



**ANNUAL
REPORT**

ART



*Empowered lives.
Resilient nations.*

2013

Art Gold 2


Albania





PARTNERS OF THE COUNTRY

National Government Partners

	<p>Ministry for Local Issues (September 2013 and on)</p>
	<p>Ministry of Interior (December 2009- September 2013)</p>
	<p>Ministry of Culture (Former Ministry of Tourism, Culture, Youth and Sports)</p>
	<p>Ministry of Urban Development and Tourism (Former Ministry of Tourism, Culture, Youth and Sports)</p>
	<p>Ministry of Economic Development, Trade and Entrepreneurship (Former Ministry of Economy Trade and Energy)</p>
	<p>Regional Council of Shkodra</p>
	<p>Municipality of Shkodra</p>
	<p>Regional Council of Vlora</p>
	<p>Regional Council of Kukes</p>
	<p>Municipality of Vlora</p>

	Municipality of Saranda
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Subnational Government Partners





	AULEDA - The Local Economic Development Agency of Vlora
	TEULEDA - The Local Economic Development Agency of Shkodër

INTERNATIONAL COOPERATION PARTNERS

Bilateral Cooperation Partners

	Italian Development Cooperation, Ministry of Foreign Affairs Italy
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Decentralised Cooperation Partners

	Friuli Venezia Giulia region, Italy
	Pas-de-Calais, France
	Apulia region, Italy
	Lecce province

United Nations Partners




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	UNOPS
 <p>Empowered lives. Resilient nations.</p>	UNDP Geneva Liaison Office

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LIST OF ACRONYMS

ART GOLD	Articulating Territorial and Thematic Networks for Human Development, Governance and Local Development
AGA 2	Art Gold 2 Albania Programme
AULEDA	Local Economic Development Agency of Vlora
ADF	Albanian Development Fund
CPC	County Partnership Council
EU	European Union
FVG	Friuli-Venezia Giulia region
GoA	Government of Albania
GiZ	German Development Fund
HDI	Human Development Index
IDEASS	Innovations for Development and South-South Cooperation
ILS LEDA	International Links and Services for Local Economic Development Agencies
LEDA	Local Economic Development Agency
LGU	Local Government Unit
LHD	Local Human Development
LWG	Local Working Group
NCC	National Coordination Committee
NSC	National Steering Committee
NSDI	National Strategy for Development and Integration
RDA	Regional Development Agency
SME	Small and Medium Enterprises
SP	Strategic Planning
SWG	Sector Working Group
TEULEDA	Local Economic Development Agency of Shkodër
TSG	Technical Supporting Group
TVSH	Televizioni Shqiptar (Albanian Public Television)
UN	United Nations
UNDP	United Nations Development Programme
UNOPS	United Nations Office for Project Services
VIS Albania	International Volunteer Service for Development

1 GENERAL INFORMATION

1.1 COUNTRY CONTEXT

During 2013 major developments have incurred in the political realm in Albania with particular regard to decentralization and regional development processes. The newly elected Government, that came into office in September 2013, has taken major steps towards conducting an administrative-territorial reform, prior to the 2015 Local Elections, with a full understanding that this reform would be critical for reviewing and improving institutional capacities and fiscal systems in place and making them more efficient and responsive to development and further decentralization challenges. To this regard the Government has created a dedicated Ministry to deal exclusively with decentralization and regional development processes i.e. Ministry for Local Issues. The territorial reform to be conducted by this Ministry will be a widely participatory process involving a variety of actors from local self-government units, civil society, opposition, donors that have operated in this sector, etc.

Considering the expertise accumulated by UNDP through various projects in this sector, most notably Art Gold 2 Albania, the Ministry for Local Issues invited UNDP to be a main partner for operationally managing donor contributions to the reform. With this dedicated structure in place, Art Gold 2 Albania main national counterpart was changed from the Ministry of Interior to the Ministry for Local Issues. During the second half of 2013 the programme conducted intensive consultations with this Ministry, including the latter in some of its activities, as well as established contacts with more than fifteen different municipalities throughout Albania with the aim of cooperating in upcoming co-financing schemes to tackle priority issues in local government units.

Albania has endorsed the Paris Declaration on Aid Effectiveness. There is a strong commitment from the Government to take leadership in making progress against the priority actions identified, taking forward the recommendations of the Paris Declaration (2005), Accra Agenda for Action (2008) and Busan Partnership for Effective Development Co-operation (2011). Albania has made progress in ownership, management for results, and mutual accountability. In particular, the preparation process and implementation of the National Strategy for Development and Integration 2007-13 (designed with the Paris Declaration in mind) and associated initiatives have created specific mechanisms to facilitate increased aid effectiveness. During 2013 the programme has advanced in the creation of connections with new decentralized cooperation actors as well as has fostered existing ones. The partnership with the Italian region of Friuli-Venezia Giulia has already been shaped through the implementation of two joint local development projects and contacts with Apulia and Pas-de-Calais regions have been created.

Albania has signed the Council of Europe Convention on Preventing and Combating Violence against Women and Domestic Violence. Albania's Gender Gap Index for 2013 was 0.6412 which ranks Albania in the 108th place out of 136 countries. According to the figures there has been a loss in 14 places in the ranking as compared to 2012¹. However, as a result of UNDP advice to strengthen the ranking order of the quota provisions in the Electoral Code, and as a result of stronger demand from women as a constituency and civil society as partners of UNDP to politicians the number of women in Albanian Parliament and Council of Ministers has seen an increase. During June 2013 electoral campaign gender equality or women's empowerment considerations were more visible in party platforms or candidates public addresses. UNDP support to the Anti-Discrimination Commissioner and People's Advocate has resulted in gender equality being more visible into the institutional planning as well as better addressed in these independent bodies performance. Strategic litigation for women's rights, combined with monitoring of court decisions from the gender perspective has been carefully focused towards improving the case law to better guarantee women's legal rights and improvement of their legal status.

The programme has continued to support local self- government units and LEDAs in the implementation of projects that focus on disadvantaged women. Both the Strategic Plans produced in the framework of the programme have a strong focus on women empowerment and gender equality.

¹ Gender Index Report 2013

Albania's economic growth has been a major contributing factor to its positive track towards the achievement of a number of MDG targets. While growth has led to poverty reduction, disparities persist among regions of the country, with the mountainous areas in particular lagging behind. During 2013, the programme has supported economic development by initiating a tourism development scheme in remote mountainous areas in Northern Albania, started the work to create a visual museum to promote traditional and cultural values thus develop tourism in Northern Albania, strengthened capacities of the two LEDAs in Vlora and Shkodra, assisted in the implementation of priority projects enlisted in the Strategic Plans, etc.

1.2 GENERAL DATA OF ART GOLD 2 ALBANIA PROGRAMME

GENERAL DATA

Programme (title): Art Gold 2 Albania

Initial year: 2010

Foreseen duration: December 2014

Programme ID/Award: 00072967– ArtGold 2 Albania

PROGRAMME PHASE:	
Start-up	
Consolidation	
Ownership / Institutionalization	✓ (Ownership)
Sustainability / Transfer	

Country signatory of the Paris Declaration? Yes Year: 2005

State's decentralisation legislation Yes Year: 2000

MDGs National Strategy Yes

MDGs National Report Yes

MAP OF THE COUNTRY (please indicate the areas where the Programme is working)



GEOGRAPHICAL AREAS OF IMPLEMENTATION

Administrative Level – Regional (Qark)	Administrative Level - Municipal	Administrative Level - Commune
<p>Region 1 – Vlora</p>	<p>The Programme has presence in these municipalities:</p> <ul style="list-style-type: none"> - Delvinë - Sarandë - Vlorë - Himarë - Orikum - Selenicë - Konispol <p>A total of 7 Municipalities</p>	<p>The Programme has presence in these Communes:</p> <ul style="list-style-type: none"> - Commune Finiq - Commune Mesopotam - Commune Vergo - Commune Aliko - Commune Dhivër - Commune Ksamil - Commune Livadhja - Commune Lukovë - CommuneMarkat - Commune Xarr - Commune Armen - Commune Brataj - Commune Horë Vranisht - Commune Kotë - Commune Novoselë - Commune Qendër - Commune Sevaster - Commune S hushicë

		- Commune Vllahinë A total of 19 communes
Region 2 – Shkodra	The Programme has presence in these municipalities: <ul style="list-style-type: none"> - Pukë - Koplik - Shkodër - Vau i Dejes - Municipality Fushe-Arrez <p>A total of 5 municipalities</p>	The Programme has presence in these Communes: <ul style="list-style-type: none"> - Commune Berdice - Commune Bushat - Commune Dajc - Commune Guri i Zi - Commune Hajmel - Commune Mnel-Vig - Commune Postribë - Commune Pult - Commune Rrethina - Commune Shale - Commune Shllak - Commune Shosh - Commune Velipojë - Commune Temal - Commune Gruemirë - Commune Kastrat - Commune Kelmend - Commune Qender - Commune Shkrel - Commune Blerim - Commune Fierze - Commune Gjegjan - Commune Iballe - Commune Qafë Mali - Commune Qerret - Commune Rrapë - Commune Ana-Malit <p>A total of 28 Communes</p>

SUMMARY OF THE FUNDS EXECUTED IN THE FRAMEWORK OF THE ART PROGRAMME

PROGRAMME'S FINANCIAL SUMMARY	(A)	(B)	(C)	(A + B)	(A + B + C)	TOTAL Funds executed by ART in the Programme's life
	Funds directly executed by ART in 2013		Funds executed by partners in the framework of ART (<i>funds not channeled through UNDP</i>) in 2013	Sub Total funds executed by ART in 2013	TOTAL Funds executed in the framework of ART (by ART and by its partners) in 2013	
	Channelled through the ART Trust Fund	Channelled through UNDP /ART CO				
	USD	USD	USD	USD	USD	USD
		206,865.01	274,944.97		481,809.98	481,809.98

1.3 SUMMARY OF THE PROGRAMME: BACKGROUND AND MAIN RESULTS UNTIL 2013

- Background of the Programme;

ART GOLD Albania 2 Programme is being implemented by UNDP Albania in partnership with the Government of Albania, the regional councils of Vlora and Shkodra and with the local development agencies of Vlora (AULEDA) and Shkodra (TEULEDA). The Programme operates in the context of the global ART Programme for promoting a national governance framework able to establish and strengthen horizontal partnerships with development stakeholders. The Albanian Programme is striving to strengthen planning and coordination at the local level, promote innovations, best practice and knowledge sharing, consolidate established Local Economic Development Agencies as well as facilitate partnerships with decentralized cooperation actors and networks to the benefit of national/sub-national priorities. In doing so, the ART GOLD Albania 2 Programme provides support to Albania's reform agenda for integration to the European Union harmonized with the pursuance of UN Millennium Development Goals for aid effectiveness.

Within the aforementioned framework the programme supports the Local Economic Development Agencies (AULEDA and TEULEDA) in Vlora and Shkodra regions respectively through technical assistance provided by EURADA's the international network ILSLEDA, aiming at accelerating the process of transformation of the agencies into Regional Integrated Development Agencies (RDA).

Some of the main achievements during 2013 are as following:

1. Launch of two priority local economic development and tourism initiatives in the region of Shkodra i.e. Hotel Villages scheme in Kelmend Commune and Marubi Virtual Museum
2. New partnerships initiated with fifteen new municipalities across Albania and priority interventions identified for upcoming co-financing schemes
3. New partnerships initiated between French Decentralized Cooperation and Vlora region
4. New partnership initiated with Apulia region
5. New partnerships established with the new Ministry for Local Issues and initiation of joint activities
6. AULEDAs advocated at national and international levels
7. Successful completion of an independent tripartite evaluation undertaken by the Albanian Government, the Italian Government and UNDP Albania
8. Implementation of one new local development priority initiated and underway (Rehabilitation of a Community Playground in Himare)

There have been changes in the programme planning during the year 2013 following are some of the main ones:

- The start-up of two projects to be implemented in the framework of FVG cooperation scheme encountered delays due to major changes in the government counterparts both in terms of institutions and people following the May local elections in FVG and June general parliamentary elections in Albania. The Albanian elections of June and the consequent establishment of a new Government in September delayed further the appointment of national government members in these projects' Steering Committees (SCs), necessary for the approval of the respective action plans. Both SCs were established in December 2013 therefore most of the activities with regards to these projects were postponed to 2014.
- During the first quarter of 2013 the programme worked intensively to complete a joint proposal "Employment for Social Inclusion through Culture and Tradition Promotion (ESICT)" in cooperation with the Regional Council of Kukes and six more partners including the Italian regions of Apulia, of Umbria and of Friuli-Venezia Giulia as well as EURADA, AULEDA, TEULEDA, and FELCOS (Italy). This proposal was submitted for funding to the IADSA (Italian – Albanian Debt for Development Swap Program). The application, in spite of being elaborate, did not pass the administrative check. Nevertheless, the programme plans to apply into the second Call of the same scheme in March 2014. It is under this

framework that the programme has started since November 2013 to connect with the region of Apulia and Saranda Municipality in the design of a project that will focus on employment generation in Saranda.

- Due to changes in local priorities and needs the territorial Marketing Plans of the two regions have not been conducted.

1.4 GENERAL OBJECTIVE (AS DESCRIBED IN THE PRODOC)

The overall Objective of Art Gold 2 Albania is to strengthen capacities of local actors (Qarks, Municipalities and Communes) in elaborating, implementing, managing and monitoring County Strategic Plans, with an integrated, crosscutting approach aimed at improving competitiveness and sustainable development and reducing disparities, through the contribution of international partnerships.

2 RESULTS ACHIEVED

2.1 RESULTS ACHIEVED

TERRITORIAL LEVEL

Expected Outputs (as planned in 2013 AWP)	Results achieved	Results achieved regarding effective development cooperation – indicators on harmonization, alignment and ownership	Main activities implemented to achieve results	Main strategic action lines
OUTPUT 1 County Partnership Councils (CPC) established	1. Stronger CPC operational capacities	Alignment (partners – donors): capacity development Ownership	<ul style="list-style-type: none"> - Meetings to review regional priorities; one regional priority implemented during 2013 i.e. Rehabilitation of Community Playground in Himare 	Multilevel governance Effective development at the local level
OUTPUT 2 Technical assistance provided to the CPCs	1. Increased capacities of the CPC's members on Strategic Planning	Alignment (partners-donors): capacity development; mechanisms and structures favoring the use of partner systems	<ul style="list-style-type: none"> - Meetings to review SPs - Assistance in the presentation of SP to various audiences both nationally and internationally 	Multilevel governance Capacity Development Effective development at the local level
OUTPUT 4 County economic potentialities valorized and improved	1. Economic potentialities of Shkodra region valorized and improved through the implementation of two local initiatives 2. Discover as communities, through participatory processes the future desired economically, environmentally, socially 3. Stronger LEDAs capacities to implement economic development projects	Alignment (partners-donors): the ART methodology and approach expressed in local strategies	<ul style="list-style-type: none"> - Implementation of two tourism and economic development projects in cooperation with FVG region: Hotel Villages scheme in Kelmend Commune and Marubi Visual Museum - Establishment of two project Steering Committees in December 2013, that include representatives at local and national level, in order to facilitate the implementation of the aforementioned projects - Organization of consultation meetings in Shkodra on post 2015 	Effective development at the local level Local economic development Capacity Development

<p>OUTPUT 5 Strengthening and promoting Local Economic Development Agencies (LEDAs) at national level</p>	<ol style="list-style-type: none"> 1. Cooperation between the LEDAs and Ministry for Local Issues has been facilitated; 2. LEDAs work have been promoted nationally and internationally in relevant activities 	<p>Alignment (partners-donors): The Programme's actions destined to the alignment with National Development Plans, i.e. National Strategy on Decentralization, NSDI</p>	<p>Global Development priorities with a particular focus on youth employment, environment and inequalities.</p> <ul style="list-style-type: none"> - Organization of AULEDA 10th Anniversary event which saw the participation of relevant national and international actors - National TV presentation of an important AULEDA social development project for donor funding i.e. Yunnus Micro finance Scheme - Meetings with the Ministry for Local issues to promote LEDAs work 	<p>Effective development at the local level Local economic development Capacity Development</p>
<p>OUTPUT 7 Identification, formulation and implementation of Strategic Projects</p>	<ol style="list-style-type: none"> 1. Increased technical capabilities of CPCs to implement Strategic Plans 2. Increased cooperation with municipalities 3. Identification of new priority projects 4. Identification of resource mobilization schemes 	<p>Alignment (partners – donors): capacity development</p> <p>Harmonization (donors-donors): Programme's actions/agreements for the use of shared information between donors, donor complementarity, and the simplification of procedures</p>	<ul style="list-style-type: none"> - One Local Governance Expert was hired to establish cooperation with new Municipalities and identify strategic projects - More than thirty meetings were organized with LGU representatives across Albania - Fifteen Questionnaires' were conducted to identify cooperation venues with regards to priority projects - One project proposal was developed in cooperation with Lushja Municipality regarding the design of a Strategic Plan which can be used in donor funding schemes 	<p>Effective development at the local level Local economic development Capacity Development</p>

<p>OUTPUT 8 Enhanced capacities of regional authorities in developing Strategic Planning Processes</p>	<p>1. Regional authorities have taken the lead in the implementation of the SPs in Vlora and Shkodra</p>	<p>Alignment (partners-donors): the ART methodology and approach expressed in local strategies</p>	<ul style="list-style-type: none"> - One project proposal was developed in cooperation with the Regional Council of Kukes regarding “Employment for Social Inclusion through Culture and Tradition Promotion (ESICT)” to be used in IADSA funding scheme - Regional Councils were assisted in the presentation of the SPs to various donors both nationally and internationally i.e. “THE ADRIATIC–IONIAN MACROREGION. TRANSPORT AND INFRASTRUCTURE” 	<p>Effective development at the local level Local economic development Multilevel governance Capacity Development Knowledge Management</p>
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NATIONAL LEVEL

<p>Expected Outputs (as planned in 2013 AWP)</p>	<p>Results achieved</p>	<p>Results achieved regarding effective development cooperation – indicators on harmonization, alignment and ownership</p>	<p>Main activities implemented to achieve results</p>	<p>Main strategic action lines</p>
<p>OUTPUT 2 National Steering Committee (NSC) established and supporting ARTGOLD 2 processes</p>	<p>1. ART GOLD 2 promoted at national and international level 2. Strategic Planning process fully supported by the NSC</p>	<p>Alignment (partners- donors): Programmes actions destined to the alignment with national development plans Harmonization (donors-donors): Programme’s actions/agreements for the use of shared information between donors, donor complementarily, and the simplification of procedures</p>	<ul style="list-style-type: none"> - Connection created with the newly established Ministry for Local Issues that will be the programme’s main partner at the national level thus the Head of the project SC - Connections created with the line Ministries i.e. Ministry of Culture and Ministry for Urban Development and Tourism which will be new members of the SC 	<p>Local economic development and Multilevel governance Effective development at the local level</p>

<p>OUTPUT 3 Strengthened national capacities for LEDAs</p>	<p>1. Increased awareness on LEDAs role in development</p>	<p>Alignment (partners-donors): national government takes effective leadership over Art methodology and approach as reflected in local strategies</p>	<ul style="list-style-type: none"> - Participation and presentation of AGA 2 experience on the “Second Conference on Decentralized Cooperation France-Balkans” - Meetings with members of the Albanian parliament as well as of the new Government - LEDAs relevant contribution in the implementation of the two Strategic Plans for Vlora and Shkodra region 	<p>Effective development at the local level Capacity Development Local economic development</p>
<p>OUTPUT 4 National and regional level actors improve cooperation in the framework of ONE UN initiative</p>	<p>1. Improved knowledge sharing and cooperation amidst national actors and UN agencies (IFAD, ILO FAO, IAEA and UNESCO.)</p>	<p>Alignment (partners-donors): The Programme’s actions destined to the alignment with National Development Plans</p>	<ul style="list-style-type: none"> - Several meetings were held in the framework of the Albania’s One UN Cooperation Programme (throughout 2013) 	<p>Multilevel governance</p>
<p>OUTPUT 5 Elaboration and dissemination of information</p>	<p>1. Increased awareness on ArtGold 2 Albania at the national level</p>		<ul style="list-style-type: none"> - Production of Newsletters (2) - Social media publications (UNDP Albania website, Facebook, Twitter) - Participation in TV shows - Participation in CoP exercises and networks - Participation in various national events 	

INTERNATIONAL LEVEL

Expected Outputs (as planned in 2012 AWP)	Results achieved	Results achieved regarding effective development cooperation – indicators on harmonization, alignment and ownership	Main activities implemented to achieve results	Main strategic action lines
<p>OUTPUT 1 Internationalization of Albanian regional development</p>	<ol style="list-style-type: none"> 1. Cooperation established with two new decentralized cooperation partners 2. The programme has been promoted internationally 3. Strengthened cooperation between various Art initiatives 	<p>Harmonization (donors-donors): Programme’s actions/agreements for the use of shared information between donors</p>	<ul style="list-style-type: none"> - Participation at the II World Forum of Local Economic Development - Foz do Iguassu, Brazil 29 October - 1 November 2013 to share Art Gold 2 Albania experience together with AULEDA presenting its experience in LED and the Minister for Local Issues who presented Albanian regional development experience - Participation at the Conference of the Adriatic-Ionian Macro-Region - Meetings with representatives of the Italian parliament and Government in Italy presenting AGA 2 results and achievements - Sharing the Albanian Art experience with UNDP Montenegro 	<p>Effective development at the local level</p>
<p>OUTPUT 2 Implementation of initiatives established with and through ART International thematic networks (IDEASS, UNIVERSITA, etc.</p>	<ol style="list-style-type: none"> 1. The Albanian Catalogue of Human innovations completed 	<p>Alignment (partners-donors): The Programme’s actions destined to the alignment with National Development Plans</p>	<ul style="list-style-type: none"> - The Catalogue has been published online - Connections have been created with the French region Pas de Calais and the Italian region of Apulia - A mission was organized by the programme in Vlora region with Vlora regional and local authorities, AULEDA and Pas-de-Calais partners 	<p>Effective development at the local level Knowledge management</p>
<p>OUTPUT 3 Support Decentralized Cooperation Missions</p>	<p>Efficient International Financial and Technical Support</p>	<p>Harmonization (donors-donors): Programme’s actions/agreements for the use of shared information between donors</p>	<ul style="list-style-type: none"> - Participation presenting AGA 2 results in the 2nd Conference on Decentralized Cooperation France – Balkan Region - The cooperation with FVG has been proved successful in the implementation of 2 development initiatives 	<p>Local economic development Effective development at the local level</p>



Facilitation of Decentralized Cooperation between French regions, the Municipality of Vlora and UNDP to benefit local development



Creation of a Touristic Hotel Villages scheme to benefit economic development, with a particular focus on women, in Northern Albania



Art Gold 2 Albania Evaluation Workshop



Establishment of Decentralized Cooperation with the region of Shkodra, Italian region Friuli-Venezia Giulia and UNDP to complete priority projects i.e. Creation of Marubi Virtual Museum to boost cultural tourism



Capacity Building with AULEDA staff in Vlora



AULEDA's 10th Anniversary

2.2 PROGRESS IN STRATEGIC ACTION LINE

Main results achieved regarding effective development at the local level (harmonization, alignment, ownership, articulation of actors)

The UN has initiated a large consultation process in several countries on post 2015 Global Development priorities. Albania has also embarked in this initiative as one of the sixty six countries organizing numerous public consultations to seek citizen's views on the future they want for themselves, their children, communities and country. The themes discussed in Albania are youth employment, environment and inequalities. One of the consultations regarding "The Future We Want- My environment today my future tomorrow" took place in Shkodra where ART GOLD 2 Albania joined the UNDP Environment Cluster and the Regional Council of Shkodra in the organization and moderation of the event. This event saw an active participation from representatives of the County Partnership Council, a structure established within ART GOLD 2 framework activities. Participants comprised representatives from the regional and local government units, civil society, and relevant institutions who expressed their opinions on the future they want especially as pertains environment.

Some of the main suggestions that emerged during the discussions were that infrastructural projects should encompass the entire region and not be limited to only few administrative units, that the usage renewable energy resources should be highly encouraged and that a legal framework that promotes increased green areas should be soon approved.



Consultations on the Environment in Shkodër

The programme is also cooperating closely with a new project i.e. Support to Territorial and Administrative Reform (STAR) implemented by UNDP Albania in close cooperation with the Ministry for Local Issues as well as other donors such as USAID, Government of Sweden and Switzerland. The aim of the present project is to provide support to the Minister of Local Issues - the central institution made responsible for the development of the territorial and administrative reform in consolidating Albanian administrative units and strengthening local administration efficiency and capacities to assume a better developmental role. AGA 2 has been part of this process and will continue to assist this project through the provision of technical knowledge accumulated and utilizing the networks established in the four years of the programme's longevity. This has been and will continue to be an excellent opportunity to promote the project at national level as well as within the donor community.

During 2013 various donor meetings were initiated by ART GOLD 2 Albania aiming at harmonization, i.e. that the actions/agreements contribute to shared information between donors, donor complementarity, and the simplification of procedures. Meetings were held with VIS Albania and GiZ representatives as well as with the Albanian Fund for Development (ADP). The main goal of the meetings was for all parties to exchange the knowledge and experiences accumulated during their respective programme's implementation in the Shkodra and Vlora regions.

AGA 2 is part of the One UN Programme in Albania which is a single, coherent plan for all UN agencies in Albania for the delivery of a set of key actions. This programme brings together the support of 19 UN agencies, funds and programmes, plus the International Organization for Migration, to Albania's development priorities. The results of this cooperation have been solid considering that the programme has had exposure and strengthened relationships with other agencies operating in this particular field of practice. AGA 2 is part of outcome on "Local Governance and Decentralization" encompassing outputs such as implementation of decentralization strategy and required reforms; increased LG capacities to ensure service accountability and cost-effective provision schemes; and empowered marginalized groups adequately receive services from local and regional governments. AGA 2 is also part of the outcome on "Regional and Rural Development" in close cooperation with other UN agencies i.e. IFAD, ILO FAO, IAEA and UNESCO. The outputs encompass increased government capacities to manage domestic

and EU regional development; employing agriculture and rural development for sustainable growth; and employing cultural heritage and tourism for economic development.

The aforementioned contribute to both harmonization (donors – donors) in sharing information between donors as well as to alignment (partners – donors) as in each of the aforementioned outcomes, national level institutions play an important role thus fostering alignment to national priorities.

Main results achieved regarding Multi-level Governance

The programme initiated partnerships with the new government since its establishment. The first partnership established with the new Government was that with the Minister for Local Issues. The latter participated in the II World Forum of Local Economic Development in Brazil, organized by the Art Geneva, where the Minister presented the Albanian experience in regional development and its current expectations as well as AGA 2 results.

New partnerships were also established with the Ministry of Culture and the Ministry for Urban Development and Tourism. Both these Ministries are part of the Steering Committees of the two initiatives Marubi Virtual Museum and Hotel Villages scheme. During the SC meetings representatives at the national, regional and local level were able to exchange information and establish expectations regarding the two aforementioned development initiatives.



Albanian Minister for Local Issues presenting at II World Forum

Main results achieved regarding Local Economic Development

During July 2013 the programme in cooperation with Friuli-Venezia Giulia region counterparts as well as representatives of regional and local authorities in Shkodra region conducted an initial feasibility assessment of the area of Kelmend (more specifically the villages of Vermosh, Lëpushë and Tamarë) regarding the application of the “Hotel Villages (Alberghi Diffusi)” scheme. This assessment was preceded by a reconnaissance mission that occurred in May which aimed at scouting the territory as well as establishing connections with key actors and potential beneficiaries.

The “Hotel Villages (Alberghi Diffusi)” project will comprise training and testing a sustainable tourism resource management model in rural and mountainous areas (which have high poverty incidence), as well as the promotion of resources as an integrated economic product. This model requires the involvement and participation of public and private local stakeholders’ i.e. local authorities, economic operators and resident population. Although it requires a long-term action, if the model is fully implemented, the rural village turns into a sort of a tourism company offering and trading tourism products whereas the public and private local stakeholders become members of this particular company’s board of directors, hence they define jointly development lines and activities. The aim of the project is not only limited to planning promotional activities of local tourism products. As a matter of fact, the project aims at intervening on the human component of the tourism product in order to turn the elementary management of the latter (accommodation capability, hospitality, tourist services) into management of the territory through a flexible and a participatory process model which will transform citizens and residents into tourist entrepreneurs.

During this technical assessment collaboration was established with local authorities, other donors operating in the area, local tourism enterprises as well as with resident population.



Kelmend Commune where the Hotel Villages Model will be implemented

The other project is the creation of the Marubi Visual Museum in Shkodra. The Marubi archives are considered as one of the largest photo libraries in the Balkans, with a collection of more than 500,000 photographic negatives (glass plates and microfilms) dating back to 1855. The Virtual Museum project consists in the development of a comprehensive web interface promoting and presenting the Marubi photo archives to visitors interested in Albania's identity and cultural heritage, as well as indicating tourist itineraries based on Marubi images. The latter is expected to increase tourist flows in the area therefore increase income generation from this particular sector in Shkodra region. During 2013 the equipment needed to start the digitalization processes was purchased whereas during 2014 trainings will be conducted with the local staff.

The implementation of the strategic development lines as well as of the projects defined in alignment with these strategic lines in the two SPs has already started. In fact three projects, focusing in the restoration of important monuments, have been completed. These objects are part of the Tourist Guide of the city of Vlorë and give a further boost to the cultural and historical tourism in the area. In full synergy with the aforementioned interventions is also the provision of Wi-Fi Internet services to tourists in the historical centre of the city (Flag Square). Through this portal, accessible in cell phones, it will be possible to obtain information regarding tourist attractions in the area. This is a pilot project carried out in the framework of the IPA Adriatic, PITAGORA project. The region is also implementing a project on promoting Vlorë touristic resources in new markets such as China, Japan, USA, etc in the framework of the Cross Border Programme Albania-Greece.

Besides tourism other sector's projects envisaged in the Strategic Plan are being implemented. These projects have a focus on rural development and environment and are funded by various donors reconfirming the importance of the Strategic Plan in harmonizing donors' efforts and building ownership.

Main results achieved regarding gender equality

Both Strategic Plans highlight gender issues in Vlorë and Shkodra regions and list several potential projects that focus on gender equality and women empowerment. Some examples are the creation of handicraft enterprises, production of artistic souvenirs for tourists, recovery of past experiences in food processing businesses (fruits, bakery, etc.) carried out in rural areas, foster family tourism, creation of help centres for women (victims of violence) and etc.

In the framework of strengthening LEDAs, Art Gold 2 supported AULEDA presenting a social business plan competing for funding in the competition for social businesses "the Idea wins" within the framework of YUNUS Social Business programme Albania. The topic of the social business presented was "Eco-social entrepreneurship for women patients attending a Community Center in Vlorë". This entrepreneurship focuses on patients with mental disabilities providing them opportunities to improve their social and economic situations. More specifically, women with developmental disabilities will be employed in a greenhouse cultivating flowers, using photovoltaic heating panels thus also adopting eco-friendly technologies. The project was ranked second in the competition and is foreseen to be implemented shortly.



Beneficiaries of the Health facility in Vlora

Main results achieved regarding Public Policy Incidence

Art Gold 2 Albania programme underwent an independent tripartite evaluation undertaken by the Albanian Government, the Italian Government and UNDP Albania, in the period April - May, 2013. The evaluation of the ArtGold2 Albania was aimed to determine the performance of this initiative from the perspective of relevance, effectiveness, impact and sustainability in the context of the Albanian local development. Conclusions drawn by the evaluators resulted very positive in many directions underscoring the unique set of approaches and tools of this framework program for local development, including elements of a comprehensive methodology for developing participative strategic plans. One of the recommendations was for replication elsewhere and institutionalization of methodology and approaches. However, considering the major changes that occurred in the Albanian Government in 2013 there was no visible progress in terms of institutionalization of particular components of the programme.

Capacity Development

The capacity development component has been part of the programme since its beginning. During 2013 LEDAs capacities have been further reinforced through the facilitation of their participation in national and international events that benefit them both at the programming and operational aspects. During the II World Forum of Local Economic Development, organized by Art Geneva, AULEDA as well as Albanian government representative were presented with other examples of interconnection between Governance for LED, LED Strategies, policies and instruments, and sustainable and inclusive LED around the world. Regional Councils have been supported in the presentation of Strategic Plans at national and international events as well as in their implementation.

South-South and Triangular Cooperation

Exchanges with other Art initiatives have continued during 2013 i.e. with Art Kosovo and a new one started with UNDP Montenegro with which the programme shared its experience regarding the application of ART methodology in Albania, particularly focusing on lessons learnt.

2.3 TARGET POPULATION AND NATURAL ENVIRONMENT:

Target population			Short term benefits	Medium and long term benefits
Direct beneficiaries	No. Women	No. Men	Benefiting in:	Capacities of local counterparts are strengthened, ownership over processes is achieved and resources are mobilized
<p>Direct beneficiaries are those recipients of the initiatives developed in the framework of the Programme</p> <ul style="list-style-type: none"> - LEDAs staff - Local government employees with responsibilities in: <ul style="list-style-type: none"> ▪ Heading Municipalities ▪ Heading Communes ▪ Heading RC ▪ Administering RC ▪ Board members from local and regional government institutions ▪ Commune and Municipality Officials /Clerks 	232	364		
Indirect beneficiaries	No. Women	No. Men	The community creates their vision and outlines projects through a participatory process	The community benefits from the projects (envisioned by all the stakeholders during the strategic planning process) implementation results.
<p>Inhabitants of the territory who are indirectly benefited from the interventions of the Programme.</p> <p>The whole community in Vlora and Shkodra regions</p>	228,762	228,988		
Natural environment			Short term benefits	Medium and long term benefits
<p><i>Description of the situation (weaknesses, strengthens) of the natural environment before the interventions.</i></p> <p><i>Strengths:</i></p> <ul style="list-style-type: none"> • Good morphological diversity (high mountains, valleys, plains, sea, lagoons, rivers, springs, urban and anthropized sites), characterized by a high level of diversity (and biodiversity). • Good quality landscapes • Fertile lands in plains, fluvial valleys and on average altitudes. • Fields of good quality clay • Temperate climate • Good climatic diversity <p><i>Weaknesses</i></p> <ul style="list-style-type: none"> • Encroachment of building activities that until now determined the devastation of Saranda downtown, and now threatening all the district. • Modifications of lagoon ecosystems in progress. • Lack of organised systems of waste and water management, causing land, water and air pollution. 			Through the Strategic planning process the region of Vlora was able to identify the strengths and weaknesses of their natural environment as well as tackle immediately the latter through various initiatives outlined in the Strategic Plan which focus is "Zero emission territory".	The environment is well preserved, the region becomes more attractive to tourist and investors and as a result the living standards and incomes are increased throughout the region.

DIALOGUE AND CONSENSUS-BUILDING MECHANISMS : FUNCTIONING AND RESULTS

National level:

National Coordination Committee:

a) National Institutions:

- **Ministry for Local Issues**
- **Ministry of Culture**
- **Ministry of Urban Development and Tourism**
- **Ministry of Economic Development, Trade and Entrepreneurship**
- **Ministry of Agriculture, Rural Development and Water Administration**

b) Local Governments:

- **Regional Councils of Shkodra and Vlora**
- **Municipalities in the targeted regions**
- **Communes in the target Regions**
- **Local Economic Development Agency TEULEDA (Shkodra)**
- **Local Economic Development Agency AULEDA (Vlora)**

c) International Cooperation:

- **Italian Government**

d) United Nations Agencies

- **UNDP Albania**
- **UNOPS**

Even though the NCC did not organize any formal meetings during 2013 its members were highly involved in the events organized in the framework of the programme.

Local level:

Working Groups (or other articulation spaces)

- 1. Two County Partnership Councils for Strategic Planning (one for each region, Vlora and Shkodra)**
- 2. Two Technical Supporting Group of the County Partnership Council (one for each region, Vlora and Shkodra)**
- 3. Two Project Steering Committees with regards to the Hotel Villages and Marubi Virtual Museum initiatives**

The local working groups have met and have re determined the regional priorities to be implemented.

3 FINANCIAL INFORMATION

3.1 PARTNERS AND RESOURCES MOBILIZATION

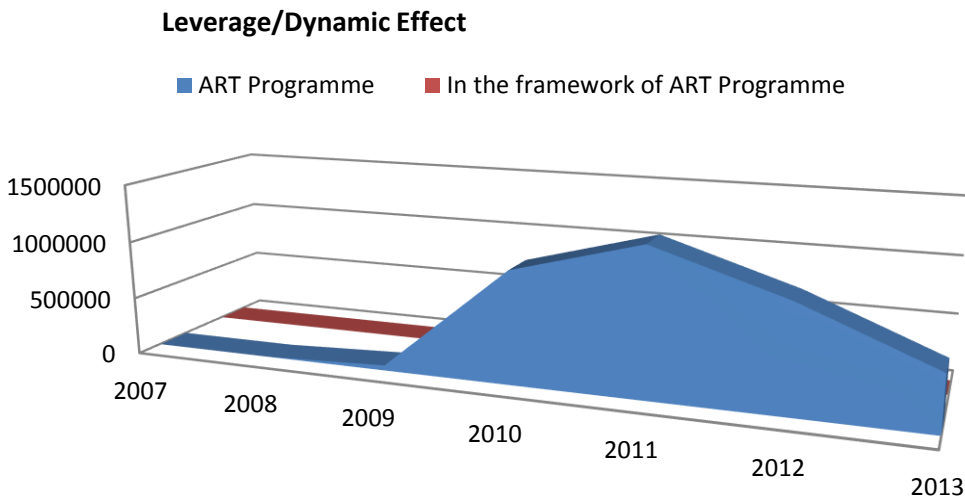
The programme has established connections with the region of Puglia. The latter are assisting the programme in developing a proposal for funding by the Italian – Albanian Debt for Development SWAP Agreement (IADSA) amounting to 500,000 Euros.

3.2 FINANCIAL RESOURCES EXECUTION:

FINANCIAL SUMMARY OF THE PROGRAMME IN 2013	(A)	(B)	(C)	(A + B)	(A + B + C)	TOTAL in %
	Funds directly executed by ART in 2013		Funds executed by partners in the framework of ART (<i>funds not channeled through UNDP</i>) in 2013	Sub Total funds executed by ART in 2013	TOTAL Funds executed in the framework of ART (by ART and by its partners) in 2013	
	Channeled through ART Trust Fund	Channeled through UNDP /ART CO				
Partners	USD	USD	USD		USD	USD
National Government from the partner country		213,618.63		213,618.63	213,618.63	44,34%
Subnational Governments from the country partner						%
Private sector, civil society organizations, universities and other partners from the country						%
Bilateral Cooperation (<i>including European Commission</i>)						%
International Decentralized Cooperation						%
UNDP (CO, TTF, other Bureaus)		61,326.34		61,326.34	61,326.34	12,73%
Cooperación Multilateral (<i>Agencias del Sistema de NNUU, Banco Mundial</i>)						%
Multilateral Cooperation (United Nations System Agencies, World Bank)	206,865.01			206,865.01	206,865.01	42,93%
TOTAL	206,865.01	274,944.97		481,809.98	481,809.98	100%
TOTAL en %	42,93%	57,07%	%	100%	100%	

NON MONETARY CONTRIBUTIONS IN THE FRAMEWORK OF THE PROGRAMME IN 2013	Type of contribution
Partners	
National Government from the country partner	
Subnational Governments from the country partner <i>Ejemplo:</i> - Government of the X Province - Municipality Y	-2 meetings with Friuli Venezia Giulia region held at the premises offered by the Municipality of Shkodra -2 meetings with Friuli Venezia Giulia region held at the premises offered by Qarku Shkoder. -1 meeting with Friuli Venezia Giulia region related to Hotel Villages component of the project held at the premises of commune of Kelmend. - 2 meetings with French Decentralized Cooperation Pas-De-Calais held at Municipality of Vlora and Qarku Vlora. -2 meetings related to Art Gold 2 Project mid-term evaluation with International and National Government officials held at Qarku Shkoder premises and 2 meeting held at Qarku Vlore premises.
Private sector, civil society organizations, universities and other partners from the country <i>Ejemplo:</i> - Local NGO X	- The Local Economic Development Agency in Shkodra has provided an office and telecommunication facilities for Art Gold 2 local area consultant during the duration of his assignment.

3.3 LEVERAGE/DYNAMIC EFFECT:



4 KNOWLEDGE PRODUCTS. COMMUNICATION AND VISIBILITY.

Best Practices (identify the 3 main Best Practices)

Successful initiatives, processes, activities or projects	Criteria for Best Practices (<i>others can be considered</i>)			
	Integration in the local Government's programmes, services or action lines (institutionalization)	Empowerment of the benefited population	Articulation with other actors	Best Practice formal systematization
Successful facilitation of Decentralized Cooperation with FVG region and the region of Shkodra to implement a Hotel Villages scheme, the first of this type of intervention in Albania	Yes	Yes	Yes	Yes
Empowerment of AULEDA to become a lead partner for local development actions (generating 150 jobs and providing professional training to thousands of actors), recognized nationally and internationally in its 10 years of operations	No	Yes	Yes	Yes
Strategic Planning methodology which is now shared with audiences nationally and internationally for replication	No	Yes	Yes	Yes

Fast Facts

Fast Fact 1	Fast Fact 2
<p>Please briefly explain results, partners involved, sustainability of the initiative, etc. Please do not exceed 350 words.</p> <p>Children of Himara to benefit from a new playground</p> <p>Children of Himara will soon enjoy a new, beautiful, playground which they were long looking forward to. This development work has been made possible thanks to the cooperation of Municipality of Himara and UNDP ART GOLD 2 programme through a cost sharing scheme.</p> <p>‘My father just told me that a new playground for children will be built here. My friends and I, are very happy because this is what we need. We have nowhere to play now. The whole area is occupied by cars and bars’ — says Vasili a 9 year old from Himara.</p> <p>Himara is a town alongside the beautiful Albanian Riviera. The town is considered one of the Albanian tourism pearls attracting both national and international tourists not only due to the sun-sea tourism it offers but also to its beautiful churches and monasteries characterized by the Byzantine architecture.</p> <p>The Community Playground has an important value for the community , not only due to the fact that this will be the</p>	<p>Please briefly explain results, partners involved, sustainability of the initiative, etc. Please do not exceed 350 words. Please do not exceed 350 words.</p> <p>Celebrating the Local Economic Development Agency of Vlora (AULEDA) 10th Anniversary</p> <p>AULEDA was established through the United Nations assistance to Albania in 2003 and since then has grown into a lead partner for local development actions. UNDP Albania through the ART GOLD 2 programme has assisted the region of Vlora in the growth and strengthening of this agency. Following are some of AULEDAs achievements during its ten years of operations:</p> <ul style="list-style-type: none"> • inter-municipal and regional Strategic Plans have been developed following a participatory methodology; • local economic potentialities have been mapped; • around 150 enterprises have received technical assistance, and 16 of them have also received financial support thanks to the Guarantee Fund; • 214,000 USD have been delivered to entrepreneurs as credits, with 100% return rate; • 150 jobs have been created;

first one in this area but also due to its location in the heart of the town of Himara, along the pedestrian zone, just a few meters from the sea.

At present this community playground does not have any recreational equipment, illumination or any other necessary urban furniture to be called a playground. The project, foresees also the installation of wooden benches for the parents and senior citizens. The illumination of the playground will be done through a system which makes use of solar energy (photovoltaic panels) which is abundant in the little town.

The Mayor of Himara, Mr. Gjergj Goro says: “We are very pleased to have cooperated with UNDP in the implementation of this development work, key for the community members especially children”.

- 2,500 people have received professional training or have been trained in enterprise management;
- 35 projects have been implemented, for a total amount of 1,500,000 Euro managed by AULEDA.

Throughout the last three years AGA 2 has been collaborating with Vlora’s regional and municipal authorities as well as AULEDA in strategic planning as well as implementation of strategic priorities which are vital for this region’s sustainable development, a region rich in natural resources and human capabilities with a great potential to be a top tourist attraction site in Europe.

AULEDA has firmly established itself as a quality player in the regional context, as a local development agency, striving to reach standards of Local Economic Development (LED) agencies in the EU member state countries. Vlora region municipalities and communes can and do rely on AULEDA for technical expertise in sustainable tourism development, agriculture, fisheries, handicrafts, and the like. But more importantly, AULEDA brings effective methodological approaches and tools such as strategic planning, mapping of resources and territorial marketing for such development efforts.

The Deputy Mayor of Vlora Mr. Arben Beqiraj emphasized that AULEDA’s 10th Anniversary is a historical moment not only for the agency but also for the city of Vlora having been transformed in an important image of the latter. To him AULEDA is a confirmation that successful models can be also created within our communities.

Knowledge Products *(Studies, evaluations, systematizations)*

Title	Year
Art Gold 2 Albania Mid Term Evaluation	2013
AULEDA 10 th Anniversary Brochure	2013

Communication and visibility of the Programme

	Theme	Type of material/Means of Communication	Level (national/territorial)
Press releases issues	Launching of Marubi Virtual Museum	TV Stations, newspapers & online publications	National and Territorial
Programme features in the media	Presenting AGA 2 and AULEDA in a national TV show	Participating in a National TV show on social and economic development micro finance schemes	National
Participation of Goodwill ambassadors and celebrities		N/A	
Visibility materials (dissemination brochures, merchandise in diverse formats, etc.)	ART GOLD 2 Programme periodic Newsletter	Electronic and hand delivered	National and territorial
	Websites	http://www.al.undp.org/content/albania/en/home/operations/projects/environment_and_energy/art-gold-2-albania-programme-.html https://www.facebook.com/UNDPAlbaniaARTGOLD2Programme http://vloraregionstrategicplanning.eu/en/ http://www.shkodraregionstrategicplanning.eu/en/ http://www.auleda.org.al/news-auleda?start=3	National and territorial
Advocacy Campaigns			

5 CONCLUSION. CHALLENGES CONFRONTED AND LESSONS LEARNED

Challenges confronted:

One of the major programme's challenges prior but also during 2013 has been the absence of a fully-fledged local development framework/policy in Albania. Furthermore, the relatively high number and small size of most local government units in a country with a relatively small area coupled with concerns of efficiency and quality of service provision has increasingly been considered as a serious obstacle to local governance and development. A stronger role of local and regional governments, in terms of clear competencies and sufficient finances, is critical for the success of a regional development project. If this role is not strong enough, the AGA2 lacks sustainability. Its results can be discontinued and its impact put in jeopardy.

However, local developmental and governance deficits have found a central place in the program of the Government which took office in September 2013. Administrative-territorial reform, including through consolidation of administrative units, is an immediate term priority of the Government, with a full understanding that this reform would be critical for reviewing and improving institutional capacities and fiscal systems in place and making them more efficient and responsive to development and further decentralization challenges.

In this regard, the Government has established a new Ministry i.e. Ministry for Local Issues which has taken the lead in the area of decentralization and regional development. This Ministry is now a main counterpart of the programme and it is hoped that during 2014 the challenges faced with regards to this issue will be successfully tackled therefore ensuring ownership and institutionalization of the programme.

Nevertheless, the territorial and administrative reform process in 2014 might halt some LGUs activities due to unclear future divisions therefore might delay some of the programme's activities during 2014.

Lessons Learned:

- The importance of the territorial Strategic Planning instrument lies not only in the technical approach, but also in its political value. It has been an effective instrument for consensus building, dialogue between majority and opposition, through policy making in tourism and the environment SP are where politics meet policy.
- There are many ways of implementing decentralized cooperation activities, for example the one facilitated by the European funds. But the AGA2 reflects a unique model. It is based on a multilateral framework, where the UNDP CO provides locally the instruments for planning and partnership building (CPCs, and LEDAs) and, at the international level, the Art Global Initiative in the UNDP Geneva Office facilitates the dissemination of good practices and marketing of projects. The GoA is constantly kept informed and ensures alignment and harmonization, whilst the donor representatives may coordinate and create synergies between different cooperation partners from its country.

- The success of LEDAs and CPCs largely depend on the continuous and coherent support over time and their capacity to adapt, evolve and innovate, thanks to specialized know-how and appropriate resources provided by AGA2.

6 ANNEXES

Annex 1: Financial Report.

Annex 2: Communication and visibility materials

Annex 3: List of Partners

Annex 4: Knowledge Products