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STANDARD JOINT PROJECT DOCUMENT

Cover Page

Country: Albania

Project Title: Business Partnerships and Solutions for SDGs

Joint Project Objective: An increased number of Albanian companies implement sustainable practices.

Project Duration: 4 years **Anticipated start/end dates:** 1/01/2024 - 31/12/2027 **Fund Management Options:** UN Albania SDG Acceleration Fund Funding Mechanism **Managing/Administrative Agent:** UNDP through the pooled Funding Mechanism	**Total estimated budget:** USD 4,060,810 **Unfunded budget:** N/A **Sources of unfunded budget:** N/A

UN Organisations	
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Executive Summary

Albania's private sector has been a pivotal force in driving the country's economic growth and has witnessed considerable expansion in recent years. Despite this, the sector's role and impact on fostering inclusive growth in Albania has not been fully utilized. This is evident in the limited awareness and implementation of sustainable business practices among companies.

As the country pushes towards the European Union and strives to align with EU standards and the *aquis*, this is a crucial momentum. The importance of upgrading business practices and the national business legislation to more sustainable models has become paramount.

The United Nations Joint Project *"Business Partnerships & Solutions for SDGs"*, building on the success of its pilot phase, aims to address these issues through a multifaceted approach. It focuses on enhancing the private sector's capabilities for a successful transition to sustainable and SDG-aligned practices. Additionally, the project complements technical capacity building with interventions in awareness raising, trade facilitation and policy support to create an enabling environment for companies to thrive.

Positive effects of increased implementation of sustainable business practices in Albania include: the creation of decent jobs translating in decreased migration and mitigation of labor shortages, an increased alignment with EU standards in preparation for EU integration, a higher added value in local production and higher quality of goods produced which translates in higher competitiveness and increased exports and business opportunities. Furthermore, the implementation of sustainable business practices contributes to the reduction of environmental damages caused by business activities and to an improved human health due to production processes with fewer residues.

The direct beneficiaries will be Albanian companies, namely their owners and their workforce as well as local and central government institutions. The indirect beneficiaries of the project will be the people of Albania. Specific attention will be paid to targeting women, young people and vulnerable groups. Other relevant stakeholders will be sectoral associations, chambers of commerce, international companies, universities and financial institutions.

The project will be jointly implemented by the specialized United Nations Agencies FAO, ILO, UNDP and UNIDO with financial support by SIDA.

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Abbreviations and Acronyms

AA	Administrative Agent
ABCCI	Albanian British Chamber of Commerce in Albania
ACIA	Camera di Commercio Bilaterale Italo-Albanese
AIDA	Albanian Investment Development Agency
AMCHAM	American Chamber of Commerce
AMU	Albanian Manufacturers Union
Appropriate technology	Technological choice and application that is small-scale, affordable by locals, decentralised, labour-intensive, energy-efficient, environmentally sound, and locally autonomous
APR	Annual Project Report
ATTSO	Albanian Turkish Chamber of Commerce
AWP	Annual Work Plan
B2B	Business to Business
BAT	Best Available Technology
BREF	Best Available Technology Reference Guides
Carbon footprint	The amount of carbon dioxide released into the atmosphere by a single endeavor or by a company, household, or individual through day-to-day activities over a given period.
CAT	Convention Against Torture
CCIT	Chamber of Commerce and Industry of Tirana
CE	Circular economy
CEAP	Circular Economy Action Plan
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CP	Cleaner Production
CPSD	Country Private Sector Diagnostic
CRC	Convention on the Rights of the Child
CSR	Corporate Social Responsibility
DaO	Delivering as One
DIHA	German Chamber of Commerce and Industry in Albania
DPP	digital product passport
EaPGreen	Greening Economies in the Eastern Neighborhood (EaP GREEN) programme is a large regional programme implemented in 2013-2017 by the United Nations Economic Commission for Europe (ECE), OECD, UNEP, and UNIDO to assist the six European Union's Eastern Partnership (EaP) countries: Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine, in their transition to green economy. The programme is financed by the European Commission.
EBRD	European Bank for Reconstruction and Development
EE	Energy efficiency
EEN	European Enterprises Network
EMS	Environmental Management System
EnMS	Energy Management System
ERP	Economic Reform Programme
ESG	Environmental, Social and Governance
ESPR	Ecodesign for Sustainable Products Regulation
EU	European Union
EURATEX	European Apparel and Textile Confederation
FAO	Food and Agriculture Organization
FIAA	Foreign Investor Association of Albania
FSPs	Financial Service Providers
GBV	Global Value Chains
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit

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GoA	Government of Albania
Good Housekeeping	Careful handling of raw materials, consumables, supplies, water and energy to avoid waste and emissions
GPP	Green Public Procurement
GYB	Growing Your Business
HACCP	Hazard Analysis and Critical Control Points
ICC	International Chamber of Commerce
ICCPR	International Covenant on Civil and Political Rights
ICERD	International Convention on the Elimination of All Forms of Racial Discrimination
ICESCR	International Covenant on Economic, Social and Cultural Rights
ICPPED	International Convention for the Protection of All Persons from Enforced Disappearance
ICRMW	International Convention on the Protection of the Rights of All Migrant Workers
IFIs	International Financial Institution
ILO	International Labour Organization
IMF	International Monetary Fund (
IPA	Instrument for Pre-accession Assistance
IPMGS	Integrated Policy Management Groups
ISO 14001	International Standard for Environmental Management Systems
ISO 50001	International Standard for Energy Management Systems
ISO	International Standardisation Organisation
JP	Joint Project/ Programme
KASH	Albanian Agrobusiness Council
kWh	Kilowatt-hour
LAGs	Local Action Groups
MAPs	Medicinal Aromatic Plants
MARD	Ministry of Agriculture and Rural Development
MOQs	Minimum Order Quantities
MSDS	Material Safety Data Sheets
MSME	Micro, Small and Medium Enterprises
NATB	Nordic Association for Trade and Business Development
NPO	Non-Productive Output
NPV	Net Present Value
NSDI	National Strategy for Development and European Integration
p. a.	Per annum, per year
PDCA	Plan-Do-Check-Act cycle or Deming-wheel
PPL	Public Procurement Law
PRE-SME	Preparing SME for RE
PUNOs	Participating United Nations Organizations
R&D	Research and Development
RCO	Regional Coordination Office
RE	Resource Efficiency
RECP	Resource Efficient and Cleaner Production
SAP	Systems Applications and Products
SARDF	Sustainable Agriculture, Rural Development and Farming
SCORE	Sustaining Competitive and Responsible Enterprises
SDG	Sustainable Development Goals
SECO	State Secretariat for Economic Affairs
SFVC	Sustainable Food Value Chain
SIDA	Swedish International Development Cooperation Agency
SIPPO	Swiss Import Promotion Programme
SME	Small and Medium-Sized Enterprises
SMEBC	State Ministry of Entrepreneurship and Business Climate
SRD	Sustainable Rural Development
SWISSA	Swiss Albanian Chamber of Commerce
TCLF	Textile, Clothing, Leather and Footwear

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ToC	Theory of Change
UCCIAL	Union of Chambers of Commerce and Industry of Albania
UDHR	Universal Declaration of Human Rights
UN	United Nations
UNDG	United Nations Development Goals
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organisation
UNSDCF	United Nations Sustainable Development Cooperation Framework
USAID	United States Agency for International Development
VAT	Value Added Tax
VC	Value Chain
VCF	Value Chain Finance
WB	Western Balkans

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I. Background

I.1 The economy

Albania is an upper-middle-income nation with a population of approximately 2.8 million[1]. Albania has undergone significant economic transformation, transitioning to an open-market economy which has been driven by a dynamic private sector. It has witnessed steady growth over the years and has achieved a GDP per capita of $6,743[2]. The economy is characterized by three dominant key sectors: services (54.1% - with tourism representing half of it); agriculture (21.7%), and industrial (24.2%) sectors. With export revenues accounting for just over 20% of GDP and imports exceeding 40%, Albania maintains a level of self-reliance.

Despite steady economic growth, Albania faces challenges in translating this progress into substantial job creation and improved labor productivity. The nation grapples with high unemployment rates, particularly among younger demographics (24.9% for ages 15-24 and 17.5% for ages 25-29 in 2022)[3], a sizable informal sector accounting for about 30% of the economy, and a public debt-to-GDP ratio of 65.5% according to the IMF in 2022[4]. The economy is not immune to global challenges. It remains vulnerable to external shocks, such as volatile energy prices and grain imports. The impacts of the COVID-19 pandemic, the 2019 earthquake, and the ongoing war in Ukraine have all posed significant threats to economic stability, causing GDP contraction, and disrupting supply chains, particularly affecting the service sector and agriculture. Compounding these issues are several structural challenges, including skills shortages, uncertainty over land and property rights, and low levels of research and development and innovation[5].

The Albanian government has continued to enact significant reforms, focusing on enhancing tourism, agriculture, and digitization, as highlighted in the Economic Reform Programme (ERP) 2022-2024. Complementing these efforts is the development of various strategies and legal frameworks including the recent Smart Specialization Strategy which aims to boost innovation and competitiveness in the key identified areas of tourism, agriculture, manufacturing, energy, and information technology. These initiatives are integral to the broader strategic vision outlined in the National Strategy for Development and European Integration 2022-2030 (NSDI 2022-2030). This comprehensive framework sets the course for sustainable economic and social development, EU integration and alignment with the sustainable development goals. It underscores Albania's commitment to democratic development, social and economic progress, and its journey towards European Union integration.

The private sector

In Albania, the private sector plays a pivotal role in the nation's economic landscape. As the engine of Albania's economic development, the private sector, is predominantly composed of micro, small, and medium enterprises (MSMEs). According to INSTAT, as of 2021 99.8% of active enterprises fall in the category of SMEs, (majority fall under the category of Micro companies) and 81.6% of total number of employed are employed by SMEs[6]. The participation of women in Albania's business sector has seen a decline recently. After a period of growth, the number of women-owned enterprises dropped sharply by 12% in 2018 and, despite a slight improvement in 2020, remains below the levels observed in 2016[7]. Women-led enterprises account for about 31% of total enterprises and approximately 95% of women-led enterprises fall in the micro category with fewer than five employees.

The Albania Country Private Sector Diagnostic Report (CPSD), prepared by IFC and the World Bank,

1 World Bank (2022), *World Bank WDI data*, https://databank.worldbank.org/source/world-development-indicators.

2 https://www.worldbank.org/en/country/albania/overview

3 https://www.instat.gov.al/media/11851/tregu-i-punes-2022.pdf

4 IMF- 2022 Article IV Consultation—Press Release; Staff Report; and Statement by the Executive Director for Albania

5 European Commission (2021), *2021 Economic Reform Programmes of Albania, Montenegro, North Macedonia, Serbia, Turkey, Bosnia and Herzegovina and Kosovo**,

6 https://www.instat.gov.al/media/11356/results-on-sme-2021.pdf

7 INSTAT (2020), *Business Register, 2020*, http://instat.gov.al/media/8442/press-release-business-register-2020.pdf.

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underscores the importance of the private sector in achieving resilient and sustainable growth. It suggests that strengthening trade integration with the global economy and expanding the economic role of the private sector are key to this growth[8].

Despite its potential and importance to the economy, the private sector in Albania is hampered by structural weakness and underperformance. Achieving Sustainable Development Goals (SDGs) targets necessitates pioneering collaboration within sectors, defining new SDG-based strategies for industries, and maintaining standards while ensuring a level playing field. To harness the full potential of the private sector, Albania must address these challenges, fostering an environment conducive to growth, innovation, and global integration.

As is the case in other middle-income countries, most of the financing of legal and policy reforms, programming, and investments needed to achieve the SDGs in Albania is increasingly less likely to come from development assistance. SDGs provide a critical window of opportunity to rethink the role of the private sector as a key factor in the recovery process. In addition to offering a wealth of expertise and disruptive innovation, businesses can help mobilize much-needed capital in support of the SDGs, while reorienting their strategies to create value not just for their shareholders, but the society at large.

Albania's commitment to the SDGs and its European Union integration process

Albania is committed to the 2030 Agenda for sustainable development and the Albanian government has incorporated the SDGs into the national policy framework. As the country progresses towards European Union membership, harmonization with the SDGs, the EU Green Agenda and the goal of climate neutrality becomes increasingly important. This commitment is of paramount importance for Albania as it not only demonstrates the country's dedication to global sustainability commitments, but also ensures a strategic alignment that attracts international support, fosters economic growth through sustainable practices, and enhances the overall well-being of its citizens by safeguarding the environment and natural resources for current and future generations.

Since 2014, when Albania acquired EU candidate status, the country has successfully implemented major legal and policy initiatives in all economic sectors, including manufacturing, with a special focus on textiles, clothing, leather and footwear (TCLF) as well as on the agro-processing sector. In July 2022, the European Commission announced the opening of accession negotiations with Albania, emphasizing that the integration process requires, among other things, effective legal approximation, and proper implementation of the European regulations on locally manufactured end-consumer goods so that they are fully acceptable in the European Union. This also includes textile and footwear goods and agro-food products exported in the European market for end-customer use.

Additionally, the opening of negotiations for EU membership requires the implementation of additional reforms to foster integration into the global economy as a major development path for sustainable growth. The promotion of good practices in this sector is intended to align operations with the UN's SDGs and with new trends in the sector such as the "circular and sustainable fashion" strongly promoted in Northern European countries.

I.2 UN Development Assistance, Human Rights Approach and Gender Dimension

The United Nations in Albania, under the coordination of the UN Resident Coordinator, collaborates extensively with the Government of Albania and various partners, including civil society, academia, and the private sector. This collaboration aims to address critical issues such as poverty alleviation, strengthening the rule of law, promoting human rights, environmental protection, and supporting economic and social reforms. Inspired by the United Nations Charter and the Sustainable Development Goals, the UN's efforts in Albania focus on innovative

8 https://www.worldbank.org/en/news/press-release/2022/06/15/strong-private-sector-key-to-albania-s-future-economy-says-new-ifc-world-bank-report#:~:text=The%20Albania%20Country%20Private%20Sector,upgrades%2C%20skills%20shortage%2C%20and%20infrastructure

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and integrated policy solutions for sustainable development. Since initiating the 'Delivering as One' reform in 2007, the UN has been working towards greater impact through enhanced coherence and efficiency. The current Albania-United Nations Sustainable Development Cooperation Framework (UNSDCF) 2022-2026, involving 19 UN Agencies, aligns with Albania's EU accession goals, the 2030 agenda, and nationalized SDG targets. It prioritizes human capital development, sustainable economic growth, effective governance, and gender equality, aiming to improve public services, adapt to and mitigate climate change, and recover from the COVID-19 pandemic. This framework builds on the successes of the previous Programme of Cooperation for Sustainable Development 2017-2021.

When it comes to fundamental rights, Albania has ratified all 9 core international human rights instruments: Universal Declaration of Human Rights (UDHR); International Covenant on Civil and Political Rights (ICCPR); International Covenant on Economic, Social and Cultural Rights (ICESCR); International Convention on the Elimination of All Forms of Racial Discrimination (ICERD); Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW); Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (CAT); Convention on the Rights of the Child (CRC); International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (ICRMW); International Convention for the Protection of All Persons from Enforced Disappearance (ICPPED). Some of the ILO standards applicable to the proposed intervention include, among others: the Employment Policy Convention, 1964 (No. 122); the Employment Service Convention, 1948 (No. 88); the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187); the Violence and Harassment Convention, 2019 (No. 190); to name but a few.

UN agencies approach to gender

Albania abides by the UN Agenda 2030, the Sustainable Development Goals, and Goal 5 on gender equality in particular as an accelerator. In February 2022, Albania ratified the ILO Convention No. 190 on *"Eliminating Violence and Harassment in the World of Work"*. The ratification is an important step for Albania, where violence against women and girls is very high, as it specifically defines gender-based violence and harassment in its provisions. This Convention applies to all sectors, whether private or public, both in the formal and informal economy, and whether in urban or rural areas and protects workers and other persons in the world of work, including employees as defined by national law and practice, as well as persons working irrespective of their contractual status, persons in training, including interns and apprentices, workers whose employment has been terminated, volunteers, jobseekers and job applicants, and individuals exercising the authority, duties or responsibilities of an employer.

At the regional level, as an EU accession candidate, Albania has to fully harmonize its national legislation with the *acquis* in the areas of gender equality and labor rights (Directive 2006/54/EC on Equal Opportunities and Equal Treatment of Men and Women in Matters of Employment and Occupation, among others). Albania is also bound by the Istanbul Convention (Council of Europe Convention on preventing and combating violence against women and domestic violence (CETS No. 210). While not specifically about labor and the workplace, the Istanbul Convention addresses gender-based violence, including violence at the workplace, and recognizes the connection between violence against women and gender inequality.

In its initial phase, the project aimed to incorporate and address gender-related issues, starting with firstly mapping out these issues. The Zero Draft Roadmap developed for the TCLF sector for example, aimed to identify and implement actions that enhance the quality dimension of jobs and mitigating gender inequalities. Notably, the roadmap places a strong emphasis on safeguarding labour rights and fostering secure working environments, particularly for women. Furthermore, through its capacity building activities, the project engaged in establishing safe and inclusive workspaces.

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Moreover, the project has played an important role in shedding light on gender dynamics within the business landscape of Albania. Events such as #Business2030 conference and the SDG Business Pioneers Award have promoted gender inclusivity and equity. These initiatives reflect the project's commitment to gender mainstreaming.

UNDP

UNDP has been at the forefront of advancing gender equality and women's empowerment in Albania by aligning its people-centered, human rights-based interventions with international, regional, and national legal and policy frameworks, primarily focusing on the prevention and elimination of gender-based violence. UNDP works in harmony with Albania's domestic legal and policy landscape, including the National Strategy for Gender Equality 2021 – 2030, the Law on Gender Equality, the Law on Protection from Discrimination and the Labor Code. By integrating these frameworks into its programming, UNDP Albania strives to address gender disparities comprehensively, fostering an environment where women can actively participate in decision-making processes, access economic opportunities, and enjoy their rights fully. Through targeted interventions, capacity building, and strategic partnerships, UNDP Albania contributes to the creation of an inclusive society that respects and promotes gender equality at all levels. The organization's commitment to these frameworks underscores its dedication to fostering sustainable development that is built on the principles of equality and justice.

ILO

The ILO's mandate to promote gender equality in the world of work is enshrined in its Constitution and reflected in relevant international labour standards. The ILO mandate on gender equality is reinforced by related Resolutions adopted by its highest decision-making body, the International Labour Conference. The most recent of these is the Resolution concerning Gender Equality at the Heart of Decent Work, adopted in June 2009; and the Resolution concerning the Promotion of Gender Equality, Pay Equity and Maternity Protection, adopted in June 2004. Attention to gender equality in all aspects of the ILO's technical cooperation is mandated by the Governing Body's March 2005 Decision on Gender Mainstreaming in Technical Cooperation. GED/ILOAIDS provides office-wide support to this process. The promotion of gender equality is reflected in the ILO programme and budgets for which the entire organization shares responsibility. The organization has developed a single, overarching ILO Action Plan for Gender Equality, which facilitates effective and gender responsive delivery of the Decent Work Country Programmes, including the Decent Work Country Programme for Albania 2023-2026:

UNIDO

The mandate of UNIDO is to promote and accelerate inclusive and sustainable industrial development (ISID) in developing countries and economies in transition. UNIDO recognizes that gender equality and the empowerment of women have significant positive impacts on sustained economic growth and inclusive and sustainable industrial development, which are drivers of poverty reduction and social integration. UNIDO considers gender mainstreaming as a key strategy for achieving gender equality and the empowerment of women. As a result, the Organization has created a Policy on Gender Equality and the Empowerment of Women (2009) which oversees that: 1) A gender perspective is reflected in its programmes, policies and organizational practices; 2) The overall goal of gender equality and the empowerment of women, particularly the economic empowerment of women, is advanced; 3) The Organization joins forces with partners within the United Nations system and with other public and private sector partners to deploy a diversity of experiences and expertise to advance the internationally agreed development goals related to gender equality; and 4) The Organization's efforts to achieve the goal of gender balance within its own structures, in particular at decision-making levels, are accelerated.

FAO

Gender equality is essential to achieve FAO's mandate of a world free from hunger, malnutrition and poverty.

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The Organization recognizes that persisting inequalities between women and men are a major obstacle to agriculture and rural development and that eliminating these disparities is essential to building sustainable and inclusive food systems and resilient and peaceful societies. As a specialized agency of the United Nations with the mandate on agriculture, food security and nutrition, FAO has a key role to play in coordinating efforts, generating knowledge and promoting innovative solutions to address the gender-based discriminations that still hold back rural women and girls. In 2016, FAO published Gender, agriculture and rural development in Albania This report has been produced as part of FAO's efforts to generate evidence and knowledge in compliance with FAO's Policy on Gender Equality. It is only by closing the gender gap that strategies on sustainable agriculture and rural development can reach their full potential.

I.3 Proposed Project in the Context of SIDA's Work in Albania

The Swedish International Development Cooperation Agency (SIDA) has been instrumental in supporting the development of Albania. With a focus on steering and helping the country prepare for EU membership, SIDA's efforts in 2022 alone involved a substantial investment of 12.28m USD across 66 different activities. SIDA work has focused on key areas including the strengthening of democracy and human rights, enhancing environmental sustainability, and promoting economic development. This approach has been important in addressing challenges, such as weak state institutions, widespread corruption, and violence against women.

SIDA's efforts in Albania are not only aimed at moving the country closer to EU membership but also at fostering a sustainable economic environment. This includes supporting private sector development thereby contributing to the nation's overall economic growth. By investing in projects that enhance gender equality, strengthen civil society, and improve environmental legislation, SIDA is ensuring that Albania's progress is inclusive and sustainable. These initiatives are pivotal in building a resilient and inclusive economy that benefits all citizens and aligns with the global sustainability agenda.

II. Problem analysis

Industry in Albania

According to official national statistics in 2021,48.4 per cent of legal enterprises operating in Albania are registered as legal persons with Albanian ownership. The private sector in Albania is dominated by small and medium-sized enterprises. A quarter of all SMEs are in the agricultural and agro-processing sectors, accounting for about half of total employment of both women and men, more than one-fifth of GDP and form the main source of employment and income in rural areas. Albania's GDP per capita is still less than one third of EU average, wages are low and there are estimates that 40 to 50 percent of firms operate to some extent in the informal sector. COVID-19 impacted the economy with GDP contracting by 3.3 percent in 2020, this not only impacted many SMEs in the service sector but distortion of food supply chains during the pandemic also contributed to food loss.

The agri-business sector in Albania

Albania's agricultural sector, when compared to other EU pre-accession countries, receives notably less government support per hectare and per inhabitant. This disparity places small and medium farmers in a particularly vulnerable position, limiting their growth and resilience in a competitive market. It underscores the need for targeted financial policies to bridge these gaps and bolster the sector's overall sustainability and competitiveness. The level of access to finance on the side of small and medium farmers is limited. The significant challenges faced by small and medium farmers in Albania, particularly in accessing funding is highlighted in the FAO's recent report *"Resilience and Vulnerability: Navigating the Effects of the Ukraine-Russia War on Albanian Agriculture and Rural Development"*. According to the report a scant 5% of farmers benefit from government grants, with small farms accessing a meager 2% and medium-sized farms slightly more at 3%. This starkly

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contrasts with the better-supported large farms, emphasizing an inequitable financial landscape. There are high levels of risk for agrifood businesses, especially at the production level, due to the absence of insurance schemes (with the consequent risk of losing a full year of cash flow due to crop failure) and uncertain access to markets, as formal production contracts between producers and clients such as traders and processing industries, are not common and uncertain in actual application. Both male and female farmers have a low level of education regarding crediting and financial management. There is little or no technical understanding in the banking industry about the financial needs of the agriculture sectors.

As already stated above, the private sector in Albania is dominated by small and medium-sized enterprises. The number of enterprises in the industry sector (including agro-processing) has decreased (by 6%), from 9,571 in 2020 to 8,991 in 2021. In addition, according to INSTAT Business Registry, 68.5 percent of enterprises in the agri-food sector have 1–4 employees, and only 5.7 percent categorised as large enterprises with more than 50 employees. In 2021, there were some 3,140 active enterprises in the agri-business sector, accounting for 35.7 percent of all active enterprises in Albanian industry. However, there has been a decline since 2016, when the number peaked at 3,882. The proportion of women employees in the agro-food industry was 46 percent in 2021. The investment made by agro-food enterprises has been declining, reaching nearly half the value of 2018 in 2020 (ALL 5,712 million). Also, from 2018 to 2020, the three main investments in the agro-food industry have been machinery and equipment; buildings, constructions and installations; and transport. Also, there is at present a lack of disaggregated data to facilitate the separation of the -food industry into its constituent parts, identification of the various types of actors involved and assessment of their relative profitability. Absence of such data hinders the ability to discern potential disparities in performance across the various subdivisions.

The agro-processing sector in Albania stands as a cornerstone of the national economy, playing a pivotal role in both employment and GDP contribution. This sector, encompassing a diverse array of industries such as dairy, meat, fruits and vegetables, olive oil and Medicinal Aromatic Plans (MAPs) accounts for about half of the total employment and more than one-fifth of the country's GDP. It is particularly crucial in rural areas, serving as the main source of income and employment. In 2021, there were about 3,140 active enterprises operating in the sector – which accounts for around 35.7% of total active enterprises in the entire Albanian industry sector. Over the past decade the sector has shown remarkable growth, with employment nearly doubling, indicating its significant impact on the country's economic landscape.

Despite its importance, the sector faces a variety of challenges that need to be addressed to ensure its continued growth and contribution to the economy. One of the primary concerns is the economic constraint, as Albania's GDP per capita remains less than one-third of the EU average. A considerable portion of firms in the sector operate partially in the informal sector, which, coupled with the impacts of external economic shocks on food, energy and finance has led to a contraction in GDP and disruptions in food supply chains. This situation has highlighted the vulnerability of the sector to external shocks and the need for more resilient business models.

The sector is in the initial stages of aligning itself with SDGs and the EU Green Agenda. There is a notable gap in awareness and implementation of these practices within the sector, which hinders opportunities for environmentally and socially responsible growth.

A significant gap in the sector is the deficiency in technical support and digitalization. The integration of technology and digital tools is essential for modernizing the sector, enhancing productivity, and improving supply chain efficiency. However, there is a notable lag in adopting these advancements. The shortage of skilled human resources, exacerbated by mass emigration, further strains the sector's capacity to innovate and adopt recent technologies. Financial constraints also pose a significant barrier, as limited access to funding impedes technological upgrades and business expansion, thus affecting competitiveness both locally and globally.

The sector's struggle to meet quality and safety standards also limits its potential for broader market reach. The prevalence of non-compliance and informal practices leads to unfair competition and restricts access to international markets. Environmental considerations, particularly under SDG 12 (Responsible Consumption and

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Production), are also crucial. The sector must address issues related to sustainable packaging, waste management, and efficient resource use. Advancing towards more sustainable production patterns requires a shift in practices, including the adoption of digital technologies for better resource management and reduced environmental impact.

The broader economic and environmental context in Albania, such as the significant role of trade and the challenges posed by land fragmentation and climate change, further complicate these issues. The alignment of the agro-processing sector with SDGs like No Poverty (SDG 1) and Zero Hunger (SDG 2) is hindered by rural emigration and inefficiencies in agricultural practices. Similarly, the challenge of ensuring Decent Work and Economic Growth (SDG 8) is underscored by skill gaps and employment issues.

On the supply side, the agro-processing sectors encounter problems due to structural issues with small and medium farmers. Despite these challenges, the agro-processing sector in Albania also presents significant opportunities. The sector benefits from favorable access to European markets and an increasing consumer preference for locally produced goods. Addressing the issues of sustainability, technical and financial limitations, and quality and safety standards is crucial for the sector's future. With strategic responses to these challenges and effective utilization of the available opportunities, the sector can significantly contribute to Albania's economic growth and alignment with global sustainability goals.

The TCLF sector in Albania

Within the past decade, the textile, clothing, leather, and footwear (TCLF) sector in Albania has repositioned itself to reflect market developments, managing to improve Albania’s trade balance and to reduce the market share of imported ready-to-wear garment and footwear products.

Meanwhile, crises such as Covid-19 and the war in Ukraine are prompting Western investors to consider relocating their production activities from established markets like Asia to closer locations. Albania stands as a potential beneficiary of this trend. Therefore, it is urgently required that this sector becomes sustainable and competitive for global markets, showing better working conditions, high productivity, flexibility, and product diversification, potentially own brands and cooperation partners.

The TCLF sector has an important weight in Albanian exports. In July 2022, exports from this sector reached a value of EUR 334,049,839, marking a noteworthy 23 percent increase compared to the same period in the previous year. However, this also represented a 14.3 percent decrease compared to June 2022. Notably, the annual surge of 23 percent in exports saw a substantial contribution from the "Textile and Footwear" category, which accounted for a growth of 6.6 percentage points.

The export of textiles and footwear, constituting a crucial component of Albania's foreign trade, displayed a sustained recovery during the first five months of 2022. Impressively, this segment accounted for 27% of the total export volume. Furthermore, exports within this category even exceeded the levels observed during the initial five months of 2019, a timeframe preceding the onset of the pandemic.

Due to the increase in orders since the pandemic, enterprises in the sector have expanded operations and workforces. Enterprises with a workforce of 5–9 employees increased by 37 percent and those employing 10–49 people by 14 percent. On the other hand, the number of enterprises with up to four employees fell by 22 per cent in 2021.

There are 827 active enterprises operating in the textile, clothing, leather and footwear sector, down by 6 per cent compared with 2020. In addition, 34 per cent of enterprises in the sector have 1–4 employees, while 30 per cent are categorized as large enterprises with more than 50 employees.[9]

9 ILO, UNIDO. SDG principles and positive practices adopted by the textile, clothing, leather, and footwear sector in Albania. 2023. Available here: https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---sro-budapest/documents/publication/wcms_869582.pdf

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Regarding ownership, 72 per cent of enterprises in the sector are owned by Albanians, while only 8 per cent have joint ownership of Albanian and foreign investors. The jointly owned enterprises are the only ones that increased in number, by 13.7 per cent from 2020 to 2021, despite the declining trend in the total number of enterprises within the past two years.[10] During the initial seven months of 2022, exports saw an impressive uptick of 40.1 percent when contrasted with the preceding year's corresponding period. Within this context, the "Textiles and Footwear" segment secured the third position with a robust growth of 6.9 percent. The TCLF sector in Albania is recognized for its labour-intensive nature. Manufacturing enterprises are dispersed throughout the nation, employing varied business models to facilitate their operations.

While they have made some progress towards broad integration with global value chains, mainly by working within the framework of the "cut-make-trim" business model and introducing features of "full-package" or own-brand manufacturing limited progress has been made with material sourcing, testing, research and development, application of modern technologies, and recycling.

The assessment of the textile and footwear sector's regulatory alignment with European Union standards[11] highlights that there is a wide gap between the current EU legal framework and that of Albania regarding manufacturing sustainable and circular textiles and footwear.

The sector is also characterized by different enterprises size and their progress towards the Sustainable Development Goals, that is why transferring the TCLF Sector in Albania to the sustainability path requires significant efforts to integrate existing policies, laws, and various stakeholders' plans into a single framework. This framework will allow more efficient and effective action toward sustainable economic growth, resilient industry infrastructure, increased productivity, higher innovation, decent working conditions (including occupation safety and health standards), decent job creation, green skills development, sustainable consumption, and production patterns in this sector.

The focus of SDG work with the private sector in Albania targets two sectors: the textile, clothing, leather and footwear sector and the agro-business sector. Assessments for these two sectors already exist from previous business intelligence activities conducted by FAO, ILO, UNDP and UNIDO which provided a valuable platform for the work undertaken. Inter-alia, they indicate high potential economic impact on the country's overall economic performance and employment. It is worth mentioning that while the first phase of the project focused on the agro-processing sector, the second will expand to agri-business more generally, entailing a wider value chain approach and the focus on relevant subcategories such as agritourism.

The project is open to adding additional sectors upon the request of the donors, in agreement with the project team.

Gender issues in the target sectors

The initial phase implementation has served to bring to the forefront key challenges related to gender in these two sectors. These valuable lessons have been carefully captured and serve to guide implementation of this phase. Drawing insights from these experiences, the current phase strategically leverages lessons learned to guide its interventions. The selection of these two sectors stems not only from their substantial contributions to the economy but also for their notable employment of a considerable female workforce. This principle has guided the project's commitment to fostering impactful interventions that extend beyond economic metrics.

TCLF sector

The female workforce plays a key role on the textile, clothing, leather and footwear sector because of the labour-intensive nature of production. According to official national statistics, around 95 per cent of the overall

10 Ibid.

"The assessment of the textile and footwear sector's regulatory alignment with European Union standards". This report is authored by Dr. Jolta Kacani under the guidance and coordination of Sajmira Kopani (Technical Officer, ILO). Input and comments were provided by Hesham Bayoumi (Enterprise Development International Expert, ILO), Geneva: International Labour Office, 2023] available here: https://www.ilo.org/budapest/what-we-do/publications/WCMS_894699/lang--en/index.htm

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workforce in the sector are females, possessing limited skills and mainly coming from rural areas that are economically stagnant. Employment in the TCLF sector is a tempting alternative to unemployment despite the minimum wages. The average age of a female worker in the TCLF sector is 32 years. However, given the current labour shortages and the intense competition for workers within the sector, enterprises are more open to female workers of 40 years of age, even without prior experience or training. [12]

Wages in the TCLF sector are still among the lowest in Albania and have consistently been at the level of the minimum wage. They do not provide subsistence level income for a typical four-member Albanian family. However, some operations such as cutting, machine maintenance and repair, and experienced sewing operators tend to receive higher wages as they are better trained, better skilled, and more productive. Even though policies and reforms in Albania advocate gender equality, the national statistics indicate that male workers are still paid more than female ones. In 2021, males working in the TCLF sector were paid on average 44 per cent more than female ones and 36 per cent more than the average national wage. National statistical data shows that wages for female workers in 2021 were 6.31 percent less than the average national wage. A similar trend was observed also in 2019 and 2020.

The wage difference between male and female workers results from two main trends in the textile, clothing, leather, and footwear sector. First, male workers are employed as technicians and engineers to oversee machine maintenance and production processes. As there are few local machine specialists the competition is high to hire them, thus boosting their compensation.

Secondly, female workers are involved more in "manual work", which is less valued. Most female workers in the sector start as sewing operators and, with experience, look for promotion opportunities into higher skilled positions such as cutters, quality controllers, and production line managers. In most cases, experienced sewing operators who demonstrate a good practical knowledge of different workflows across production lines are offered positions with higher responsibility and better remuneration. Internal professional development opportunities are considered a favourable strategy in enterprises as experienced workers in the sewing lines demonstrate sufficient knowledge of production within the enterprise and are better acquainted with other workers.

Male employees are usually placed within enterprises in positions such as manager, administrator, inventory manager, logistics manager, and so on, that require different sets of skills and level of education than most of the females who are workers on the sewing machines, and this is reflected in the level of wages.

Interestingly, even though female workers in the TCLF sector are paid less, in 2021 they tended to work on a weekly average 1.08 hours more than male workers. Female workers tend to work overtime when they need to repair the defective pieces or when the enterprise must deliver large-size orders. Most of the time, female workers are willing to do overtime because they are paid more. Enterprises that apply overtime work and/or work on Saturdays pay workers 1.25 percent more, according to national law. This study indicates that surveyed enterprises track overtime and provide timely compensation for female workers.[13]

Although information on the prevalence of violence and harassment in the world of work in Albania is limited , cases of this nature tend to be under-reported, due to cultural norms and stigma associated with reporting incidents; lack of awareness of their rights or the available mechanisms for reporting workplace violence and harassment; fear of retaliation, weak reporting/complaint mechanisms and/or lack of trust in them; economic dependence; limited legal protections and lack of trust in institutions.

Agriculture and agribusiness sector

12 ILO, UNIDO. SDG principles and positive practices adopted by the textile, clothing, leather, and footwear sector in Albania. 2023. Available here: https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---sro-budapest/documents/publication/wcms_869582.pdf

13 ILO, UNIDO. SDG principles and positive practices adopted by the textile, clothing, leather, and footwear sector in Albania. 2023. Available here: https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---sro-budapest/documents/publication/wcms_869582.pdf

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Main gender inequalities in agriculture and agribusiness sectors are women's unsatisfactory access to technical knowledge on agriculture, including barriers to accessing information and benefiting from extension services and training. There is limited participation of women in both vocational training and knowledge and information sharing about agriculture and rural development: only ten percent of beneficiaries of extension services are women, and in 2015 only 33 percent of extension services staff was female. Some of the reasons for the low participation of women in extension services training are male-dominated communication channels that control the flow of information and fail to reach and mobilize women farmers and the identification of men as "heads of households and holdings", which results to women being seen as "wives of farmers" instead of farmers in their own right, while land tends to be registered in men's names. Also, stereotypical links between machinery, technology and men affects to women's reduced self-confidence in areas and roles outside socially stereotyped gender roles, and the location of training and meetings hinders women's attendance.

The agricultural sector employs more than 54 percent of all economically active women, 87 percent of whom work as informal or family workers. In family farming, there is a rigid gender-based distribution of tasks. Male gender roles are associated with tasks that involve control over agricultural assets, mobility and decision-making and female gender roles are associated with manual work in agriculture and livestock, including pre-harvest and post-harvest activities, food processing and household tasks. This distribution of labour has resulted in women's limited access to, and control over, agricultural assets and decision-making. Female farm managers represent only 6.47 percent of the total number of farm managers. In many cases, women only become farm managers in the event of widowhood or the husband's absence. Women are engaged in nodes with low value in agrifood value chain such as pre-harvest and post-harvest activities, food processing and household tasks, while men are engaged in sales, mobility and decision-making.

Access to finance has been another major challenge for agriculture sector development in Albania. While only 3 percent of women farmers surveyed by UN WOMEN showed that they have applied for grants, the share of men who have done so, at 10 percent, is much higher. Moreover, official figures show that the number of women beneficiaries is five times smaller than men, in the best case.

Private Sectors SDGs Awareness

Albanian companies currently have a low awareness of the Sustainable Development Goals as well as their impact on the environment and society at large. In some cases, they are unknowingly already implementing sustainability practices in their businesses but do not have the context to expand them further and hone into future sustainable investments. However, these long-term choices in sustainability can give them a strategic advantage in the future, especially thinking about the challenges of our times, such as the energy crisis, inflation, lack of raw materials and skilled workers, and the EU integration process. Combined with updates in business and trade regulation at a national level, for instance with regards to export, recycling and traceability, these practices can contribute to increase the resilience of Albanian companies and support their sustainable growth over time.

II.1 Lessons Learned from Phase I

Key lessons learned to successfully engage the private sector

As the general awareness level around the Sustainable Development Goals among the Albanian private sector is quite low, the identification of the ways to captivate the interest and the engagement of Albanian companies throughout the implementation was the focus of the first phase.

The UN agencies need to speak a language the private sector understands. It is necessary to tie sustainability and sustainable practices to the day-to-day experience and challenges faced by businesses. Indeed, incentives to become sustainable for companies lie at the intersection between profitability, competitiveness, and solutions to overcome their current problems. This will both give them concrete tools to advance on their journey and show the immediate as well as long-term advantages that sustainable practices will represent.

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Levels of awareness on sustainability and the necessary resources to achieve it vary greatly among companies according to sector and size, which calls for a continuation of the strategic and sectoral work undertaken during Phase I. Adequate tailoring needs to be made when it comes to specifics of different companies regarding their sector, scope and age difference of CEOs, managers and employees as these specifics lead to different approaches in doing business and varying degrees of receptiveness which need to be taken into account.

Mentality and behaviour changes both at a company and a society level is a slow process, which entails focused action over time and a consistent line of communication both with companies and with the public. Hence, it is crucial for policy makers to be involved and understand the needs and motivations behind business practices to be able to tackle their challenges in the best of ways through legislation changes.

An additional and paramount lesson learned from Phase I revolves around the need for a stronger gender focus in the design and implementation of activities. Although inspiring stories from women business leaders have emerged along the project, the reality on the ground of Albanian businesses shows that women are still underrepresented in the category and are disadvantaged when compared to men in terms of salary, work benefits, access to better job opportunities and presence at a managerial level.

Another element revolves around the necessity to expand the outreach of companies to municipalities further rom Tirana, the country's capital, and Durrës, its second city for population and economic weight. Given the wide difference in economic resources availability, market linkages and business opportunities between businesses located in the centre of the country versus in peripheral regions, this would allow for a better targeting of businesses and a more strategic expansion of value chains for better distributed and more inclusive national economic growth.

On a positive note, from the Albanian businesses experience, companies have historically relied on expertise and acquisition of machinery from partner countries that have coincided with the destination of the diaspora, for instance Italy, Greece and more recently Germany. This highlights the ease and openness of Albanian businesses to cooperate with foreign companies and institutions, which has been already shown during Phase I through the engagement with Swedish counterparts. The experience sets up a positive ground for the expansion of these connections in Phase II.

These key lessons will provide a base for the continued engagement and reach out to new companies during Phase II and will give a strong contribution in the successful implementation. Furthermore, there are additional considerations and lessons learned from each sector as outlined below.

Lessons learned from TCLF sector

One of the main findings of the survey conducted during the Phase I of the BPS4SDGs project indicates that textile, clothing, leather and footwear enterprises in Albania need to take additional steps to address the quality dimensions of jobs in the TCLF sector (working conditions, productivity, occupational safety, and health) and support the transition to formality. Companies also are required to fill the existing sector gaps regarding efficient use of resources, including energy efficiency, water treatment, and environmental management as well as waste management (collection, separation, and recycling).

Overall, improving circularity along the value chains can reduce resource consumption, improve environmental impact, reduce waste, wastewater, energy consumption, use of chemicals, and improve working conditions. This entails also understanding the life cycle aspects of the whole value chain and get actively involved in design, selection, and acquisition of materials, improving resource productivity of production, and considering cooperation with the clients and their interaction models with the distribution networks and the final consumers.

The findings identified during the ILO Sustaining Competitive and Responsible Enterprises (SCORE) program implementation are clearly defining the gap between working conditions and productivity which impacts the

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overall competitiveness of the TCLF enterprises.

Results of the pilot ILO SCORE Training Programme with TCLF enterprises showed that:

- Productivity is impacted by the working conditions.
- Enterprises Quality Management capacity can be improved throughout learning and development.
- Workplace cooperation (respecting workers' rights; development and utilization of the skills of workers, provide safe and healthy workplace environment and applying participatory management practices) can contribute to the overall success of the enterprise.
- TCLF Enterprises require ongoing technical support as well as business development to ensure business sustainability.

Results of the pilot UNIDO Resource Efficient and Cleaner Production (RECP) assessments show that:

- Enterprises appreciate further steps to improve energy efficiency and the use of renewable energy.
- Enterprises look for an appropriate waste management infrastructure and recycling options.
- Enterprises appreciate support in data acquisition e. g. by measurements.
- Enterprises look for the application of automatization and digitalization strategies to increase productivity in general.
- Development of human resources both in the enterprises and supporting organisations is another key element of continuous improvement.
- Enterprises are ready to consider extending their value chains.

Corresponding organizational and technical knowledge is not available from within industries nor with universities or business associations.

From the results of Phase I, many investments appear small, edging them out from standard bank loan framework. However, their implementation is linked to risk, as the techniques and technologies are new for Albania. This requires risk mitigation measures, continuing support to SMEs during implementation. Also, the measures sometimes support more sustainability in general that constituting an immediate business interest of the individual enterprise.

Lessons learned from agro-processing sector

In the agro-processing sector, several critical lessons have emerged. Firstly, disparities in awareness regarding SDGs, ESG principles, sustainability frameworks, and climate-smart practices are evident among businesses. These disparities are often attributed to varying financial and human resource capacities, which can hinder the ability of some enterprises to invest in training, education, and outreach efforts necessary for disseminating knowledge about sustainable practices. While there is a growing interest in adopting SDGs-focused practices, the comprehensive implementation of these principles often lags in addressing all dimensions of sustainability. This can be attributed to practical knowledge gaps, substantial upfront costs required for adoption, and limited options for financing such investments.

Agro-processing businesses also require guidance to align with the stringent sustainability criteria of the EU Green Deal. Moreover, the creation of clusters is identified as essential for fostering technological advancements and sustainable innovation among small and medium-sized agro-processing enterprises. This clustering approach leverages operational synergies, resulting in cost efficiencies, which are typical benefits arising from collaborative efforts in the sector. Women have traditionally shouldered a substantial amount of unpaid work within this domain. Informal employment in Albania, as a percentage of total non-agricultural employment, showed differences by gender, with 40 percent for men and 21 percent for women, according to World Bank data from 2019. While the informality rate is gradually declining, it remains a pertinent issue, underscoring the importance of addressing gender disparities and informal labor within the agro-processing sector. Finally, in many rural areas, there is a noticeable lack of interest among youth to pursue careers in agriculture and related industries. This disinterest can be attributed to various factors, including a perception of agriculture as physically

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demanding, low-paying, and disconnected from modern technologies and innovations. As a result, many young people are opting to emigrate to urban areas or even abroad in search of better job opportunities, leaving behind a significant gap in the agriculture workforce.

Key Take Aways of challenges Albanian companies face towards implementing sustainable practices

Albanian businesses' recurring challenges in becoming sustainable and enhancing their business practices, independently from their size and sector, revolve around lack of technical knowledge, lack of financial resources and lack of awareness of sustainable practices more generally.

As encountered during Phase I of the project, there is a general lack of safe and healthy working conditions across enterprises. At the same time, emigration and brain drain resulted in a widespread lack of skilled workforce across sectors. The lack of business and managerial expertise is noted and there is limited Research & Development activities from companies coupled with a weak connection between business and academia.

Local production processes have limited added value and value chain linkages are quite weak. At the same time, the wide majority of Albanian companies are generally poorly connected to relevant business opportunities and expertise nationally and internationally. This is true in particular for businesses located in more remote and less connected regions. Generally public and private investments directed to sustainable companies are low and the national legislation does not oblige companies yet to upgrade in terms of sustainable practices. In light of Albania's integration process to the European Union, the latter is due to change in the upcoming years, although companies tend to not be aware of the fact. Finally, this leads to the last point, regarding a widespread lack of awareness on sustainability from companies, local consumers and society at large.

II.2 Interventions of support to private sector

The Ministry of Agriculture and Rural Development (MARD) as the leading government institution in the development of conductive policies for the agribusiness sector, aims to create a better environment for businesses in the agricultural sector by fostering collaboration, sharing resources, and optimizing processes. This approach, despite being in its initial stages, together with cooperation, association, and work in clusters aims at increasing productivity and profitability for individual businesses but also to consolidate the entire value chain, making the sector more competitive and resilient in the long run. In its commitment to creating an enabling environment for businesses, the MARD is launching a pilot intervention, focusing on technological tools like precision farming. By using the power of satellite information, this initiative offers businesses, particularly farmers, a unique opportunity to adopt sustainable practices, mitigate the impacts of climate change, and optimize production costs and resources through the adoption of smart agriculture. This approach aligns with the broader goal of creating a business-friendly ecosystem that embraces sustainable solutions, fostering resilience, and efficiency in agricultural operations.

Alongside government and other institutional initiatives, support to the private sector, with a specific focus on the agrobusiness sector and sustainable food systems, is increasingly becoming an area of focus for development agencies in Albania. Other international development partners initiatives include the Sustainable Rural Development (SRD) project implemented by GIZ and funded by Germany as well as the Swiss Development Agency. This intervention focuses on advancing three pivotal value chains related to greenhouse vegetable production. A key objective is the integration of biological pest control to minimize pesticide usage. The targeted value chains encompass dairy and fruit products, with a specific aim of improving product quality, extending shelf-life post-cold storage, and building resistance to pests. This collaborative effort aligns with the broader strategy to support agribusinesses, fostering sustainable practices and quality enhancements within crucial agricultural sectors. In its second phase, the project aims to strengthen the economy of rural areas while preserving

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autochthonous seeds and local cultures through promoting sustainable businesses (ex. Agritourisms) and linking them to touristic routes in order to link them to markets.

In the framework of addressing challenges within the private sector, the World Bank is also launching a new project to support Albania's climate resilience and agricultural development through investments that promote climate smart agriculture and market access. This intervention includes financing the development of short distribution chains and the promotion of local products, alongside the modernization of selected irrigation and drainage schemes throughout the country. On the other hand, the European Bank for Reconstruction and Development is currently implementing the Albania Agribusiness Support Facility, with the objective to promote and enhance access to finance for agribusinesses in Albania by addressing the financing gap as one of the main challenges for the sector's development.

The Albanian Investment Development Agency (AIDA) is the key Albanian public institution in attracting and supporting foreign and domestic investors into the TCLF sector and into agro-industries. The Swiss Import Promotion Programme (SIPPO) is a well-established mandate of the State Secretariat for Economic Affairs (SECO), with the overall vision of sustainable and inclusive economic growth and integration of SIPPO partner countries into world trade, through its mission of supporting Business Support Organizations to increase their export promotion capacity and service provision to export-ready companies. The government has approved some facilitative measures on the textile and footwear industry, giving a strong stimulus to the fashion industry:

- State-owned properties leased with 1 Eur/sqm
- 0% VAT on textile machineries
- Online digitization of tax declaration and documents through portal e-Albania
- AIDA Competitiveness' fund support for Textile industry
- AIDA provides One-Stop-Shop care for textile companies
- 50% - 70% cost coverage for staff training and 1-year social Security coverage for new employees
- Support in human resources recruitment through Labor offices in each district

Partners for private sector development projects are SIPPO, GIZ, USAID, EU IPA, European Enterprises Network (EEN), UN, WB, etc. A main asset is the Polytechnic University of Tirana, which provides highly qualified workers and expertise.

II.3 Structure: Legal and Policy Framework for Private Sector in Albania

The private sector strategic framework in Albania is limited. The most recent development strategy for the country is the National Strategy for Development and European Integration 2030. This comprehensive document provides development objectives at a macro level covering a total of 34 areas for sustainable development and growth in the country. The document does not prioritize sectors, nor does it specifically address the most recent EU legal and regulatory framework introduced. The other relevant strategy at the national level is the Strategy for Business Development and Investments, 2021–2027. This strategy has three main objectives: (i) attracting investments and internationalization, (ii) development of SMEs, entrepreneurship, and innovation, and (iii) development of human capital. This strategy is not inclusive and not aligned with the EU Green Deal for circular business ecosystems, including those in the textile and footwear sector.

In 2011, Albania launched its ambitious National Strategy for Waste Management, covering the 2010-2025 period. That strategy sought to align Albania’s legislation on waste management with the EU’s Waste Framework Directive and the EU acquis. The legislative framework was based on the need to protect public health, the environment, and the economy and aims to turn waste management into a “priority issue”. Like the EU’s own waste management policy, Albania’s strategy put emphasis on waste reduction, the recovery of resources, the maximisation of recycling and re-use of waste. However, recent investments in the development of three waste incineration plants have raised serious concerns among environmental experts.

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The main goal of the Albanian National Strategy of Energy is to develop an effective energy sector that guarantees security of energy supply and efficient usage of energy that will contribute to sustainable development of the national economy. The Strategy underlines the importance of usage of energy sources that have the least negative impact on the environment. To achieve these objectives an administrative and legal framework in accordance with EU Directives and norms will be put in place.

Some of main identified problems for Albanian energy sector are as following: increase of the electricity consumption by consumers during the transition period has led to high levels of technical and non-technical losses and reduction of security of supply; lack of electricity price liberalization has led to its massive use for different services such as space heating; lack and relatively high prices of other alternative energy sources forced the consumers to focus more on the electricity use; very low efficiency of energy use.

The assessment of the textile and footwear sector's regulatory alignment with European Union standards, carried out with the support of the Swedish Government introduced an insightful legislative review, followed by an action plan to fill the existing gap with the European legal framework and generate new opportunities for textile and footwear enterprises to benefit from new partnerships in the EU market.

The proposed Ecodesign for Sustainable Products Regulation (ESPR) is the foundation for more environmentally sustainable and circular products. It is the framework for setting eco-design requirements for specific product categories to improve their circularity, energy performance and other environmental sustainability aspects.

Ecodesign in Albania is still not legally regulated as the initial eco-design directive primarily targeted energy-related products such as appliances, equipment, computers, servers, air-condition, and electric displays, which are not produced or assembled in the country. Minor developments are evident in the legal framework supporting the initial eco-design directive, including the Law on energy efficiency, but the focus of the current legal framework is still on the use of alternative energy sources such as the hydroelectricity produced in Albania or solar panels. Regarding textiles and related products, the legal framework does not have any approximation as the EU legal framework, ESPR, is very new and not applied fully even in EU member states. They have time until 2025 to fully adopt these regulations.

The revised EU Ecolabel criteria for textiles have a modified scope which is expanded to define three categories of product and two additional categories of intermediate products: Textiles, clothing and accessories; Interior textiles; fibres, yarn, fabric, and knitted panels; non-fibre elements as well as cleaning products. Albania has made some progress in adopting EU Ecolabel legislation. The Decision of the Council of Ministers No. 220 for the approval of the procedure and criteria for the device with ecolabel, its use and validity, and the composition and functioning of the commission for the issuance of ecolabels is the only document related to the EU Ecolabel, however it has not been updated to ensure compliance with the latest developments at the EU level. This legal document is very basic and includes only the main categories of products without any requirements or detailed guidelines on how to obtain the EU Ecolabel for specific products. Additional efforts have been in the Albanian legal framework by including the EU Ecolabel in the requirements in the proposed methodology for Green Public Procurement (GPP), although its application remains voluntary.

The EC has prepared a comprehensive document on GPP criteria on textiles and related products. In recent years Albania has made good progress towards sustainable procurement procedures and practices, including GPP. However, full legislative compliance with EU regulations is still lacking. In 2020, Albania introduced the new public procurement strategy for a three-year period. One objective of this strategy is the adoption of sustainable procurement procedures, including those oriented towards GPP. To meet this objective, the strategy aims to have the necessary primary and secondary legislative framework, together with compliance with the GPP criteria. To start with the primary legal framework, amendments were made for a Public Procurement Law (PPL) in the country.

Regarding the agrobusiness sector, land reform represents a significant outstanding issue. The Land Reform of

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1991 privatized a significant portion of agricultural land, transitioning it from state to private ownership. Despite this reform, land fragmentation remains a challenge, with families holding an average of 4-6 parcels. While the initial distribution included smaller plots, these have since decreased in number. The government's land distribution efforts aimed to ensure equitable access to land of similar quality in terms of fertility, irrigation capacity, and cropland type. Land titles were issued for 96.5% of the privatized land, benefiting 445,000 family farmers, but issues of legal and property rights persist. Notably, gender-related challenges in land tenure add complexity to the situation. Traditional gender roles in rural areas have restricted women's access to productive resources, including land. Economic and political instability in the 1990s hindered women's efforts to secure formal land rights, resulting in their limited access to land and other productive resources. The data underscores that female-headed households are at a higher risk of poverty compared to their male-headed counterparts, emphasizing the need to address gender-specific land tenure issues in Albania's agricultural context.

In addition, registration procedures and incentives to Agriculture Cooperative Companies are solely focusing on agricultural production, processing and supply. Agriculture Cooperative Companies are subject to several fiscal facilities and support schemes from the Albanian government, and the legal framework that regulates them is partially aligned with EU Regulation on European Cooperative Societies.

In 2018, there was a qualitative leap regarding the legal framework on the establishment and operation of Local Action Groups (LAGs) in Albania. As a result of the advocacy efforts of CSOs, the Ministry of Agriculture and Rural Development developed and consulted the draft Law *"On the organization and functioning of local action groups"*. In 2020, the law 36/2022 on the organization and operation of LAGs was published. This Law aims to determine the prerequisites for the creation and operation of local action groups, which will enable, through local partnership and the bottom-up principle, the involvement of local communities in the identification and implementation of rural development strategies led by the community itself depending on their needs, making decisions for the allocation of financial resources and their management based on the principles of sustainable development, as for providing an environment for investments in rural areas by community itself, raising of local capacities, as well as the implementation of local development strategies through local projects. This Law defines the basic principles, criteria, responsibilities and processes for the organization and operation of local action groups, the design and implementation of development strategies led by the community, in harmony with agricultural and rural development policies, at the level of central and local administration.

Special direct and indirect tax provisions are in place for agribusinesses. The standard VAT rate in Albania is 20%. However, farmers not exceeding the VAT threshold of 5 million Lek are incentivized by a special scheme that allows them to receive compensation at 6% as applied on the sale price (VAT exclusive) of supplies of agricultural products. The main aim of such an incentive is to ease the administrative burden that the normal VAT scheme brings, and to some extent compensate for the VAT incurred on inputs acquisition. Imports and domestic supplies of agricultural machinery, as well as the supply of agricultural inputs such as chemical fertilizers, pesticides, seeds and saplings, are all exempt from VAT. In terms of Corporate Income Tax, a reduced rate of 5% is applicable to legal entities whose activity is organized as an Agriculture Cooperative Company, regardless of their annual turnover, from 2019 onwards.

III. Intervention Logic

III.1 Joint Project Goal and Levels of Intervention

The Joint Project Goal is to increase the number of Albanian companies implementing sustainable practices, which will be catalytic in enabling the local private sector in having a positive impact on the economy and society, contributing to an inclusive economic growth for Albania. The intervention will be focused on the enhancement of technical capacity and in improving the enabling environment for sustainable businesses at a national level.

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To be specific and in the scope of this project, sustainable business practices are considered all the business activities that result in positive social, economic and environmental outcomes. Some concrete examples, as captured from Phase I, include adequate remuneration, sustainable labour productivity, occupational safety and health, and a better management of resources leading to a lower impact on the environment, such as updated practices in terms of waste collection, separation, recycling, energy efficiency, and water treatment. They entail participation and equal remuneration to women, young people, and disadvantaged groups. Furthermore, sustainable business practices also entail the funding and promotion of initiatives that have a positive impact on the geographical area and on the communities where the companies operate.

The focus of enhancement of technical capacity will target two sectors: the textile, clothing, leather and footwear (TCLF) sector and the agro-business sector, selected for the high potential economic impact on the country's overall economic performance and employment. Phase II will have a stronger focus on value chain development. Building upon the technical experience and key advantages of each agency, at the beginning UNDP, ILO, UNIDO and FAO will be mostly working with Micro and Small Enterprises, while the ILO and UNIDO will also work with medium and large enterprises such as factories and manufacturers. Activities implementation will cover regions and municipalities outside the capital and with access to business opportunities, purposefully targeting women and young people in business. Over the 4 years of project implementation, the two approaches will converge to expand the coverage of the value chains of the two targeted sectors. Furthermore, scoping and market research will be undertaken to potentially pilot the initiatives in new sectors.

Regarding the improvement of an enabling environment, the agencies will work cohesively and strategically to spread awareness on SDGs and sustainable practices through communication campaigns, targeted events, identification of market linkages and business opportunities, mediating with policy makers, as well as taking advantage of connections and expertise from Swedish companies, universities, and institutions.

III.2 Theory of Change

The Theory of Change proposed for this project postulates that increasing the number of Albanian companies that implement sustainable business practices has a positive impact on environment and society in Albania while contributing to inclusive economic growth for the Country.

The Theory of Change builds on the UN's comparative advantage and the problem analysis and learnings from Phase I of implementation and encompasses: 1) the enhancement of technical capacity of Albanian companies to implement sustainable practices in the fields of resource efficiency, productivity, employees management, climate smart agricultural practices and value chain linkages; 2) as well as the creation and improvement of an enabling environment for businesses to become sustainable, through awareness raising at the society level, engagement with policy makers on legislation updates as well as activities to facilitate international trade.

The overall objective of this Project is to raise the awareness among private sector actors about SDGs and the ways businesses will benefit from them and contribute to their implementation in Albania. Indeed, in addition to offering a wealth of expertise and disruptive innovation, businesses can help mobilize much needed capital in support of the SDGs, while reorienting their strategies to create value not just for their shareholders, but society at large.

To achieve the objective, companies will be supported in improving working conditions for employees, upgrading the skillset of their workforce, increase their effort in research and development and connection to academia, enhance business planning capacity and long-term vision. On the other hand, linkages will be strengthened between businesses and academia, to allow for higher integration of production processes into international value chains leading to added value products, as well as connections to business opportunities and expertise nationally

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and internationally will increase. Finally, national legislation will be updated in line with EU *acquis*, as well as the awareness of the importance of sustainability from local consumers and society at large will increase.

When it comes to impact, the ToC proposed is designed to align with the end results of the Strategic Priority B of the UN Cooperation Framework 2022 – 2026: sustainable, resilient and green economic growth and resource management. A realization of these factors will lead to an improved access to technical knowledge as well as to a higher awareness of sustainable business practices and the advantages of their implementation from Albanian companies. Specifically, its direct effects will be an increase in decent jobs, that will then contribute to a decrease in migration and mitigation of labour shortages; an increase in companies aligning with EU standards and ready to benefit from EU integration; increased value added and quality of production translating in higher competitiveness and increased exports and economic growth; reduced impact on the environment and human health from business practices. In other words, companies will be empowered with the technical knowledge and an improved enabling environment to allow them to have a positive impact on environment and society, actively contributing to an inclusive and resilient economic growth for the Country.

The main project objective will be achieved through two main Outcomes:

Outcome 1. Technical Capacity

- Companies are equipped with technical knowledge and skills to implement sustainable practices and move towards higher value-added business models.

Outcome 2. Enabling Environment

- Companies are aware of sustainable practices, connected to academia and to national and international business opportunities to upgrade them as well as in active communication with policy makers while consumers increasingly value sustainability.

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Diagram 1. Theory of Change for enhancing sustainability of private sector in Albania

Impact	The private sector has a positive impact on environment and society in Albania while contributing to inclusive economic growth for the Country	
Overarching objective	An increased number of Albanian companies implement sustainable practices	
Outcomes	**Outcome 1. Technical Capacity** Companies are equipped with technical knowledge and skills to implement sustainable practices and move towards higher value-added business models	**Outcome 2. Enabling environment** Companies are aware of sustainable practices, connected to academia and to national and international business opportunities to upgrade them as well as in active communication with policy makers while consumers increasingly value sustainability
Outputs	1. **Capacity** of local companies in **energy and resource efficiency** is enhanced. 2. **Local value chains** are strengthened, and performance and **sustainability practices** are improved in companies belonging to targeted value chains. 3. **Enterprises** in target sectors have access to training to enhance **productivity** and **social aspects** of business management. 4. Selected **farms** are upgraded through technical support to update agricultural practices and climate-smart agriculture guidelines are elaborated.	1. **International trade for sustainable companies in Albania is facilitated** through connection to business and financing opportunities at a national and international level, with a focus on Sweden. 2. **Policy makers'** knowledge of SDGs and sustainability practices linked to private sector challenges is enhanced both at a national and municipal level. 3. **Awareness** on sustainability practices is raised and SDGs are promoted at business and consumers level through communication campaigns and events organised throughout the duration of the project (webpage, market intelligence through surveys).
Indicative Activities per Output	1. Tested UN methodologies (RECP, GYB, SCORE SDG Demo Farms) are implemented for the enhancement of business models, sustainable practices and value chain development across Albania	1. Events and initiatives building awareness on sustainability, enhancing connection of Albanian sustainable companies to business opportunities and markets nationally and internationally, and strengthening business community in Albania are organised. 2. Policy makers' knowledge of SDGs and sustainability at national and municipal levels is enhanced and capacity of national institutions to update legislation is improved. 3. Communication campaign to educate, raise awareness, and

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			promote SDGs among the business sector and general society based on the project activities is ongoing throughout the duration of the project.	
Barriers	Albanian companies lack technical knowledge in implementing sustainable practices and are scarcely connected to relevant expertise	Local value chains are scarcely developed with limited added value and linkages to national and international business opportunities are scarce	Albanian companies as well as Albanian consumers and society more generally lack awareness on SDGs and sustainability	National legislation (standards and applications) is still in the progress of aligning with EU legislation to enforce mandatory upgrade in terms of sustainable practice for companies
Problem	Albanian companies generally implement business practices that do not create decent jobs and are not environmentally sustainable. At the same time, they are not aligning with EU standards, limiting integration in international value chains and lacking competitiveness. In this way, the Albanian private sector negatively affects society and the environment, while not fulfilling its potential to contribute to inclusive economic growth for the country.			

The Theory of Change is based on an overarching strategy for the engagement of the private sector, based on building an incentive structure for them to actively take part in project activities. Under this framework, the tangible advantages for companies joining activities can be articulated in 5 key points: 1) Companies participating will gain in improved technical skills to increase productivity, reduce environmental impact, innovate production, and business models; 2) companies participating will likely witness an increase in competitiveness leading to an increase in profit and, when applicable, in exports; 3) companies will have a facilitation in preparing in meeting EU standards and sustainability certifications, in light of upcoming EU integration; 4) the sustainability practices adopted will make the companies more bankable for national and international investments, thus increasing their access to affordable and relevant financial products and services; 5) facilitation of connection with national and international expertise and business opportunities (with a particular focus on Sweden).

Furthermore, the intervention is based on the following assumptions: 1) Companies that are not sustainable will lose in competitiveness over time, as noncompliance with sustainability practices becomes gradually more expensive; 2) Swedish and international companies and investors have a rising interest in Albania as business destination; 3) The European Union integration is an on-going process leading to its expected final outcome in the short to medium term future, hence it is highly relevant for companies; 4) Economic trends show that the price of natural resources is increasing, hence more efficient management will become a priority; 5) Market demand for SDG performance will rise; 6) Businesses, government bodies, and stakeholders are committed to collaborating and adopting sustainable practices; 7) A collaborative culture exists among stakeholders, fostering knowledge sharing, partnerships, and cluster development, 8) A regulatory framework that is progressively aligned to EU standards that supports and incentivizes businesses to adopt sustainable practices.

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III.3 Target Groups

The direct beneficiaries of the project will be Albanian companies, namely their owners and their workforce as well as local and central government institutions. The indirect beneficiaries of the project will be the people of Albania. Specific attention will be paid to targeting women, young people and discriminated segments of the population. Other relevant stakeholders will be sectoral associations, chambers of commerce, international companies, universities, and financial institutions.

Hence, the direct target groups for the project implementation are companies all over Albania, independently from their sector of operation and size. However, in the targeting during implementation, and in particular when it comes to technical trainings provision, priority will be given to selected value chains according to sectors of expertise. Most importantly, along the value chain, the project will identify those businesses where impact of the activities will be greater. Youth and women businesses or those employing mainly individuals from these and other disadvantaged groups, ex Roma and Egyptian communities as well as individuals with disabilities will be in focus. The selection will be made according to pre-established criteria, following United Nations guidelines for inclusive targeting. In addition, for additional support in targeting more accurately these groups local municipalities and extension services will be closely engaged throughout the implementation. These strategies will target the most excluded companies and individuals through inclusive activities and initiatives. These will also contribute to enhancing the national capacity in policy making, and in creating a more connected, solid business community that is aware of sustainability practices. In this regard, the project will pay attention in interacting and developing local clusters of enterprises.

It is also relevant to mention some spillover effects: SMEs and new cooperations will extend the impact of the individual enterprises along the respective value chains to surface synergies and enhance the sustainability of the respective sectors; employers' associations and business development service providers will benefit by improved capacity for SME upgrading; labour inspectorates will be enabled to widen their labour inspection methods and focus also on preventative measures based on good practices and better coordinate their compliance efforts with private inspection schemes. Last but not least, society at large (through awareness campaigns), and policy makers (through policy dialogues) will also represent major targets of event activities.

III.4 Geographic Focus

Phase II of the project will aim to expand the geographical reach of the project, to include more remote areas in Albania. While during the Phase I, the activities involving the TCLF sector focused on the areas of Tirana, Durrës, Elbasan, Fier, Fushë-Krujë, Kukës, Kamëz, Kashar, Librazhd and Shkodër, in Phase II they will expand to include Berat and Korçë.

On the other hand, for the agrobusiness sector, the identification of Demo Farms located around the country will be the starting point for the identification of new local value chains on which to focus the activities. However, while the on-the-ground support through technical capacity building and awareness raising for farmers, agricultural extension service providers to technically back up agricultural production sector will be made in the major agricultural area in the country, the capacity building for policy makers and financial institutions will take place mainly in the central Albania, Tirana.

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III.5 Cross-cutting Issues

Several cross-cutting issues are identified for this project, as listed below. Specific indicators will be created to monitor the progress on each of them. Activities and indicators will be defined and enhanced year by year with the drafting of the annual workplans.

Gender
Gender equality is an important cross-cutting issue of this project. It is fundamental to achieving equitable and inclusive growth. This cross-cutting theme involves promoting equal opportunities and participation in the project activities. The activities target participation of both women and men in all trainings at different level of target groups e.g., agro-business, TCLF manufacturers and other businesses along the value chain, local as well as extension services by considering, for example, the means of communication and training location (venue/ logistics – accessibility of women). The declining participation of women in the business sector and gender disparities in employment highlight the need for targeted gender mainstreaming activities.

SDGs and environmental stewardship
The project aims to orient enterprises towards implementation of sustainable practices and SDG alignment. By extension environmental impact and protection are cross-cutting issue. The planned activities will ensure environmental protection is at the forefront. For example, enterprises will undergo training in waste management, circular economy and adoption of green technologies, renewable energy, and resource management amongst others. Other activities will serve to raise awareness on sustainable growth that is aligned with environmental protection.

Social inclusion
This project will work with MSMEs who play a key role in developing the economy and a key role in local communities, offering employment and opportunities to disadvantages and marginalized communities. This project's interventions ensure that those who are disadvantaged have equal access to opportunities. Trainings in labor law will support to remove exploitative conditions and unequal terms of employment.

Human rights and decent work
The project recognizes a need to raise awareness on promoting human rights and labor law especially when working with MSMEs who likely lack the resources and knowledge to bring about impactful change. A good portion of the activities will support businesses to gain a better understanding of decent work practices and to create healthy and safe work environments.

Transparency
The cross-cutting issue of transparency is pivotal in Albania's economic and social development, cutting across government reforms, private sector operations and international collaborations. In the project's activities, transparency will be systematically mainstreamed across all activities. The project envisages open communication and accessibility of information to all stakeholders. Implementation of project activities will be guided and rely on anti-corruption standards and practices.

Collaboration and continuity
The project will serve as a catalyst to foster collaboration between companies, industries, universities, government and all the stakeholders involved, which will in turn contribute to boost the local entrepreneurial ecosystem. Activities are planned with cross-sectorial collaboration as a guiding principle.

The project design as well as its implementation will continue the co-creation process already ongoing during the initial phase, deepening opportunities to ideate and implement new solutions for the challenges encountered along the way.

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IV. Implementation Strategy

The UN team is aware of the holistic approach that is needed to tackle private sector multifaceted challenges. For this reason, each agency will join with its own expertise and strengths to contribute in an integrated way, following an approach focusing on value chain development. The implementing agencies will make use to the fullest of the 4 years of project, using a pilot and scaling up approach as they expand their reach and impact.

Regarding Outcome 1. Technical Capacity, **in the first year of the project**, the focus will mostly remain on the TCLF and agro-processing sector, but with a more integrated action between the implementing agencies.

On the textile and footwear sector, ILO and UNIDO will launch open call for applications targeting SMEs, offering to companies the opportunity to integrate the SCORE and RECP programmes. To this purpose, trainers that will express interest and have the relevant background for the implementation of both programmes will be trained in both methodologies. Taking into account the lessons learned in the first phase, the interventions will be structured in a way that shows to companies' incentives to participate in the trainings, such as energy and resources savings in the short term and long-term productivity increase through smart business practices and occupational safety.

An Occupational Safety and Health (OSH) Guideline system for the TCLF sector will be developed rooted in the International Labour Organization Code of Practice titled *"Safety and health in textiles, clothing, leather, and footwear"* is crucial for fostering a safe and secure working environment within the sector. The guideline will encompass a comprehensive framework that addresses various aspects of workplace safety and health, such as machinery operation, chemical handling, ergonomic considerations, and personal protective equipment usage. Additionally, the guideline will emphasize the implementation of risk assessment procedures, regular training programs for employees, and the establishment of emergency response protocols. Furthermore, the OSH Guideline system will promote a culture of awareness and responsibility among employers and workers, encouraging active participation in maintaining a safe workplace. Regular reviews and updates in accordance with evolving industry standards and technologies will ensure the continued relevance and effectiveness of the guidelines in safeguarding the well-being of TCLF sector workers.

A mapping report on the TCLF sector in Albania, identifying global brands, retailers, and their intermediaries will be prepared by the IndustriAll in close collaboration with national institutions and other relevant stakeholders, providing a market systems analyses of the sector and respective recommendations which will be followed up by the ILO.

The following interventions will be initiated during the first year of project implementation and continued during the following years:

The Sustaining Competitive and Responsible Enterprises (SCORE) training programme in Albania began in April 2022, within the framework of Phase I of the Business Partnership and Solutions for SDGs project aiming at raising awareness among private sector actors on Sustainable Development Goals-SDGs and in particular, ways businesses can benefit from and contribute to their implementation in Albania.

The ILO has partnered with the TCLF Employers Organisation's represented by ProExport to identify the small and medium enterprises (SMEs) that would benefit most from the training and fit the criterion of employing a minimum of 30 workers, and a maximum of 300. The ILO has covered all training costs, with no contingencies or financial burdens on the participating companies, however all the 15 TCLF enterprises invested their own resources to successfully implement the enterprise improvement planes designed and agreed at the end of the ILO SCORE Basics Training module.

The ILO delivered SCORE Training of Trainers in July 2022 by a certified SCORE Expert trainer where 13 qualified trainers have been trained and selected based on their diverse industrial background experiences as in

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human resources, quality management system and cleaner production.

The Sustaining Competitive and Responsible Enterprises (SCORE) Programme will respond to the labour issues that the sector is currently facing such as high labour turnover, labour shortages, worker satisfaction, lack of the skills matrix and performance management systems.

Additionally, the SCORE programme will tackle the issues related to safety and health at the workplace, namely support workers and managers identify the various types of health and safety risks that exist in the workplace and help enterprises to eliminate, isolate or minimize the risks, protecting workers from harmful situations and the enterprise from damage. The SCORE Lean Manufacturing and SCORE4 Climate training module will focus at promoting process optimization, using lean production techniques and improve flow efficiency through a better understanding of engineering techniques for the target sectors, as well as support the targeted SMEs in meeting labour standards in global supply chains, understand the content of international labour standards and codes of conduct for suppliers, discover ways to improve their adherence to international principles and compliance with national legislation and corporate codes, and understand that respecting workers' rights and improving working conditions can be part of a competitive business strategy.

The employee satisfaction survey conducted with the enterprises where SCORE was piloted identify the need to invest in ensuring gender equality, therefore the ILO will provide trainings as well as pilot test tools to bridge the gender gap between male and female workers and prevent gender discrimination in the workplace.
Considering the above-mentioned private sector challenges, the ILO enhanced local trainers' capacities by organizing an advanced Training of Trainers on SCORE Gender Equality for supply chain development and in December 2023 will train them on the SCORE4Climate concepts. The team will be expanded during the second phase of the programme and their skills advanced.

In order to make the programme sustainable, in addition to network of local trainers that will be at the disposal of the private sector, the ILO will build the capacities of the employers' organizations on the basics of the ILO Sustaining Competitive and Responsible Enterprises, so that they could continue offering it as an offer to the sector. To create the eco-system for the SCORE programme, the ILO will build the capacities of the Labour Inspectorate on ILO SCORE Technical Modules relevant to their mandate with emphasis on preventing, identifying, and investigating breaches on workers' fundamental rights including occupational safety and health standards.

Strengthening the capacity of the Labour Inspectorate through targeted training on the International Labour Organization's SCORE Technical Modules is paramount for enhancing their effectiveness in upholding workers' fundamental rights at the target sectors, mainly TCLF sector. Focusing on modules that align with the mandate of labor inspections, with a particular emphasis on prevention, identification, and investigation of breaches on workers' fundamental rights, is essential. The training sessions will encompass a range of topics, including but not limited to occupational safety and health, working hours, fair wages, and non-discrimination. By equipping the Labour Inspectorate with the knowledge and skills derived from these modules, inspectors will be able to effectively enforce compliance with labor standards, proactively identify potential violations, and conduct thorough investigations when breaches occur. This capacity-building intervention will not only ensure a more robust safeguarding of workers' rights but also contributes to fostering a culture of compliance among employers, ultimately promoting fair and just working conditions within the labor market.

Work will be continued to further assess enterprises from TCLF sector to introduce Resource Efficient and Cleaner Production (RECP) measures. This allows them to develop solutions ranging from low to high-costs. The work will be done to further elaborate the action plans for implementation of priority measures and support implementation of those measures based on informed decisions either using own or borrowed financial resources.

The existing pool of national RECP trainers will be invited for continuation. This pool will be enlarged. Additional training will be provided. This includes basic RECP training for the new trainers and sector specific

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technology, environmental management, finance, recycling, carbon footprinting, industry 4.0, basic life cycle analysis and value chain development, product design, business planning, circular economy, facilitation of RECP clubs, so that the trainers are well prepared for their interaction with enterprises. For the trainers, dedicated materials with worksheets will be provided, also checklists for assessment and tools e.g. to calculate carbon footprints of enterprises, benchmarking and the identification of circular improvement options.

In the first year, UNIDO will work with companies from the TCLF sector in full RECP assessments. Teams of company representatives together with a national consultant will be formed and conduct an interactive assessment of organisation, material and energy flows, identifying waste and inefficient use of materials, chemicals, and identify potential improvement using proven tools. Excursions, e.g. to Sweden will help trainers and company representatives to collect first-hand experience with demonstration of latest technologies and business models. This approach results in reduced waste and emissions as environmental benefits, yielding financial savings. So, the reduction in material and energy waste improves material and energy productivity and at the same time reduces cost, thus improving the financial performance of the company. An RECP assessment is planned for 9 months.

To support implementation, after the assessment the consultants will continue to accompany the companies to solve secondary problems, connect the companies with technical experts and potential suppliers, where relevant and facilitate connections to potential finance.

A dedicated support mechanism will be designed to encourage the actual implementation of RECP/CE solutions for innovative measures to incentivize their implementation. This contribution also accounts for the risk in implementing solutions and promoting technological innovations and equipment not yet applied in the country to provide motivation for their implementation.

Criteria for eligibility will involve formality of the business, legal compliance, implementation risk, replicability as a catalyzing effect. A list of pre-approved technologies/equipment providers will be developed to support this activity. The scheme, election procedure, and documentation will be developed by the project team in coordination with national authorities and the donor. Business plans and applications will be developed together with interested companies. The companies will be matched with the available grant or loan providers or considered for the equipment/technology transfer support from the project. The project will support coaching during the application/equipment acquisition and further implementation of the technology.

Care will be taken to document a baseline initially and to monitor actual improvements over the consecutive years. These improvements will be documented and presented in the form of case studies, which will serve as a medium in communication about the project in stakeholder meetings, business conferences, and general awareness raising measures.

In the second year, RECP assessments will be repeated in the agro-processing sector, after preparing the national consultants for this sector. Other sectors can be discussed upon request by the donor in agreement with the project team.

In the second year, a RECP club will be introduced in a region to be selected. In a RECP club, representatives of companies convene to a series of six facilitated workshops, in which the trainers explain the key steps of an RECP assessment, and the companies do a self-assessment with working materials supported by the trainers. In the third year, RECP clubs are repeated in two more regions. The focus of the RECP clubs will be on agro-processing industries, but again other sectors can be involved, especially, as the model of RECP clubs can tolerate representatives of companies of different sectors in the same program. These companies likewise have access to targeted consulting, and financial assistance. The clubs are planned for 6-9 months.

Again, care will be taken to document a baseline initially and to monitor actual improvements over the consecutive years. These improvements will be documented and presented in the form of case studies, which will

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serve as a medium in communication about the project in stakeholder meetings, business conferences, and general awareness raising measures.

From year two on, for selected companies, additional activities are provided for selected companies participating in the assessments from the first year:

- Value chain analysis including work on enlarging the influence of the company along the value chain by expanding their impact on material selection and sourcing, product design, and preparing production for the future in cooperation with the client (profitable production of small batches, traceability, transport, and continuous evaluation of data and identification of improvement options).
- Environmental management as a basis for continuous improvement, legal compliance, involvement of employees, with a focus on material efficiency, efficient application of chemicals, water optimisation, separate collection of waste and recycling.
- Continuous support in feasibility analysis, solving secondary problems, and networking.

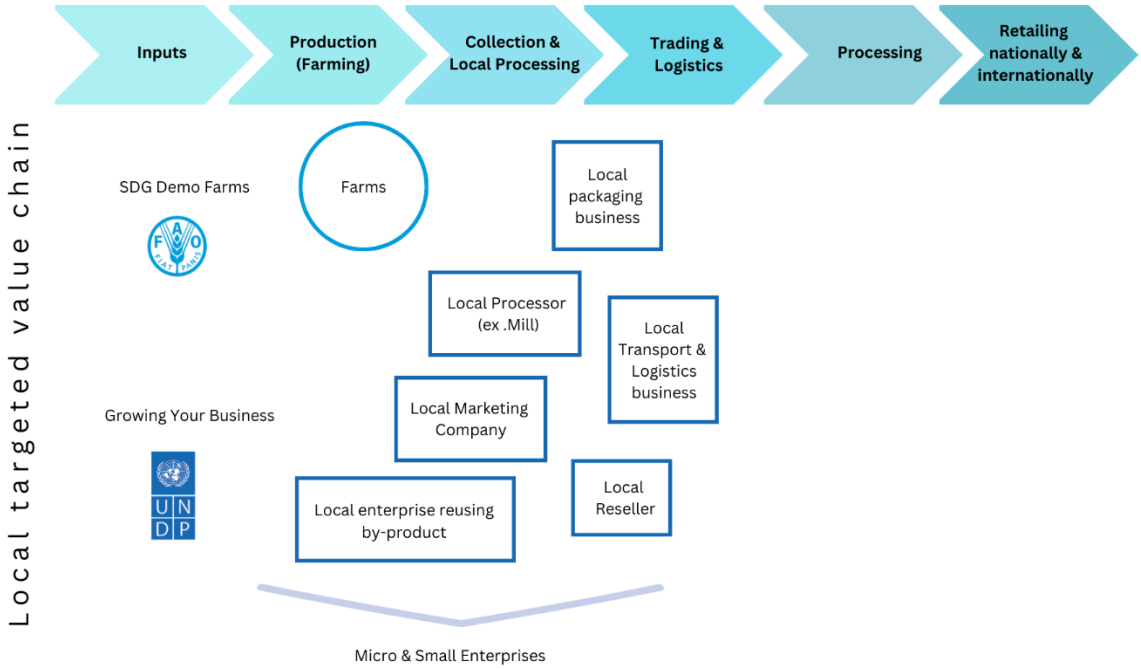
Continuous support of networking activities, cooperation for technology transfer, joint action to use economy of size, and joint learning to build an ecosystem which can sustain the approach of Albanian industry towards a sustainable development in a self-contained, reinforcing structure in the long run will be continued. This will include regular webinars and in-person meetings. These activities will involve the companies joining in years 2 and 3 after the RECP assessments respectively participation in the clubs.

In parallel, several activities will be undertaken to raise consumer awareness regarding circular economy principles, eco-design, recycling, reuse, and redesign. These initiatives aim to engage and educate consumers about the environmental impact of their choices, fostering a more sustainable approach to consumption. Through targeted campaigns and educational programs, individuals will be informed about the benefits of embracing circular economy practices, such as reducing waste and minimizing environmental footprint. By promoting eco-design, recycling, reuse, and redesign, these activities encourage consumers to make informed choices that align with environmentally conscious practices, contributing to a more sustainable and responsible consumption culture.

On the agro-processing side, the integrated approach for the first year for FAO and UNDP will be one of identification and enhancement of specific value chains across the Country. Agro-processing companies need to be equipped with technical knowledge and skills to assess opportunities and implement sustainable practices and move towards higher value-added business models. To accomplish this, evidence-based business models that show profitability, marketability, and sustainability should be provided through hands-on training and SDG Demo Farms. With targeted, rapid value chain assessment that identifies the possible business models and helps establish targeting criteria will serve as the basis for the intervention. The initial assessments will identify the VC (livestock product/meat processing; horticulture, grains, oilseed) with a minimum set of enabling and desirable conditions for the implementation of such a model. Then investment analysis and modelling to identify the returns on investment as well as assessment of social and environmental impact will be done. This is also necessary to engage with the private sector financial service providers to demonstrate the underlying profitability of any given investment through the intervention. FAO will employ its Sustainable Food Value Chain (SFVC) approach and assessment methodology. This will then be complemented by UNDP's Growing Your Business (GYB) methodology, which will identify and train companies belonging to the same value chain and geographical area, to strengthen and make it more sustainable and competitive.

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Figure 1. Intervention on Local Value Chain (initial stages of project implementation)



One concrete example can be the olive oil value chain, with olive producers identified as SDG Demo Farms in a specific municipality/region, and companies such as olive oil processors, packaging producers, local transport companies, local resellers & exporters being trained through the GYB methodology.

FAO activities will support the enabling environment through increasing capacity of policy makers at the central and local levels. Agri-SMEs financial service providers will contribute to and synergize with the work on the current digital platform of the MARD (Farmers Portal) recently developed, but that remains at the basic level of functionality. The proposed support to capacity building will improve the domain expertise with elements related to climate change, production practices and SDG investments while enhancing market opportunities. By allowing agribusinesses to additionally access and get information and update themselves from the platform, the intervention ensures the sustainability of the project, embedding the information and tools within the existing platforms of the government.

In parallel and in both sectors, this will include full RECP assessments (starting in year 1) and RECP clubs (starting from year 2). To this purpose, trainers will be trained in both methodologies and contribute to the upgrade of different areas. This includes the full training of new national trainers for the new sectors and the continuous training of all trainers in communication, environmental management, circular economy, facilitation of RECP clubs and sector specific technical knowledge. This will also include excursions like the successful study tours to Sweden and Tunisia during the pilot project.

In the following years of implementation, regarding the TCLF sector, the ILO will contribute to the implementation of the textile sustainability and circularity in practice within the Albanian TCLF sector aiming at ensuring the twin transition with the EU's sustainable textile ecosystem. The Circular Economy Action Plan (CEAP), and within it the sustainable product policy framework, largely leads the way on the green and digital transformation. Given EU textile ecosystem's strong dependance and embeddedness into global textile and clothing value chains, of particular importance for such embedded value creation system to work effectively are: (i) textile waste management, (ii) enhanced labeling and traceability, (iii) Due Diligence – compliance to social and environmental regulations & standards, (iv) green public procurement to meet high demand for sustainable

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products at competitive price, and (v) cross-border market surveillance (programs e.g. REACH4Textiles) and coordinated trade agreements (alignment programs e.g. SWITCH). The ILO will work closely with social partners at the European and local level (employers' organizations and trade unions) to support the Albanian textile and clothing sector engagement and improvement along these aspects and offer further opportunities for value creation and sustainable competitiveness in connection to EU's textile sector.

EURATEX will be involved in the interventions that relate mainly to the improvement of the legislation relevant to the textile and footwear sector, while the IndustiAll will focus on the social aspects, mainly working conditions in the target sectors.

Additionally, the ILO in close collaboration with EURATEX and IndustriAll will carry out several trainings and design toolkits that will support the Albanian institutions to better serve and incentivize the textile and footwear sector which be summarized as follows:

1. Building full package or own label business models to enhance mark-up to cater to EU markets. Beyond ready-to-wear garments, this means progressing into high-value or niche segments, e.g., sportswear, performance wear, medical clothing, etc.,
2. Building flexibility and agility in manufacturing SMEs for handling medium/low minimum order quantities (MOQs) at competitive price point. This will valorize its closeness to EU market,
3. Enhancing production capacities for small-series production, and where necessary invest in new technologies, in order to handle customized orders at high variety from EU brands and retailers,
4. Expanding operations in the recycling value chain, e.g., sorting, recycling (mechanical to start with). Backward integration along the value chain is crucial as industrial and post-consumer textile wastes can be recycled into fibers, yarns and made into T&C. This is of major significance for circular procurement by EU's brands and retailers,
5. Building capacities, technologies and environmental sustainability practices, e.g., waste and chemical management, knowhow of REACH, as such demands are becoming more stringent in EU single market,
6. Build internal traceability of actors and material flows within Albanian T&C sector by embarking on digital product passport (DPP), data on waste etc.,
7. Expanding consumer markets in EU through market orientation,
8. Improve social sustainability, e.g. decent and inclusive working conditions with skillset development (design capacity, digital readiness, recycling).

Additionally, the ILO will work on enhancing the capacities of local employers' organizations supporting target sectors, providing them with a solid foundation in the fundamentals of the SCORE framework. This intervention aims to empower employers with the knowledge and tools necessary to foster sustainability and responsibility within their enterprises. The training will cover key aspects of the SCORE programme, such as productivity improvement, workplace cooperation improvement, human resource management, and ensuring occupational safety and health at the workplace. By equipping employers' organizations with this knowledge and tools, they can play a pivotal role in steering the private sector towards a more sustainable and socially responsible path. This capacity-building effort not only strengthens the resilience and competitiveness of enterprises but also promotes ethical business practices, creating a positive impact on both the workforce and the broader community.

In the second and third year of the project, the ILO will implement a comprehensive knowledge exchange program for local trainers focused on Occupational Safety and Health at the workplace, workforce management, and gender equality, complemented by study visits. This program aims to enrich trainers with a multifaceted skill set, ensuring they can effectively convey essential concepts to target enterprises. The inclusion of study visits further enhances the learning experience by exposing trainers to real-world applications and success stories.

All the achievements of the JP will support the promotion of Albania as an ethical sourcing destination and partner with relevant organizations and institutions that supports enterprises with trade requirements.

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In the agri-processing sector, the implementation will focus on creating enabling environment to ensure that companies are aware of sustainable practices, connected to academia and to national and international business opportunities to upgrade their sustainable business. Activities will have two objectives: (a) building the awareness of sensitizing and enhancing the technical knowledge of policymakers on SDGs and sustainability practices, and (b) generating evidence through the implementation of the programme to, in turn, impact policymaking. Field activities and resulting evidence are connected to inform policy dialogue and eventually policy change. On the other hand, the intervention on creating enabling environment is service provision oriented. The capacity building and awareness raising programme targets also agricultural extension, advisory providers and finance institutions/financial service providers. The objective is to provide appropriate and affordable support to enhance their knowledge, capacity, tools and risk-management practices so demand-driven, customer-centric products and services to producers and agri-SMEs are offered.

Also, by identifying financial service providers and engaging in a capacity building process, the intervention aims to de-risking the overall financing transaction by working on both demand and supply-side, in a coordinated manner. On the demand side, the project supports financially sustainable business models and investment proposals (investment prospectuses); providing capacity building, training and extension/advisory to farmers and agri-SMEs to improve their business prospects and make them more de-risked and bankable clients. On the supply-side, the proposed intervention is to identify and work with a manageable set of financial service providers (FSPs) that have expressed interest in expanding their agri-portfolio, while improving their knowledge, capacity, products and risk-management, etc. This, in turn, could reduce the unit cost of lending as well as the risk-load factor that FSPs put on top of various other less flexible load factors when determining final interest rates charged to clients (i.e. cost of capital, cost to deliver, target profit margin, etc.).

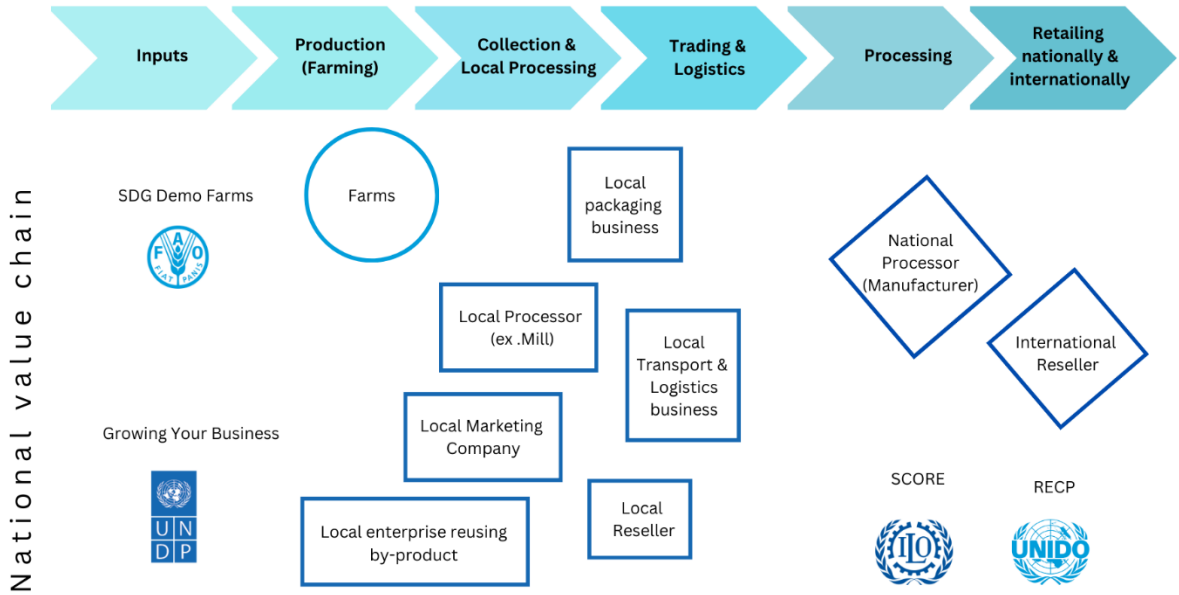
In addition to the institutional capacity building, the intervention provides them with credible financing and investment opportunities for both short-term and long term finance (through the investment modelling and investment prospectuses within the project framework); demonstrate the real life version through the demo plots; and ensure that they are involved in the full process from the beginning to bridge gaps in language; to ensure that supply-side technical, operational aspects are considered as well as engagement modalities, etc. For larger, more complex value chain-based investments that the project may identify, the associated investment prospectus could be used as a basis for discussions with IFIs, donor, other providers of capital to explore financing opportunities. As such, this model could also be linked to a credit guarantee facility for incremental risk-sharing (such as the rural credit guarantee fund) or could be done through a possible collaboration with the EBRD Agribusiness and Tourism Facility. Through the intervention, a few FSPs that have some level of maturity in their agri-portfolio would be provided more specific capacity development interventions. Based on the progress on a pilot, then with a model distilled, it could be scaled up in the future following up the intervention.

Finally, the intervention supports the facilitation of international trade for sustainable agrifood companies in Albania through connection to business and financing opportunities at a national and international level, with a focus on Sweden. Proposed activities facilitate the value chain finance (VCF) type collaborations through (a) initiating a discussion/collaboration with small farmers; larger agribusinesses (including from Sweden) who are looking to expand their supply chains of raw materials from small farmers; and financial service providers (b) based on discussions, designing and validating a workable VCF model, and (c) facilitating the implementation of that model and provide ongoing technical support, neutral facilitation, problem solving support.

In addition, **after the first year of implementation**, following the upgrade of key **agro-business value chains** across the countries through the implementation of activities by FAO and UNDP, UNIDO and ILO will be able to identify the last sections of the targeted value chains for the implementation of the SCORE and RECP methodologies, for instance enhancing factories in the dairy and meat producing sectors. This will bring together the contribution of each agency in the technical enhancement of the sectors in terms of competitiveness and sustainability in a holistic way. With the possibility to involve wool producers as SDG Demo Farms, something similar could be implemented also with regards to the TCLF sector.

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Figure 2. Intervention on National Value Chain (later stages of project implementation)



At the same time, throughout the whole duration of the project, the content, training and insights resulting from the activities of Outcome 1. Technical Capacity will feed into and provide structure to the events and communication campaign as well as the policy making support activities implemented under **Outcome 2. Enabling Environment**. In the case of **events and communication campaigns**, these awareness raising and community building tools will serve the purpose to amplify the results of the projects.

A center of gravity will be formed, which can in the future coordinate and promote the activities of national consultants, form and keep the ecosystem vibrant by involving actively stakeholders and passive communication via a webpage, provide knowledge management and experience exchange for national consultants and industries. Success business cases from the first phase will be showcased to support this action to ensure high company engagement.

On the other hand, the learnings, insights from companies and suggestions for future legislation changes will be collected in **policy briefs and shared through roundtables** both with central and local government entities. UN agencies will join in terms of acting with a unified format and strategy but at the same time will take advantage of their expertise in the targeted sectors to have greater influence.

Alignment with SDGs, national priorities and EU *chapters*

The main targeted SDGs will be **Goal 8** *Decent Work & Economic Growth*: Indicators 8.2, 8.3 (Decent jobs, entrepreneurship, innovation) 8.5 (Unemployment rates); 8.9 (Sustainable tourism); **Goal 9** *Industry, Innovation and Infrastructure*: Indicators 9.1, 9.3 (SMEs/SMAEs), 9.4, 9.5 (R&D), 9.b, 9.c.) and **Goal 12** *Sustainable Consumption and Production*: Indicators 12.2, 12.7. However, the activities undertaken will have positive spill overs also on **Goal 1** *No poverty*, **Goal 2** *Food security & agriculture*, **Goal 4** *Quality education*, **Goal 5** *Gender equality*, **Goal 7** *Affordable and clean energy*, **Goal 13** *Climate change* and **Goal 17** *Partnerships for development*.

The project is aligned with National Development Priorities, namely General Objective 1: Reinforcing a sustainable and competitive agri-food sector; General Objective 2: Strengthening environmental protections and climate actions; General Objective 4: Fostering sustainable maritime and aquaculture development of SARDF 2021 – 2027.

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In addition, it is aligned with 3 pillars of the NSDI II: Pillar 2: Economic growths through enhanced competitiveness and innovation; Pillar 3: Investing in human capital and social cohesion; Pillar 4: Growth through sustainable use of resources.

Last but not least, the project works to foster the alignment of the Albanian private sector with the EU *acquis*, in particular with reference to Chapter 11 Agriculture and Rural Development, Chapter 12 Food Safety, veterinary and phytosanitary policies, Chapter 19 Social policy and employment, Chapter 20 Enterprise and Industrial Policy.

IV.1 Instruments

The proposed JP makes use of the following instruments, that will be described according to each outcome:

Outcome 1. Technical Capacity

Sustaining Competitive and Responsible Enterprises (SCORE)

The Sustaining Competitive and Responsible Enterprises (SCORE) Programme of the International Labour Organization (ILO) supports the vision of the Sustainable Development Goals for a better, more inclusive world. Aligning with Goal 5, 8, 9 and 12, SCORE Training helps SMEs improve working conditions and processes, particularly by mainstreaming gender, promoting decent work, achieving cleaner and more sustainable production patterns and enabling SMEs to participate in global supply chains. The programme was launched in 2009 and is managed by a global team based in ILO Country Offices and Headquarters. The key intervention of the programme is SCORE Training, which combines practical classroom training with in-factory consulting. The Training comprises four modules on workplace cooperation, quality management, industrial engineering techniques to productivity improvement and clean production, human resources management and occupational safety and health at the workplace.

The ILO implements the programme using a three-tier structure comprising Expert Trainers, Trainers and the end beneficiaries – SMEs. The Expert Trainers licensed by the ILO are responsible for developing the capacity of the national Trainers to effectively conduct SCORE training for SMEs. Thereafter, the Trainers train SMEs in SCORE modules. The ILO plays a critical role in identifying and disseminating best practices, carrying out trainings, monitoring activities, performing quality control and providing technical advice on the implementation of the SCORE Programme.

The SCORE Programme will pave the way for UNIDO to conduct the Resource Efficient and Cleaner Production (RECP) assessments on the trained textile and footwear enterprises.

Resource Efficient and Cleaner Production (RECP)

Resource Efficient and Cleaner Production (RECP) is a preventive, enterprise level approach to improve resource use, reduce environmental pollution and contribute to sustainable industrial development.

It is based on an integrated preventive environmental strategy to processes, products and services to increase overall efficiency and to reduce risks to humans and the environment.

RECP can be applied to the processes used in any industry, to products and to various services provided in society. A key feature of the success of RECP initiatives is the monitoring of performance improvements both in terms of increased resource productivity, as well as in terms of decreased pollution intensity.

RECP is applied to individual industries in the form of RECP assessments. After thorough preparation, the sources of waste and emissions, inefficient use of energy and water, and the management of chemicals are analysed in a participatory procedure supported by tools to visualize the sources of non-product outputs. The goal is to identify preventive measures, both organisational and technical, also in product design and recycling, to increase productivity by reducing environmental impact and saving expenses at the same time. To establish a continuous improvement process, key elements of simple environmental management systems are installed in the company's organisation.

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RECP can also be applied in the form of RECP clubs. Company representatives of a region meet and are familiarized with self-assessment tools guided by experienced consultants. The experience exchange in the workshops and learning about the implementation by other peers supports the application.

A group of RECP experts was trained in 2022. This group will form the nucleus of RECP trainers. They will receive additional training in sector specific strategies, environmental management, and supporting topics like carbon footprinting, and basics of recycling, product-service-design, business planning, green finance, and circular economy to use this knowledge in supporting the companies.

Traditional environmental protection focuses on the treatment of waste and emissions once they have been generated. Treatment and disposal generally only address the symptoms of an inefficient process. Waste is often an indicator that money is being lost unnecessarily. The goal of RECP is to avoid pollution in the first place, which often results in lower costs, reduced risks and the identification of new opportunities. RECP aims at reducing waste and inefficiencies at the source and can help to optimize processes, products and services.

Environmental management system (EMS)

RECP programmes and environmental management systems according to ISO 14001 have common objectives: RECP aims at preventing pollution by reducing the use of energy, water and material resources. Through this approach waste and emissions are minimized without reducing profitability or production capacity. RECP involves rethinking conventional methods to design “smarter” products and more efficient production processes.

ISO 14001 requires the introduction of an effective management system by creating a Plan-Do-Check-Act cycle for continuous improvement of the environmental performance of a business. The Plan-Do-Check-Act approach consists of the following steps:

• Plan: The objectives and processes are defined in accordance with the environmental policy of a company.

• Do: The processes are implemented.

• Check: The processes are monitored and measured against the environmental policy, objectives, goals, legal requirements and requirements from stakeholders. The results are reported.

• Act: Measures to continually improve the performance of the environmental management system are implemented.

Sustainable Food Value Chain (SFVC) approach assessment & SDG Demo Farms

Agro-processing companies need to be equipped with technical knowledge and skills to assess opportunities and implement sustainable practices and move towards higher value-added business models. To accomplish this, evidence-based business models that shows profitability, marketability, and sustainability should be provided through hands-on training and SDG Demo Farms. Through targeted rapid value chain assessment that identifies the possible business models, the intervention will establish targeting criteria. FAO will employ its Sustainable Food Value Chain (SFVC) approach and assessment methodology.

During the initial assessments it will be identified which value chain has a minimum set of enabling conditions and desirable conditions to be able to implement such a model. The investment analysis and modeling to identify the returns on investment to be followed as well as assessment of social and environmental impact and development of technical guidelines for each selected business model upgrade per value chain along with technical specifications, market survey and other actions required to establish SDG demo farms.

The capacity building and awareness raising programme targets also agricultural extension, advisory providers and finance institutions/financial service providers to provide appropriate and affordable support to enhance their knowledge, capacity, tools and risk-management practices to provide demand-driven, customer-centric products and services to producers and agri-SMEs to upgrade their business models based.

In addition, by identifying financial service providers and engaging in a capacity building process, the intervention aims to de-risking the overall financing transaction by working on both demand and supply-side, in a coordinated manner.

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Growing Your Business (GYB)
A dedicated business support process for entrepreneurs and businesses to improve their financial, managerial, and production skills, upgrading their capacities and facilitating access to national and international value chains. GYB is an international UNDP business-support methodology, successfully applied by UNDP in more than 12 different countries, across the past 15 years. In practice, support to selected MSMEs is provided through thoroughly trained and certified local business consultants, who provide day-to-day tailored consultancy and trainings, over a period of 6 months. Furthermore, each beneficiary business is allocated a small budget for the enhancement of equipment and the revitalization of their commercial image. UNDP directly handles the procurement of equipment for businesses and commercial image materials.

The methodology has already been applied in Albania by UNDP with excellent results. The methodology will be specifically tailored in this context with the introduction of a training module on sustainable practices that will be tailored according to the subsector of implementation, with a focus on circular economy practices and management and re-use of by-products.

Outcome 2. Enabling Environment

Communication campaigns
An important instrument that will be utilized is the development and implementation of robust communication campaigns throughout the project lifecycle. The communication campaigns will be designed with the purpose of elevating awareness of the SDGs among a diverse audience including companies directly engaged with the project, the wider private sector, policy makers, local and central governments as well Albanian society at large. The strategy will utilize a variety of communication channels and tools to effectively disseminate information and foster a better understanding of the SDGs. By targeting enterprises, the project aims to encourage the private sector to integrate SDG principles in their business models and operations. Our goal is to showcase the benefits and necessity of sustainable practices using business language. Policy making actors will be engaged through targeted messaging that emphasize the importance of creating an enabling and favorable environment for companies to better align with SDGs. Content will be thoroughly informed through evidence-based and learning from the project implementation.

The Albanian public plays a dual role in this strategy. One the one hand, they are beneficiaries who benefit from increased awareness of the SDGs and their implementation. This will lead to a healthier environment as well as more informed choices and behaviors. On the other hand, they are direct contributors in their role as customers and clients of the private sector. As the customer base they can significantly influence the transition of companies to sustainable pathways. By showing a preference for sustainable products and services, the public be a driving force in moving companies and decision-makers to adopt more sustainable practices. Our communications campaigns will therefore not only inform but also empower the public, policymakers, and the private sector to be active actors in the transition towards more sustainability.

Business #2030 events
Building on the success of the Business #2030 Conference that took place in May/June 2023, these events are designed to introduce traditional and innovative sustainability practices to Albanian companies in a dynamic setting. As Albanian companies face a multitude of challenges in the coming years, such as sustainability, digitalization, higher safety and quality standards, and European Union integration, this conference will support them in confronting these issues head-on. Drawing local and international company representatives, business leaders, policy makers, and sustainability experts, this event is inspired by global business events like Dubai 2020 Expo. During these events, attendees will have the opportunity to participate in thought-provoking discussions led by a remarkable lineup of speakers. The events will focus on a variety of topics, including the role of Corporate Social Responsibility (CSR), Environmental, Social and Governance (ESG) principles, and the United Nations

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Sustainable Development Goals in setting the foundation for a more resilient future for Albanian businesses. Additionally, attendees will learn how to create a sustainable company, with Albanian, Swedish, and international speakers highlighting sustainable practices and innovations. Collaboration between Albanian and international companies, academia, and civil society will also be explored to boost innovation and sustainability in Albania's future business landscape. Leading Swedish companies and organizations will also be participating in the events, sharing their expertise and engaging with Albanian businesses, with the potential of creating future partnerships and collaborations.

SDG Business Pioneers

The SDG Business Pioneers Award is a prestigious recognition open to all companies operating within Albania, regardless of size (micro, small, medium, and large) or industry. Through a comprehensive application form that is inspired by the application to the UN Global Compact Initiative and the standards of the Global Reporting Initiative, applicants detail their sustainability practices and measurable results, providing a comprehensive overview of their contributions towards a sustainable future for their business and for their community. The SDG Business Pioneers Award does not bring with it a "grant" or any other type of financial benefit, but rather gives specific recognition to the circle of business leaders of sustainable development in Albania and beyond. The winners of the 1st edition of the SDG Business Pioneers Award in Albania for 2023 have been announced on October 24th, 2023, during a gala event closing the activities of the United Nations Day. The national call for applications SDG Business Pioneers provides an opportunity to recognize and praise companies in Albania that create quality jobs, reduce the negative impact on the environment and generally integrate the principle of sustainable business through their business models. The considerable number of applications received for the award in its first edition is evidence of the awareness of the private sector in the country about the importance of sustainable business. Consequent editions of the award scheme will establish a network of exemplary companies, who will serve as role-models for sustainable practices and inspire a broader adoption of these principles across the Albanian business landscape.

B2B Platform

A key component of supporting companies to flourish in an enabling environment is the provision of a Business-to-Business (B2B) matchmaking event. This event will serve to open doors for Albanian companies to business opportunities, partnerships, and potential learning or mentorship avenues. It will uniquely focus on connecting these companies with local, national, and especially international partners, with a special emphasis on Swedish enterprises. This initiative is not just about creating networking opportunities; it is a strategic move to cultivate an enabling environment where Albanian businesses can thrive. By facilitating trade and exposing participants to Sweden's best sustainable practices, the event promises to be a catalyst for growth and innovation. It will enable Albanian companies to explore new markets, embrace sustainable business models inspired by the Swedish example, and potentially forge long-term international partnerships. This matchmaking event is envisioned as a pivotal step towards integrating Albanian businesses into the global market, leveraging Sweden's renowned expertise in sustainability and innovation.

Policy Dialogues

Policy dialogues play a crucial role in shaping an enabling environment conducive for sustainable development. Engaging policymakers is essential to enhance their understanding of the SDGs and the importance of sustainable practices in the private sector. This process will entail active communications with key decision-makers, facilitating the identification of policy, regulatory and legislative gaps. We will focus on opening avenues for exploring alternative options and engage in evidence-based policy dialogues, evidence which will be informed through the projects work with the private sector. These policy dialogues will serve as a platform for stakeholders to exchange ideas, share best practices and collaborate on developing future strategies, legal frameworks that are aligned with sustainable development objectives. The aim is for such dialogues to lead to the formulation of policies that not only support the growth of sustainable businesses and also encourage broader societal engagement in sustainability initiatives. The project will incorporate feedback from diverse range of stakeholders

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including private sector, academia, and experts on the field to ensure a holistic approach to decision making and an enabling environment for the private sector.

IV.2 Partners, Cooperation and Coordination – Stakeholder analysis

Through this JP, PUNO's are aiming to engage the private finance in Albania to generate catalytic impact on the SDGs. This is impossible to address by organizations and institutions that operate in isolation. In line with the philosophy of a holistic and multi-sectoral approach, the proposed JP will involve the contributions of a variety of institutions.

In addition, the project will work closely with the following institutions and mechanisms to ensure its relevance and coherence of approach.

Direct Partners

Strong cooperation with government entities is crucial. This involves aligning project objectives with national policies, ensuring regulatory support, and facilitating policy reforms that encourage sustainable practices and digital transformation in the agri-processing and TCLF sector.

The UNDG (SMEBC) is envisaged to be the primary counterpart of the project. The SMEBC is the government institution that is tasked to establish a mechanism that facilitates the communication between the private sector and state institutions. The government aims to turn Albania into a gateway to regional trade. One of the main priorities of the ministry is improving the business climate in Albania with the aim of encouraging foreign investment in the country and expanding existing activities. The ministry is also in charge of elaborating legal amendments that aim to addressing private sector needs as articulated by their representatives.

In order to involve the government further and boost its relevance, the project will also collaborate closely with the following Ministries.

Ministry of Finance and Economy: The Ministry of Finance and Economy is the main institution tasked to achieve economic stability through the management of efficiency, effectiveness and transparency of public finances. It exercises its activity through the areas of macroeconomic and fiscal policy, revenue, state budget and dept administration, economic development as well as employment and labour market.

Ministry of Agriculture and Rural Development: The Ministry of Agriculture and Rural Development is in charge of articulating and implementing general state policies on agriculture and rural development issues and legislative reform in this sector. In particular its mission includes the design and implementation of policies aimed at supporting the sustainable growth and increasing competitiveness of the sector through an efficient and sustainably use of natural and financial resources.

Ministry of Tourism and Environment: The main duties of the Ministry of Tourism and Environment include regulating the environment, promoting renewable resources, ensuring the sustainable use of natural resources, safeguarding the environment and biodiversity, developing and managing forestry and pastures sustainably, and monitoring the quality of water resources.

Other direct partners that we will collaborate with throughout the implementation of this project are as follows:

- **Local Authorities and Municipalities**: Coordination with local authorities ensures that the project aligns with regional development plans and addresses local needs effectively. Municipalities can play a key role in

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implementing local initiatives, providing support services, and facilitating community engagement. Also, municipalities will be involved in actions that relate with identifying and strengthening the relationship with the private sector in the agri-businesses that will be involved in the demo farms as well as benefit from the Growing with Your Business methodology.

- **Private Sector Engagement**: Involving SMEs, farmers and producers is essential for understanding industry-specific challenges and opportunities. Collaboration with the private sector can lead to more practical and industry-relevant solutions, fostering innovation and competitiveness.
- **Advisory Services and Technology Centers**: These entities are pivotal in providing technical expertise, training, and knowledge transfer. Coordination ensures that the skills and technologies disseminated are relevant, up-to-date, and effectively address the agri-business sector's needs.

Indirect Partners

Deputy Prime Minister's office – The Deputy Prime Minister was recently appointed, by order of the Prime Minister, as the head of the inter-ministerial committee for achieving the SDGs and the implementation of the 2030 agenda for sustainable development. To support this role, JP activities will be coordinated with the office of the Deputy Prime Minister to ensure overall coordination of government structures at national and local level involved directly and indirectly with this objective. Deputy Prime Minister's office will be consulted on JP interventions to support legislative and policy reforms to maximize results and ensure impact.

The Parliament of Albania has increased its role in relation to the SDGs through the establishment of the Subcommittee on sustainable development. Its main aim is the economic and social development, the general economic growth, the achievement of the SDGs as well as the 2030 Agenda of the UN. A close collaboration with this Subcommittee is aimed. The Committee for Production Activities, Trade and Environment would also be a valuable partner to push forward the main project outputs.

Albanian Investment Development Agency: The Ministry of Finance and Economy has several subordinate institutions with the most relevant to this project being the Albanian Investment Development Agency (AIDA). Its focus is enhancing the competitiveness of the private sector, strengthening the export potential of the country, and promoting/supporting foreign direct investment in Albania, as well as promoting the country's tourism potential. As an intermediary between foreign investors and the Government of Albania, AIDA provides access to up-to-date information, provides an efficient way of communicating with government bodies and serves as a "One-Stop-Shop", supporting investors throughout the investment process. AIDA's work is done through (i) facilitation and support of foreign direct investments in Albania; (ii) support to Growth and competitiveness of Small and Medium Enterprises (SMEs); and (iii) Promotion and providing assistance for exports of goods and services.

Integrated Policy Management Group: Integrated Policy Management Groups (IPMGs) were established by the Government of Albania within priority areas and sectors to move the country closer to accession. Policy coordination in the sector is ensured through the Integrated IPMG 'Competitiveness and Investments'. This IPMG ensures that the relevant supported policies are aligned with the central planning guidance through the Integrated Planning System and the sector's coordination system. IPMG members include representatives of line ministries, main donors for the sectors and other stakeholders (civil society, local government representatives, etc.). The IPMGs are to continuously and systematically lead and manage the development, implementation and monitoring of reforms across the specific sectors. The work of IPMGs will be supported through the establishment of sub-thematic groups.

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Private sector organisations

Industry Associations and Chambers of Commerce can facilitate networking, advocacy, and collective action among businesses in the agri-processing and TCLF sector. They are crucial for sector-wide adoption of best practices and standards.

Several chambers of commerce are currently active and operating in Albania:

- Union of Chambers of Commerce and Industry of Albania (UCCIAL)
- Chamber of Commerce and Industry of Tirana (CCIT)
- International Chamber of Commerce (ICC)
- National Chamber of Garment Producers of Albania
- Biznes Albania
- Pro Export
- Foreign Investor Association of Albania (FIAA)

Other chambers supporting bi-lateral relations are the American Chamber of Commerce (AMCHAM), Albanian British Chamber of Commerce in Albania (ABCCI), Nordic Association for Trade and Business Development (NATB), German Chamber of Commerce and Industry in Albania (DIHA), Albanian Turkish Chamber of Commerce (ATTSO), Camera di Commercio Bilaterale Italo-Albanese (ACIA) and Swiss Albanian Chamber of Commerce (SWISSA).

Albanian Manufacturers Union (AMU) – aims to help the local manufacturing industry. It represents industries operating in the field of food, recycling, construction materials and textiles. The mission is to increase the competitiveness of *"Made in Albania"* products in the national and international market, relying on the principles of sustainable development.

Albanian Agrobusiness Council (KASH) promotes agrobusiness competitiveness in Albania.

KASH and AMU were good partners in the first phase of the project and further collaboration is intended in the second phase as well.

Coordination with other indirect partners is vital for pooling resources, sharing expertise, and ensuring a cohesive approach towards common goals. Key aspects of this coordination include:

Consumers: Benefit from improved product quality, safer food standards, and potentially lower prices due to increased efficiency in the agri-processing sector.

Local Communities and Rural Populations: Experience socio-economic benefits from job creation, reduced rural-urban migration, and enhanced local infrastructure.

Civil Society and Community Groups: Involving community organizations and civil society can enhance public awareness, encourage community participation, and ensure that the project addresses local needs and priorities.

Financial Institutions and Investors: Collaboration with financial bodies is necessary to secure funding and investment for the sectors. This includes exploring options for financial support for SMEs, grants, and incentives for adopting sustainable practices and digital technologies.

Academic and Research Institutions: Engaging with educational institutions can foster research and innovation

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in sustainable agri-processing practices. These institutions can provide scientific expertise, conduct relevant research, and contribute to capacity building.

Regulatory Bodies: Gain from the overall improvement in sector compliance, sustainable practices, and alignment with national and international standards, contributing to broader policy objectives.

International Organizations and Development Agencies: Partnerships with international bodies can bring global perspectives, additional resources, and expertise in sustainable development and technology integration. These organizations can also assist in aligning the project with international standards and best practices.

Environmental Ecosystem: Indirect but significant benefits from more sustainable and responsible use of natural resources, reduced pollution, and adherence to eco-friendly practices in the agri-processing sector.

Cross-Sector Partnerships: Collaborating with sectors like tourism, technology, and logistics can create synergies and foster innovative approaches to sustainable development in the agri-processing sector.

Coordination with PUNOs

From the project perspective, joint coordination technical meetings will be held on a quarterly basis (and *ad-hoc* when needed) with the other PUNO's and the RCO, once the implementation starts, for ensuring a coordinated approach in the implementation of the JP. In this meeting will participate technical experts from the four PUNO's and its main mandate is to guide implementation of the project, coordinate the practical implementation of project interventions and ensure that results are delivered timely and efficiently. These meetings will be called by the Project Manager, who will also be responsible for documenting the proceedings of the meetings. Progress updates will be provided by all UN agencies one week prior to the Technical Committee meeting.

IV.3 Sustainability

The impact of the project will be scaled up over the 4 years, both in keeping to invest in the engaged companies by equipping them of additional skills to further training modules and through engaging an additional number of companies all over the Country.

The ultimate aim of the project is to transfer ownership of the activities to Albanian companies, extension services, agencies and institutions as well as local and central government. This will be done in a gradual way, tightening the engagement with key stakeholders along the way. Albanian companies, aware of the advantages of sustainable practices and equipped with the skills and means to put them in practice, will continue their sustainability journey, as this will be a major asset to stay in and attract new business from their major international clients, which are focused on the European market. Sustainability will become a default business proposition for Albanian companies that comply with legislation, and that are willing and able to report and disclose their activities, thanks to the work of awareness and training undertaken through the project.

By actively addressing policy gaps and exploring alternative options based on evidence from private sector interactions, the project contributes to the formulation of policies aligned with sustainability objectives. This approach ensures that the project not only supports the current growth of sustainable businesses but also lays the foundation for continued societal involvement in sustainability initiatives.

The identified and/or established networks of stakeholders, focal points and sector organisations will establish a continuous information and activity flow with its members, including universities acting as centres of gravity. The consultants trained for each methodology will continue to operate in the territory in different capacities, able

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to bring their skillset in the private or public sector. These three sets of stakeholders will represent the basics of the created ecosystem, which will promote, train, aggregate knowledge and support with research and development.

The business community consolidation, both at national and international levels, started with the program will continue in virtue of the relationships created between stakeholders and thanks to the ongoing involvement of sustainable business leaders. In this realm, local stakeholders will be gradually identified as focal points for future activities development. Materials from the RECP trainings, together with curricula, business cases and examples for academic and technical courses will be handed over to the respective universities staff to enable them to offer corresponding courses to their students and/or to integrate the contents into existing curricula. Some examples include universities for technical trainings. Other examples include shared co-hosting by local companies for Business #2030 events, local associations for initiatives such as the SDG Pioneers Award and investment agencies such as AIDA for the continuation of national and international investments matching. Through constant communication, speaking engagements and targeted sponsorship, a space will be created, and conditions will be provided also for public institutions to take an active part in promoting and contributing to these enabling environment initiatives. Furthermore, the communications campaigns propelled by the projects will provide an innovative and viable template that can be easily taken over by the proper institutions to continue the conversation and the work of public awareness raising well beyond the end of the project.
Financing will become available through regular budgets of the institutions involved, plus the focal point will attract project financing e.g. from EU dedicated funds, with the knowledge acquired in the four project years. The policy support provided will have long lasting impact through the changes in legislation and both local and national government will create the tools to guarantee its enforcement in the territory.

On the sustainability of the proposed approach for the agrobusiness sector, particularly to the systemic changes expected, through the training and establishment of climate-smart agriculture farms network, the project will establish the cooperative environment for producers to learn best agriculture practices. Climate-smart agriculture practices at the farm-level serve the foundation of sustainability management of the agro-processing businesses sector. Linking this sustainable production practice to the processing, while simultaneously supporting the local agricultural extension service providers to enhance their capacity in disseminating technologies for the benefit of farmers, and to the agrifood products value chain actors, the proposed project generates the positive competitiveness among the actors in implementing the sustainable practices. While advocating the climate-smart agriculture practices and feeding the relevant actors with good examples and best practices that show competitiveness of sustainable agrifood products in the market, the interest and motif of actors towards participating in implementation of sustainability will increase.

In the TCLF and agro-processing sectors, by involving the associations in the installation of RECP clubs, regional cooperations, a basis for continuing future activities in the regions will be built, on which in the years to come targeted meetings will provide a forum for continuous learning and exchange of like-minded peers.
In the companies, RECP will form the basis of continuing environmental management. With the appreciation and tools acquired, the companies are well positioned for a continuous improvement project. The international exchange will link them to knowledge partners and information sources as part of their network.

As a summary, during the project an eco-system of stakeholders and connecting information flows will be constructed. This network will provide a self-reinforcing structure to support the process of approach towards sustainability goals, synchronize activities, connect like-minded and promote the results and the attitude.

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V. Organization, Management and Administration

V.1 Organization

The proposed intervention is a Joint Project (JP) that will be implemented through the modalities of the Delivering as One (DaO) mechanism, under the framework of the GoA and UN Sustainable Development Cooperation Framework (UNSDCF) 2022-2026, with the joint participation of four UN agencies (UNDP, ILO, FAO and UNIDO), and in close partnership with private sector and relevant institutions. The implementation modality of the joint project will be affiliated within the overall architecture of the DaO approach, ensuring that activities are coordinated within the strategic deliverables of Strategic Priority B. **Sustainable, resilient and green economic growth and resource management,** Outcome 2: *Economic growth and climate change*, Output 2.2: Sustainable and resilient economic growth and green and blue economy transition.

The project log frame provides for the general framework and indicative deliverables that will be further fine-tuned and annualized in relevant annual work plans. UNDP will be the lead UN agency for the overall implementation and coordination of the JP activities. The lead Agency will engage relevant staff and expertise to ensure coordination, quality assurance, monitoring and evaluation of the JP. All participating UN agencies will implement activities and outputs as defined in the results framework and agreed roles and responsibilities in line with their respective mandate and expertise.

The JP will ensure a cohesive and coordinated UN approach through internal coordination mechanisms to ensure a critical mass of support and increased chance of success. It will ensure strategic integration and cohesion with other UN agencies and other relevant partners working in Albania in the areas of sustainable agri-business and textile industry.

The Project Team will consist of Project Manager, Project Finance/Admin Assistant and Driver. The Project Manager will be responsible for the overall project coordination and day-to-day management and will ensure that the project produces the results specified, to the required corporate standards and within the constraints of time and cost.

The Project Assurance role will support the JSC by carrying out objective project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. The role of Project Assurance will be performed by the UNDP Programme Specialist.

V.2 Management Structure of the Joint Project

A Steering Committee

A SC will be established to oversee and coordinate the operations of project. The SC oversees the JP's implementation and takes all necessary strategic decisions based on the JP's initial plan and budget as well as monitoring data. It will provide policy guidance and recommendations regarding the UNJP's objectives, receive and comment on annual report, approve annual plan of operation and participate in the evaluation of the JP. The SC will meet at least once a year and as needed and will be chaired by the Resident Coordinator and composed of representatives of the participating UN agencies, Swedish International Development Cooperation Agency (SIDA) representatives, government institutions, private sector actors.

Financial Resources

The overall budget for this Joint Project is funded by the SIDA and will be allocated through the UN Albania SDG Acceleration Fund. The JP log frame provides for the general framework and indicative deliverables that will be funded through the Swedish contribution alone. **The Steering Committee** will serve as the authority to

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provide strategic direction and oversight on the JP and provide advice to the One UN Joint Executive Committee for fund allocation decision making. The Administrative Agent (AA) is responsible for administering funds received in the UN Albania SDG Acceleration Fund.

Each Participating UN Organization has programmatic and financial responsibility on the use of funds allocated from the SDG Acceleration Fund. The funds for the implementation of the JP will be allocated through the UN Albania SDG Acceleration Fund structure using the pass-through fund management modality.

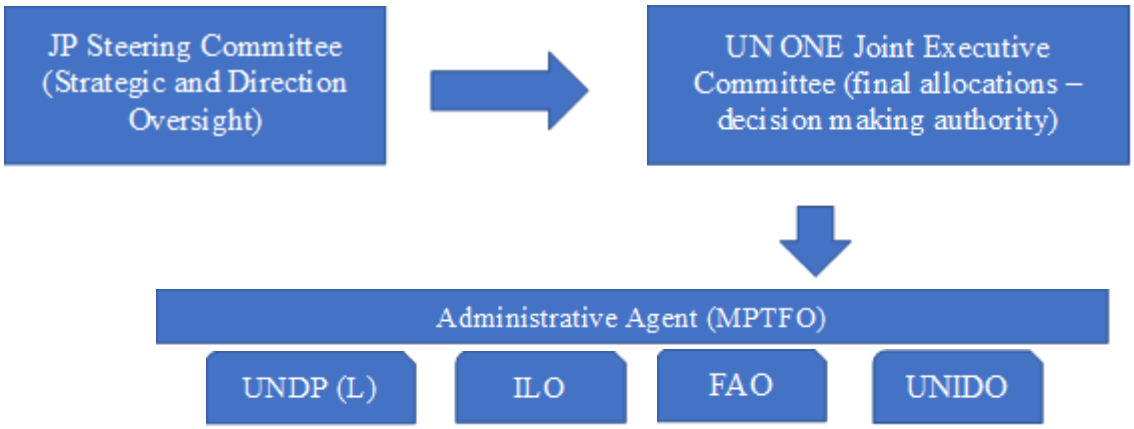
As the participating UN Agencies (respectively UNDP, ILO, FAO and UNIDO) and the donor (SIDA) have agreed to utilize the UN Albania SDG Acceleration Fund structure, where the UNDP Multi-partner Trust Fund Office acts as the AA, the funds assigned to these organizations under the Project Document will be channelled through UN Albania SDG Acceleration Fund.

When making the final decision for allocation, the GoA-UN Joint Executive Committee (JEC) will request the signed joint annual work plans and request for funds.

The AA will: (1) prepare and sign a Standard Administrative Arrangement with SIDA; (2) charge a standard administrative agent fee of one per cent (1%) of the total contribution made to the UN Albania SDG Acceleration Fund for this JP, for its costs of performing the AA's functions.

The Participating UN Organizations will: (1) assume full programmatic and financial responsibility and accountability for the funds transferred by the UN Albania SDG Acceleration Fund for this JP; (2) deduct their indirect costs on contributions received according to their regulations and rules, including direct project charges, taking into account the size and complexity of the JP. Each UN Agency will deduct 7% overhead costs of the total allocation received for the agency.

UN Albania SDG Acceleration Fund Funding Mechanism:



VI. Risk Analysis

The risk management matrix will be further developed and updated by the Project Manager and the implementers once the JP becomes operational. The matrix will also be updated with the Annual Work Plan. Please see below for a preliminary analysis of Project risks.

Regarding the JP implementation there are also associated risks to be considered.

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The overall objective is challenging. To reach the objectives of activities, the project is reaching out to a variety of stakeholders and involving diverse actors. Therefore, the project management will use professional tools to monitor progress, resource use, and provide for targeted information flow. Regular meetings, both in person and virtual will allow for regular communication, interactive problem solving and timely decision making in case additional actions are required. Consensus is aimed at.

The coordination of multiple UN agencies in the project introduces administrative and bureaucratic challenges. The involvement of several implementing organizations necessitates strong oversight. Ensuring local ownership and effective implementation requires careful management to avoid compromise. To address these challenges, a framework encompassing effective management, transparency, and robust monitoring will be implemented, aiming to maximize the positive outcomes and ensure the success of the Joint Project within the UN framework.

Another crucial remark to be made in the context of this project revolves around the risks associating with the engagement of the private sector. The associated risks are the engagement of corrupted private (and public) entities which would entail the allocation of training and support to undeserving actors as well as the consequent risk of loss of good reputation and credibility of the project as well as the development partners involved. The mitigation strategy for this risk consists of an in-depth research and awareness of background, history, partnerships and activities of the companies and institutions engaged. These screenings should be ongoing and deepen in equal measure to a stronger level of engagement with the stakeholders. Each agency will be committed in undertaking tailored due-diligence on the companies prior their engagement following United Nations as well as internal guidelines and making use of official and approved Risk Assessment Tools. The experience of due diligence undertaken in the scope of Phase I of the project has been positive and will be used to build on and add further improvements for Phase II.

Risk Factor - Risk related to the achievement of results *(political, operational , financial, reputational)*	**Likelihood**	**Impact**	**Mitigation Strategy and Responsibilities**
Risk Type: Operational -Insufficient awareness: Lack of active participation from SMEs and producers in the development and adoption of new business models and technical guidelines. Lack of resources with micro-, small, and medium sized enterprises -Implementation Challenges: Difficulty in effectively establishing and operating the network of SDG Demo Farms, potentially due to logistical, financial, or technical constraints. -Capacity Building Gaps: Training programs might not fully meet the diverse needs of participants, or there may be challenges in ensuring consistent attendance and engagement.	Medium	High	Develop incentives for participation. Ensure training programs are adaptable and tailored. Foster ongoing support and guidance for SDG Demo Farms Regular personal interaction of the participants of trainings and the project team.

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Risk Type: Reputational / Political -Limited Awareness raising event impact: Awareness campaigns and knowledge-sharing events may not reach or effectively influence the target audience, including the business community, consumers, and policymakers. -Policy Influence Hurdles: Challenges in impacting policy decisions and engaging policymakers at various levels for sustainable practices and SDG alignment.	Medium	High	Implement comprehensive communication and outreach campaigns. Targeted outreach in coordination with stakeholders Strengthen advocacy efforts and build strategic partnerships with policymakers.
Risk Type: External -Collaboration Inefficiencies: Potential difficulties in building a cohesive network of experts, agriculture extension service providers, and financial service providers. -Risk Management and Financial Services: Financial institutions might face challenges in developing and implementing effective climate-smart and SDG-linked financial products and services.	Medium	Medium	Foster collaboration among a network of experts and financial service providers. Develop and implement effective risk management tools for financial services.
Risk Type: Operational / Financial - Slow access to international markets and high competition: Difficulties in establishing and maintaining connections with international markets,	Medium	Medium	Continuously monitor global market trends and adapt strategies. Implement robust coordination and collaboration models for international trade. Robust experienced team in UNDP “Growing with your Business” methodology
Scope creep: When a project's scope expands beyond the initially agreed parameters, leading to delays in the timeline.	Medium	Medium	Inception workshop, inception report, bi-annual project steering committee meetings
Timeline delays: causing ripple effects on other project or program timelines.	Medium	High	Use of project management tool, monitoring and controlling, regular meetings, action by project management to reallocate resources

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People constraints: When a lack of available personnel or missing skillsets hinders the project's completion within the desired timeframe or quality level.	Medium	High	Project human resources with clear terms of references and internal training activities
Resource constraints: These constraints or insufficient resources, such as equipment, tools, and materials, prevent a project from staying on track and maintaining acceptable quality levels.	Medium	Medium	Use of project management tool, monitoring and controlling, good overview of requirements from Phase I
Communication issues: When communication breakdowns between people, teams or stakeholders involved in a project lead to confusion and errors.	Medium	High	Use of project management tool, monitoring and controlling, efficient use of collaboration and videoconferencing tools, regular meetings and briefings
Technical issues: When problems with the technology required for or supporting a project cause delays and quality concerns.	Medium	Medium	Redundant project structure, regular reviews; the project team is using state of the art electronic devices, internet connection, software (MS-Office, Zoom, SAP; for project management) and regular backups
Performance issues: When a completed project fails to yield the intended or necessary results despite staying within the scope and on time and budget.	Medium	Medium	Redundant project structure, regular reviews
External factors: When factors beyond the project manager's or organization's control, such as natural disasters, impact a project's scope, timeline, or budget	Low	Medium	Use of project management tool, regular update of risk table and identification of counter-measures, monitoring and controlling

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VII. Monitoring and Evaluation

Monitoring and evaluation (M&E) are integral parts of project management. They will be conducted in accordance with the UN Cooperation Framework 2022 - 2026, as well as SIDA's Regional Strategy for the Western Balkans and Turkey. The monitoring and reporting processes for the proposed JP will involve gathering data to make timely and informed judgments and assessments of progress, including among others, the identification of strengths and weaknesses of the implementation of the JP.

The purpose of the JP's monitoring and evaluation is fourfold. It consists of the following dimensions (that are closely linked with one another): (1) JP steering: data is collected and processed in view of central dimensions of the JP's steering – both at the strategic and operational level; (2) quality assurance: detailed information on the JP and its context, and the JP's implementation for continuous monitoring; (3) learning: data is collected for the project own learning, to improve interventions of similar actions by other actors, and to develop capacities of its implementers and target groups. Effective and efficient learning from JP data and experience requires that lessons learned be identified and communicated in appropriate forms; (4) accountability, including reporting: monitoring data and findings will be continuously used as evidence to answer questions and provide explanations for decisions and the achievement of results at all levels of programming.

VII.1 Monitoring

Monitoring is a continuous task of JP management. It provides both quantitative and qualitative data, and it is based on indicators defined in the log frame. Monitoring data will be collected and processed mainly by the UN Agencies involved in the implementation of this JP. However, all other stakeholders will also be involved in project monitoring – as observers of context and implementation. Data is then made available to the SC. Monitoring data will also provide an important basis for evaluations and reviews of the project – both internal and external ones.

The fields of observation covered by the JP's monitoring include: (1) context: the institutional, social and economic conditions under which the JP is being implemented will be observed in order to allow for seizing opportunities (for involving additional actors, for supporting interesting local initiatives, etc.), for reacting to newly emerging risks, for adapting the policy dialogue led with authorities, etc.; (2) results: the regular monitoring of and reporting on achievements is based on evidence provided by monitoring data, mainly the indicators defined in the logical framework; (3) efficiency: the JP's efficiency will be assessed primarily financially, comparing budget with expenditures. Additional dimensions of efficiency (but not only) can be observed by also monitoring the quality of cooperation between the involved actors and processes necessary for implementing the JP; (4) cooperation: the many actors involved in the JP at different levels requires intense, continued, and sometimes punctual cooperation between them. The monitoring of the quality of these types of cooperation (in the field, at the level of the Steering Committee, among the implementing actors) can support the understanding of the JP regarding qualitative dimensions; (5) processes: the quality of processes of the JP's implementation will be monitored in order to have a more complete, and again, qualitative understanding of the implementation of the JP.

The main instruments for monitoring are: (1) the JP's logical framework, which will allow for assessing progress in the implementation, achievement of objectives and foreseen outputs and outcomes. The indicators and target values defined by the different outcomes and outputs are the main means for assessing the JP's effectiveness and impact; (2) an annual work plan (AWP) sets out activities to be implemented by each Agency, along with associated budgets/resources in line with the Results Framework. It will describe in detail the required inputs and the expected results within the given timeframe. In addition, AWPs will provide information on contributing partners. The JP's AWP will be approved by the SC and will be the basis for programmatic activities throughout the year; (3) an annual JP review will be conducted by the SC and participating UN Agencies, the Government of Albania, SIDA and other key partners. It will assess the performance of the JP, focusing on the extent in which progress is being made and that these remain aligned to JP's goal and outcomes. An annual review meeting will

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endorse the Annual Project Report (APR) and AWP for the upcoming project period. The annual project reviews may result in changes to the logical framework to adapt it to changing environments, priorities or policies. The annual project review will be conducted based on the APR. The APR will describe actual outputs delivered against those planned in the joint work plans, and progress towards the JP outcomes based on the indicators; (4) JP budget (structured in line with the logical framework) and its comparison with actual expenditures. This will allow for assessing the utilization of financial resources, delays in expenditures and shortages of funds if disbursements are made rapidly; (5) (joint) field visits of members of the SC will allow for observations that can contribute to their understanding of the context, of the conditions under which the project is implemented, and of the project itself; these will importantly feed into the SC; deliberations.

VII.2 Evaluation

Internal reviews of project progress are regularly realized at specific moments, e.g., annual planning events and meetings of the SC. Should problems with project implementation arise, internal assessments are to be carried out, in order to react promptly and prepare adaptations that can improve the course of implementation. Internal assessments will be based on monitoring data and previous reports, and they will be important moments for making decisions on the necessity for adapting project approaches and implementation.

The joint project will be subjected to a joint final independent evaluation organized in the fourth year of the project. It will be launched/funded by the lead agency and managed jointly by PUNOs as per established process for independent evaluations, including the use of a joint evaluation steering group and dedicated evaluation managers not involved in the implementation of the joint project.

The evaluations will follow the United Nations Evaluation Group's (UNEG) Norms and Standards for Evaluation in the UN System, using the guidance on Joint Evaluation and relevant UNDG guidance on evaluations. The management and implementation of the joint evaluation will have due regard to the evaluation policies of PUNOs to ensure the requirements of those policies are met and the evaluation is conducted with use of appropriate guidance from PUNOs on joint evaluation. The evaluation process will be participative and will involve all relevant project's stakeholders and partners.

Evaluation results will be disseminated amongst government, development partners, civil society, and other stakeholders. A joint management response will be produced upon completion of the evaluation process and made publicly available on the evaluation platforms or similar of PUNOs.

VII.3 Reporting

Monitoring results and lessons learned from evaluation will inform the drafting of project reports to the SC and SIDA. Annual progress reports will be provided by the Project Manager (with the support and inputs from all PUNOs) and shared with participating agencies and SIDA to record progress towards the completion of outputs and outcomes as defined in the logical framework. Annual reports will provide a comprehensive overview of the achievements and lessons learned.

Reporting on the Joint SDG Fund will be results-oriented, and evidence based. Each PUNO will provide the Convening/Lead Agent with the following narrative reports prepared in accordance with instructions and templates developed by the Joint SDG Fund Secretariat:

- **Annual narrative progress report**, to be provided no later than one (1) month after the end of the project implementation year, and must include the logical framework, updated risk log, project expenditures and results for the funding period.

  This report will be submitted to the SIDA no later than three (3) months (March 31st) after the end of the

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calendar year.

- **Final consolidated narrative report**, after the completion of the joint project, to be provided no later than two (2) months after the operational closure of the activities of the joint project.
  This report will be submitted to the SIDA no later than three (3) months (March 31st) after the end of the calendar year in which the operational closure of the Project occurs.
- **The annual working plan** will be compiled with inputs from each PUNO no later than one (1) month after the end of the project implementation year. It will be submitted to SIDA within the 1st quarter of each implementing year.

The Convening/Lead Agent will compile the narrative reports of PUNOs and submit a consolidated report to the Joint SDG Fund Secretariat, through the Resident Coordinator. The Resident Coordinator will be required to monitor the implementation of the joint project, with the involvement of Joint SDG Fund Secretariat to which it must submit data and information when requested.

Data for all indicators of the results framework will be shared with the Fund Secretariat on a regular basis, to allow the Fund Secretariat to aggregate results at the global level and integrate findings into reporting on progress of the Joint SDG Fund. PUNOs will be required to include information on complementary funding received from other sources (both UN cost sharing, and external sources of funding) for the activities supported by the Fund, including in kind contributions and/or South-South Cooperation initiatives, in the reporting done throughout the year.

PUNOs at Headquarters level shall provide the AA with the following statements and reports prepared in accordance with its accounting and reporting procedures, consolidate the financial reports, as follows:

- **Annual financial reports** as of 31st December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four (4) months after the end of the applicable reporting period.
  This report will be submitted to the SIDA no later than three (3) months (March 31st) after the end of the calendar year.

- **A final financial report**, after the completion of the activities financed by the Joint SDG Fund and including the final year of the activities, to be provided no later than four (4) months of the year following the operational closing of the project activities.
  This report will be submitted to the SIDA no later than three (3) months (March 31st) after the end of the calendar year in which the operational closure of the Project occurs.

In addition, regular updates on financial delivery might need to be provided, per request of the Fund Secretariat. After competition of a joint projects, a final, independent and gender-responsive evaluation will be organized by the Resident Coordinator. The cost needs to be budgeted, and in case there are no remaining funds at the end of the joint project, it will be the responsibility of PUNOs to pay for the final, independent evaluation from their own resources.

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ANNEXES

Annex A - LogFrame

Outcome 1. Technical Capacity. Companies are equipped with technical knowledge and skills to implement sustainable practices and move towards higher value-added business models				
Key indicators: # of private sector entities exposed to sustainable business practices through targeted trainings # of local value chains enhanced (3 or more interlinked companies)				
Outputs	**Activities**	**Key Indicators**	**Means of Verification**	**External factors (Assumptions & Risks)**
Output 1. Capacity of local companies in energy and resource efficiency is enhanced	1.1 Service delivery capacity strengthened 1.2 Eco system for SDGs, CE, and UNIDO RECP developed 1.3 National CE experts trained 1.4 Capacity of SME in UNIDO RECP, CE, EE, EMS enhanced	Capacity gap report, stakeholder meeting report, repository existing, 10 national experts trained, Baseline 6 (in Phase I) # advanced seminars delivered: 5 (environmental management, circular economy, business models, recycling, industry 4.0, basic life cycle analysis including carbon footprint and value chain) Baseline 0 # additional study tours Baseline 2 (in Phase I) (see 5 also) # additional full RECP assessments (target 20), Baseline 6 (in Phase I) # RECP clubs (target 3 with 30	Acceptance letter of donor for reports, acceptance letter of repository, training minutes and certificates, RECP assessment reports, RECP clubs reports, business cases, business plans, applications, sustainability reports or equivalent, monitoring reports, seminar minutes, MoUs, curricula	<u>Assumptions</u> - sufficient interest from private sector to apply for technical assistance <u>Risks</u> • Low engagement of companies due to lack of time or resources to be engaged in the project and/or lack of interest • Competition with other programs <u>Mitigation</u> • Activities built ad-hoc around business' needs and challenges (ex. size, sector) to ease their participation • Involvement of stakeholders • Cooperation with other programs • Continuous support for companies, (mediation of) funding for demo projects <u>Assumption</u> - enough national consultants (private sector, universities)

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Outcome 1. Technical Capacity. Companies are equipped with technical knowledge and skills to implement sustainable practices and move towards higher value-added business models				
Key indicators: # of private sector entities exposed to sustainable business practices through targeted trainings # of local value chains enhanced (3 or more interlinked companies)				
Outputs	**Activities**	**Key Indicators**	**Means of Verification**	**External factors (Assumptions & Risks)**
		participants), Baseline 0 (in Phase I) # business cases (target 50), Baseline 6 (in Phase I) # business plans (target 10), Baseline 0 (in Phase I) # applications to funds (target 10), Baseline 0 (in Phase I) # sustainability reports (target 10), Baseline 0 (in Phase I) # monitoring reports (target 100), Baseline 0 (in Phase I)		interested and motivate to support the project. Risks • Low (wo)manpower for the assessments and follow-up activities with the companies Mitigation • Cooperation with sector organizations, universities, ministeries and other stakeholders • Attractive contracts • Attractive trainings with certificates • Visibility • Motivational excursions (e. G. to Sweden)
Output 2. Local value chains are strengthened, and performance and sustainability practices are improved in companies belonging to targeted value chains	2.1 Local value chains are strengthened, and performance and sustainability practices are improved through the implementation of UNDP "Growing with your Business" methodology in selected agribusiness companies	#Companies with increased capacity & expanded market reach Baseline: 8 Target: 44 #Number of employees trained Baseline: 20 Target: 100	- Data collected in the framework of the activity's monitoring.	Assumption - value chains are sensitive to international developments, like the European strategy documents, Green Deal Risk • Because of their cut-make-trim business model, TCLF companies receive design and materials and deliver to

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Outcome 1. Technical Capacity. Companies are equipped with technical knowledge and skills to implement sustainable practices and move towards higher value-added business models				
Key indicators: # of private sector entities exposed to sustainable business practices through targeted trainings # of local value chains enhanced (3 or more interlinked companies)				
Outputs	**Activities**	**Key Indicators**	**Means of Verification**	**External factors (Assumptions & Risks)**
				international markets with little impact on material selection, design, or after-life strategies of their clients • Agro-processing companies frequently are small, with low productivity, low knowledge of markets, poor marketing know-how <u>Mitigation</u> • Awareness raising activities, involvement of international stakeholders (clients, suppliers) • Participation in RECP assessments (implementation of organisational and technical measures to reduce waste and save cost; CE measures) • Business planning training, life cycle and carbon footprinting training

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Outcome 1. Technical Capacity. Companies are equipped with technical knowledge and skills to implement sustainable practices and move towards higher value-added business models				
Key indicators: # of private sector entities exposed to sustainable business practices through targeted trainings # of local value chains enhanced (3 or more interlinked companies)				
Outputs	**Activities**	**Key Indicators**	**Means of Verification**	**External factors (Assumptions & Risks)**
Output 3. Enterprises in target sectors have access to training to enhance productivity and social aspects of business management	3.1 Small enterprises in the target sectors have access to the ILO Sustaining Competitive and Responsible Enterprises (SCORE) Programme	# of enterprises in each target sector implementing the ILO SCORE programme Baseline: 15 Target: 42 #SCORE Technical Modules adjusted to to local circumstances and available to target sector Baseline: 2 Target: 5 # of labour inspectors trained ILO SCORE Technical Modules relevant to their mandate Baseline: 0 Target: 20 # capacity building programmes for employers' organizations Baseline: 0 Target: 2 # of SCORE local trainers participating in knowledge exchange programme on Occupation Safety and Health at the workplace; Workforce Management; Waste Reduction and Quality Control Baseline: 0 Target: 15	ILO official SCORE Database Project Progress Report Project Progress Report SCORE Technical Module available Project Progress Report List of participants Project Progress Report List of participants Project Progress Report List of participants	

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Outcome 1. Technical Capacity. Companies are equipped with technical knowledge and skills to implement sustainable practices and move towards higher value-added business models				
Key indicators: # of private sector entities exposed to sustainable business practices through targeted trainings # of local value chains enhanced (3 or more interlinked companies)				
Outputs	**Activities**	**Key Indicators**	**Means of Verification**	**External factors (Assumptions & Risks)**
Output 4. Selected farms are upgraded through technical support to update agricultural practices and climate-smart agriculture guidelines are elaborated.	4.1 Development of value chain specific business models and technical guidelines to promote adoption of climate smart agricultural practices and SDG investments. 4.2 Development of a training and capacity building programme to raise awareness of sustainable SDG investments for farmers and agri-SMEs; enhance their capacity to assess the relevance to their business; and to take informed business and investment decisions 4.3 Establishment of SDG Demo Farms network to put theory into practice and incentivize uptake GE & HR Marker GE: 1 HR: 1	Number of investment modelling per value chain Baseline: 0 Target: 4 Number of technical guidelines developed per value chain Baseline: 0 Target: 4 Established SDG Demo Farms Baseline: 0 Target: 3	- Identification and investment modelling report - Technical guideline - SDG Demo Farms report	

Outcome 2. Enabling environment Companies are aware of sustainable practices, connected to academia and to national and international business opportunities to upgrade them as well as in active communication with policy makers while consumers increasingly value sustainability				
Key indicators: # of private sector entities engaged through enabling environment activities # of public institutions or civil society organizations engaged through enabling environment activities				
Outputs	**Activities**	**Key Indicators**	**Means of Verifications**	**External Factors (Assumptions & risks)**
Output 5.	5.1 Sustainable companies in	#companies engaged	- Data collected in the	Assumptions

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Outcome 2. Enabling environment Companies are aware of sustainable practices, connected to academia and to national and international business opportunities to upgrade them as well as in active communication with policy makers while consumers increasingly value sustainability				
Key indicators: # of private sector entities engaged through enabling environment activities # of public institutions or civil society organizations engaged through enabling environment activities				
Outputs	**Activities**	**Key Indicators**	**Means of Verifications**	**External Factors (Assumptions & risks)**
International trade for sustainable companies in Albania is facilitated through connection to business and financing opportunities at a national and international level, with a focus on Sweden. GE & HR Marker GE: 1 HR: 0	Albania are connected to business opportunity and financing at a national and international level 5.2 Green technology transfer support developed and implemented 5.3 Companies are trained on sustainability reporting and updated on latest EU regulations 5.4 Innovative technologies are introduced among companies as tools to improve and make their business activities more sustainable while creating access to additional business opportunities	Baseline: 120 Target: 300 #investors engaged Baseline: 0 Target: 8 #matches created Baseline: 0 Target: 4 #participants to trainings on sustainability reporting Baseline: 0 Target: 20 # of legal acts revised in line with the findings of the ILO "Alignment assessment of the textile and footwear sector's regulatory alignment with European Union standards" Baseline:0 Target: TbD # of technical workshops on improving the legal framework for the TCFL sector Baseline: 0 Target: 5	framework of the activity's monitoring. - Participants on match-making platform - Active participants to project activities	- Companies that are not sustainable will lose in competitiveness over time - The cost of not being sustainable will increase in the future - Swedish and international companies have rising interest in Albania as business destination - The European Union integration is an on-going process leading to its final outcome in the short to medium future, hence it is highly relevant for companies - Government is committed to implement policy recommendations <u>Risk</u> • Low engagement of companies due to: • Unrecognized value of sustainability • Lack of time or resources to be engaged in the project • Lack of interest • Excess of information and

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Outcome 2. Enabling environment Companies are aware of sustainable practices, connected to academia and to national and international business opportunities to upgrade them as well as in active communication with policy makers while consumers increasingly value sustainability				
Key indicators: # of private sector entities engaged through enabling environment activities # of public institutions or civil society organizations engaged through enabling environment activities				
Outputs	**Activities**	**Key Indicators**	**Means of Verifications**	**External Factors (Assumptions & risks)**
		# of enterprises reactivating /formalizing or establishing the Occupational Safety and Health Committees Baseline: 0 Target: 50 # additional excursions (2) Baseline 2 # business plans for new cooperations, product design, new sustainable product s, new materials, recycling (10) Baseline 0 Applications to green technology support (target: 10) Baseline 0 # sustainability reports (10), Baseline 0 (in Phase I) # monitoring reports (100), Baseline 0 (in Phase I) # presentations in annual		projects on the same scope from different development partners in Albania <u>Mitigation</u> • On-going awareness campaign on value of sustainability for businesses • Activities built ad-hoc around business' needs and challenges (ex. size, sector) to ease their participation • Mapping of similar private sector development projects currently ongoing in Albania to avoid overlapping • Stakeholder involvement

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Outcome 2. Enabling environment Companies are aware of sustainable practices, connected to academia and to national and international business opportunities to upgrade them as well as in active communication with policy makers while consumers increasingly value sustainability				
Key indicators: # of private sector entities engaged through enabling environment activities # of public institutions or civil society organizations engaged through enabling environment activities				
Outputs	**Activities**	**Key Indicators**	**Means of Verifications**	**External Factors (Assumptions & risks)**
		seminars (3), Baseline 1 (in Phase I)		
Output 6. Policy makers' knowledge of SDGs and sustainability practices linked to private sector challenges is enhanced both at a national and municipal level. GE & HR Marker GE: 1 HR: 0	6.1 Policy makers' knowledge of SDGs and sustainability at a national and municipal level is enhanced 6.2 Capacity for SDGs, CE, and UNIDO RECP in national institutions developed 6.3 Policy makers' awareness on CEO's and consumers' views on sustainability is enhanced through market intelligence survey(s)	#Policy consultations (roundtables etc.) organised Baseline: 0 Target: 2 #Policy briefings published Baseline: 0 Target: tbd #Institutional representatives involved (national and local) Target: at least 5 per year # presentations in annual seminars (3), Baseline 1 (in Phase I) # MoUs with national institutions (2), Baseline 0 (in Phase I) # curricula for university courses (2: academic curriculum and industrial course) Baseline 0 (in Phase I)	- Data collected in the framework of the activity's monitoring. - List of participants to activities	
Output 7. Awareness on sustainability	7.1 Comms campaign to educate, raise awareness, and promote SDGs among the business sector	#blogposts and posts published Baseline: 30 Target: 100	- Social media channels of UN Albania and implementing agencies	

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Outcome 2. Enabling environment Companies are aware of sustainable practices, connected to academia and to national and international business opportunities to upgrade them as well as in active communication with policy makers while consumers increasingly value sustainability				
Key indicators: # of private sector entities engaged through enabling environment activities # of public institutions or civil society organizations engaged through enabling environment activities				
Outputs	**Activities**	**Key Indicators**	**Means of Verifications**	**External Factors (Assumptions & risks)**
practices is raised and SDGs are promoted at a business community and consumers level through communication campaigns and events organised throughout the duration of the project (webpage, market intelligence through surveys). GE & HR Marker GE: 1 HR: 0	and linked to the project activities is ongoing throughout the duration of the project 7.2 Events building awareness on sustainability, visibility of companies nationally and internationally and strengthening of business community in Albania are organised 7.3 Contest to award most sustainable companies in Albania organised 7.4 Multi-stakeholder SDG hackathons on sectoral challenges 7.5 SDG/UNIDO RECP/CE/ILO SCORE awareness developed 7.6 Ongoing comms campaign designed to educate, raise awareness, and promote SDGs in the targeted sectors 7.7 Design and delivery of an awareness raising programme on sustainability practices and SDGs targeting the business community and consumers 7.8 Building the Knowledge, Capacities and Tools of Service Providers – including agricultural extension, advisory providers, business advisory firms, financial service providers	#survey participants Baseline: 49 Target: 1,100 #Business #2030 events organised Baseline: 1 Target: 2 #contests organised Baseline: 1 Target: 4 #companies awarded Baseline: 15 Target: 60 #role models promoted through communication activities Baseline: 1 Target: 8 #companies mentoring Baseline: 0 Target: 5 #companies mentored Baseline: 0	- Data collected in the framework of the activity's monitoring.	

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Outcome 2. Enabling environment Companies are aware of sustainable practices, connected to academia and to national and international business opportunities to upgrade them as well as in active communication with policy makers while consumers increasingly value sustainability				
Key indicators: # of private sector entities engaged through enabling environment activities # of public institutions or civil society organizations engaged through enabling environment activities				
Outputs	**Activities**	**Key Indicators**	**Means of Verifications**	**External Factors (Assumptions & risks)**
		Target: 5 #Hackathons organised Baseline: 0 Target: 1 # agricultural experts, extension workers and farmers (including those from the SDG Demo farms) participated in the networking event Baseline: 0 Target: 60 # financial institutions engaged in capacity building Baseline: 0 Target: 5	Networking event report, registration form. Capacity building programme report, registration form.	

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Annex B - Budgets

Detailed Total Budget

Business Partnerships and Solutions for SDGs 2024-2027			Unit	No of Unit	Cost per unit	GRAND TOTAL
Outcomes	**Outputs**	**Activities**				
Outcome 1 Technical Capacity	**Output 1 Capacity of local companies in energy and resource efficiency is enhanced**	1.1 Service delivery capacity strengthened				
			day	34	$ 150	$5,100
			day	26	$ 400	$10,400
			day	40	$ 150	$6,000
			day	50	$ 400	$20,000
			day	80	$ 150	$12,000
			lumpsum			$20,000
						$73,500
		1.2 Eco system for SDGs, CE, and UNIDO RECP developed				
			d	30	$ 150	$4,500
			d	30	$ 400	$12,000
			d	60	$ 150	$9,000
			d	30	$ 400	$12,000
			d	40	$ 150	$6,000
			d	10	$ 400	$4,000
						$47,500
		1.3 National CE experts trained				
			day	90	$ 150	$13,500
			day	38	$ 400	$15,200
			lumpsum			$3,000
			day	80	$ 150	$12,000

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			day	30	$ 400	$12,000
						$55,700
		1.4 Capacity of SME in UNIDO RECP, CE, EE, EMS enhanced				
			day	20	$ 150	$3,000
			day	10	$ 400	$4,000
			day	80	$ 150	$12,000
			day	30	$ 400	$12,000
			day	40	$ 150	$6,000
			day	60	$ 400	$24,000
			day	500	$ 150	$75,000
			day	50	$ 400	$20,000
			lumpsum			$10,000
			day	100	$ 150	$15,000
			day	50	$ 400	$20,000
			lumpsum			$2,000
			day	70	$ 150	$10,500
			day	30	$ 400	$12,000
						$225,500
	Output 2 Local value chains are strengthened, and performance and sustainability practices are improved in companies belonging to targeted value chains	2.1 Local value chains are stregthened, and performance and sustainability practices are improved through the implementation of UNDP "Growing with your Business" methodology in selected agribusiness companies	year	4	$ 500	$2,000
			lumpsum	1	$ 10,000	$10,000
			day	60	$ 150	$9,000
			days	792	$ 200	$158,400
			days	132	$ 200	$26,400
			days	519	$ 250	$129,750

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			companies supported	44	$ 3,500	$154,000
			lumpsum			$34,200
						$523,750
	Output 3 Enterprises in target sectors have access to training to enhance productivity and social aspects of business management	3.1 Small enterprises in the target sectors have access to the ILO Sustaining Competitive and Responsible Enterprises (SCORE) Programme				
			day	80	$ 500	$40,000
			training event	2	$ 4,000	$8,000
			day	216	$ 250	$54,000
			training event	40	$ 2,000	$80,000
				16	$ 5,000	$80,000
			day	216	$ 250	$54,000
			day	216	$ 80	$17,280
			day	216	$ 250	$54,000
			day	216	$ 80	$17,280
			day	216	$ 250	$54,000
			day	216	$ 80	$17,280
			day	216	$ 250	$54,000
			day	216	$ 80	$17,280
			page	550	$ 20	$11,000
			day	150	$ 200	$30,000
			lumpsum	1	$ 2,500	$2,500
			training event	2	$ 4,000	$8,000
			day	30	$ 500	$15,000

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			training event	2	$ 4,000	$8,000
			Study visit	2	$ 15,000	$30,000
						$651,620
		3.2 Small enterprises in textiles, clothing, leather and footwear (TCLF) Sector are prepared to comply with the requirement of the EU Strategy for Sustainable and Circular Textiles				
			day	20	$ 500	$10,000
			day	20	$ 250	$5,000
			page	49	$ 20	$980
			day	26	$ 500	$13,000
			day	20	$ 250	$5,000
			training event	5	$ 3,000	$15,000
			day	17	$ 250	$4,250
			day	30	$ 500	$15,000
			training event	6	$ 3,000	$18,000
			day	20	$ 500	$10,000
			day	20	$ 250	$5,000
						$101,230
	Output 4 Selected farms are upgraded through technical support to update agricultural practices and climate-smart agriculture guidelines are elaborated.	4.1 Established SDG Demo Farms network and elaborated climate-smart agriculture guidelines				
			days	16	$ 160	$2,560
			days	44	$ 160	$7,040
			days	11	$ 160	$1,760
			days	8	$ 160	$1,280
			days	25	$ 360	$9,000
			lumpsum	1	$ 1,180	$1,180

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			travel	16	$ 500	$8,000
			lumpsum	1	$ 1,156	$1,156
			days	16	$ 160	$2,560
			days	44	$ 160	$7,040
			days	11	$ 160	$1,760
			days	8	$ 160	$1,280
			days	20	$ 360	$7,200
			event	1	$ 1,050	$1,050
			lumpsum	1	$ 3,044	$3,044
						$55,910
		4.2 Improved understanding of sustainable, climate-smart agricultural practices among participating agri- SMEs				
			days	16	$ 160	$2,560
			days	80	$ 160	$12,800
			days	20	$ 160	$3,200
			days	10	$ 160	$1,600
			event	4	$ 2,544	$10,176
			lumpsum	1	$ 1,156	$1,156
						$31,492
		4.3 Establishment of SDG Demo Farms network to put theory into practice and incentivize uptake				
			days	16	$160	$2,560
			days	40	$160	$6,400
			days	40	$130	$5,200
			days	5	$360	$1,800
			lumpsum	1	$1,156	$1,156
			days	16	$160	$2,560
			days	40	$160	$6,400
			days	40	$130	$5,200
			days	5	$160	$800

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			per demo plot	3	$5,044	$15,132
			per demo plot	3	$46,160	$138,480
			days	30	$110	$3,300
			lumpsum	1	$1,156	$1,156
						$190,145
						$1,956,347
Outcome 2 Enabling Environment	**Output 5 Trade Facilitation**	5.1 Sustainable companies in Albania are connected to business opportunity and financing at a national and international level	year	1	$15,000	$15,000
			year	2	$2,500	$5,000
			day	45	$500	$22,500
			day	50	$250	$12,500
			lumpsum	1	$15,000	$15,000
			day	100	$150	$15,000
			day	50	$400	$20,000
			days	16	$160	$2,560
			days	20	$160	$3,200
			days	20	$160	$3,200
			days	3	$360	$1,080
			event	3	$1,544	$4,632
			lumpsum	1	$1,156	$1,156
			days	16	$160	$2,560
			days	20	$160	$3,200
			days	20	$360	$7,200
			days	3	$360	$1,080
			event	2	$1,544	$3,088
			lumpsum	1	$1,601	$1,601
			day	30	$ 250	$7,500
			lumpsum			$45,000
						$192,058
		5.2 Green technology transfer support developed and implemented				
			d	30	$ 150	$4,500
			d	30	$ 400	$12,000
			d	30	$ 150	$4,500
			d	19	$ 400	$7,600

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			d	20	$ 150	$3,000
			d	20	$ 400	$8,000
			lumpsum			$50,000
			d	20	$ 150	$3,000
			d	20	$ 400	$8,000
			d	20	$ 150	$3,000
			d	20	$ 400	$8,000
						$111,600
		5.3 Companies are trained on sustainability reporting and updated on latest EU regulations	training workshops	4	$12,000	$48,000
			day	20	$ 150	$3,000
			day	10	$ 400	$4,000
						$55,000
		5.4 Innovative technologies are introduced among companies as tools to improve and make their business activities more sustainable while creating access to additional business opportunities				
			day	250	$ 150	$37,500
			day	25	$ 400	$10,000
						$47,500
	Output 6 Policy Making	6.1 Policy makers' knowledge of SDGs and sustainability at a national and municipal level is enhanced	year	2	$12,000	$24,000
			day	10	$150	$1,500
			day	15	$400	$6,000
			days	16	$160	$2,560
			days	44	$160	$7,040
			days	14	$160	$2,200
			days	6	$160	$880
			days	6	$360	$1,980
			event	4	$2,044	$8,176
			lumpsum	1	$1,156	$1,156
			days	16	$160	$2,560
			days	44	$160	$7,040

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			days	14	$160	$2,200
			days	6	$160	$880
			days	6	$360	$1,980
			lumpsum	1	$1,156	$1,156
						$71,309
		6.2 Capacity for SDGs, CE, and UNIDO RECP in national institutions developed				
			day	500	$150	$75,000
			day	100	$400	$40,000
			lumpsum			$39,000
						$154,000
		6.3 Policy makers' awareness on CEO's and consumers' views on sustainability is enhanced through market intelligence survey(s)	year	2	$15,000	$30,000
						$30,000
	Output 7 Awareness	7.1 Comms campaign to educate, raise awareness, and promote SDGs among the business sector and linked to the project activities is ongoing throughout the duration of the project	year	4	$ 5,500	$22,000
			days	40	$250	$10,000
			year	4	$ 4,000	$16,000
			year	4	$ 2,000	$8,000
						$56,000
		7.2 Events building awareness on sustainability, visibility of companies nationally and internationally and strengthening of business community in Albania are organised	year	2	$ 85,000	$170,000
			day	10	$ 150	$1,500
			day	10	$ 400	$4,000
						$175,500
		7.3 Contest to award most sustainable companies in Albania organised	year	4	$17,000	$68,000
			day	30	$150	$4,500
			year	4	$3,500	$14,000

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	year	4	$8,000	$32,000
	day	10	$150	$1,500
	day	10	$400	$4,000
				$124,000
7.4 Multi-stakeholder SDG hackathons on sectoral challenges	year	1	$5,000	$5,000
	days	40	$250	$10,000
				$15,000
7.5 SDG/UNIDO RECP/CE/ILO SCORE awareness developed	day	10	$250	$2,500
	day	20	$150	$3,000
	day	10	$400	$4,000
				$9,500
7.6 Ongoing comms campaign designed to educate, raise awareness, and promote SDGs in the targeted sectors				
	day	25	$250	$6,250
				$6,250
7.7 Design and delivery of an awareness raising programme on sustainability practices and SDGs targeting the business community and consumers				
	days	16	$160	$2,560
	days	55	$160	$8,800
	days	44	$160	$7,040
	days	8	$160	$1,320
	days	6	$160	$880
	event	1	$2,044	$2,044
	event	2	$2,044	$4,088
	lumpsum	1	$1,156	$1,156
	days	16	$160	$2,560
	days	55	$160	$8,800
	days	44	$160	$7,040
	days	8	$160	$1,320
	days	6	$160	$880
	event	2	$2,044	$4,088
	lumpsum	1	$1,156	$1,156
				$53,733
7.8 Building the Knowledge, Capacities and Tools of Service Providers – including agricultural extension, advisory providers, business advisory firms, financial service providers				
	days	16	$160	$2,560
	days	12	$160	$1,920

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days	12	$160	$1,920
days	2	$360	$792
days	11	$360	$3,960
days	11	$360	$3,960
days	30	$110	$3,300
lumpsum	1	$1,156	$1,156
days	16	$160	$2,560
days	12	$160	$1,920
days	12	$160	$1,920
days	2	$360	$792
days	11	$360	$3,960
days	11	$360	$3,960
event	4	$2,044	$8,176
lumpsum	1	$1,156	$1,156
days	16	$160	$2,560
days	12	$160	$1,920
days	12	$160	$1,920
days	2	$360	$792
days	11	$360	$3,960
days	11	$360	$3,960
lumpsum	1	$1,156	$1,156
days	16	$160	$2,560
days	12	$160	$1,920
days	12	$160	$1,920
days	2	$360	$792
days	11	$360	$3,960
days	11	$360	$3,960
LoA	2	$86,000	$172,000
LoA	3	$25,000	$75,000
lumpsum	1	$1,156	$1,156
days	16	$160	$2,560
days	12	$160	$1,920
days	12	$160	$1,920
days	2	$360	$792
days	11	$360	$3,960
days	11	$360	$3,960
lumpsum	2	$1,180	$2,360
travel	4	$500	$2,000
event	3	$1,544	$4,632

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		lumpsum	1	$1,156	$1,156
					$348,809
					$1,450,258
Project Operations & Management	Project Operations & Management				
	Project Manager	month	48	$3,000	$144,000
	Finance/Admin Assistant	month	48	$1,700	$81,600
	Office rent & other costs	month	48	$1,290	$61,920
	Driver/Travel	month	36	$950	$34,200
	Evaluation costs	lumpsum	1	$14,500	$14,500
	Miscellaneous	month	48	$358	$17,184
					$353,404
TOTAL					$3,760,009
Administrative Agent fee (1%)					**$37,600**
Administration costs (7%)					**$263,201**
GRAND TOTAL					**$4,060,810**

Detailed Budget By Agency

Business Partnerships and Solutions for SDGs 2024-2027			**Unit**	**No of Unit**	**Cost per unit**	**UNDP**	**ILO**	**FAO**	**UNIDO**	**GRAND TOTAL**
Outcomes	**Outputs**	**Activities**								
Outcome 1 Technical Capacity	**Output 1 Capacity of local companies in energy and resource efficiency is enhanced**									
		1.1 Service delivery capacity strengthened	day	34	$ 150				$5,100	$5,100
			day	26	$ 400				$10,400	$10,400
			day	40	$ 150				$6,000	$6,000
			day	50	$ 400				$20,000	$20,000
			day	80	$ 150				$12,000	$12,000
			lumpsum						$20,000	$20,000
						$0	$0	$0	$73,500	$73,500

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		1.2 Eco system for SDGs, CE, and UNIDO RECP developed	d	30	$ 150				$4,500	$4,500
			d	30	$ 400				$12,000	$12,000
			d	60	$ 150				$9,000	$9,000
			d	30	$ 400				$12,000	$12,000
			d	40	$ 150				$6,000	$6,000
			d	10	$ 400				$4,000	$4,000
						$0	$0	$0	$47,500	$47,500
		1.3 National CE experts trained								
			day	90	$ 150				$13,500	$13,500
			day	38	$ 400				$15,200	$15,200
			lumpsum						$3,000	$3,000
			day	80	$ 150				$12,000	$12,000
			day	30	$ 400				$12,000	$12,000
						$0	$0	$0	$55,700	$55,700
		1.4 Capacity of SME in UNIDO RECP, CE, EE, EMS enhanced								
			day	20	$ 150				$3,000	$3,000
			day	10	$ 400				$4,000	$4,000
			day	80	$ 150				$12,000	$12,000
			day	30	$ 400				$12,000	$12,000
			day	40	$ 150				$6,000	$6,000
			day	60	$ 400				$24,000	$24,000
			day	500	$ 150				$75,000	$75,000
			day	50	$ 400				$20,000	$20,000
			lumpsum						$10,000	$10,000

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			day	100	$ 150				$15,000	$15,000
			day	50	$ 400				$20,000	$20,000
			lumpsum						$2,000	$2,000
			day	70	$ 150				$10,500	$10,500
			day	30	$ 400				$12,000	$12,000
						$0	$0	$0	$225,500	$225,500
	Output 2 Local value chains are strengthened, and performance and sustainability practices are improved in companies belonging to targeted value chains	2.1 Local value chains are strengthened, and performance and sustainability practices are improved through the implementation of UNDP "Growing with your Business" methodology in selected agribusiness companies	year	4	$ 500	$2,000				$2,000
			lumpsum	1	$ 10,000	$10,000				$10,000
			day	60	$ 150	$9,000				$9,000
			days	792	$ 200	$158,400				$158,400
			days	132	$ 200	$26,400				$26,400
			days	519	$ 250	$129,750				$129,750
			companies supported	44	$ 3,500	$154,000				$154,000
			lumpsum			$34,200				$34,200
						$523,750	$0	$0	$0	$523,750
	Output 3 Enterprises in target sectors have access to training to enhance productivity and social aspects of business management	3.1 Small enterprises in the target sectors have access to the ILO Sustaining Competitive and Responsible Enterprises (SCORE) Programme								
			day	80	$ 500		$40,000			$40,000
			training event	2	$ 4,000		$8,000			$8,000
			day	216	$ 250		$54,000			$54,000
			training event	40	$ 2,000		$80,000			$80,000
				16	$ 5,000		$80,000			$80,000
			day	216	$ 250		$54,000			$54,000

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			day	216	$ 80		$17,280			$17,280
			day	216	$ 250		$54,000			$54,000
			day	216	$ 80		$17,280			$17,280
			day	216	$ 250		$54,000			$54,000
			day	216	$ 80		$17,280			$17,280
			day	216	$ 250		$54,000			$54,000
			day	216	$ 80		$17,280			$17,280
			page	550	$ 20		$11,000			$11,000
			day	150	$ 200		$30,000			$30,000
			lumpsum	1	$ 2,500		$2,500			$2,500
			training event	2	$ 4,000		$8,000			$8,000
			day	30	$ 500		$15,000			$15,000
			training event	2	$ 4,000		$8,000			$8,000
			Study visit	2	$ 15,000		$30,000			$30,000
						$0	$651,620	$0	$0	$651,620
		3.2 Small enterprises in textiles, clothing, leather and footwear (TCLF) Sector are prepared to comply with the requirement of the EU Strategy for Sustainable and Circular Textiles								
			day	20	$ 500		$10,000			$10,000
			day	20	$ 250		$5,000			$5,000
			page	49	$ 20		$980			$980
			day	26	$ 500		$13,000			$13,000
			day	20	$ 250		$5,000			$5,000
			training event	5	$ 3,000		$15,000			$15,000

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			day	17	$ 250		$4,250			$4,250
			day	30	$ 500		$15,000			$15,000
			training event	6	$ 3,000		$18,000			$18,000
			day	20	$ 500		$10,000			$10,000
			day	20	$ 250		$5,000			$5,000
						$0	$101,230	$0	$0	$101,230
	Output 4 Selected farms are upgraded through technical support to update agricultural practices and climate-smart agriculture guidelines are elaborated.	4.1 Established SDG Demo Farms network and elaborated climate-smart agriculture guidelines								
			days	16	$ 157			$2,506		$2,506
			days	40	$ 151			$6,053		$6,053
			days	10	$ 151			$1,513		$1,513
			days	8	$ 151			$1,211		$1,211
			days	15	$ 357			$5,362		$5,362
			lumpsum	1	$ 2,260			$2,260		$2,260
			travel	16	$ 500			$8,000		$8,000
			lumpsum	1	$ 8,391			$8,391		$8,391
			days	16	$ 157			$2,506		$2,506
			days	40	$ 151			$6,053		$6,053
			days	10	$ 151			$1,513		$1,513
			days	7	$ 151			$1,059		$1,059
			days	15	$ 357			$5,362		$5,362
			event	1	$ 1,044			$1,044		$1,044
			lumpsum	1	$ 3,199			$3,199		$3,199
						$0	$0	$56,034	$0	$56,034

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		4.2 Improved understanding of sustainable, climate-smart agricultural practices among participating agri- SMEs	days	16	$ 157			$2,506		$2,506
			days	80	$ 151			$12,107		$12,107
			days	20	$ 151			$3,027		$3,027
			days	10	$ 151			$1,513		$1,513
			days	10	$ 357			$3,574		$3,574
			event	4	$ 2,522			$10,088		$10,088
			lumpsum	1	$ 5,620			$5,620		$5,620
						$0	$0	$38,436	$0	$38,436
		4.3 Establishment of SDG Demo Farms network to put theory into practice and incentivize uptake								
			days	16	$157			$2,506		$2,506
			days	40	$151			$6,053		$6,053
			days	40	$121			$4,853		$4,853
			days	5	$357			$1,787		$1,787
			lumpsum	1	$3,049			$3,049		$3,049
			days	16	$157			$2,506		$2,506
			days	40	$151			$6,053		$6,053
			days	40	$121			$4,853		$4,853
			days	5	$357			$1,787		$1,787
			per demo plot	3	$5,044			$15,132		$15,132
			per demo plot	3	$45,160			$135,480		$135,480
			days	30	$100			$3,000		$3,000
			lumpsum	1	$3,049			$3,049		$3,049
						$0	$0	$190,111	$0	$190,111
						$523,750	**$752,850**	**$284,580**	**$402,200**	**$1,963,380**
Outcome 2 Enabling Environment	**Output 5 Trade Facilitation**	5.1 Sustainable companies in Albania are connected to business opportunity and financing at a national and international level	year	1	$15,000	$15,000				$15,000
			year	2	$2,500	$5,000				$5,000

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			day	45	$500		$22,500			$22,500
			day	50	$250		$12,500			$12,500
			lumpsum	1	$15,000		$15,000			$15,000
			day	100	$150				$15,000	$15,000
			day	50	$400				$20,000	$20,000
			days	16	$157			$2,506		$2,506
			days	20	$151			$3,027		$3,027
			days	20	$151			$3,027		$3,027
			days	2	$357			$715		$715
			event	3	$1,515			$4,544		$4,544
			lumpsum	1	$2,643			$2,643		$2,643
			days	16	$157			$2,506		$2,506
			days	20	$151			$3,027		$3,027
			days	20	$151			$3,027		$3,027
			days	3	$357			$1,072		$1,072
			event	2	$1,522			$3,044		$3,044
			lumpsum	1	$2,643			$2,643		$2,643
			day	30	$ 250		$7,500			$7,500
			lumpsum						$45,000	$45,000
						$20,000	$57,500	$31,781	$80,000	$189,281
		5.2 Green technology transfer support developed and implemented								
			d	30	$ 150				$4,500	$4,500
			d	30	$ 400				$12,000	$12,000
			d	30	$ 150				$4,500	$4,500
			d	19	$ 400				$7,600	$7,600
			d	20	$ 150				$3,000	$3,000
			d	20	$ 400				$8,000	$8,000

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			lumpsum						$50,000	$50,000
			d	20	$ 150				$3,000	$3,000
			d	20	$ 400				$8,000	$8,000
			d	20	$ 150				$3,000	$3,000
			d	20	$ 400				$8,000	$8,000
						$0	$0	$0	$111,600	$111,600
		5.3 Companies are trained on sustainability reporting and updated on latest EU regulations	training workshops	4	$12,000	$48,000				$48,000
			day	20	$ 150				$3,000	$3,000
			day	10	$ 400				$4,000	$4,000
						$48,000	$0	$0	$7,000	$55,000
		5.4 Innovative technologies are introduced among companies as tools to improve and make their business activities more sustainable while creating access to additional business opportunities								
			day	250	$ 150				$37,500	$37,500
			day	25	$ 400				$10,000	$10,000
						$0	$0	$0	$47,500	$47,500
	Output 6 Policy Making	6.1 Policy makers' knowledge of SDGs and sustainability at a national and municipal level is enhanced	year	2	$12,000	$24,000				$24,000
			day	10	$150				$1,500	$1,500
			day	15	$400				$6,000	$6,000
			days	16	$157			$2,506		$2,506
			days	40	$151			$6,053		$6,053
			days	13	$151			$1,967		$1,967
			days	5	$151			$757		$757
			days	5	$357			$1,787		$1,787
			event	4	$2,022			$8,088		$8,088
			lumpsum	1	$2,834			$2,834		$2,834
			days	16	$157			$2,506		$2,506

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			days	40	$151			$6,053		$6,053
			days	12	$151			$1,816		$1,816
			days	5	$151			$757		$757
			days	5	$357			$1,787		$1,787
			lumpsum	1	$2,834			$2,834		$2,834
						$24,000	$0	$39,747	$7,500	$71,247
		6.2 Capacity for SDGs, CE, and UNIDO RECP in national institutions developed								
			day	500	$150				$75,000	$75,000
			day	100	$400				$40,000	$40,000
			lumpsum						$39,000	$39,000
						$0	$0	$0	$154,000	$154,000
		6.3 Policy makers' awareness on CEO's and consumers' views on sustainability is enhanced through market intelligence survey(s)	year	2	$15,000	$30,000				$30,000
						$30,000	$0	$0	$0	$30,000
	Output 7 Awareness	7.1 Comms campaign to educate, raise awareness, and promote SDGs among the business sector and linked to the project activities is ongoing throughout the duration of the project	year	4	$ 5,500	$22,000				$22,000
			days	40	$250	$10,000				$10,000
			year	4	$ 4,000	$16,000				$16,000
			year	4	$ 2,000	$8,000				$8,000
						$56,000	$0	$0	$0	$56,000
		7.2 Events building awareness on sustainability, visibility of companies nationally and internationally and strengthening of business community in Albania are organised	year	2	$ 85,000	$170,000				$170,000
			day	10	$ 150				$1,500	$1,500
			day	10	$ 400				$4,000	$4,000
						$170,000	$0	$0	$5,500	$175,500
		7.3 Contest to award most sustainable companies in Albania organised	year	4	$17,000	$68,000				$68,000
			day	30	$150	$4,500				$4,500

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	year	4	$3,500	$14,000				$14,000
	year	4	$8,000	$32,000				$32,000
	day	10	$150				$1,500	$1,500
	day	10	$400				$4,000	$4,000
				$118,500	$0	$0	$5,500	$124,000
7.4 Multi-stakeholder SDG hackathons on sectoral challenges	year	1	$5,000	$5,000				$5,000
	days	40	$250	$10,000				$10,000
				$15,000	$0	$0	$0	$15,000
7.5 SDG/UNIDO RECP/CE/ILO SCORE awareness developed	day	10	$250		$2,500			$2,500
	day	20	$150				$3,000	$3,000
	day	10	$400				$4,000	$4,000
				$0	$2,500	$0	$7,000	$9,500
7.6 Ongoing comms campaign designed to educate, raise awareness, and promote SDGs in the targeted sectors								
	day	25	$250		$6,250			$6,250
				$0	$6,250	$0	$0	$6,250
7.7 Design and delivery of an awareness raising programme on sustainability practices and SDGs targeting the business community and consumers								
	days	16	$157			$2,506		$2,506
	days	50	$151			$7,567		$7,567
	days	40	$151			$6,053		$6,053
	days	8	$151			$1,211		$1,211
	days	5	$151			$757		$757
	event	1	$2,044			$2,044		$2,044
	event	2	$2,011			$4,022		$4,022
	lumpsum	1	$3,216			$3,216		$3,216
	days	16	$157			$2,506		$2,506
	days	50	$151			$7,567		$7,567
	days	40	$151			$6,053		$6,053
	days	7	$151			$1,059		$1,059
	days	5	$151			$757		$757
	event	2	$2,011			$4,022		$4,022
	lumpsum	1	$3,216			$3,216		$3,216
				$0	$0	$52,557	$0	$52,557
7.8 Building the Knowledge, Capacities								
	days	16	$157			$2,506		$2,506

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		and Tools of Service Providers – including agricultural extension, advisory providers, business advisory firms, financial service providers	days	12	$151			$1,816		$1,816
			days	12	$151			$1,816		$1,816
			days	2	$357			$715		$715
			days	10	$357			$3,574		$3,574
			days	10	$357			$3,574		$3,574
			days	30	$100			$3,000		$3,000
			lumpsum	1	$1,334			$1,334		$1,334
			days	16	$157			$2,506		$2,506
			days	12	$151			$1,816		$1,816
			days	12	$151			$1,816		$1,816
			days	2	$357			$715		$715
			days	10	$357			$3,574		$3,574
			days	10	$357			$3,574		$3,574
			event	4	$2,011			$8,044		$8,044
			lumpsum	1	$1,334			$1,334		$1,334
			days	16	$157			$2,506		$2,506
			days	12	$151			$1,816		$1,816
			days	12	$151			$1,816		$1,816
			days	2	$357			$715		$715
			days	10	$357			$3,574		$3,574
			days	10	$357			$3,574		$3,574
			lumpsum	1	$1,334			$1,334		$1,334
			days	16	$157			$2,506		$2,506
			days	12	$151			$1,816		$1,816
			days	12	$151			$1,816		$1,816
			days	2	$357			$715		$715
			days	10	$357			$3,574		$3,574
			days	10	$357			$3,574		$3,574
			LoA	2	$86,000			$172,000		$172,000
			LoA	3	$25,000			$75,000		$75,000
			lumpsum	1	$1,334			$1,334		$1,334
			days	16	$157			$2,506		$2,506
			days	12	$151			$1,816		$1,816
			days	12	$151			$1,816		$1,816
			days	2	$357			$715		$715
			days	10	$357			$3,574		$3,574
			days	10	$357			$3,574		$3,574
			lumpsum	1	$4,520			$4,520		$4,520
			travel	4	$500			$2,000		$2,000

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			event	3	$1,515			$4,544		$4,544
			lumpsum	1	$1,334			$1,334		$1,334
						$0	$0	$345,791	$0	$345,791
						$481,500	**$66,250**	**$469,875**	**$425,600**	**$1,443,225**
Project Operations & Management		Project Operations & Management								
		Project Manager	month	48	$3,000	$144,000				$144,000
		Finance/Admin Assistant	month	48	$1,700	$81,600				$81,600
		Office rent & other costs	month	48	$1,290	$61,920				$61,920
		Driver/Travel	month	36	$950	$34,200				$34,200
		Evaluation costs	lumpsum	1	$14,500	$14,500				$14,500
		Miscellaneous	month	48	$358	$17,184				$17,184
						$353,404	**$0**	**$0**	**$0**	**$353,404**
TOTAL						$1,358,654	$819,100	$754,455	$827,800	$3,760,009
Administrative Agent fee (1%)						**$13,587**	**$8,191**	**$7,545**	**$8,278**	**$37,600**
Administration costs (7%)						**$95,106**	**$57,337**	**$52,812**	**$57,946**	**$263,201**
GRAND TOTAL						**$1,467,346**	**$884,628**	**$814,811**	**$894,024**	**$4,060,810**