

1. Development Cooperation Objective for Albania
 - a) Since the collapse of the communist regime in the early 1990s, and following the democratization of Eastern European countries, Albania has shifted from a policy of isolation to a policy of opening and has developed to the level of a medium advanced country (GNI per capita : US\$ 6,100 in 2021). Albania's economy is heavily dependent on exports to the Eurozone and remittances from migrant workers, and tends to be affected by the economic situation of Eurozone countries. Despite Albania experienced temporarily large negative economic growth in 2020 due to the Europe-wide spread of COVID-19, Albanian economy recovered to a positive growth in 2021.
 - b) Since the adoption of a policy of opening, the population has moved from rural to urban areas, and rapid urbanization has led to widening economic disparities between urban areas including the capital city of Tirana and rural areas. In addition, the emphasis on improvement of economic and social infrastructure has led delays of measures to be taken in environmental area. The preservation of natural environment and the improvement of living standards become thus urgent issues to be dealt with.
 - c) EU accession is Albania's top priority agenda, after having become an EU candidate country in 2014 and started EU accession negotiations in 2022. Albania is now working to strengthen measures against organized crime and for the rule of law in the areas of justice and governance under the assistance of the EU. In the environmental field, where measures are needed to meet the EU environmental standards, assisting Albania by utilizing Japan's advanced technology and a wealth of knowledge, will not only be beneficial to Albania, but also lead to a greater recognition of Japan's cooperation.
 - d) The "National Strategy for Development and European Integration 2022 – 2030 (NSDEI 2030)" is closely linked to the UN Sustainable Development Goals (SDGs), in particular Goal 3 "Good Health and Well-being", Goal 7 "Affordable and Clean Energy", Goal 8 "Decent Work and Economic Growth", and Goal 9 "Industry, Innovation and Infrastructure"
 - e) In 2018, Japan launched the "Western Balkans Cooperation Initiative" to support economic and social reforms and inter-regional reconciliation, as well as cooperation among six countries in the Western Balkans region, including Albania. Under this initiative, ODA to Albania is an important tool for promoting good bilateral relations and contributing to the establishment of peace and security in the region and in Europe as a whole.
 - f) The widespread of COVID-19 has exposed the fragility of the health and medical system in Albania. Thus assistance that contributes to strengthening the health and medical

system in Albania which has urgent and high humanitarian needs, will contribute to strengthening Japan's presence in Albania and further strengthening bilateral relations.

2. Basic Policy of Japan's ODA :

Supporting Balanced and Sustainable Economic Development

As Albania focuses on administrative reform, human resource development, economic development, and regional development while balancing economic growth and environmental protection, Japan will cooperate in stabilizing the country's economic and social infrastructure for sustainable national development, focusing on areas where Japan has a comparative advantage in utilizing its advanced technologies and a wealth of knowledge. In the implementation of Japan's ODA, it is important to formulate and implement projects in line with the NSDEI 2030, which was established in consideration of consistency with the SDGs.

3. Priority Areas

a) **Environment**

For the creation of a sustainable country, Japan will cooperate in strengthening its efforts for management and conservation of natural environment, water and waste management, and disaster prevention, making full use of its advanced technologies and expertise in the said areas. It will also develop human resources in these fields.

b) **Balanced Development**

Japan will cooperate in efforts to reduce disparities in economic and social services between urban and rural areas. Cooperation will be also provided for the economically and socially vulnerable residents in rural areas, particularly in the areas of livelihood improvement, health and medicine, education, and tourism, as well as in the provision of public services needed by the rapidly growing urban population.

4. Note

- a) Considering measures to be taken for environment and climate change on which Japan places importance, a collaboration with international organizations is to be considered. Close communication will be maintained between the government authorities of Albania and their Japanese counterparts so that various schemes and methods can be combined and coordinated as appropriate for the strategic management, achievement of high level effectiveness and its highly efficient implementation of ODA.
- b) In considering ways to achieve high synergy effects, attention should be paid to the possibility of using non-ODA measures and resources (expertise and technology) of

private sectors and research institutions.

- c) As EU accession negotiations progress, support from the EU and EU member states is increasing. Japan will strengthen cooperation with EU and its relevant cooperation organizations in order to avoid duplication of such support and to formulate projects with synergistic effects.
- d) In view of the decision of the Japan–Visegrad meeting in 2019, to strengthen cooperation in support of the Western Balkans, Japan will strengthen its cooperation with the V4 countries.