

MEMORANDUM OF UNDERSTANDING

“THE LAUNCH OF FAST TRACKING INITIATIVE ON DIVISION OF LABOUR IN ALBANIA”

1. INTRODUCTION

The Fast-Tracking Initiative (FTI) of Division of Labour (DoL) was first discussed at the EU Technical Experts Meeting in Brussels in December 2007. The purpose of FTI-DoL is to foster gradual implementation of the EU “Code of Conduct on Complementarity and the Division of Labour in Development Policy” (May 2007). In May 2008 the EU Council called for further efforts by the EC and Member States to fast-track DoL in partner countries. Albania and Macedonia were the only two countries in the region selected for implementation. FTI-DoL is now included in the EU “Operational Framework on Aid Effectiveness” (November 2009).

In Albania, FTI-DoL is led by the Government of Albania (GoA), through the Department of Strategy and Donor Coordination (DSDC). FTI-DoL arrangements are open to any European Donor willing to join and other Development and Integration Partners (DIPs) that could contribute to the coordination process in the context of division of labour and complementarity.

FTI-DoL should be seen as added value to the existing coordination mechanisms established by the Government of Albania, as such it is embedded in the national Harmonisation Action Plan.

Following the joint analysis carried out throughout 2009 and early 2010, a common definition has been agreed on roles and responsibilities of Lead Donors in the context of FTI-DoL. The allocation of Lead Donors to specific sectors has been agreed based on expression of interest from donors and as a result of sectoral analysis of donor commitments by DSDC.

2. OBJECTIVE

The FTI-DoL intends to support Albania in the process of implementing in-country division of labour. The final goal is to achieve better development results through more effective aid. EU Member States (MS) and the EC will systematically collaborate on the ground, using the principles of the EU Code of Conduct on DoL as their reference. Main aim is aid effectiveness to increase the coherence of EU assistance, less overlap, less transaction cost, etc.

The Fast Track Initiative on Division of Labour (FTI-DoL) aims at supporting gradual implementation of the EU Code of Conduct in Albania (CoC). FTI-DoL will integrate within existing donor coordination structures (namely SWGs) led by the Albanian Government, especially in those sectors more relevant to the EU integration agenda. European donors participate to FTI-DoL on a voluntary basis.

3. TARGETED RESULTS

- GoA and donors in Albania committed to DoL process.
- Enhanced capacity of GoA to lead for results-oriented aid management, including DoL process.
- Enhanced capacity of donors to implement DoL.
- DoL arrangements in place and under implementation.
- Enhanced communication between donors' HQs and in-country offices on DoL issues.
- Opportunities created for optimised donors assistance.
- Possibilities identified for co-financing at country level.

4. ROLES AND RESPONSABILITIES

The Government of Albania

The leadership of the government, ownership of and alignment with government policies, planning process and budget cycle are key elements of the Fast Tracking Initiative of Division of Labour. In particular the Government of Albania is expected to:

- Have strong political will and commitment to lead on the development cooperation agenda.
- Identify national priorities based on the National Strategy for Development and Integration (NSDI), sector and cross-cutting Strategies and the Medium-Term Budget Programme (MTBP) and in line with European Partnership.
- Ensure appropriate donor support in strategic sectors, with a special focus on the EU integration agenda and *acquis*-related sectors.
- Safeguard full respect and complementarity with other processes and frameworks already in place such as Sector Working Groups or other ad hoc round tables.
- Ensure relevant stakeholders are involved, such as non-state actors (NGOs, private sector), local authorities, parliament etc.
- Build effective monitoring systems in close cooperation with participating donors.
- Accelerate the adjustment of legal, financial and administrative procedures for deeper and smoother DoL process, in a supportive macro-economic and growth environment.
- Commit to reform and/or strengthen public institutions (especially Public Administration in line ministries).

The Facilitator

Germany is the FTI-DoL facilitator globally; Italy is assigned the role of FTI-DoL facilitator in Albania. The facilitator is expected to:

- Support the GoA by way of development assistance as well as development of tools for DoL (such as mapping donor aid flows; assessing relative advantages of donors, etc).
- Support the development of a country strategy/roadmap/plan on DoL to be agreed by the GoA and donors.
- Provision of capacity development to the Albanian Public Administration's staff to lead the aid effectiveness agenda.
- Develop tools and guidance notes and train staff of interested donors to create an enabling environment.

The Lead Donor

A European Lead Donor should commit to facilitate sector policy dialogue and aid coordination among European donors and with GoA in the framework of the EU pre-accession agenda of Albania. Hence, a European Lead Donor should provide the following:

- To facilitate the gradual implementation of the EU Code of Conduct, encouraging sector concentration and division of labour among European donors.
- To assure that a common position of European donors is conveyed in sector policy dialogue to GoA and other donors (duly incorporating minority positions and divergent interests).
- To promote and coordinate – at sector level – the sharing of relevant information, technical expertise and best practice, especially in regard to EU standards and pre-accession requirements.
- To facilitate consensus building among European donors with regard to strategic planning of external assistance as well as the use of more aid-effective tools (eg sector PBA, joint programming, monitoring & evaluation, etc., wherever feasible).
- To actively promote complementarity between European bilateral aid and IPA, with the aim of fostering effective support for enlargement.
- To take responsibility as SWG-FP in some sectors (or sub-sectors) that are relevant to the EU pre-accession agenda, provided that comparative advantages are assessed by GoA.
- To devote appropriate resources as to fulfil such role and responsibilities.

European Lead Donors should have the trust of other European donors and GoA to fulfil their task for a 3 year period, subject to yearly performance review.

5. PARTICIPANTS OF FTI- DOL IN ALBANIA

ALBANIA	Council of Ministers, Republic of Albania
AUSTRIA	Embassy of Austria in Albania/Coordination Office for Technical Cooperation, ADA
EU	Delegation of the European Union in Albania
ITALY	Embassy of the Republic of Italy in Albania/Cooperation Office for Development
SWEDEN	Embassy of Sweden, Office in Tirana/Development Cooperation Office
SWITZERLAND	Embassy of Switzerland in Albania / Swiss Cooperation Office


6. LIST OF SECTORS AND RESPECTIVE LEAD DONOR

- Sector: Water Supply and Sanitation
Lead Donor: Austria – Coordination Office for Technical Cooperation, ADA
- Sectors: (i) Media and Civil Society; (ii) Justice and Home Affairs (Property Rights; Anti-Corruption; Integrated Border Management; Migration; Police, Organized Crime, Terrorism and Trafficking; Civil Registry and Identity Cards); (iii) Quality Infrastructure & Internal Market
Lead Donor: EU- Delegation of the European Union
- Sector: Private Sector Development
Lead Donor: Italy - Cooperation Office for Development
- Sectors: (i) Environment; (ii) Statistics
Lead Donor: Sweden - Development Cooperation Office
- Sectors: (i) Decentralisation & Regional Development; (ii) Employment/
VET
Lead Donor: Switzerland - Swiss Cooperation Office

We hereby commit to launch the first Division of Labour (DoL) arrangements among European donors in Albania. Such arrangements will be implemented in a number of selected sectors, where a willing European lead donor has been identified, as detailed above in: List of Sectors and respective Lead Donor.


ADOPTED in Tirana, on 31 May 2010, from the participants of FTI - DoL in Albania

ALBANIA



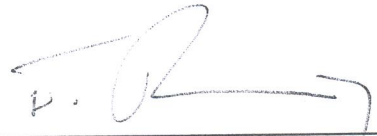
Mr. Genc POLLO
Minister for Innovation and ICT
Government of the Republic of Albania

ITALY




His Excellency Mr. Saba D'ELIA
Ambassador Extraordinary and Plenipotentiary
Embassy of the Republic of Italy
Tirana, Albania

AUSTRIA




His Excellency Mr. Florian RAUNIG
Ambassador Extraordinary and Plenipotentiary
Embassy of Austria
Tirana, Albania

SWITZERLAND




Her Excellency Ms. Yvana ENZLER
Ambassador Extraordinary and Plenipotentiary
Embassy of Switzerland
Tirana, Albania

DELEGATION OF THE EUROPEAN UNION



His Excellency Mr. Helmuth LOHAN
Ambassador Extraordinary and Plenipotentiary
/ Head of Delegation
Delegation of the European Union
Tirana, Albania

SWEDEN



Ms. Elisabeth STAM
Chargé d'Affaires
Embassy of Sweden
Tirana, Albania