

# A CRITICAL REVIEW OF THE ALBANIAN PATHWAY IN COMPLYING WITH THE REQUIREMENTS OF THE EU INTEGRATION PROCESS AND THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

**Elena Polo, PhD**

*Institute of European Studies, University of Tirana*

## ***Abstract***

*Albania is committed to the 2030 Agenda for Sustainable Development, adopted by United Nations (UN) in 2015. Since that year, several national and governmental reports have aimed at assessing current progress and performance of the country into achieving the Sustainable Development Goals (SDGs) as well as alignment and harmonisation of those goals with existing sectorial and cross-sectorial strategies and policies. By the other side, the EU has committed itself to delivering on the 2030 Agenda both within the Union and abroad, by placing the SDGs at the core of its international cooperation through cross-cutting projects, policies and initiatives. With regards to data, there are in place for further country-based reference: (a) a global UN SDG dashboard, (b) an EU list of SDG indicators (Eurostat) and (c) an Albanian SDG dashboard held by the Albanian Institute of Statistics (Instat). Currently, although progress has been made, there are still indicators for which data do not exist and problems of periodicity and disaggregation are still present. Additionally, public spending for SDGs remains low. Objective of this paper is to critically review the current institutional, financing, strategic and reporting framework with regards to the SDGs compliance and achievement in Albania. Preliminary results of the analysis show that harmonisation with SDGs is not sufficient to achieve significant and sustainable progress related to SDG indicators. As main challenges remain data and financing, integration of SDGs into the national policymaking framework would support the overall country's performance and progress.*

**Key words:** EU integration, UN Agenda 2030, SDGs, sustainable development, policymaking framework

## **1. Introduction**

Almost a decade ago, Albania started a double ambitious and dynamic journey, being committed to its EU integration process and to the UN 2030 Agenda, while aiming at representing an active and performing role. In June 2014, Albania was granted the EU candidate status and in 2018 the European Commission (EC) recommended that EU opens the accession negotiation talks with Albania. After several delays, given the positive response of the Council to the Albanian progress, in 2020 accession negotiations were opened and with some postponement, the inter-governmental conference took place in 2022, marking the official start of the negotiations with EU with regards the policy fields (chapters).

On the other hand, since 2015 Albania is committed to the UN 2030 Agenda for Sustainable Development, a very complex agenda covering economic, social and environmental dimensions of each single country long-term development. This Agenda covers 17 sustainable development goals oriented through 169 targets and 231 indicators, with the flexibility of being adopted and complemented by other regional and/or national indicators from the engaged members. The defined SDGs have the characteristics of being broad in definition, while also being inter-linked and inter-dependent by design.

Both processes and commitments are dynamic, demanding and costly for Albania, given that they consist in transforming policymaking, implementing reforms and achieving tangible results. In this sense, any efforts of coordinating the two processes and integrating them into the policymaking framework with regards to targets and financing, would positively and significantly impact the country's overall performance. Mapping the synergies between the EU accession process and the SDGs Agenda represents an opportunity to take a smart approach to implementation in both development agendas at the country level (UNMontenegro, 2019).

The EU itself got engaged to and remains committed to the 2030 Agenda, although regardless of this, sustainable development has historically been targeted by the overall European Union functioning and policymaking. The EU reflects a particular, both comprehensive and exhaustive approach (in terms of policymaking and monitoring) towards implementing the UN 2030 Agenda, and in addition, has committed itself to delivering on this Agenda together with its member states and also abroad, here referring mostly to the enlargement and to the candidate countries.

## **2. Objectives and Methodology**

Objective of this paper is to conduct a critical analysis on the Albanian current institutional, financing, strategic and reporting framework with regards to SDG compliance and achievements by 2030, in parallel with its EU integration pathway and efforts.

For this purpose, secondary data and exiting information from different sources and reports will be used in order to be able to provide a comparative analysis on the country's efforts in performing in both directions, identifying current achievements and challenges.

### **3. The two inter-linked development Agendas**

In almost all the countries experiences, a strong complementarity exists between the EU accession process and the UN 2030 Agenda for the SDGs, simply based on the fact that nearly 2/3 of the SDG targets have a strong link with the negotiation chapters of the *acquis* (UNMontenegro, 2019).

In general terms, identification of the crucial chapters in having the most significant impact on the achievements of the 2030 Agenda is of a particular importance, similar to the speed and the dynamics of the EU negotiation process. For the ongoing/not yet closed negotiation chapters, the pre-accession financing instruments/mechanisms with regards to the EU provision of expertise and technical assistance, could be used to explore the opportunities to achieve results in both development agendas.

### **4. SDGs from an EU perspective: a strong emphasis on the integrated approach**

Sound, evidence-based and effectively implemented public policies will be crucial for the achievement of the 2030 Agenda (OECD, 2016). A strategic policy response to guide the work in support of the SDGs requires steps in generating evidence and data, identifying good practices, accumulating expertise and developing standards. Above all, this should consist of an evolving process, adopting countries' needs and interests and strengthening international partnership.

According to the OECD Action Plan, some of the identified areas that might be put to use in supporting the 2030 Agenda are as follows: (a) assessing economic, social and environmental progress through measures going beyond the economic growth rate/GDP; (b) measuring and improving development finance with regards to the governmental approach in mobilising multiple financing instruments; (c) enhancing policy and institutional coherence with regards to policy inter-actions and synergies; (d) applying an SDG lens to the strategic framework and the sectorial policies; and (e) addressing data gaps and establish development finance statistics (OECD, 2016).

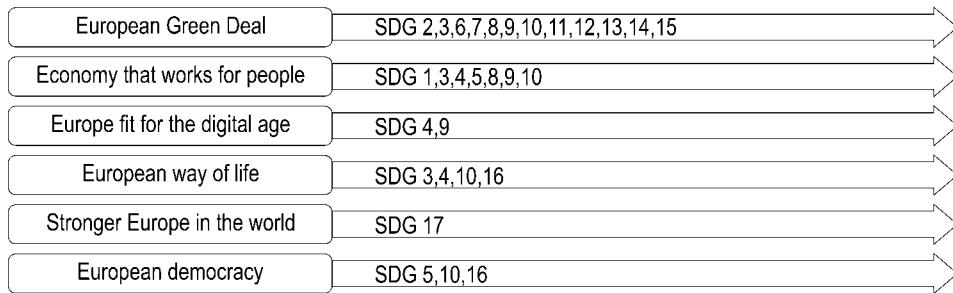
Focused on the statistics, in the last UNECE<sup>1</sup> conference, accent was given to the following: (a) a commitment to reporting and sharing data is required globally; (b) the SDGs global list of indicators may serve as a starting point for global reviews and nationally relevant in-depth analysis; (c) new partnerships for customised and localised data should be established; and (d) SDG indicators go beyond conventional official statistics (UNECE, 2022).

The EU has in place a holistic approach towards implementing the UN 2030 Agenda for sustainable development. Together with and beyond its member states, the EC follows an ambitious policy program to deliver on concrete actions with regards to the sustainable development and to achieve tangible progress (Von der Leyen, 2019). The EC/President political program has reached to integrate all of the 17 SDGs into the entire Commission policymaking and strategic framework.

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<sup>1</sup> United Nations Economic Commission for Europe

**Figure 1: European Commission priorities, 2019-2024**



*Source: (EC, 2023)*

In addition, the EC has adopted a comprehensive and inclusive approach (Whole of Government), which consists of the following elements linked to the policy, strategic, financing and reporting framework: (a) the European Semester; (b) the Multiannual financial framework and the NextGenerationEU; (c) Better regulation; (d) Policy coherence for sustainable development; (e) EU engagement in the world, and (f) Monitoring and reporting (EC, 2023). A series of policy initiatives are adopted by the Commission, while ensuring also for high visibility of the SDGs, promoting a sustainable Europe through a consensus and a policy coherence for development, the latter referring to its external actions.

In 2017, the EU developed the first policy mapping both at the goal and target level, covering and summarising all policies (legal acts, preparatory documents and initiatives) supporting the SDGs. This is done due to the fact that a better understanding of the relationship between the EU policies and the UN SDG targets (here including the EU cross-cutting policies, the inter-linked policies and the gaps in SDG implementation) have a significant and positive impact onto the policy coherence for sustainable development and boost efforts in the targeted areas where more support is needed (JRC, 2023). As the 2030 Agenda stated, the SDGs are inter-linked and inter-dependent by design.

Commitment of the EU to the SDG achievements was enriched after the last crisis and shocks, highlighting the need to provide a new impetus to building a more inclusive, sustainable, just and resilient future for all (EC, 2020).

Having a crucial role in measuring progress towards working and achieving the SDGs, Eurostat has upgraded its regular and annual monitoring report on the progress towards the SDGs in an EU context, through the adopted EU indicators set, initially developed in 2017 in a quite broad consultative process and with strong linkages with the EC policy program and initiatives (Eurostat, 2023). Given the UN worldwide policy framework of 17 SDGs and their 169 targets, the EU has developed its dynamic indicators set of a total of 101 indicators, of which 31 are multipurpose, as they allow to monitor more than one SDG. In addition, sub-themes of indicators are developed in order to underline inter-linkages between them as well as to focus on different aspects of each SDG and breakdown by region and urbanisation degree is also ensured. An annual review of the set of indicators at the EU context is done with a two-fold

objective: (a) introduce indicators from new data sources, and (b) consider new and/or updated targets in line with EU priorities.

In its last monitoring report, Eurostat found that the EU made progress towards most of the goals, on average terms and over a 5-years period. However, progress varies depending on the concrete SDG to achieve (Eurostat, 2022). It is important to highlight that EU SDG indicators are assessed also against EU quantitative targets, mainly for the indicators linked to environment, agriculture, energy, education, poverty and employment. Secondly, the narrative used in the monitoring report is that of specifying „significant, moderate, insufficient progress or movement away“ simultaneously towards the EU targets and the SDG objectives, and also the speed of such progress. Third, Eurostat calculates each indicator score, reflecting the short-term trend over the past 5 years, as well as a simple average score of individual indicators. Lastly, the findings on the country level progress on SDGs are also incorporated in the European Semester country-based reports (Eurostat, 2022). For the enlargement countries, ad-hoc information is based on indicators that currently form part of Eurostat's regular data collection exercise, rather than a specific data collection exercise related to SDGs. Data on Albania are provided for 38 indicators, allowing to assess the country's progress compared to the EU member states and the WB region.

With regards to financing of the SDGs from the EU budget, the EU commitment to the SDGs is also reflected in the long-term budget for 2021-2027, in which a target of green spending is defined, aiming to allocate a minimum of 30% of the total budget to projects fighting climate change (EP, 2021). Furthermore, with reference to the EU budget expenditure categories, the „Cohesion, resilience and values“ represents the most financed category (60% of the total), here including the Multiannual financial framework and the NextGenerationEU.

To finalise, at the EU level, the SDGs of the UN 2030 Agenda are increasingly gaining momentum as a vehicle to foster a sustainable development transition, with an EC acting as a frontrunner in this transition process through anchoring its political priorities in the centre of the EU policymaking cycle (Steve, Barbero, Buscalia, Maroni, & Marelli, 2023).

## **5. Analysis for Albania: Consistent efforts to SDG alignment, but challenges on indicators**

Although the adoption of the UN 2030 Agenda has been on voluntary basis, Albania has shown full commitment over the years. A number of reports have been published focused on different aspects of the SDGs implementation and achievement in Albania. Given that the previous National Strategy for Development and European Integration (NSDEI 2015-2020) and many other strategic documents at the sectorial level were drafted and approved before the commitment to the SDGs agenda, almost all of the SDG related reports at the national level, have focused on SDG alignment and harmonisation with the national policy framework. Findings from these assessment and monitoring reports are as follows:

1. SDG Baseline report 2017: Analysis of the alignment degree of SDGs with the Government priorities, the EU integration, the NSDEI II and the UN Program (Ciko, 2017);
2. Mainstreaming, Acceleration and Policy Support (MAPS) for achieving the SDGs in Albania: Identification of 3 main policy areas and programming to accelerate progress towards the EU accession and the commitment to the SDG Agenda. It finds that there is a close alignment of NSDEI II with the SDG targets, but this is quite modest when it comes to the indicators level. A group of 15 EU negotiation chapters have a strong convergence with 12 of the SDGs. 83 global SDG indicators could be used to monitor the progress towards the EU accession (UN, 2018);
3. Voluntary National Review (VNR) on SDGs in Albania: Recommending substantial commitment and cooperation among the relevant stakeholders, establishment of a national policy vision for 2030, identification of policy gaps, acceleration of progress in priority areas, prioritisation of SDGs after adoption to the Albanian context and strengthening institutional capacities for monitoring and reporting (CoM, 2018);
4. Report on the harmonisation of SDGs with existing sectorial policies: Identifying leading institutions to undertake efforts with regards to the SDGs, and alignment of the national strategic framework and priorities with the SDGs (CoM, 2018);
5. Budget analysis of the SDGs related spending: Assessing public spending towards the achievement of the SDGs and the pillars of NSDEI, forecasting budget for the medium term period and estimating financing needs domestically and externally (Braho & Ymeri, 2021).

The analysis conducted with the SDGs lenses and comprising the NSDEI II and many national and sectorial strategies and policy documents, found that 83% of the total SDG targets (140) are directly linked to key government priorities under the NSDEI II pillars (6, or 4%) and to the national strategic policy framework (134, or 79%) (Ciko, 2017). The average alignment with all SDG targets is assessed as 62%, or „good alignment“, with SDG 3,7,8,9 identified as best aligned. With regards to indicators, the NSDEI 2020 consists of three sets of indicators (a total of 50, of which 12 from the global and/or EU SDG set of indicators): (a) 10 in the framework of the EU integration commitment; (b) 15 in the framework of the macroeconomic development indicators and (c) 25 related to sectorial indicators.

The recently drafted NSDEI 2030 was expected to improve the set of indicators with a direct integration of the SDGs, to clearly reflect the inter-linkages between the two development agenda processes and to address challenges of institutional capacities to report and monitor.

Referring to the institutional set up for the SDGs, the dedicated Inter-Ministerial committee and the IMPGs are of a high relevance in managing cross-cutting and complex sectorial policies. A total of 18 government institutions are involved in the SDGs achievement, but the key institutions are the Ministry of Finance and Economy (responsible for 43 targets), the Ministry of Health and Social Protection (responsible

for 38 targets), the Ministry of Tourism and Environment (responsible for 30 targets) and the Ministry of Energy and Infrastructure (responsible for 23 targets) (CoM, 2018).

Referring to the financing framework and instruments, similarly to the other national and sectorial policies, an indicative cost, potential financial sources and a financial gap are identified for the NSDEI (although not as a comprehensive exercise, not including the risk scenarios), but no follow-up takes place, in particular with regards to fund mobilisation, despite the large financing gaps and the high need to mobilise additional financing instruments, given the tightening fiscal space of the state budget. An exercise of Integrated National Financial Framework (INFF) is recently introduced and developed in Albania.

Focused on the SDGs, it is assessed that 85% of the total budget between 2015-2019 from domestic and foreign sources, have contributed towards the SDG targets achievement, with „social development and cohesion“ taking up almost half of the dedicated budget spending (43%). Almost 21% of public expenditures have been allocated to „health and education“, 18% to „sustainable growth through efficient use of resources and only 1.4% to „growth through competitiveness and fiscal stability“ (Braho & Ymeri, 2021).

Acknowledging that data and statistics are the only instrument to monitor the progress made with regards to the SDGs and support the evidence-based policymaking, Instat has recently included in its annual work plan the monitoring report on the SDGs (Instat, 2022). Currently, there is a list of 61 indicators produced, with a reference to the alignment with the UN dashboard of indicators and to the source of information. Although Instat has had an approach of actively joining the global partnerships for the SDGs data (such as the UN High Level Partnership, Coordination and Capacity Building Group on Statistics), reporting on SDGs based on data remains quite low, with problems of availability, periodicity and disaggregation.

According to Instat, the availability of global indicators for SDGs in Albania is as follows:

**Figure 2: Availability of global indicators for SDG targets in Albania**



*Source: (Instat, 2020)*

## **6. The EU integration - a political priority for Albania**

In the last decade, Albania is strongly and consistently committed to the EU integration pathway, through implementing reforms and meeting the criteria, thus aiming at accelerating the process. As an active participant and beneficiary of the Berlin Process and of the Open Balkan as a complementary mechanism, coordination with other countries of the WB region is focused through the launched projects under the Economic and Investment Plan of the WB Investment Framework (covering transport, clean energy and digital connectivity), and under the Green Agenda for the WB and the Common Regional market.

From the reporting perspective, the National Plan for European Integration is updated on annual basis for a mid-term period guiding the approximation of Albanian legislation to the *acquis* (CoM, 2022). The Economic Reform Program is prepared by the governmental institutions and delivered to the EC, detailing the necessary economic and other policy measures, for a medium-term period (CoM, 2023). With the new enlargement methodology adopted by the EC to be implemented in parallel for Albania and North Macedonia, the negotiation process will be more demanding and will require more tangible results on the chapter basis (EC, 2020).

From the financial perspective, two major financing blocks support the reforms with regards to the EU integration process: (a) the EU budget support on the Macro Fiscal assistance, as an important mechanism for financing priority areas and policy measures, under the set conditions of fulfilling a series of indicators, currently representing the highest support to the Albanian public budget; and (b) the Instrument for Pre-Accession III (IPA III) adopted by the EU with a significant budget to support the implementation of reforms related to the accession process of Albania and other countries of the region.

With the approach of combining both development agendas, mapping the SDG priorities according to the EU integration process priorities is particularly important to align and synergise the efforts for the implementation of these processes. This is also supported by the fact that the EU integration priorities are continuously part of the NSDEI priorities at the national level (Ciko, 2017).

## **7. Learning from the „good models“**

Montenegro is one of the first countries that adopted a National Strategy for Sustainable Development – NSSD 2030, aiming at nationalising the SDGs (UNMontenegro, 2019). The monitoring and evaluation framework of the NSSD translated 167 of the 169 SDG targets into a national context and defined a monitoring and evaluation system. The NSSD is defined as an umbrella, horizontal and long-term development strategy of the country. In addition, Montenegro invested efforts in preparing the national institutional set-up for reporting on a long list of indicators (525 of NSSD, with 102 measures and 602 sub-measures), here including 241 SDG indicators. Reporting on indicators should gather 26 institutions identified as NSSD data producers.

Beyond the MAPS exercise, a working group was tasked to in-depth understand and investigate content inter-linkages between the EU accession process and the 2030 Agenda, examining the relevant documents and data related to the EU accession process and the overall response of the EU to the SDGs. This entire process generated a new, stronger partnership with the Ministry of European Affairs and contributed to the conclusion that, if both agendas are addressed at the same time, greater benefits may be achieved.

## 8. Conclusions and related recommendations

Albania remains committed to the two development agendas, which require implementation of reforms and achieving tangible results by 2030 and probably beyond 2030. Alignment to and harmonisation with the SDGs seems to be not sufficient anymore in order for the country to boost its performance and achievements. Full integration to the national policymaking framework will provide better outcomes.

Both commitment processes are inter-linked but not yet conceptualised by all the actors as an integral part of the policymaking framework and processes. In this sense, higher awareness is needed to map the synergies of the two agendas aiming at accelerating the processes and going beyond some simple reporting procedures. Data gathering and reporting represents another challenge and must be addressed in order to support a better performance with regards to the development agendas.

As both commitments consist of costly processes, although not explicitly associated to a cost value, financing remains a crucial issue, in particular towards the additional fund mobilisation, going beyond the state/public budget, given its tight conditions and fiscal space.

Good practices from the region and the EU level can be consulted and lessons learned must be taken into consideration to improve the current policymaking framework related to the development agendas, with regards to the strategic, reporting and financing issues.

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