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# BACKGROUND INFORMATION

## Partner country

Republic of Albania, Ministry of Defence

## Contracting authority

Ministry of Defence of Albania, Project TO BE READY - IPA CBC Italy-Albania-Montenegro 2014-2020

## Country background

Albania is a disaster-prone country. The four main hazards affecting the country are earthquakes, floods, forest fires and landslides. The International Disaster Database (EM-DAT) shows that, during 1979-2019, floods accounted for the major share of disaster events (38%), followed by earthquakes (15%). According to the annual World Risk Report (BEH-IFHV, 2021), which calculates the Disaster Risk Index for 181 countries based on exposure, susceptibility, vulnerability and coping and adaptive capacities, Albania ranks first in Europe and 61st the world and in Europe only three out of 40 countries are in the group countries with very high exposure: the Netherlands, Greece, and Albania. The potential losses in Albania from a disaster with a 250-year mean return period are estimated at EUR 2.08 billion for earthquakes and EUR 1.18 billion (145.2 million ALL) for floods. Albania is at high risk of forest fires, particularly in the dry summer season. More than 95% of fire events are small (less than 100 ha burned) and account for more than 40% of the total burned area, while big events are relatively rare (5% of the total burned area). Albania is characterized by land instability caused by natural and anthropogenic factors. 33.6% of its territory is relatively stable, and 9.8% is unstable (UNDP, 2003).

In order to increase the response and address the situation, the Ministry of Defence is implementing the TO BE READY project financed under Interreg IPA CBC Italy-Albania-Montenegro, which aims at facing common challenge shared among Italian, Albanian and Montenegrin Adriatic regions which, in the last years, are hit by various natural and man-made disasters mainly many wildfires and floods that have caused notable human losses, damages to environment and infrastructures than social warning. To this regard, the project overall objective is to enhance conditions to increase the safety of the Italian, Albanian and Montenegrin basin from natural and man-made disaster implementing cross border initiatives able to establish a bridge among participating regions in order to adopt common intervention strategies in case of wildfires and floods. The principal expected changes to be achieved is improving coordination and level of preparation of strategic key actors involved in the phase of prevention and management of the emergency in case of fires and floods hazards. The main output produced by the project will be the promotion of a shared model of prevention and intervention to be activated in the partner countries. The model will be developed through activities able to stimulate the exchange of experiences and know-how among the participants in the participating countries, the establishment of intervention models and training programs with specific sessions on the organization, protocols and procedures applied in the countries of the middle Adriatic basin, in order to facilitate the easy and safe transfer of facilities, men and materials in case of major events. The cross border approach is compulsory and represents a significant added value for the project and is related to the peculiarities of the different territories involved and different ways of prevention and intervention in case of fires and floods that integrated will certainly contribute to the development of a winning operational model.

## Current situation in the sector

The disaster events in recent years showed that there is an urgent need to strengthen disaster preparedness and risk management capabilities, to adopt appropriate response systems and procedures, and to improve the institutional capacity for coordination and interaction between disaster risk management public levels of government, as well as with private ones and civil society actors.

On July 18, 2019, the Albanian parliament approved Law no. 45, "On Civil Protection", in full compliance with the Sendai Framework for Disaster Risk Reduction, as it approximates a number of EU directives and decisions, and will help meet the conditions for Albania's membership in the Mechanism of EU Civil Protection.

The MOD in the field of civil protection have the responsibilities of defining the strategic directions and objectives of the National Civil Protection Agency and also developing and overseeing the implementation of disaster risk reduction and civil protection policies.

The National Strategy on Civil Protection (CP) and Disaster Risk Reduction (DRR) is a draft document not yet adopted by the GoA, but the Agency with other Albanian institutions are working on that. However, the main principles are contained in the National Strategy for Development and Integration 2015-2020 (DCM 348/2015).

The new law established the National Civil Protection Agency (NCPA), under the Ministry of Defence (MoD). This function was previously handled by the General Directorate of Civil Emergencies part of the structure of the MoD. The law provides a solid framework for promoting disaster risk reduction and requires preparation of a disaster risk assessment at both the national and local levels within two years of its approval. It also requires preparation and adoption of national and municipal DRR strategies, as well national and local Civil Emergency Plans, with special attention given to gender, and marginalized and other vulnerable groups. However, sub-laws, strategies, plans and activities at national, regional and municipal levels still need to be harmonized with the new law. The National Civil Emergencies Plan (DCM 835/2004) and the Disaster Hazard Assessment in Albania (UNDP, 2003) are still in use.

* 1. **Related programmes and other donor activities**

The MOD and the National Civil Protection Agency are involved in different programs, projects and initiatives financed by EU, World Bank etc., as below:

In implementation process:

* TO BE READY Project, in the framework of IPA CBC Italy-Albania-Montenegro
* FIRE PREP Project, in the framework of the IPA CBC Greece-Albania.
* PRONEWS Program that was implemented by a consortium leaded by the Italian Civil Protection Department and will be finalized within February 2022, aiming to support Albania in the improvement of the flood prevention system and early warning. The final work consists on the rehabilitation of 27 hydro-meteo stations that will improve the early warning system.
* IPA FF, EU Support to Flood Prevention and Forest Fires Risk Management in the Western Balkans and Turkey.

Finished:

* Albania Disaster Risk Mitigation and Adaptation Project 2009-2013 aiming to increase the overall capacities of Albanian civil protection system, World Bank loan;
* Multi beneficiary Programmes IPA CP I and II “Cooperation in Civil Protection with candidate and potentially candidate countries” aiming to increase the Albanian civil protection capacities in the central and local level;
* “Program for the Prediction, Prevention and Mitigation of Forest Fire and Flood Risk in Albania” aiming to strengthen the Albanian National System for the prediction and prevention of forest fires and flooding;
* “ADRIARadNet project (ADRIARadNet “ADRIAtic integrated Radar-based and web-oriented information processing system NETwork to support hydro-meteorological monitoring and civil protection decision”)”
* “Disaster Inventory Management System: DesInventar”, aiming to develop the national disaster databases for Albania.
* “IncREO - Increasing Resilience through Earth Observation” aiming to provide actors responsible for civil protection and disaster management with Earth Observation based solutions contributing to an improved preparedness and mitigation planning for areas highly vulnerable to natural disasters and already noticeable climate change trends;
* “IPA FLOOD- Prevention, preparedness and response to floods in the Western Balkans and Turkey” aiming to improve measures for coordinated preparedness for response by neighboring countries, including through cooperation with the Union Civil Protection Mechanism, and integrated flood risk management – encompassing prevention – as approached at EU level;
* “IPA Disaster Risk Assessment and Mapping” aiming to enhance the abilities of the beneficiaries to ensure a proper risk management in national, regional and EU level.

# OBJECTIVES & EXPECTED OUTPUTS

The TO BE READY project aims at facing common challenge shared among Italian, Albanian and Montenegrin Adriatic regions which, in the last years, are hit by various natural and man-made disasters mainly many wildfires and floods that have caused notable human losses, damages to environment and infrastructures than social warning. To this regard, the project overall objective is to enhance conditions to increase the safety of the Italian, Albanian and Montenegrin basin from natural and man-made disaster implementing cross border initiatives able to establish a bridge among participating regions in order to adopt common intervention strategies in case of wildfires and floods. The principal expected changes to be achieved is improving coordination and level of preparation of strategic key actors involved in the phase of prevention and management of the emergency in case of fires and floods hazards.

This project is implemented by Molise Region (Department of Civil Protection) in Italy - Project Leader, Puglia Region (Civil Protection Unit) in Italy; Ministry of Defence (AKMC) of Albania; Ministry of Interior (Department of Civil Emergencies) of Montenegro and Ministry of Interior of the Republic of Albania - Associate Partner.

For effective continuation of activities and performance of the project from Albanian side it is foreseen the contracting of an verifier/audit to insure the expenditure verifications of the project To Be Ready in terms of deadlines achievements, all documents required for the procedures done from May 2022 and ongoing, and also cover the verification of expenditure incurred under the Project financed contracts on the cover sheet between the selected operator (contractor) and the Contracting Authority (Ministry of Defence).

## Overall objective

The overall objective (Impact) to which this action contributes is:

The expenditures verifications for the project To Be Ready.

## Specific objective(s)

The specific objective (Outcome) of this contract are as follows:

* to carry out the agreed-upon procedures
* to issue reports which will support the Contracting Authority's conclusions on the eligibility of the reported expenditure and the related follow-up

## Expected outputs to be achieved by the contractor

The expected outputs of this contract are as follows:

* *Desk Review or Field Work*: Engagement Context, Materiality, Risk Analysis, Sampling
* *Debriefing Memo and Closing Meeting:* The Expenditure Verifier should prepare a debriefing memo, organize a closing meeting with the CA in order to discuss the findings, obtain its initial comments and agree on additional information to be provided at a later date
* *Verification Report:* Key information about the testing process
* *Reports:* If the verification scope covers Financial Reports related to different Contracts, a separate and specific report should be issued for each Contract. The report should provide basic information about the Contract and should describe the outcome of the risk analysis and its implications on the sampling. The report should also give an overview of the substantive testing and fully disclose the information regarding the items included in the expenditure population and in the sample. The report should finally detail the findings identified through the performance of the agreed-upon procedures.
* *Expenditure Verification Findings and Recommendations*: The verification report should include all financial findings made by the Expenditure Verifier, regardless of the amount involved. Changes in the financial findings occurring between the draft and final report as a result of the consultation procedure should be clearly and sequentially reported.

# ASSUMPTIONS & RISKS

## Assumptions underlying the project

N/A

## Risks

The Expenditure Verifier should pay specific attention to the contractual provisions relevant for the following aspects:

* + documentation, filing and record keeping for expenditure and income;
  + eligibility of expenditure and income;
  + procurement and origin rules insofar as these conditions are relevant to

determine the eligibility of expenditure;

* + asset management (management and control of fixed assets; e.g. equipment).
  + cash and bank management (treasury);
  + payroll and time management;
  + accounting (including the use of exchange rates) and financial reporting of

expenditure and income; and

* + internal controls and notably financial internal controls.

# SCOPE OF THE WORK

## General

### Description of the assignment

The scope of the contract is to regulate the responsibilities, financial remuneration, deadlines and terms of services between the selected operator (contractor) related to the verification of expenditures for the To BE Ready project and the Contracting Authority (Ministry of Defence).

### Geographical area to be covered

Tirana, Albania

### Target groups

Beneficiaries will be the responsible authorities from the Albanian side for the implementation of the To Be Ready project.

## Specific work

* Desk Review/Field Work;
* Preparation of informative materials for the Contracting Authority related to the findings and organised work;
* Verification Report;
* Specific Reports for each of the verified contracts,
* Expenditure Verification Findings and Recommendations related to the financial findings.

The contractor must also comply with the Communication and Visibility Requirements for European Union External Actions laid down and published by the European Commission. (See <https://ec.europa.eu/international-partnerships/comm-visibility-requirements_en> ).>

## Project management

### Responsible body

Ministry of Defence of the Republic of Albania (Contracting Authority) and the National Civil Protection Agency.

### Management structure

As the General Secretary of the Ministry of Defence is the legal Representative of the TO BE READY project, he is also the authority where the expert should report about its activities and their plan of implementation.

The National Civil Protection Agency is another responsible structure for this project, and all the activities should be implemented based on mutual consultation

### Facilities to be provided by the contracting authority and/or other parties

The contractor should accomplish its tasks in its own facilities

# LOGISTICS AND TIMING

## Location

Ministry of Defence of the Republic of Albania, Tirana.

## Start date & period of implementation of tasks

The intended start date is 18 August 2022 and the period of implementation of the contract will be until the closure of the project. Please see Articles 19.1 and 19.2 of the special conditions for the actual start date and period of implementation.

# REQUIREMENTS

REQUIREMENTS

* **General requirements**

* At least 6 years of professional experience in auditing verification field;
* Has the experiences of conducting audits of at least one company classified as Public Interest Companies (PICs) which might include a complex economic activity.
* The daily Expenditure Verifier's activity, in addition to legal audits, should also include other professional services that demonstrate in-depth professional knowledge and expertise to a close relationship with understanding and implementation of the relevant legislation.
* Has sufficient ongoing (at least 1 expert) staff resources and expertise to be able to handle the proposed contract;
* The Expenditure Verifier is a member of a national accounting or auditing body or institution which in turn is a member of the International Federation of Accountants (IFAC).
* The Expenditure Verifier is registered as a statutory auditor in the public register of a public oversight body.
* Has implemented at least 1 contract with a public body with a value of at least 50% of this tender contract.

### Key experts

N/A

### Other experts, support staff & backstopping

N/A

## Office accommodation

Office accommodation for each expert working on the contract is to be provided by the contractor

## Facilities to be provided by the contractor

The contractor shall ensure that experts are adequately supported and equipped.

## Equipment

**N/A**

# REPORTS

## Reporting requirements

The contractor will submit the following reports in English.

* **Inception Report** of maximum 12 pages to be produced after one week, from the start of implementation. In the report the contractor shall describe e.g. initial findings, progress in collecting data, etc. The contractor should proceed with his/her work unless the contracting authority sends comments on the inception report.
* **Draft final report**, this report shall be submitted no later than one month before the end of the period of implementation of tasks.
* **Final report** with the same specifications as the draft final report, incorporating any comments received from the parties on the draft report. The deadline for sending the final report is 5 days after receipt of comments on the draft final report. The report shall contain a sufficiently detailed description of the different options to support an informed decision on. The detailed analyses underpinning the recommendations will be presented in annexes to the main report. The final report must be provided along with the corresponding invoice.

## Submission and approval of reports

The report referred to above must be submitted to the project manager identified in the contract. The project manager is responsible for approving the reports.

# MONITORING AND EVALUATION

## Definition of indicators

The monitoring will be carried out by the working group established with the Order of the Minister of Defence, no 33, dated 14.1.2022, a composite group from staff from MOD and NCPA and will be based on the quantitative and qualitative evaluation of the realization of the tasks that are set in the sections above.

## Special requirements

N/A