

Strategy for development cooperation with

# Albania

January 2009 – December 2012



REGERINGSKANSLIET

Government Offices  
of Sweden

# STRATEGY FOR SWEDISH DEVELOPMENT COOPERATION WITH ALBANIA, 2009–2012

## SUMMARY

The overarching goal of Swedish development cooperation with Albania in 2009–2012 is a stronger democratic state, long-term sustainable development, and improved opportunities for achieving EU membership.

In the space of just over 15 years, Albania has evolved from a totalitarian, centrally planned regime into a young democracy with a market economy. Economic growth has been fairly substantial, but since the social and political system has not progressed at the same pace, much remains to be done before the country becomes a modern state based on the EU's fundamental democratic principles.

Swedish support is to focus on two sectors: a) democratic governance and human rights, and b) natural resources and environment. The choice of sectors is based on a needs assessment, on Albania's own priorities, on the activities of other donors cooperating with Albania, and on Sweden's comparative advantages. The development programme is expected to improve Albania's chances of implementing reforms and ensuring sustainable, equitable development in the country.

In order to strengthen the impact and improve the results of Swedish-financed action, Swedish initiatives are to include a dialogue aimed both at ensuring an open discourse between the country's policymakers and its citizens on the subject of Albania's long-term reform commitments, and at ensuring greater gender equality and the increased participation of women in public life.

The volume of Swedish aid to Albania in 2009–2012 will be approximately SEK 90 million per annum.

## **Part 1. Objectives and direction of cooperation**

### **1. Objectives and priorities**

The aim of Swedish development cooperation with Eastern Europe is strengthened democracy, equitable and sustainable development, and closer ties to the EU and its basic values. The programme will thereby help realise the aims of Sweden's Policy for Global Development: to help bring about equitable and sustainable development based on a rights perspective and the perspective of the poor.

The overarching goal of Swedish development cooperation with Albania during the period 2009–2012 will be a stronger democratic state, sustainable development in the long term, and improved opportunities for achieving EU membership.

Integration with the EU will necessitate reforms that are sustainable in the long term and which lead to prosperity and economic development in Albania. The country will in all probability apply for EU membership during the present strategy period, and such a development has been provided for within the strategy framework. Sweden will seek to support Albania's own priorities as expressed in its Stabilisation and Association Agreement with the EU, in its National Strategy for Development and Integration<sup>1</sup>, and in the commitments set out in the European Partnership. These commitments are followed up annually in the European Commission's progress reports. In addition, Albania's National Action Plan for EU Integration will also be given due consideration.

The National Strategy for Development and Integration outlines the Albanian government's vision in the following terms:

“A country with high living standards, which is integrated in the European and Euro-Atlantic structures, is democratic and guarantees fundamental human rights and liberties.”<sup>2</sup>

Swedish development cooperation with Albania is to focus both on promoting democratic governance and human rights and on the sustainable use of natural resources and the environment.

Swedish and Albanian representatives are to engage in a dialogue in connection with Swedish development efforts. This dialogue will centre on improving communication between Albanian policymakers and citizens on the subject of long-term Albanian reform commitments, and on furthering gender equality and the participation of women in public life and community development. Overall process goals during the strategy period are concentration of the Swedish programme on two specific sectors, and enhanced local ownership. Earlier Swedish commitments in sectors such as economic growth and social development have been phased out and will continue to be phased out successively as agreements expire. Support for the country's ombudsman system has been phased out, along with support for the health sector.

Greater Albanian ownership is to be ensured by basing Swedish development cooperation efforts both on Albania's Stabilisation and Association Agreement with the EU and on national plans and priorities. New measures are to be requested by Albania itself, and cooperation agreements must establish clear divisions of roles and responsibilities.

The Swedish development programme is to be implemented in close dialogue with other donors, particularly the European Commission, and is to be coordinated with the Instrument for Pre-Accession Assistance (IPA). Cooperation with the European

---

<sup>1</sup> National Strategy for Development and Integration, p 14.

<sup>2</sup> National Strategy for Development and Integration, p 14.

Commission both locally and in Brussels is to be developed further in accordance with the Paris Declaration on Aid Effectiveness.

The Swedish Government's three thematic priorities – democracy and human rights, environment and climate, and the promotion of gender equality and the role of women in development – is reflected in its choice of sectors and in the direction of this strategy. The rights perspective and the perspective of the poor are duly considered, for instance through the strategy's focus on improving participation, gender equality, openness and accountability and on giving civil society a stronger role.

## 2. Direction and scope

### 2.1 Sectors

Swedish support is to focus on two sectors: a) democratic governance and human rights, and b) natural resources and environment. Support to civil society aimed at strengthening its role in the development of Albanian society is to be provided both within the framework of these two sectoral activities and via Swedish framework organisations.

#### *Democratic governance and human rights*

The overarching Albanian objective for this sector is:

- Openness and thorough reforms in pursuit of European standards and enhanced democracy, and the protection of human rights and freedoms.<sup>3</sup>

Swedish objectives for this sector are:

- Enhanced efficiency, openness and transparency in the Albanian administration.
- Improved opportunities for Albanian citizens to take part in and influence the reform process and the EU integration effort.
- To ensure that Albanian civil society has greater access to a legally secure and efficient police system that is under civilian control and subject to civilian monitoring.
- Increased participation of women in the political and administrative spheres.

Continued and expanded Swedish support to the Albanian administration is expected to contribute to the implementation of reforms, and also facilitate integration with the EU and make this process clearer both to the Albanian Government and to civil

---

<sup>3</sup> National Strategy for Development and Integration, p 26.

society. This could be achieved, for instance, by supporting a reformed judiciary, a more efficient system for policy planning and budget coordination, an open, functional system for land and property management, a more efficient tax administration, and access to more open and reliable statistics. Particular importance should be attached to anti-corruption measures. The aim of Swedish support to civil society is to provide citizens with better access to information about the reform process to enable them to make demands in this respect. A properly working justice system is essential if civil society is to exercise its civil rights. Cooperation between Albania and Sweden in the policing area could focus for instance on strategic management and on action to combat human trafficking. In pursuit of EU integration, it is vital that Albania strive for closer alignment with Community standards in this particular area.

Sweden has established itself as a firm advocate of gender equality, and possesses considerable expertise in the field. Gender equality promotion has mainly taken the form of funding provision to framework organisations and engagement in dialogue in connection with all Swedish-financed projects and programmes, especially with the Albanian Government and with both recipient bodies and implementation bodies. Sweden is to focus more closely on gender equality through measures that enhance the capacity of both the administration and civil society to help make the implementation of gender equality legislation more efficient. Projects for the development of statistics disaggregated by sex may be considered for Swedish support. Opportunities for civil society to monitor gender equality and other human rights, including minority rights and LGBT issues, can be improved by providing support to NGOs via Swedish framework organisations and through dialogue. Support for projects designed to combat human trafficking may also be considered. In particular, issues relating to discrimination against these groups should be addressed.

#### Natural resources and environment

The overarching Albanian objective in this sector is to:

- Create conditions for long-term sustainable growth by preserving and protecting Albania's natural resources from destruction and exploitation and by promoting environmental values.<sup>4</sup>

Specific Swedish objectives for this sector are:

- Reduced vulnerability in the energy sector and efficient use of renewable sources of energy.

---

<sup>4</sup> National Strategy for Development and Integration, p 52.

- Increased Albanian administrative capacity at national and local level for dealing with natural resource issues sustainably in the long term.
- Increased and improved interaction between civil society and the state on environment and climate issues.
- Increased capacity for the sustainable use of the country's water resources.

Sweden will support efforts at both national and local level primarily to develop capacity. A waste management programme financed by Sweden in the Korca region has yielded good results and can be extended to 3–4 more regions. Sweden will continue to support the development and implementation of a national strategy for waste management. Also, Sweden will continue to help develop plans for more efficient and sustainable forestry in most of the country's municipal areas. This project is being undertaken in close collaboration with the World Bank. To help deal with the energy crisis in Albania, measures that boost the country's capacity to use both its water resources and its renewable sources of energy in a sustainable manner are to be identified. Sweden will look into the possibility of establishing methods for improving weather, water and climate forecasts so as to reduce the adverse effects of future climate change.

Assuming that the Swedish Government decides to introduce a new credit and guarantee system that includes a facility for climate and environment, this could be used in Albania.

Organisations in civil society are to be given support designed both to strengthen their ability to pursue issues relating to the environment and natural resources, and also to bring more women into this area of work. Such measures are of relevance to the thematic priority area of environment and climate, and both the gender equality perspective and transparency will be duly considered when implementing them.

Regional cooperation is essential to continued macroeconomic growth and stability, and is also a formal requirement for joining the EU. The Balkan countries have established the Regional Cooperation Council (RCC) as their regional operative body. The political priorities have been formulated in the region's own representative organisation, the South East European Cooperation Process (SEECP), which has given the RCC a mandate to implement them.

Sweden attaches considerable importance to regional cooperation in the Balkans and views the RCC as the principal means of coordinating it. Sweden intends to work with the RCC on the basis of the region's own priority areas (economic and social development, infrastructure, justice and domestic issues, cooperation on security and capacity-building). Parliamentary cooperation is one of the SEECP's overall priorities. Also, Sweden should base its bilateral support on the priorities established through the SEECP, and collaborate in this with the RCC secretariat in Sarajevo.

Albania's participation in regional projects can be financed within the framework of those sectors covered by the bilateral cooperation programme with the country.

## **2.2 Forms of cooperation**

As before, most of the Swedish input is to be in the form of support to the Albanian administration at national or local level. In order to strengthen the prospects for democratic, equitable and sustainable growth, further support is to be provided for the development of civil society, via Swedish framework organisations and other channels.

When preparing Swedish projects and programmes, the aim will be to boost collaboration and co-financing in joint donor programmes.

Swedish support to Albania is not extensive enough to allow Sweden to pursue sectoral reforms on its own. Through project initiatives, however, Sweden can contribute selectively to solutions and hasten the process of reform in areas where Swedish skills and comparative advantages are in demand.

## **2.3 Dialogue issues**

Sweden will seek to promote both broader and more active citizenship in Albania and critical appraisal of the country's long-term reform commitments. It will also press for greater gender equality and more extensive participation by women in community development. Initiatives in these areas are already receiving Swedish financial support. To enhance impact, financing is to be combined with dialogue.

Strategic issues for discussion in the dialogue include the following:

- Civil society must be given the opportunity to follow up on the government's reform commitments.
- Swedish-financed initiatives must be clearly characterised by transparency and gender equality, and emphasise national ownership.
- National structures for addressing gender equality issues must have greater capacity and status, and Sweden will strive to achieve this.

Dialogue is to be conducted at the political level as well as in talks with other donors, with implementing bodies and with bodies receiving Swedish support. This includes talks with the Albanian Government. Sweden will, for instance, seek to make use of these dialogues to ensure that the issue of women's right to land is addressed in the land administration project being undertaken by the World Bank with Swedish co-financing. National ownership will also be emphasised in the dialogue with Albania.

Dialogue will further be pursued under the European Commission cooperation programme, both locally and in Brussels.

## **2.4 Scope (volume)**

Aid needs in Albania are still considerable. Both the EU's progress report and the Stabilisation and Association Agreement make clear the need for reforms. Albanian strategy and planning work has moved forward in recent years, and conditions for effective aid input are expected to improve.

Swedish development cooperation with Albania has generally worked well, and the progress made in developing Albania's capacity means that prospects for increasing Sweden's aid programme are favourable. The volume of Swedish aid will amount to SEK 90 million per annum.

## **3. Implementation**

### **3.1 Cooperation with other donors including multilateral actors**

Swedish development cooperation is to be implemented in close dialogue with other donors, especially the European Commission, and to be coordinated with the pre-accession assistance programme, IPA. Cooperation with the European Commission both locally and in Brussels is to be developed further in accordance with the Paris Declaration on Aid Effectiveness.

Sweden will continue to identify opportunities for cooperation with multilateral organisations within the framework of its own aid programme. Cooperation with the World Bank and the UN is to continue. Opportunities for cooperating with the European Bank for Reconstruction and Development (EBRD) should also be examined.

### **3.2 Alignment, harmonisation and coordination**

Sweden will be guided in its development efforts in Albania and in its work in the donor community by the Paris Declaration on Aid Effectiveness and by the Accra Action Plan and the EU's Code of Conduct on Complementarity and Division of Labour.

One of the overarching process goals during the strategy period is enhanced Albanian ownership. Swedish cooperation with Albania is to be based on the country's own priorities as expressed in its Stabilisation and Association Agreement with the EU and in its National Strategy for Development and Integration. The selection of the two sectors a) democratic governance and human rights, and b) natural resources and environment, was based on the priorities set out in the Albanian strategy and on



dialogue with the Department for Strategy and Donor Coordination (DSDC) at the Albanian Prime Minister's Office.

Albania's coordination of aid input has improved in recent years, and Sweden should continue to provide support to the Integrated Planning System (IPS). In time, this should make it possible for donors to use the country's own systems for planning, implementing and following up development aid. Also, Sweden will promote increased coordination among donors and their Albanian partners, and encourage joint assessments and follow-up of projects and programmes.

#### **4. Follow-up**

Albania's Stabilisation and Association Agreement with the EU and the commitments established in the European Partnership together constitute the basis for follow-up work on the cooperation strategy. The EU's annual progress reports are of particular relevance in this context. Albania's National Action Plan for EU Integration and the country's strategy for development and integration will also be given due consideration.

In all its follow-up and progress reports on strategy implementation, Sida is to specifically show the extent to which Swedish input has contributed to progress and development in terms of Albania's EU integration effort and implementation of the Stabilisation and Association Agreement.

Within the agreement framework, the results and planning of Swedish development cooperation efforts are to be reviewed annually and jointly with the Albanian government to ensure aid efficiency and the achievement of stated objectives.

## **Part 2. Background**

### **1. Summary country analysis**

In contrast to its neighbours in former Yugoslavia, Albania did not experience an armed conflict in the 1990s. As a result, by comparison, development in the country has been little discussed. Albanian development began at a relatively low level – due not least to 46 years of isolation during the Communist era - but on the whole the country is now moving in a favourable direction. Ever since the collapse of the Communist regime, Albania has been steadily transforming itself from a totalitarian regime with central planning into a young democracy with a market economy. Due to its lengthy isolation from the outside world, however, the country still needs a new political generation. Despite the presence of a multiparty system that has included regular elections, Albania's progress towards democracy has not always been encouraging. The implementation of essential reforms has often been delayed, due to a polarised political climate and a lack of administrative capacity. This has, for instance, affected legislative work in parliament. Looking ahead to the 2010

parliamentary election, problems remain concerning both the implementation of essential legislation and the conducting of elections in accordance with international standards and commitments.

Since the fraudulent pyramid schemes that ruined the Albanian economy in 1997, the country has experienced steady economic growth, concentrated primarily to the Tirana and Durrës regions. Albania is still one of the poorest countries in Europe, with an extensive informal economy. Future economic progress is difficult to predict, since many young people feel that they will need to leave the country in order to lift themselves out of poverty. Extensive remittances from abroad give thousands of families much-needed financial support. The business climate in Albania recently underwent a marked improvement following the introduction of a number of reforms designed to facilitate establishments and reduce taxation. Albania is described in the World Bank's Doing Business Report as the country that implemented the second largest number of business-friendly reforms in 2007–2008.

Albania intensified its reform efforts after the turn of the century in seeking to make the country fit for membership of both the EU and NATO. Integration with the EU is being pursued in accordance with the Stabilisation and Association Agreement signed in 2006. This agreement establishes a contractual relationship between Albania and the EU, the aim being to support the implementation of whatever reforms may be needed to meet the conditions for membership imposed by the Union, i.e. the Copenhagen criteria. These require new member states to have an efficient democracy with institutional frameworks, proper rule of law, sustainable economic growth and the ability to meet the demands imposed by EU membership. Another formal requirement in Albania's case is regional cooperation with neighbouring countries in the Western Balkans. In 2008, Albania was invited to enter into accession negotiations with Nato, and is expected to become a member of the alliance in 2009. As in the case of EU integration, the NATO membership process has hastened the introduction of important reforms. Since 1999, Albania has pursued integration with NATO in accordance with the Membership Action Plan (MAP), under which reforms that enable the country to meet NATO membership criteria must be implemented.

Albania's National Strategy for Development and Integration was adopted in 2008. This strategy defines membership in both the EU and NATO as the government's strategic priorities. The aim of the strategy is to support Albania's transition to a democratic state free from corruption and with a sustainable level of economic and social development. According to the European Commission's 2008 progress report, the principal challenges facing the country are reformation of the justice system and consolidation of the rule of law, due to such factors as judicial inefficiency. The reform strategy for the justice sector has been delayed as a result of disagreement in the political debate on the subject. Laws prohibiting discrimination on the grounds of ethnicity or religion are in place, as is a law designed to promote gender equality, but there are shortcomings in the implementation of this legislation. Albanian civil

society is actively engaged in discussions on legislative changes and reforms. In general, however, civil organisations lack both capacity and the financial means to pursue advocacy work.

Corruption represents a severe problem and is deeply rooted in Albanian society. Transparency International (TI) rates the customs service, the tax administration and the health sector as the most corrupt agencies, although according to the TI index the situation has improved somewhat in recent years. The Albanian Government has taken an unequivocal stand against corruption, for instance by ratifying the UN Convention Against Corruption from 2006. A new anti-corruption strategy has been adopted. Sweden's development efforts are helping to build capacity for enhancing transparency and fighting corruption. Today, corruption is perceived by both policymakers and the general public as an obstacle to sustainable development and prosperity, which in itself is an important step forward.

Albania is facing considerable problems in the environment area, which will again be one of the priorities of the Swedish development programme during the present strategy period. Illegal logging, deforestation and the erosion of farmland are serious problems in rural areas. The latter directly affects access to potable water and increases susceptibility to climate change. Deficiencies in waste management are another major problem for the environment. Energy supply is seriously defective, with daily power cuts due primarily to lack of proper maintenance and outdated technology but also to the failure of subscribers to pay their electricity bills. Albania has a considerable untapped potential for hydroelectric development, through both modernisation and expansion and by making existing plants more efficient.

Extensive reform efforts will be needed to bring the social sector up to EU standards. In recent years, gender equality issues have been given higher priority. National strategies for dealing with issues such as gender equality and violence against women have been approved by parliament. A patriarchal structure that is deeply rooted in Albanian society is still preventing women from taking part in the community development process in general and in the political debate in particular.

Long neglected, the educational sector is low in quality and has little to offer. Accordingly, the government has adopted a national education strategy that will bring the sector more into line with the Bologna process. The proportion of pupils who complete their upper secondary studies is very small, especially among girls and Roma in rural areas. Albania has still not strategically adapted its education system to the overall development process and to labour market needs. Standards in the health and medical sector are still far below those of the EU member states, due to such factors as lack of resources, outworn institutions and equipment, outdated medical expertise and, not least, corruption.

During the strategy period, Albania is expected to apply for EU membership and will then face having to rapidly implement reforms that are crucial to deeper EU integration. The initial aim is candidate country status, eventually followed by negotiations on full membership. Albania needs to hasten its reform process and its adaptation to EU regulations in the areas of democracy, administrative capacity, business climate, justice and environment, primarily through rapid implementation of its Stabilisation and Association Agreement. The justice sector represents a long-term challenge, and the fight against corruption will necessitate special measures. One of the greatest problems is that although the economy is growing rapidly, it is doing so in a socioeconomic setting where government and citizens are far apart, where insight into public administration is lacking and where political decisions are not open to scrutiny or debate. It is therefore vital to ensure that mechanisms for civil society participation in the country's development continue to evolve. The environment sector should be given priority as a long-term development objective. Here, the sustainable use of natural resources and economic growth requirements are inseparable.

## **2. Summary results assessment**

The previous strategy entered into force in September 2004 and has been extended to December 2008. During this period, the country funding framework has been gradually expanded from SEK 44 million in 2004 to SEK 80 million in 2008. In all, over SEK 330 will have been disbursed during the strategy period. Swedish support has been directed at the three sectors a) democratic governance and human rights, b) natural resources and environment, and c) trade, enterprise and financial systems. In addition, considerable attention has been focused on gender equality. The development programme has, however, been fragmentary in character.

Successful outcomes include the institutional partnership established between the Swedish Tax Agency and the Albanian tax authority. Here, actual payments of outstanding taxes and social contributions have increased substantially since the agency introduced methods that make it easier to detect tax evasion. Investment in long-term internal training and the recruitment of skilled personnel has reduced staff turnover.

The waste project in Korca is another example of progress in development cooperation. Three waste depots have been rebuilt, systems for managing environmentally hazardous waste have been introduced in two municipalities, and Swedish input has also resulted in the introduction of a computer-based system for register maintenance and the debiting of waste costs in eight municipalities.

In the spring of 2007, the Swedish programme was subjected to an independent performance analysis. This analysis showed that the programme had reflected the intentions outlined in the strategy, and that most of the projects were in line with the European Partnership programme and the goal of long-term EU integration. Some

initiatives had been made more difficult by a lack of proper ownership in the recipient country. This includes support targeting the ombudsman system, support for local forestry activities, and IT support to the finance ministry. The latter was never instituted, due to lack of ownership. Another major problem has been that many staff in government institutions are replaced in conjunction with elections or other changes of leadership. This is because the administration is political in character. One of the goals of the Albanian reform effort should be to depoliticise the administrative organisation. Ownership has been satisfactory in most of the projects, including the support programmes for the tax authority, the statistics agency, the decentralisation process, waste management, institutional care for minors, land surveying, the maintenance of medical equipment, and the Albanian association of local authorities. Administrative capacity-building is an area in which Sweden has a comparative advantage and is widely trusted, according to the performance analysis.

To sum up, the strategy and the Swedish support programme have targeted too many different areas. Lack of ownership and a high staff turnover have caused problems for some projects and initiatives. Good results have been achieved in most areas, however, and Sweden commands a large fund of confidence among Albanian partners. Swedish input is felt to have contributed significantly to the reform process, since Swedish partners have taken a long-term perspective, have been skilled in capacity-building and institution-building, and have taken a clear line in pursuing gender equality issues.

### **3. Summary analysis of other donors' actions and role in Albania, including multilateral actors and the European Commission**

The EU's financial support to Albania via the pre-accession assistance programme, IPA, amounted in 2008 to just over EUR 70 million, which means the Union is the largest donor in the country. This type of assistance is designed to strengthen and improve democracy and human rights, the justice system, public administration and the municipalities, infrastructure, agriculture, border cooperation, education and Albania's civil society. Also, special efforts are being made to strengthen capacity in the finance ministry and the ministry for EU integration.

Cooperation between the EU and other donors in Albania has been limited. The desire expressed by Sweden and other member states for better coordination, however, has led to a greater readiness on the part of the EU delegation to discuss project proposals.

In its strategy for 2006–2009, the World Bank has focused on economic growth via support for the private sector and on developing public services such as education and training, health, water and sanitation, and social insurance systems.

Albania is one of eight pilot countries in what is known as the One United Nations initiative. The aim of this reform is to make the UN's work with developing countries more efficient by bringing all UN bodies together around a joint

programme and a joint budget. The programme focuses on democratic governance, participation and improved access to basic services.

The OSCE is focusing on issues relating to democratic governance, the rule of law, right of ownership, anti-corruption and constitutional changes. The Albanian Government wants the OSCE to restrict its mandate to democratic governance alone.

USAID and Italy are the largest bilateral donors. USAID provides support for economic growth, private sector development, microcredits, democratic governance, anti-corruption measures and the rule of law. Italy is financing the development of the private sector and of infrastructure. Greece, too, is working extensively with Albania, focusing primarily on support for roads and schools.

The UK and the Netherlands are planning to phase out their support to Albania due to other priorities. Today, the UK is supporting public administration, the health sector and rural development. The Netherlands is directing its development efforts at the private sector, public administration, and the country's environment and natural resources.

Denmark, Austria and Switzerland have increased their aid to Albania, and are supporting public administration, rural development, agriculture and the environment. Germany's input is being channelled primarily through the KfW development bank and comprises investments in the energy sector, water and sanitation, and business development.

To sum up, other donors are primarily focusing on economic growth via private sector development and investments in infrastructure. Some bilateral donors are phasing out their support to Albania. Multilateral donors such as the World Bank and One United Nations are revising their aid programmes since Albania is now basing its development efforts on integration with the European Union.

#### **4. Summary analysis of Sweden's role in Albania**

##### **4.1 Conclusions of Sweden's and the EU's political decisions and processes of relevance for the cooperation**

Integration with the EU is the key force driving development in Albania and the Western Balkans. The accession criteria are set out in the partnership agreement between the EU and Albania and in the Stabilisation and Association Agreement signed in 2006. Funding for the implementation of essential reforms is provided through the pre-accession assistance programme, IPA.

The aim of Swedish support to Albania is to promote reforms of crucial importance for future membership, by means of initiatives that reflect the Swedish Government's goals for reform cooperation in Eastern Europe and which also give due consideration to the thematic priorities.

## **4.2 Policy coherence for the development**

Outside the Swedish development programme and the political dialogue, bilateral relations between Albania and Sweden are limited. At regional and global level, however, there are several points of contact in other policy areas. The discourse on how EU agriculture and trade policies affect non-EU countries is one example. Other such areas include migration, corruption and organised crime, and also climate change and the sustainable use of natural resources. Here, Sweden's actions in international forums – not least in the EU – can influence Albania's development.

## **4.3 Other Swedish relationships**

Few Swedish enterprises are established in Albania, and trade relations are not particularly well developed. Sweden has worked actively in the Swedish Trade Council and elsewhere to boost interest in Albania among Swedish enterprises. Reforms aimed at improving the business climate are of paramount importance if investments and trade are to increase significantly.

Within the framework of both Swedish-financed projects and the EU's twinning programme, cooperation between Swedish and Albanian authorities may be given consideration. Twinning is an effective tool for building capacity and promoting integration with the EU.

## **4.4 Sweden's comparative advantages**

Albanian actors and other cooperation bodies view Swedish capacity development work as valuable, balanced and durable. Sweden has established a clear profile in the gender equality area, and Swedish expertise and support are in demand both in public administration and in civil society. The presence of Swedish organisations in Albania and their efforts to strengthen civil society are contributing significantly to democratic progress in the country. Environmental expertise is another area in which Swedish skills are in demand. Sweden has already established cooperation with the police in both Serbia and Montenegro, where the National Police Board has conducted development and training projects. These have been much appreciated and have performed well. The National Police Board has a regional coordinator stationed in Belgrade, which means there is a potential for regional and cross-border projects aimed at enhancing regional stability.

The European Commission delegation office in Tirana has emphasised that civil society and the environment are areas in which the Swedish development cooperation programme is well placed to supplement the EU's pre-accession assistance programme.

#### **4.5 Conclusions about Sweden's role**

Sweden's consistent efforts to strengthen ownership have improved results in its development cooperation programme and this has been noted by both Albanian partners and other donors. The dialogue with the DSDC has been steadily intensified. Sweden is assuming a proactive role in the dialogue with the European Commission and in promoting donor coordination. As the UK and the Netherlands phase out their aid to Albania over the next two years, Sweden will have an increasingly important role to play as an active partner in Albania.

#### **5. Consideration concerning objectives and the direction of future cooperation**

Sweden is basing its development cooperation with Albania on the country's own priorities in pursuit of EU membership, as expressed in its Stabilisation and Association Agreement with the Union.

The granting of candidate country status would further strengthen Albania's relationship with the EU. It would for instance give the country access to more extensive pre-accession assistance in all IPA components.

Despite Albania's strong political focus on accession, implementation of the requisite measures has hitherto been insufficient and the steps taken have not been up to standard. Extensive reforms are still needed for the purpose of democratising and modernising Albania's institutions and administration. The distance between political representatives and citizens is often very considerable, and central government administration is politicised. Previous efforts to remedy the democratic deficit and combat corruption, which is widespread in Albania, have not yielded the desired results, although limited progress has been made.

Albanian environment policy does not meet the criteria outlined in the EU directives on protection of the environment and the careful use of natural resources. Also, there is a lack of the kind of scientific and technological data that would enable the country to follow up the environment protection rules with which EU member states are required to comply. In this context, Sweden can provide both expertise and skills in the field of sustainable development.

In light of the donor situation and Sweden's comparative advantages, Albania is seeking Swedish support in the two sectors democratic governance and human rights (including gender equality issues) and natural resources and the environment. In addition, the European Commission delegation office in Tirana, among others, has identified support to civil society as an essential catalyst for democratic development in the country. Support focusing on this area would also ensure continuity for current Swedish initiatives that have worked well.

Potentially, the Albanian diaspora represents a major asset in promoting development at home. As part of future Swedish cooperation with the country, therefore, Sida is to consider how this potential may best be exploited.



Sweden has financed a number of measures against human trafficking both in Albania and in the region as a whole. Human trafficking remains a severe problem, and several new donors have arrived on the scene. The fight against human trafficking will be one of the priorities of the Swedish EU presidency during the second half of 2009. Further Swedish support will be coordinated with other donors.



REGERINGSKANSLIET

**Ministry for Foreign Affairs  
Sweden**

103 39 Stockholm

Telephone: Int+46-(0)8-405 10 00, fax: Int+46-(0)8-723 11 76, web site: [www.ud.se](http://www.ud.se)

Cover: Editorial Office, The Ministry for Foreign Affairs

Printed by XGS Grafisk service, 2009

Article no: UD 09.011