

## STANDARD JOINT PROGRAMME DOCUMENT

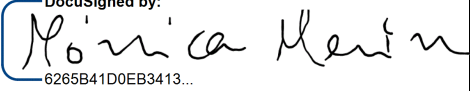
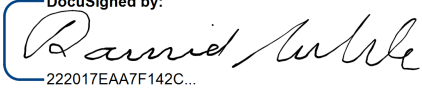
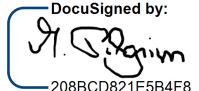
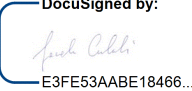
### Cover Page

**Country:** Albania

**Programme Title:** Business Partnerships & Solutions for SDGs - REVISED

**Joint Programme Outcome:** Improved understanding and engagement on the SDGs among the private sector in Albania

<p><b>Programme Duration:</b> 12 months =&gt; 21 months</p> <p><b>Anticipated start/end dates:</b> 1/01/2022 - 31/12/2022 =&gt; 30/09/2023</p> <p><b>Fund Management Options:</b> UN Albania SDG Acceleration Fund Funding Mechanism</p> <p><b>Managing/Administrative Agent:</b> UNDP through the pooled Funding Mechanism</p>	<p><b>Total estimated budget*:</b> <b>2022 - 493,020 USD</b> <b>2023 - 280,000 USD</b></p> <p><b>Total 773,020 USD</b></p> <p><b>Unfunded budget: N/A</b></p> <p><b>Sources of unfunded budget: N/A</b></p>
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UN Organisations	
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## **I. Executive Summary**

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Albania's Small Business Act Profile confirms that in order to increase the number of jobs in the private sector, it is essential to scale up the institutional capacity of business support services that aim to improve access to finance and offer support for scaling-up business operations, and to facilitate the internationalisation of firms. The continued lack of diversification, including in terms of export destinations, contributes to Albania's economic vulnerability.

Given Albania's small domestic economy, integration into the global economy could be a crucial growth path, in this respect Albania could intensify efforts to strengthen the quality infrastructure necessary for the free movement of good, enabling Albanian firms to place goods on the market in line with rules that are in compliance with the EU single market.

The overall objective of this project is to raise the awareness among private sector actors about SDGs and, in particular, ways business will benefit and contribute from their implementation in Albania. SDGs provide a critical window of opportunity to rethink the role of the private sector as a key actor in the recovery process. In addition to offering a wealth of expertise and disruptive innovation, businesses will 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.

The focus of SDG work with the private sector in Albania will be placed on two sectors – agro-processing and textile sectors. Both these sectors have been selected for their significant economic impact on the country's overall economic performance and employment. Secondly, assessments for these two sectors already exist because of previous business intelligence activities conducted by UNDP, FAO and ILO which make a valuable platform for further work. The proposed work is embedded in the UN Albania Social Economic Recovery Plan.

The project will seek to achieve this relying on the Swedish experience and investment focus and will facilitate business to business cooperation while at the same time supporting the private sector in delivery and monitoring of social and environmental impact. The reason why Sweden is seen as a model is because Sweden has been in the frontline of efforts to link the SDGs with the work of the private sector. Making known good practices from Sweden will lead to better understanding and engagement on the SDGs and help identify opportunities to co-design and pilot solutions in the two selected sectors.

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## **II. Situation Analysis**

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### **II.1 Agenda 2030/Sustainable Development Goals**

All 193 Member States of the United Nations (UN) have committed themselves to solving the world's biggest challenges by 2030: ending global poverty, protecting our planet and ensuring a life of dignity for all. This agenda includes 17 Sustainable Development Goals (SDGs) which provide the framework for shared action to be implemented by all countries and all stakeholders, acting in collaborative partnerships. The SDGs (together known as Agenda 2030) commit to ending extreme poverty in all its forms, including hunger, and call on all people to enjoy universal access to essential social services and basic infrastructure by 2030. They also commit to protect the planet from degradation, including through sustainable production and consumption and the sustainable management of natural resources, as well as taking urgent action to tackle climate change. Through the SDGs, the world is determined to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature.

Albania adopted the Declaration of the Summit on Sustainable Development. Demonstrating commitment towards SDGs, the Government of Albania (GoA) embarked on the alignment of Agenda 2030 with the second National Strategy for Development and Integration 2015–2020 (NSDI II) and the third one in the making. The government strives to design and implement a reform agenda to promote domestic and foreign investment and maximise benefits for the citizens of Albania by accelerating private sector growth and creating new jobs.

The planned interventions are additionally inspired by the “European Green Deal aimed at boosting the efficient use of resources by moving to a clean, circular economy and stopping climate change, reverting biodiversity loss, and cut pollution and particularly by the “Guidelines for the Implementation of the Green Agenda for the Western Balkans”. The proposed actions for the textile and clothing sector aim to pave the way toward implementing the EU strategy for sustainable and circular textiles.

### **II.2 Sweden support to private sector and the SDGs**

The Sustainable Development Goals provide a clear and common agenda to mobilise different actors around development and sustainability issues. To reduce poverty and solve global challenges we need partnership between governments, business, and civil society.

Sweden has been in the frontline of efforts to link the SDGs with the work of the private sector. SIDA aims to be a relevant partner to the Swedish private sector and contribute to operations and investments that make a difference for people living in poverty and oppression. In this context, two SIDA networks have been established.

The Swedish Leadership for Sustainable Development (SLSD) is a network of some twenty leading companies and selected expert organisations with a base in Sweden. The network, coordinated by SIDA, is a forum for learning and a platform for new partnerships, cooperation, and new initiatives to reduce poverty and promote sustainable development. The goal of the SLSD network is to accelerate implementation of Agenda 2030 internationally. By working in partnership, SIDA and the private sector can more effectively contribute to the achievement of the Sustainable Development Goals.

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The network aims to achieve its goals through three instruments: **Action Labs**, **Inspiration Studio** and **Influence Factory**. They intend to generate new actions, solutions, collaborations and partnerships that contribute to Agenda 2030 internationally and to a just, inclusive and sustainable climate transformation. Action Labs have, for example, dealt with decent work in global supply chains, employment and education for young people in developing countries, and sustainable purchasing of difficult raw materials. On the other hand, while Inspiration Studio creates opportunities for information-sharing and networking between and inspiring new ways of working and collaborating, Influence Factory communicates externally to inspire others to contribute to SDGs.

In addition, the Swedish investors for Sustainable Development that is a partnership comprising 21 of the largest financial actors on the Swedish market with Sida serving as a facilitator and catalyst. SISD works through seven working groups working on different themes and each group shares ideas, experiences, and learnings with the rest of the network. Other initiatives that could be relevant to this project's partnership base include the [Sweden Textile Water Initiative](#) and [Sustainable Brand Index](#).

### **II.3 Private sector in Albania**

The private sector represents the majority among employers and investors in low- and middle-income countries. An engaged private sector that takes a long-term social responsibility is needed to create jobs, strengthen markets, and build sustainable societies.

Albania's transition has been driven by a dynamic private sector that has been able to pull the country's development forward to a middle-income status. Albania is also a small open economy that relies on the production of goods and services that make extensive use of natural resources—especially water—and semi-skilled labour. 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 ODA. SDGs provide a critical window of opportunity to rethink the role of the private sector as a key actor 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 private sector mainly consists of micro and small businesses, which face obstacles to access financing due to their limitations in business know-how and financial literacy and their high degree of informality with respect to labour. Albania ranks 81<sup>st</sup> in the Global Competitiveness Report list (World Economic Forum, 2019). In 2019, there were around 162,000 registered businesses of which 1.2 percent or 2000 or so were large companies. The service sector dominates, with firms associated with tourism, accommodation, food and beverages and transport. According to official national statistics in 2021, there are 827 active enterprises operating in the textile, clothing, leather and footwear (TCLF) sector. The TCLF sector is dominated by small and medium-sized enterprises (SMEs), while 30 per cent are categorized as large enterprises with more than 50 employees. The sector is dominated by female employees, counted at 95 per cent of the total workforce (INSTAT 2022).

A quarter of all SME's 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 has impacted the economy with GDP contracting by 3.3 percent in

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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.

Despite the significance of agriculture (which generated 21.2% of gross value added in 2019 according to EuroStat, the largest in the region), agricultural incomes and investment are low, and the food trade balance is in deficit. Albania's Economic Reform Programme 2021 – 2023 outlines that agriculture, manufacturing, construction, and services are expected to make the biggest contributions to the growth of production value between 2021 and 2023, supported by strongly rebounding growth rates in trade, transport, and hospitality services.

Albania's business environment remains prone to structural weaknesses and performs below its potential, and efforts to improve the business environment need more effective instruments and incentives. Harnessing the potential of SDGs is beyond the reach of any individual company. It will be possible to achieve them only through pioneering collaboration, with companies of the same sector coming together to define a new SDG-based strategy for their industry. In addition, businesses that align their strategy with the Goals will, sooner or later, start to incur costs that their competitors do not face. A sectoral approach helps all the players to raise and maintain standards at the same time to keep the playing field level.

### **III. Strategies including lessons learned and the proposed joint programme**

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#### **III.1 Government policies and strategies**

The midterm review of the National Strategy of Development and Integration (NSDI) points out that the Government of Albania aims to encourage private sector investment in the country to help meet its development goals, in particular by accelerating private sector growth and creating new jobs. In this respect, the government intends to (a) provide an efficient, effective and transparent system for attracting and carrying out investment; (b) Enhance and modernise the legal framework for investment in line with best international practice; and (c) promote the development and application of good international standards and practices regarding investment.

These objectives are further articulated in the new Business and Investment Development Strategy (BIDS) for the period 2021–2027. The Strategy's vision is for an Albanian economy that is competitive, driven by innovation and founded on knowledge, producing new and high-quality jobs by leveraging the opportunities provided by the digitalisation and the transformation of the international value chains. Its first pillar "Investment Attraction and Internationalization" emphasizes the strategic importance of investment and integration in the value chain and international markets for sustainable growth and development. While current conditions are difficult, transforming the international value chain also reveals new development opportunities. According to the strategy, it is essential to (i) make existing policy mechanisms, such as investment promotion, strategic investment support measures, and aftercare effective; (ii) the range of support expands by looking for new ways, e.g. promoting digital solutions and interconnections, in order to promote the internationalization of SMEs; and (iii) synergies between different policy tools and areas are fully utilized, e.g. also promote the international integration of the entrepreneurial ecosystem.

A 2020 technical note from the Investment Council on [Domestic Production, Replacement of Imports and Investment Promotion in Agro-processing](#) recommends also some additional actions to create an enabling environment for export promotion in EU countries and other high potential markets through improving the products quality and standards according to best practises. Among others, organic

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certification and standardisation is mentioned for fruits and vegetables together with quality control on agricultural inputs as well acceleration of modernization and accreditation of existing and new laboratories so they can issue recognised certificated for EU markets (particularly relevant for vegetables and fruits value chains that have great export potential).

For the period 2021 – 2023, the [Economic Reform Programme](#) outlines several proprieties in the field of economic development. Particularly relevant to this project are two: (i) promotion of Albania as an investment destination through the organization and participation in international fairs and promotional road shows, visits to companies (after care), in the framework of the implementation of activities for the creation of regional economic zone as well as promotional activities for the "Made in Albania" products. The ERP also outlines that **agriculture, manufacturing, construction, and services** are expected to make the biggest contributions to the growth of production value between 2021 and 2023, supported by strongly rebounding growth rates in **trade, transport, and hospitality** services.

### III.2 United Nations and the private sector in Albania

The UN has supported the engagement of Albania's private sector, via outreach to corporate social responsibility networks, the International Chamber of Commerce, and individual companies. The evaluation of [UN's Programme of Cooperation for Sustainable Development programme in Albania \(2017 – 2021\)](#) emphasizes the commitment to work together with the private sector. Building upon and extending partnerships with the private sector through mechanisms such as the SDG Global Compact, the UN is encouraged to engage and work together with companies to increase awareness on SDGs. In addition, [the Common Country Analysis \(2020\)](#) points out that the private sector can play a stronger role in the country's economic growth, as well as in channelling investments and funding towards sustainable development and the SDGs.

Indeed, the new [United Nations Sustainable Development Cooperation Framework in Albania \(2022 – 2026\)](#) commits to orient the private sector in support of EU accession priorities through the 'shared value opportunities' related to the SDGs. The UN also pledges to strengthen existing forums for Government-Private sector collaboration. Policy solutions for accelerated and green economic development are envisaged including direct support to the growth of small and medium-sized enterprises (SMAEs) and export growth are promoted in key sectors including renewable energy, sustainable tourism, and agrobusiness to drive interest and FDI for the SDGs. As some success in involving private companies in successful SDG campaigns is acknowledged, such efforts should be expanded looking also to the application of sustainable production practices well as increasing social responsibilities of the private sector.

The [Mainstreaming, Acceleration, and Policy Support for Achieving the Sustainable Development Goals in Albania](#) (2018) pointed out that accelerating economic growth and reducing rural/urban disparities requires modernizing Albania's agro-food processing sectors. The MAPs report goes even further in outlining that in the EU accession context, this can be done via deeper integration into regional agro-food value chains, particularly in those sectors (e.g., fruit, olives viniculture) in which Albania has prospects for more rapid export growth. Both export growth and import substitution require significant increases in domestic and foreign investment as well as stronger capabilities at all stages of the agro-processing value chain (including storage, transport, and wholesale and retail trade).

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UN Albania's [Covid-19 Socio Economic Recovery and Response Plan](#) highlights the need to introduce measures for promoting global partnerships, private sector engagement and development cooperation to mobilize and leverage financial, technical, and advisory support to implement the response to COVID-19. At the micro level, transformational change initiatives are suggested in support of micro and small enterprises, including in agriculture and cultural and creative sectors, to ensure innovation in business practises, including re-skilling and up-skilling.

Furthermore, a UNDP – FAO commissioned Assessment of the Covid-19 pandemic on fruit and vegetable value chains in Albania, underlined the limited processing capacities in Albania. In response, four lines of action are recommended, (i) investment in technologies and know-how on longer shelf-life product storage (ii) establish partnerships with leading agro-processing actors to explore market potential and technological aspects to introduce new processed products; (iii) support for on-farm processing in line with diversification strategies; and (iv) exploration of new exporting markets segments.

### III.3 Institutional Framework

Initially, the [State Ministry in Support of Entrepreneurship](#) was envisaged to be the primary counterpart of the project. The State Ministry in Support of Entrepreneurship (SMSE) is the government institution that is tasked to establish a mechanism that facilitates the communication between the private sector and state institutions. With commitments made in the framework of the Southeast Europe 2020 Strategy and the Central European Free Trade Agreement as well as current actions against informality, as well as the deregulation reform 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 mission of 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 (MARD) 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 (MTE) 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.



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

**Albanian Investment Development:** 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.

### **Private sector organisations**

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

- o Union of Chambers of Commerce and Industry of Albania (UCCIAL)
- o Chamber of Commerce and Industry of Tirana (CCIT)
- o International Chamber of Commerce (ICC)
- o National Chamber of Garment Producers of Albania
- o Biznes Albania
- o Pro Export
- o 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).

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## IV. Results Framework

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### IV.1 Scope of work

The focus of SDG work with the private sector in Albania will be placed on two sectors – agro-processing and textile, clothing, leather and footwear sectors.

Albania's **agro-processing** sector has expanded significantly. However, much of the raw material for agro-processing is imported. This includes vegetable oil for bottling, meat for processing, and vegetables for tinning. Although agro-industrial exports have been driving growth in agricultural exports, most of these enterprises are very small and cannot produce for export. Thus, the agro-processing sector needs significant investments to achieve its potential for rapid growth and has the potential to grow faster.

Furthermore, the agro-processing sector incidentally touches important development themes such as environmental preservation, food waste prevention and food safety, crucial as Albania strives to reach EU standards. Each subsector has specific challenges that the project seeks to address through the co-creation of activities translating SDGs in the daily realities of businesses, while accompanying them as they grow.

In the aftermath of two economic and social shocks, there is great scope for the **textile, clothing, leather and footwear sector** to not compete just by a low price. The EU Single Market is a mature one, focusing increasingly on different aspects than just a price like, for example, social and environmental conditions of the production process itself. Hence, promotion of “circular and sustainable fashion” and eventually extended producer responsibility can be supported and enacted through showcasing good practices, approaches and partnerships that ultimately would mean lead generation and new markets. Albanian manufacturers would then be more attractive for many consumers especially in Sweden and other the EU countries, who display an increasing awareness of environmental and social impact of what they buy and consume. The Albanian textile, clothing, leather and footwear sector may benefit from the proximity to the EU single market, and via nearshoring and exploiting potential new niches and possibly become an apparel and footwear supplier to EU countries.

Both these sectors have been selected for their significant economic impact on the country's overall economic performance and employment. Secondly, assessments for these two sectors already exist because of previous business intelligence activities conducted by UNDP, FAO and ILO which make a valuable platform for further work. The proposed work is embedded in the UN Albania Social Economic Recovery Plan.

Decoupling resource consumption and economic growth from the well-being of people is the premise on which sustainable development builds on with its three pillars: economic, social and environmental as shown in the figure below. With such decoupling, competitiveness and decent job creation can be achieved in a socially responsible and environmentally sustainable manner. Clearly, the business sector has a central role in sustainable development and on the road to achieving the sustainable development goals, with governments creating favourable environments for both the business and the consumer reach the desired future.

Resource efficiency and circularity, where the outcome is elimination of waste from our economies by design, hinges on the adoption of sustainable production of circular products in manufacturing and services, and their distribution, use and final disposal through responsible consumption patterns. This

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can be realized by technology improvements, process optimization and the utilization of by-products in manufacturing and services.

UNIDO's food-processing centres are a time-tested means of spreading the know-how of adding value to local food resources. Factory rehabilitation projects, including resource efficiency and circularity improvements which save costs due to reduced materials, water, energy, and chemicals use. Campaigns to improve product quality help companies increase their income and generate new employment opportunities. To promote food safety, UNIDO assists in implementing good hygiene practices and introducing food-safety systems based on risk analysis and prevention and traceability, including with digital means. Moreover, compliance with sanitary and phyto-sanitary agreements is key to help food processing companies in developing countries expand their access to world markets.

Cost pressures, oversupply and fierce competition are threatening the textile and wearing apparel industry the world over. The paradigm change from the simple assembling of garments to "full package" services (design, fabric, trim and accessory sourcing, and logistics) requires additional skills and knowledge and therefore specialized training. Moreover, existing trade barriers are likely to be replaced by demands that producers adhere to quality and environmental norms, such as ISO9000, eco-labelling, and additional product requirements such as recycled content along the Circular Economy Action Plan, when exporting to the EU, which cannot be easily met by manufacturers in developing countries.

UNIDO supports all sizes of producers of wearing apparel and textiles with advice on technologies, resource efficiency and circular economy measures, product diversification, the identification of market opportunities and support to export consortia where small manufacturers join forces to enter new markets. Special attention is given to value addition in processing natural fibres such as silk, coir, cotton, and jute. Product development in this and other areas is facilitated through the establishment of design centres. Computerized colourimetry and colour matching helps enterprises improve product quality and reduce pollution.

ILO has a long legacy of supporting SMEs and EBMOs flourish by providing access to business entrepreneurship and technical training, fostering an enabling environment and ecosystem, and supporting the most vulnerable workers. Reference to the ILO SME programmes<sup>1</sup> <applewebdata://a273a84a-3b23-40d9-b499-63ee8199ca7a/>.

During the Covid crisis, the ILO partnered with the Government of Sweden and closely worked with EBMOs (Business Albania and ProExport, representing around 150 footwear and garment companies) to identify the ones most in need of support following the disruption due to COVID 19 and compliance with the Government of Albania red protocols in the workplace. Through the Swedish-funded project, the ILO and the partner EBMOs worked with three groups of stakeholders in Albania (company management, international buyers, and workers). The ILO is currently discussing with a group of international buyers (including H&M and other companies) about the future of the textile and garments sectors in the Western Balkans.

Harnessing the potential of SDGs is beyond the reach of any individual company. It will be possible to achieve them only through pioneering collaboration, with companies of the same sector coming together to define a new SDG-based strategy for their industry. In addition, businesses that align their

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<sup>1</sup> <https://www.ilo.org/infostories/en-GB/Stories/Employment/SMEs#helping/siyb>  
<https://www.ilo.org/infostories/en-GB/Stories/Employment/SMEs#helping/wed>  
<https://www.ilo.org/infostories/en-GB/Stories/Employment/SMEs#helping/eese>  
<https://www.ilo.org/infostories/en-GB/Stories/Employment/SMEs#helping/score>  
<https://www.ilo.org/infostories/en-GB/Stories/Employment/SMEs>

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strategy with the Goals will, sooner or later, start to incur costs that their competitors do not face. A sectoral approach helps all the players to raise and maintain standards and to keep a level playing field at the same time.

Currently, Albanian companies 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.

## IV.2 Project Objective

The overall objective of this project is to raise the awareness among private sector actors about SDGs and, in particular, ways business will benefit and contribute from their implementation in Albania. The project will seek to achieve this relying on the Swedish experience and investment focus and will facilitate business to business cooperation while at the same time supporting the private sector in delivery and monitoring of social and environmental impact. Making known good practices from Sweden will lead to better understanding and engagement on the SDGs and help identify opportunities to co-design and pilot solutions in the two selected sectors. The Swedish private sector will bring to the solution space attributes including expertise and technology to incubate innovation and help solve SDG related challenges through new partnerships in Albania.

Private sector-related activities will engage businesses, but also economic development support institutions and organisations, such as chambers of commerce, business associations, investment promotion agencies, local and regional development agencies, technology parks and business accelerators. Companies, as well as economic development support institutions from Sweden will be engaged to share their experiences and plans relevant to addressing global challenges and contributing to the Agenda 2030. The timeframe for implementing the Project is 12 months.

The project will work on establishing **Business Partnerships & Solutions for SDGs** that will bring together businesses from both Sweden and Albania, government and civil society representatives to test new models of engagement that will create win-win, sustainable and scalable solutions for all stakeholders in achieving the SDGs.

## IV.3 Project Results

The project will continue to work on establishing **Business Partnerships & Solutions for SDGs** that will bring together businesses from both Sweden and Albania, government and civil society representatives to test new models of engagement that will create win-win, sustainable and scalable solutions for all stakeholders in achieving the SDGs.

To achieve this, the project will work on a two-pronged approach (i) conceptualize and test new partnership models, connecting stakeholders that would not have easily met and (ii) assess and accelerate social and environmental impact of private sector investments tapping on United Nations agencies' core competences including leveraging local knowledge and country level leadership coalitions for SDG acceleration. The project is organized in three main outputs that are used as development pillars:

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- Output 1:** Increased awareness and understanding of SDG positive business practices and sector review to support roadmap for SDG/EU green agenda opportunities
- Output 2:** Private sector businesses are aware of Economic, Social and Governance (ESG) benefits of adopting Sustainable Development Goal (SDG) principles and practices.
- Output 3:** Design schemes to introduce Economic, Social and Environmental (ESG) benefits of adopting Sustainable Development Goal (SDG) principles and practices in two sectors

Under each output, several initiatives will be implemented as outlined below:

- Output 1:** Increased awareness and understanding of SDG positive business practices and sector review to support roadmap for SDG/EU green agenda opportunities
- Initiative 1:** Stocktaking of SDG principles and positive practices adopted by the private sector including regional practices introduced by new EU member states.
- Objective:** To capture national and regional examples of current businesses that demonstrate sustainable practises and SDG awareness in Albania

**Implementation task – December 2022 UPDATE:** The ILO, in close collaboration with UNIDO performed an extensive assessment of the value chain of the textile, clothing, leather and footwear sector in Albania, the economic impact in national level, the regulatory framework, as well as an analyses of the current workforce. The above was presented in a Stocktaking paper “SDG principles and positive practices adopted by the textile and footwear sector in Albania” that was validated in a workshop with the representatives of government, representations of employers’ associations, experts of the field, academia, Civil Society Organisations and representatives of the textile, clothing, leather and footwear enterprises. The main finds of the Stocktaking paper were presented on the panel discussion held during the Circular Design festival in Albania, organised by Design Thinkers Albania and supported by the ILO, in the framework of this project.

In July 2022, the European Commission (EC) announced the opening of accession negotiations with Albania, implying that the government and relevant partners are expected to establish the necessary legal and administrative capacities to approximate and put legislation into practice in the most effective way. The EC Report of 2022 highlights that legislation is partly aligned with the EU acquis on pre-packaging, textiles, footwear labelling and mixtures, an issue identified by the Stocktaking paper “SDG principles and positive practices adopted by the textile and footwear sector in Albania”.

Considering the importance of this process, the ILO will complement the Stocktaking of SDG principles and positive business practices adopted by the private sector with a deep legislative analysis and concrete recommendations to ensure the alignment with the EU standards.

Another important finding of the Stocktaking paper was the low Unionization rate of the textile, clothing, leather and footwear enterprises, counted at 10-12 per cent and limited social dialogue. As a follow up, the ILO will collaborate with IndustryAll to prepare an action plan aimed at increasing union membership and bargaining power to improve wages and working conditions in the textile, clothing, leather and footwear sector.

UNDP and FAO have undertaken three sectoral events with a strong company participation, capturing insights on their level of knowledge and awareness of sustainability practices as well as the challenges that they face. The kick-off event was a “**Agro-processing business sector meeting**” on 14th July 2022 in Tirana. A high-level event on sustainable packaging took place during the Swedish Culture Week

14th September 2022, “**Business Culture and Sustainability in Sweden: focus on Sustainable Packaging**”, with the interventions of an Albanian and a Swedish company sharing their experiences and collaborations. In addition, the conversation with local business “**Engaging the Private Sector on the Sustainable Development Goals in Përmet**” took place in the town of Përmet on 27th October, in the scope of the UN Week.

**Initiative 2:** A roadmap for SDG/EU Green Agenda adoption in target sectors, agro-processing and fashion is drafted, consulted, and presented

**Objective:** Analyse, identify, and present a roadmap to adopting the EU Green Agenda based, tentatively, on the five pillars: (1) climate action, (2) circular economy, (3) biodiversity, (4) fighting pollution of air, water and soil and (5) sustainable food systems and rural areas.

**Implementation task – December 2022 UPDATE:** UNIDO in close collaboration with ILO designed the Zero Roadmap for SDG/EU Green Agenda in Textile, Clothing, Leather and Footwear sector. The Zero Roadmap in line with the main findings of the Stocktaking paper intend to: 1) Map the major sources of sustainability increase across the apparel value chain; 2) Identify the most impactful actions that the enterprises can take to address the quality dimensions of jobs in the textile, clothing, leather and footwear sector (working conditions, productivity, occupational safety and health, etc.), to support transition into formality and mitigating gender inequalities; 3) Highlight the challenges to taking these actions and potential solutions to improve the environmental and social performance of the Textile, Clothing, Leather and Footwear sector; 4) Identify the stakeholders and initiatives working to increase sustainability and circularity in the sector. The first draft of the Zero Roadmap for SDG/EU Green Agenda in Textile, Clothing, Leather and Footwear sector is presented in a workshop conducted during the UN Week. The ILO and UNIDO will continue the focus group consultations of the Zero Roadmap for SDG/EU Green Agenda in Textile, Clothing, Leather and Footwear sector and finalize it.

Regarding the agro-processing sector, a service provider has been contracted by UNDP and FAO for stocktaking exercise and roadmap drafting, featuring 6 focus groups and 5-10 semi-structured interviews. The insights collected will be then utilised to draft the Roadmap for SDG/EU Green Agenda for the Agro-processing sector, to be finalised at the beginning of 2023.

**Output 2:** Private sector businesses are aware of Economic, Social and Governance (ESG) benefits of adopting Sustainable Development Goal (SDG) principles and practices.

**Initiative 1:** Mobilise interest among private sector actors to engage in SDG implementation

**Objective:** Through a series of actions, presentations and round tables, business representatives will be introduced to practises, approaches, and tools for operationalizing the SDGs in business models.

**Implementation task – December 2022 UPDATE:** The ILO, based on the consultations with the EBMOs (Business Albania and Pro Export) introduced in Albania the Sustaining Competitive and Responsible Enterprises (SCORE) training programme in the textiles, clothing, leather and footwear sector. In May 2022, the ILO opened the Call for Sustaining Competitive and Responsible Enterprises Trainer of Trainers. A total of 27 applicants expressed their interest, among which seven Trainers became certified as SCORE Trainers. In parallel an Open Call for Training of Enterprises was launched, and 23 enterprises expressed their interest, of which 9 show full commitment to the programme. The ILO local SCORE Trainers in close cooperation with the SCORE Enterprise Improvement Teams

prepared the Enterprise Improvement Plans and follow up visits to backstop and monitor the implementation are in progress. The ILO will continue mobilizing interest among private sector actors to engage in SDG implementation through the ILO SCORE Training, by initially following up on the current ongoing implementation of the SCORE in the TCLF enterprises and push the SCORE local trainers to finalize the program including the endline assessment, and registration of the results in the SCORE Global Platform. Considering the high interest from the enterprises, the ILO will open another call for trainers to identify additional potential SCORE Trainers.

From the UNIDO's perspective, the results of already performed activities, namely, analysis of the current situation, SMEs survey, practical engagement into piloting of resource efficiency assessments and introduction of common strategy for further development will benefit from promotion, studying international practices and knowledge sharing/capacity building activities proposed for the extended period of the project implementation. In this regard, three additional interventions are proposed:

- A study tour to Sweden for business and counterparts representatives to obtain knowledge on best sustainable practices of selected Swedish businesses;
- A study tour to Morocco where UNIDO is implementing a flagship project on resource efficiency and demonstrations on best practices applicable in developing country conditions could be demonstrated;
- A video production on Albanian businesses, plus results of the Study tours: to reflect on the national champions and their meetings with Swedish and Morocco counterparts.

UNDP and FAO jointly organised **two hybrid round tables** on December 5 and 9 for awareness-raising and promoting good practices among business representatives in the agro-processing sector. The good practices will be unpacked further thanks to one or more additional round tables events led by a technical expert for innovative approaches for ESG/SDGs in businesses. This will directly serve as an incentive to increase businesses interest. Referring to their direct requests during the different exchanges we have had so far, technical upgrade and experience is considered a game changer.

**Initiative 2:** Conference to raise awareness, promote good practices and private sector role in SDGs

**Objective:** Bring together and inform all stakeholders about the SDGs, plans of action, and their role.

**Implementation task:** The final event for the project, jointly organized by all the agencies involved, will be the “**2030 Business Conference**”, a 1-and-a-half-day event taking place during the last week of March 2023. The event will feature panels with sustainability experts, government representatives and will facilitate opportunities for exchange of experiences and B2B between Albanian, Swedish and international companies.

The conference anticipates creating opportunities for the local companies to gain an insight into the Swedish private sector experience, with a focus on good sustainability practices implemented by Swedish companies. Targeting a broader range of partners, it would also be critical to monitoring progress concerning integrating the SDGs, and good communication platform to discuss challenges and opportunities.

The ILO, in close collaboration with UNIDO, will ensure the participation of international buyers interested in expanding their production in Albania in the Conference, aiming to link them with the Albanian TCLF enterprises. Additionally, the ILO will take the lead of one of the Conference sessions, part of which will be the closure of the SCORE Programme Round 1 and certification of the enterprises that successfully accomplished the programme and introduce SCORE success stories and present the SCORE SCALEUP Plan in Albania.

**Initiative 3:** B2B networking and partnering for Albanian Businesses

**Objective:** Create a dedicated networking event that establishes a partnership among Albanian businesses for the SDG implementation agenda.

**Implementation task:** A series of events will be organized to create additional networking and partnering venue for businesses from Sweden and Albania to promote and exchange business ideas and exploit new partnership opportunities. The scoping of the B2B event will be done with the partnership of chambers of commerce and focusing on the two sectors. Experts and best practices and similar experiences from the region will be included in this process/initiative.

**December 2022 UPDATE:** UNDP and FAO, in the first part of 2023, will organize a **B2B event** between Albanian and Swedish companies in the agro-processing sector, ensuring the continuous engagement and the strengthening of the relationship with the companies involved in the previous activities.

**Initiative 4:** SDG business pioneers

**Objective:** Identify, promote and make good models of the businesses that embrace and take the SDGs forward.

**Implementation task:** Part of the promotion of SDGs and the private sector framework, developed through the consultative process, will also entail the recognition of SDG business pioneers or business leaders who are doing an exceptional job of taking action to advance the SDGs and impact of making SDGs core of their business model. They will be identified from the work of the project leading companies in the two sectors and will be receiving recognition at a ceremony that will become an annual event.

The ILO will document the success stories (by selecting 1-2 SCORE Basics champions) and confirm on the video's storyboard. Additionally, communication, promotion materials for the TCLF sector will be produced.

UNDP and FAO have started the identification of Albanian companies in the agro-processing sector having sustainable practices already implemented and are disseminating them by sharing communication materials among participants to the events. This line of communication and knowledge sharing will proceed in parallel with the other project activities for the sector.

**Output 3:** Design schemes to introduce Economic, Social and Governance (ESG) benefits of adopting Sustainable Development Goal (SDG) principles and practices in two sectors

**Initiative 1:** Design challenge fund (CF) for the agro-processing sector

**Initiative 2:** Design challenge fund (CF) for the fashion sector

**Objective:** At this initial stage the goal will be to draft the selection criteria, award, and testing methodology of the CFs in both sectors.

**Implementation task:** A challenge fund for both sectors will serve to pilot ideas that will potentially bring new processes and procedures that directly or indirectly promote the SDGs. By providing due diligence, training, and mentoring, and then funding, both CFs will help pilot and fund initiatives in select pioneers.

A recent commissioned UNDP FAO study highlights that one of the challenges facing the development of the agricultural and food processing sectors in Albania is the low degree of formalised cooperation



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among sector operators. One example of this is the lack of integration of operators in the value chains from primary production, via trade, to processing. Integration of the value chain through requesting reliable and trustworthy contracts and/or agreements with suppliers of raw materials for processing could be an important tool for MARDWA to ensure increased professionalism in the sector.

Most of the needs at the processing level concern renovating the storage and processing environment. There are urgent needs to improve processing standards by investing in lines of technology, renovation of warehouses and upgrading of production processes. Manual labour dominates many of the processes. There exist plenty of opportunities for automation, though with risks of reducing demand for labour, especially for women employees.

On the other hand, as a major contributor to the economy, textile value chains support growth, jobs and competitiveness. Economic growth and development should go hand in hand with environmental protection in the complex and fragmented production networks of textile and apparel value chains.

The project will aim to support pilot ideas that promote sustainability, circularity, and resource efficiency in the use of materials, processes, and overall business operations in the textile sector. In particular, new business models that increase clothing use, safe and renewable inputs, and solutions for turning used clothes into new. In addition, the project will promote they will seek to explore opportunities for a more sustainable textile industry in the context of innovation such as digitization of products, design, manufacturing, distribution and retail processes, consumer/end-user interaction, factories, workplaces and supply chains; as well new businesses and consumption models based on the sharing of productive resources and final products and moving towards collaborative or sharing economy<sup>2</sup>[applewebdata://25dcf933-821e-4a6e-87a9-bd354461e96d/](http://applewebdata://25dcf933-821e-4a6e-87a9-bd354461e96d/).

In this regard, the project will work with the textile sector on the introduction of the lifecycle approach. This may involve specialist review of manufacturing processes with tailored plans for ‘whole of process’ upgrading and investment with SMEs.

SMEs face challenges in complying with regulations requiring cleaner and more sustainable production patterns due to both a lack of know-how and financial resources. The SCORE Programme helps SMEs stay competitive by providing expert know-how for improving their production practices in a sustainable way. Specifically, the programme contributes to the following goals to ensure more sustainable production patterns: *12.2 By 2030, achieve the sustainable management and efficient use of natural resources; 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.*

Key objectives of the Module three are: i) to save costs and increase efficiency; ii) to systematically reduce waste and energy usage. Cleaner Production module focuses on the three R’s (reduce, reuse, recycle), particularly on more efficient resource and energy use and reduced waste. To ensure buy-in from targeted SMEs, the cleaner-production measures had to be doable and make economic sense: for example, reducing company expenses, product-rejection rates, and delivery times.

The ILO will deliver the training focused on enhancing SMEs’ capacity to recognize inefficient and environmentally unfriendly practices in their company and design response measures. Training will be followed up with the one-on-one coaching technical sessions with selected companies and financial support for introduction of selected measures aimed at three R (reduce, reuse, recycle).

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<sup>2</sup> [http://www.technofashionworld.com/files/2016/11/TextileETP\\_SIRA\\_public-version.pdf](http://www.technofashionworld.com/files/2016/11/TextileETP_SIRA_public-version.pdf)

Overall, agencies focused on carrying out the assignments using different approaches, reflecting the different realities of the two sectors: proven and worldwide tested methodologies have been applied in the textile sector while a problem-solving approach with lengthier discussions with companies and a focus on subsector identification has been used for the agro-processing.

#### **IV.4 Target groups, beneficiaries**

The end beneficiaries of the project are the citizens of Albania, in their capacity as workers, consumers, and right-holders, who will benefit from an environment in which public and private institutions work together towards the achievement of the SDGs.

Private sector-related activities will engage businesses, but also economic development support institutions and organisations, such as chambers of commerce, business associations, investment promotion agencies, local and regional development agencies, technology parks and business accelerators. Companies, as well as economic development support institutions from Sweden will be engaged to share their experiences and plans relevant to addressing global challenges and contributing to the Agenda 2030.

To achieve this, the project will employ a **participatory approach** through which key stakeholders from both public and private sectors will engage in the process. This will entail several lines of action: a) analysis, roadmaps, and policy guidance; b) engaging, sensitizing and motivating the private sector to embrace SDGs and embed them in their businesses; c) explore new partnerships and business opportunities with Swedish counterparts; and d) promoting the SDGs and good practices to the wider business community.

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#### **IV.5 Lessons learned, rationale for extension and long-term objectives**

The aim of the project is to increase awareness about SDGs and sustainable practices. Its first phase has seen an extensive part of consultations with Albanian companies and analysis on their current state. Although valuable insights already emerged and a momentum among the local private sector has been created, it is crucial to focus on the long-term commitment that such a project entails. The work of awareness raising on sustainability to local companies is a long process and adaptation is a priority along the whole project implementation. The sustainability of results can be ensured only through a tailoring to the local context finalised at ultimately transferring ownership at a national level, both on the side of the government and of the business sector.

For this reason, government will be more closely engaged going forward. The project seeks to offer the opportunity to facilitate a space for consultation between companies and policy makers to give relevance to the insights gathered and make use of them for the legislation update that will take place in the scope of the EU integration process. To this regard, the expertise developed by the colleagues from UNDP Bosnia and Herzegovina, acquired through the first roll out of the SDG awareness project, will be leveraged. Furthermore, the project will explore the potential for the creation of clusters of sustainable local companies for networking and knowledge sharing purposes, which could ultimately lead to the creation of a “Made in Albania” label tied to sustainability and SDGs to brand local products.

The identification of the set of incentives to ensure Albanian companies’ initial participation as well as, and most importantly, their long-term engagement is crucial. It is indeed important to understand their position and challenges in order to structure the activities to achieve a greater impact. Some of the incentives identified so far have been: 1) selecting national champions of sustainability that can then attract other companies, 2) creating and strengthening of partnerships with diverse entities, ranging from companies, sectoral associations, agencies and academia, 3) tying the project activities with the EU integration process as well as 4) providing connections with Swedish companies.

Furthermore, agencies will collaborate on specific themes to enable cross fertilisation across components. Two examples of this are the inclusion of a lens on environment and climate change, in line with the discussions of COP27, as well as the development of communication channel and material to share the stories from the companies engaged, both to create business cases to encourage other companies to join and to extend the awareness raising to society at large. The agencies have also shown openness in learning from each other’s’ experiences and lessons learned along the way during the project, for instance on how to better engage companies for the drafting of the Zero Roadmap.

While as informative as this phase has been, the challenge at task is long term and requires additional attention and further understanding. The project team will need to speak the business language and make sure to deconstruct the value proposition of SDGs for the private sector. The co-creation will continue to be the mantra of this project. Swedish models and innovation approaches need to be adequately selected and presented. Needs of Albanian businesses to be competitive and SDG compliant will need to be defined and addressed with project support. This will allow for the sustainability concepts to be translated into practical examples relevant to Albania’s economy at the same time contributing to the national ownership of the project. At the same time, it will also pave the way to an informed decision about incentives and instruments for the private sector and their efficient management. Ultimately, it will also clarify the needs for further engagement and longer-term support.

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## V. Management and coordination arrangements

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The proposed intervention is a Joint Programme (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 five 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 UNJP will ensure a cohesive and coordinated UN approach through internal coordination mechanisms including the UN Gender Results Theme Group 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 agro-processing and textile industry.

The project is envisaged to end in **September 2023**. A SC will be established to oversee and coordinate the operations of programme, 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 in 2023 and as needed and will be chaired by the Resident Coordinator and composed of representatives of the participating UN agencies, government institutions, private sector actors.

The **Project Team** will consist of Project Manager, Project Assistant, Private Sector Expert 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 Manager.

## VI. Fund management arrangements

The overall budget for this Joint Programme is funded by the Swedish International Development Cooperation Agency 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 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.

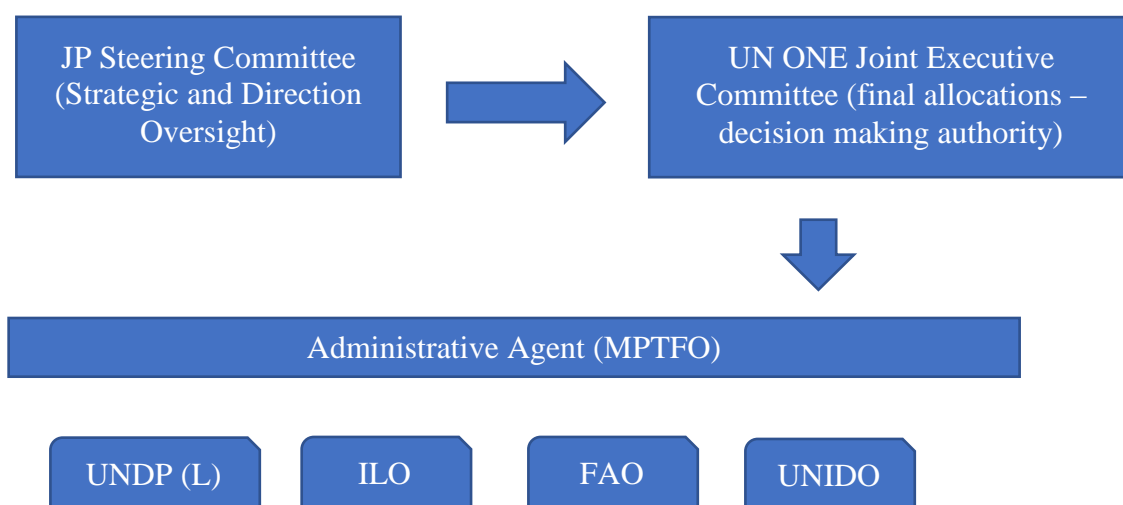
Each Participating UN Organization has programmatic and financial responsibility on the use of funds allocated from the SDG Acceleration Fund. The funds for the implementation of the JP will be allocated through the UN Albania SDG Acceleration Fund structure using the pass-through fund management modality.

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 Administrative Agent (AA), the funds assigned to these organizations under the Programme 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 Administrative Agent 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 programme 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



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## VII. Monitoring, evaluation, and reporting

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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 (30 April) after the end of the project implementation year (start date: April 2022), and must include the result matrix, updated risk log, project expenditures and results for the funding period.
- **Final consolidated narrative report**, after the completion of the joint programme, to be provided no later than two (2) months after the operational closure of the activities of the joint programme.

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 programme, with the involvement of Joint SDG Fund Secretariat to which it must submit data and information when requested.

As a minimum, joint programmes will prepare, and submit to the Joint SDG Fund Secretariat, 6-month monitoring updates. Additional insights (such as policy papers, value for money analysis, case studies, infographics, blogs) might need to be provided, per request of the Joint SDG Fund Secretariat. Joint programme will allocate resources for monitoring and evaluation in the budget.

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 Administrative Agent 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 31<sup>st</sup> December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four months after the end of the applicable reporting period; and
- 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 30 April of the year following the operational closing of the project activities.

In addition, regular updates on financial delivery might need to be provided, per request of the Fund Secretariat. After completion of a joint programme, 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 programme, it will be the responsibility of PUNOs to pay for the final, independent evaluation from their own resources.

The joint programme will be subjected to a joint final independent evaluation. It will be 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 programme.

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 programme'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.

## Joint Programme Monitoring Framework

Expected Results (Outcomes and Outputs)	Indicators (with baselines and indicative timeframe)	Means of verification	Collection methods (with indicative timeframe and frequency)	Responsi bilities	Risks and assumptions
Increased awareness and understanding of SDG positive business practices and sector review to support roadmap for SDG/EU green agenda opportunities	# of private sector entities exposed to SDG positive business practices  Baseline: No available data	- Prepare 1 stocktaking report on the current status of initiatives in both sectors.  - Prepare 1 roadmap that will show steps needed to adapt the EU Green Agenda and its 5 pillars.	- Desk review, research,  - Focus groups	<i>PUNOs</i>	Assumptions <ul style="list-style-type: none"> <li>• There is political and policy commitment for economic diversification and green growth, in line with the European Green Deal</li> <li>• There is increased recognition among the private sector representatives on the</li> </ul>



<p>Private sector businesses are aware of Economic, Social and Governance (ESG) benefits of adopting Sustainable Development Goal (SDG) principles and practices.</p>	<p># number of private sector entities that demonstrate the integration of ESG principles and SD into their business models.</p> <p># of B2B events</p> <p># of companies participating</p> <p>Baseline: 0</p>	<p>- 1 conference to raise awareness,</p> <p>- B2B events</p> <p>- SDG business pioneers' program</p>	<p>- 3 roundtables to introduce practices, approaches, and tools for operationalizing the SDGs in business models.</p> <p>- B2B events</p>	<p><i>PUNOs</i></p>	<p>importance of moving to circular economy and managing natural resources more sustainably.</p> <ul style="list-style-type: none"> <li>• Business partners actively participate in the activities - roundtables, focused group discussions, and interview - and data and information is sufficiently collected for developing the roadmap.</li> <li>• Albanian business partners are interested in exploring the partnership opportunity within and beyond Albania.</li> </ul>
<p>Design schemes to introduce Economic, Social and Governance (ESG) benefits of adopting Sustainable Development Goal (SDG) principles and practices in two sectors</p>	<p># Criteria for the challenge funds in the two targeted sectors</p> <p>Baseline: 0</p>	<p>- Project documentation</p> <p>- Challenge fund scope and terms of reference</p>	<p>- International expertise</p> <p>- Consultations</p> <p>- Promotion materials</p>	<p><i>PUNOs</i></p>	<ul style="list-style-type: none"> <li>• Potential Swedish partnerships and expertise are available to participate in the project activities and willing to share experience and to explore the partnership.</li> </ul> <p>Risks:</p> <p>COVID: during this pandemic, several times events were cancelled, and this is still a risk. Measures will be taken to move them online.</p>

					<ul style="list-style-type: none"><li>• Local elections in May 2023 may have an impact on the project's normal activities, given that elections in Albania typically slow down engagement with the government.</li><li>• Albanian businesses have limited knowledge and experience on SDGs. Although they do have in place certain sustainable practices, the challenge will be to put them under the framework of SDGs and make them financially attractive.</li><li>• Nonresponsive or slow to respond government may halt progress. To mitigate this, the Ministry for the Protection of Entrepreneurship will be made an official partner.</li><li>• Little interest shown by businesses may hinder progress. To mitigate this, an alliance will be made with their chambers or representative organizations, and we will work with businesses that have shown interest to participate.</li></ul>
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## VIII. Legal context or basis of relationship

The Implementing Partners agree to undertake all reasonable efforts to ensure that none of the funds received pursuant to this Joint Programme are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by Participating UN organizations do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.Htm>. This provision will be included in all sub-contracts or sub-agreements that will be entered into under this programme document.

Participating UN organisation	Agreement
UNDP	This Joint Programme Document shall be the instrument referred to as the Project Document in Article I of the Standard Basic Assistance Agreement between the Government of Albania and the United Nations Development Programme, signed by the parties on 17 June 1991.
ILO	This Joint Programme Document shall be the instrument referred to the Decent Work Country Program 2017-2021 signed by the Government of Albania, the ILO and Workers' and Employers' Organizations on 26 April 2017.
FAO	This Joint Programme Document shall be the instrument referred to as the Project Document in Article I of the Standard Basic Assistance Agreement between the Government of Albania and the United Nations Development Programme, signed by the parties on 17 June 1991 and FAO Country Programme Implementation framework.
UNIDO	This Joint Programme Document shall be the instrument referred to as the Project Document in Article I of the Standard Basic Assistance Agreement between the Government of Albania and the United Nations Development Programme, signed by the parties on 17 June 1991 and UNIDO Country Programme Implementation framework.

## IX. Work plans and budgets

### Work Plan for: Business Partnerships and Solutions for SDGs

Period: January – December 2022<sup>3</sup> => September 2023

December 2022 UPDATE

<sup>3</sup> Annual Work plans cover not more than a 12-month period. However, usually at the start-up of the programme, these may cover less than one year. In both cases, the corresponding period should be specified.

<sup>16</sup> When CSOs/NGOs are designated Implementing Partners, they do not sign this Work Plan. Each participating UN Organization will follow its own procedures in signing Work Plans with CSOs/NGOs.