expenditure Framework (MTEF).

75. The government thinks that it is necessary to set up an institutionalized GPRS monitoring and evaluation system and to strengthen its capacities on a consistent basis. To this end a Poverty Center will be set up in the Ministry of Labor and Social Affairs and monitoring units will be set up in every line ministry. The GPRS Technical Secretariat in the Ministry of Finances will play the role of the institutional coordinator to guarantee the transparent and efficient monitoring of the strategy. It will also be responsible for the preparation of the annual Progress Report. A specialized unit within the Technical Secretariat will compile a map of poverty data and indicators. Monitoring cells will be set up in local government units. The National Civil Society Advisory Group will ensure the involvement of the civil society in the monitoring process and will make its recommendations for the GPRS progress. Government resources and the support of the international partners will be used to establish and consolidate the capacities of these structures, alongside the continued engagement of the existing capacities of non-governmental structures. Independent and specialized agencies will be also engaged in order to increase the credibility of the monitoring and evaluation process.

¹¹ Main macroeconomic indicators are given in Appendix 3 of GPRS.

76. The sources of the monitoring and evaluation data will be the data systems of the central and local institutions and the data systems of the specialized agencies. The main instruments for monitoring and evaluation will be: (i) the Living Standard Measurement Survey (LSMS), which will be repeated in 2002 and 2005 and will be accompanied by intermediary surveys; (ii) Qualitative Poverty Assessments, which will be combined with LSMS; (iii) maps of poverty data and indicators; (iv) direct questionnaires with service beneficiaries.

77. The analysis of the results of the monitoring will serve to measure and assess the progress in the poverty reduction and in the attainment of other GPRS objectives as well as to make the necessary adjustments, especially in regard to public measures. The extensive distribution of the monitoring results will contribute towards achieving this goal. The users of the information for monitoring results will be not only institutions that are responsible for the implementation of the strategy, but also all public decision-making units at a national and local level as well as civil society, non-government organizations, private sector, international partners, and media.