

# governmentdonor*dialogue*

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A Joint Effort of the Department of Strategy and  
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Photo: Meeting of the World Bank Vice President for Europe and Central Asia, Philippe Le Houérou with Prime Minister Berisha, during his visit to Albania on 12-16 January 2010

## World Bank Vice President for Europe and Central Asia visits Albania

Philippe Le Houérou, World Bank Vice President for Europe and Central Asia, visited Albania on 12-16 January 2010, accompanied by Jane Armitage, Country Director and Regional Co-ordinator for Southeast Europe, to launch discussions and consultations on the new Country Partnership Strategy.

During his visit, he met with the President, the Prime Minister and members of Cabinet, the Governor of the Bank of Albania, the leader of the opposition, and representatives of civil society, private sector and international community. He also visited a number of World Bank-supported projects. "The rapidity at which Albania converted from being one of the poorest countries in the region to a middle-income country is really amazing. Your catch-up is historical, and you can be very proud of the development trajectory during the last 19 years," he said. "Coming after over four decades of dictatorship and isolation, the country rebounded with strong and

sustained growth and dramatic improvements in social welfare. Income has tripled since 1991, and just in the last six years, poverty has been reduced by 50 percent. These remarkable achievements are the product of continuous structural reforms in building up Albania's market institutions," he stressed. "For the World Bank, Albania is our European success story for IDA support," said Mr Le Houérou. "I personally used this success story in my previous job, when I was leading the negotiations with donors to replenish IDA over the past six years."

He visited a wholesale agricultural market in Lushnja funded by the Agricultural Services Project, a secondary road in Berat which is part of Secondary and Local Roads Project through which the Bank has helped to mobilize a programme of over USD 300 million of parallel financing for investment in rural roads. He also visited the Vlora Power Plant, co-financed by the Bank, EBRD, and EIB.

He toured the area affected by the severe flooding in Northern Albania, where he remarked that Albania is one of the countries in Europe most affected by climate change and how important it was for Albania to prepare to mitigate extreme weather events. "We are launching the preparation of a new Country Partnership Strategy (CPS) with Albania for 2010 to 2013, and look forward to a strong and fruitful partnership as Albania advances on the path to EU accession," said Le Houérou in an interview with the Voice of America. "We have supported many other countries as they walked a similar path and believe we can offer Albania the benefit of those experiences," he said.

The Government encouraged the Bank to focus the new CPS on a few large programmes and capitalize on its ability to mobilize other development partners around critical reform agendas.

## In this issue

- **Government and donor community in their efforts to overcome floods crisis**
- **Austria announces further support to Albania through "One UN Programme"**
- **USAID Opens New Agriculture Information Office**
- **First research and demonstration Wastewater Treatment Plant in Albania**
- **Support to the Reform of Vocational Education**
- **IPA joint mission on IPA Decentralized Management**
- **Albanian media launch self-regulatory body**
- **Meetings of the Sector Working Groups**

## A message from the DSDC Director

*Dear readers,*

It is a pleasure for me to address you through the January 2010 issue of Government Donor Dialogue newsletter.

Since its first edition in November 2006, this publication has been an important instrument in keeping donors and the Government stakeholders informed on external aid management activities in Albania. This publication has developed through the increasing role played by the Government. I am proud to announce that further improvements are envisaged. For the first time, the newsletter is being published in Albanian language, aiming at enlarging its audience. A new section of editorials is also being introduced that will serve as a podium for all partners to raise issues and communicate own stories.

This newsletter is one from several outputs in a series of joint work by the DSDC and DTS. External Assistance Progress Report and the Harmonization Action Plan are only a few to be mentioned. Other processes like assessing and using public country procurement, NSDI and Strategy monitoring and Impact assessments are ongoing, while the launch of next OECD/DAC survey will require further commitment.

I would also like to highlight our joint efforts for implementing the Integrated Planning System. I am glad to note today that our combined efforts were worth it! We now witness the fact that donor co-ordination has gone through cycles of institutional improvements. External aid coming to Albania is now better planned and aligned with Government strategic frameworks as well as the medium term budget programme. We have now established structures and means for regular information exchange. Modelling and embracing Fast Track Initiative on



Division of Labour is a further step forward where the co-ordination moves beyond talking about individual projects toward establishment of common frameworks based on programme and sector wide approaches.

The DSDC remains fully committed to drive this process forward. The design and operationalisation of the Integrated Planning System Information System and the External Assistance Management Information System linked with the MTBP and Treasury systems, aimed at facilitating archiving and exchange of data among all actors, are our challenges ahead.

Development co-operation remains a priority for all of us in our joint endeavour of bringing Albania closer to the 'EU family'. I would like to use this opportunity to thank and encourage you to continue on the same path our fruitful co-operation and let the Government Donor Dialogue newsletter be the messenger of this mission.

*All the best!*

**Valbona Kuko**  
DSDC Director





Photo: Prime Minister Berisha inspecting flooded area of Dajc in Shkodra, 5 January 2010

## Shkodra floods - Government calls for action and donors respond

In January 2010, Albania experienced a critical situation of floods in Shkodra district due to continuous heavy rainfalls since late December, accompanied by intermittent snow melting from Drini River surrounding highlands. The Government has made several appeals to the local population to evacuate and, despite the reluctance from some inhabitants; over 4,000 persons were evacuated resulting in no fatalities. An ad-hoc Inter-Ministerial Civil Emergency Committee was established to provide overall coordination of the situation. On 13 January 2010, during the Government meeting that took place in Shkodra, Prime Minister Berisha pledged Government support to the flooded areas in order to swiftly overcome the repercussions of this disaster. The Government took also measures to liaise with the international community to formulate government needs for assistance. On 7 January 2010, the Deputy Prime Minister Ilir Meta and Minister of Economy, Trade and Energy, called a meeting with International community representatives to inform them about the situation and to request further assistance. At the request of the Government, on 7 January 2010, the European Commission activated the Community Civil Protection Mechanism. The Civil

Protection Mechanism's Monitoring and Information Centre (MIC), based in Brussels, deployed a team of experts from Austria, Germany, the Netherlands, Greece, and Slovenia, to assist the Government with the assessment of relief needs and the co-ordination of incoming assistance. In agreement with the UN Office for the Co-ordination of Humanitarian Affairs, a Danish expert of the UN Disaster Assessment and Co-ordination joined the Team as associate member. The Team worked closely with the Deputy Minister of Foreign Affairs, Selim Belortaja and the Deputy Minister of Interior, Ferdinand Poni. The assessment by the EU-MIC team began on 10 January and focused on the situation of the flooded area, on the hydro-power plant dams on Drini River and the disaster response management in Shkodra by giving also follow-up recommendations. Upon arrival of the EU led Emergency Needs Assessment Mission, a meeting with development partners was called by the DTS to assess what has been and will be offered in terms of donor assistance. In support of the Government efforts, the DTS proposed to create an ad-hoc working group. The group will work in co-operation with the Government institutions leading the recovery efforts.

## IPA joint mission on IPA Decentralised Management

On 18-19 January 2010, an IPA joint mission composed of EU Directorates of Enlargement, Regional Policy, Employment, Agriculture and Rural Development visited Tirana and held meetings with the Government. The aim was to discuss with senior Government officials the progress made relating to decentralized management of IPA funds for components 3, 4 and 5 respectively regional, human and rural developments. On 18 January 2010, senior level meetings took place, where EC representatives informed the Government about the steps to be taken, objectives and structures as well as challenges in implementing IPA components 3, 4, 5. The meetings on the following day took place in the respective ministries where they discussed the convergence of stances, as well as exchange of information at technical level for the preparation of IPA's components. The mission gave clear recommendations to be pursued in general by the Government and more specific proposals on each component.

Photo: Hundreds of men, women and children in Shkodra have received U.S. aid through the Albania Red Cross (ARC) relief operation that began on 13 January 2010. Families receive blankets, food, hygiene kits, and other emergency relief supplies to help mitigate losses from the severe flooding in northern Albania.



## Donor community assist Albania in overcoming floods crisis

### Assistance from Austria and France

On 11 January 2010, the Ambassadors of Austria, and France, Florian Raunig and Maryse Daviet, in the company of the Head of EU Delegation to Albania, Ambassador Helmuth Lohan were present at Mother Teresa airport for the scheduled arrival of aid from their respective institutions. Austria donated 8 power generators, 5 high capacity pumps and France 11 high capacity pumps. "We extend our sympathies to the people that are suffering the effects of the floods that hit north-western areas of Albania in recent days. Member States of the European Union have once again demonstrated their solidarity with a country in a moment of crisis. Their quick reaction to Albania's call for help will undoubtedly contribute to combating the floods effectively and hopefully prevent further casualties," said Ambassador Lohan.

### USAID assists Albanians displaced from severe flooding in Northern Albania

In response to the emergency situation created by flooding in northern Albania,

the US Embassy donated 50,000 USD in emergency assistance to flood victims. USAID's Office of U.S. Foreign Disaster Assistance provided the funds to the Albanian Red Cross to purchase and distribute blankets, food, hygiene kits, and other emergency relief supplies.

### EU, US, and Spanish Ambassadors visit Shkodra to closely monitor the situation

On 14 January 2010, the Head of the Delegation of the European Union, Ambassador Helmuth Lohan, together with the President Bamir Topi, the Spanish Ambassador Manuel Montobbio and the Ambassador of the United States John Withers II, visited the villages of Obot and Ana e Malit, along with Ajasëm neighbourhood. Accompanied by the local authorities, the invited guests learned first hand about the situation and how aid was being delivered and co-ordinated. Ambassador Lohan also visited the government's Operations Centre in Shkodra Prefecture. Minister of Interior Basha and Ambassador Lohan discussed questions of deploying and co-ordinating relief assistance under the Community Civil Protection Mechanism.



Photo: EU, US, and Spanish Ambassadors visit Shkodra to closely monitor the situation





Photo: The contribution of the Italian Government for the flood-hit villages.

### The contribution of the Italian Government for the flood-hit villages

On 14 January 2010, a convoy of humanitarian relief supplies, donated by the Italian Co-operation, disembarked at the Durrës harbour and proceeded for Lezha. More than 40 tonnes of goods, including power generators, kitchen sets, blankets, water pumps, boats, tents and high energy biscuits, have been delivered. The delivery of relief supplies was complementary to the activities already undertaken by the Italian Cooperation in response to the emergency situation occurred in the Northern Albania. In fact, in the previous days two large transport helicopters with medicines and a team of experts coming from the Italian Civil

Protection had already been offered to the Albanian authorities. On 14 January 2010 the two helicopters transported the relief supplies, donated by Italy, from the Gjadër airport to some flood-hit villages.

### Austria announces further support to Albania through One UN Programme

Austria announced further funding in support of Albania's development and integration efforts through the United Nations. This is Austria's second contribution to Albania through "Delivering as One UN, and brings the total support for Albania

Photo: Austria Ambassador Florian Raunig and UN Resident Coordinator Ms. Gülden Türköz-Cosslett during the meeting of launching Austria aid through One UN Programme



## Albania Disaster Risk Mitigation and Adaptation Project

Following the flooding in Northern Albania, during late December 2009/early January 2010, the World Bank has offered to support the reconstruction and recovery needs assessment that identifies damage and losses by each of the sectors impacted by the floods. A World Bank Mission for the Albania Disaster Risk Mitigation and Adaptation Project, Post Disaster Reconstruction and Recovery Support visited the country on 27 January 2010. The aim of the mission was to have discussions with the Government, and Development Partners on support to the Government in framing the World Bank's programme for reconstruction, recovery as well as developing short and long term risk management.



Photo: USAID Program Officer, Mr. Sean Huff (centre) cuts the ribbon with President of the Agri-food Traders Union, Mr. Roland Hysa (left) and Deputy Minister of Agriculture, Mr. Tokli Thomai (right), at the entrance of the new Market Information and Trade Facilitation Office in Tirana. The office is one of several programs supported by USAID to improve the competitiveness of Albanian agribusinesses.

## Austria continues its support to the Reform of Vocational Education

A new Vocational Education & Training (VET) programme funded by the Austrian Development Cooperation (ADC) and implemented by Kulturkontakt was launched on 18 January 2010. This programme, amounting to Euros 800,000, aims to improve the quality and the relevance of vocational education towards the labour and business market. Developing proper school management plans, training of teachers and instructors, development of teaching materials as well as fostering the effective interaction between the economic schools and the business sector will be the main pillars of the planned interventions over the next four years. In line with the Albanian VET strategy and the ADC country strategy, this programme will enhance the capacities of various VET actors at the central, regional and local level through the development and delivery of labour market relevant vocational education and training. During this event a Memorandum of Understanding was signed between the projects partners, the Minister of Education, Myqerem Tafaj and the Austrian Ambassador in Albania, Florian Raunig.

to Euros 450,000. Minister of State, Genc Pollo, thanked Austria for this contribution, stressing the Government commitment to make the One UN pilot programme in Albania a success story: "It has enhanced the efficiency of the UN assistance here and we look forward to the UN reform which would benefit from the wide One UN pilot experience". Ambassador Raunig said "Austria as a member of UN and as a host country of UN, as one of the UN centres in the world, and as a reliable partner of Albania is proud to be part of this initiative. Delivering as One UN means delivering more and delivering more efficiently, greater ownership for the Government and a streamlined focus on UN measures and programmes providing a better life for Albanian people." "We appreciate Austria's contribution and commitment to our efforts to Deliver as One UN in Albania. This initiative has made the United Nations a more focused development partner, working more coherently with national and international partners to deliver efficient development assistance to Albania", said Ms. Gülden Türköz-Cosslett. The Austrian contribution is allocated to the One UN Coherence Fund, non-earmarked, in support of national priorities within the One UN Programme.

## USAID Opens New Agriculture Information Office

In January 2010, USAID launched a new initiative to support the development of Albania's agricultural markets. The new Market Information and Trade Facilitation Office, located in the Tirana Wholesale Market, will collect market data for some agriculture products, disseminate information regarding prices, identify the availability and market trends to wholesale traders, and facilitate sales transactions between farmers and wholesale traders. The office is expected to result in a major increase in sales transactions and reduce the reliance on imported fruits and vegetables. This initiative is part of a larger USAID effort to develop a market information system for the agriculture sector. In January 2009, USAID and the Ministry of Agriculture launched SITA (Information System for Trade and Agribusiness) that provides thousands of farmers and traders with daily wholesale and retail prices for 22 commodities from four major markets around the country. The information is sent through newspapers and the internet notifications and is also broadcasted throughout the day on two national television channels. SITA also produces weekly and monthly market analysis reports. The office is made possible from the Ministry of Agriculture, Food and Consumer Protection and the Agri-food Traders Union.





Photo: Inauguration of the wastewater treatment plant on 29 January 2010

### **First research and demonstration Wastewater Treatment Plant in Albania**

On 29 January 2010, the Minister of Public Works, Transport and Telecommunications, Sokol Olldashi, GTZ Country Director Ulrike Gantzer-Sommer and the German Ambassador to Albania, Bernd Borchard, inaugurated the treatment plant that will serve as a model for Albania for the small inhabited areas of 500 to 4,000 persons, which shall as well be used for research purposes. "Inauguration of this plant is a very good event for the sector, as this is a sector inheriting drawbacks from the past", said Olldashi. "We can say that five years ago we were nowhere, and here we are today; we have several waste water plants - we have in total designed 15 of them, which will serve to about 2 million inhabitants, mainly in the big areas. Through this Treatment Plant a special importance has been dedicated not only to the big urban centers, but also to the small communities having 500, 1000, 2000 or 4000 inhabitants, as the plant we are inaugurating today, which is a model and a very positive starting point that can be extended in the entire territory of the country, starting with villages of less population, and in particular with the zones located along the coastal area or in the alps, places that are considered as strong touristic potentials", he said. The project is of EU standards and complies with a sewage waste water reused philosophy. The Treatment Plant has a cost of Euros 60,000. This plant treats the waters of 500 inhabitants with a low operational cost of about Euros 500, needs one pump and only one person to operate it. Funds for building this treatment plant are allocated by the

German Government in co-operation with the Government through Ministry of Public Works, Transport and Telecommunications.

### **Sector Working Group on Statistics**

On 21 January 2010, the SWG on statistics organized a meeting to discuss the progress in the sector. Participants were given an update of the conclusions from the previous meeting of SWG on statistics and were informed about the latest developments on the CENSUS project. Donors contributing in the sector also made an overview of their progress, while DSDC presented a summary table of all projects, highlighting the investments done so far and the gaps to be fulfilled in the future. The new matrix on Fast Track Initiative on Division of Labour that defines clear roles and responsibilities among EU donors in each sector was also presented.

### **European Central Bank and the European Commission launch assistance programme on supervision for EU candidates**

On 19 January 2010 the European Central Bank (ECB) and the European Commission signed an agreement to implement a technical assistance programme for EU candidates and potential candidates. The aim is to strengthen macro and micro-prudential supervision in the Western Balkans and in Turkey. The programme, financed by the EU, will last for two years and cost €2.65 million. Within the framework of the programme,

## **International Consortium meeting on Information Management and Technology**

The International Consortium working group on Information Management and Technology held a meeting on 21 January 2010. Considering the number of information systems in the country and in compliance with NAIS strategy, it was agreed that there is a stronger need for a better co-ordination and for the strengthening of the role of the agency in order to address the problem of not-automated systems. The idea of smaller working groups (composed of donor and Government representatives) under the name Community of Interest Committees and to be headed by Technical Standards Committee (composed of ICITAP, State Police, NAIS and PAMECA) was discussed. Such groups would be ad-hoc and flexible to better deal with a specific issue. It was agreed that representatives from the Ministry of European Integration and Commissioner for Protection of Personal Data should join these groups.

the ECB, together with the national central banks (NCBs) of the euro area, will organise a technical assistance programme for the benefit of the central banks and supervisory authorities of Croatia, the former Yugoslav Republic of Macedonia, Albania, Bosnia and Herzegovina, Montenegro, Turkey, Serbia and Kosovo, under UN Security Council Resolution 1244. In the course of 2010, the ECB, together with the 14 participating euro area NCBs will organise an intensive regional training programme for 150 core supervisors from the beneficiary institutions. "The stability of the banking systems in the countries concerned is of utmost importance in achieving sustainable economic growth. Thus, the signing of the agreement strengthening micro and macro-prudential supervision in the Western Balkans and Turkey is instrumental in tightening and facilitating cooperation among all the institutions involved. In this way we also support the efforts of the countries concerned to keep their EU integration processes on track during the economic crisis", stated Olli Rehn, Commissioner for Enlargement.



### Albanian media launch self-regulatory body

The Albanian Media Club, the first self-regulatory body for media in Albania held its inaugural meeting and signed a foundation act in an event organized by the OSCE Presence in Albania on 27 January. The Club will seek to define and promote interests of journalists, media owners and managers through wide-

ranging stakeholder consultations. An additional objective of the media body is to strengthen the Albanian media's capacity to develop into an independent professional environment meeting high professional standards. The establishment of the Albanian Media Club was facilitated by a project carried out by the Presence and the Tirana Office of the German Friedrich Ebert Foundation, with funding from the European Union Delegation to Albania. ■

## In-country Missions

### World Bank

**Financial Management and Fiduciary Review Mission, 18 January to 5 February 2010:** The aim of the mission was to assess adequacy of financial management, disbursement and procurement arrangements on selected projects under the ongoing Country Portfolio Fiduciary Review and to complete the review. In addition, the mission also conducted the capacity assessment of audit firms interested in auditing Bank and donor funded projects.

**World Bank Financial Sector Mission in the Context of the New Country Partnership Strategy (CPS), 25-27 January 2010:** The World Bank began discussions with the Government for the preparation of the new CPS. The aim of the mission was to discuss with the banking and

financial sector supervisory authorities, namely Bank of Albania and the FSA, as well as with the Ministry of Finance, the macroeconomic situation, the

impact of the financial crisis, take stock of achievements so far and to discuss future priorities and potential areas for assistance in the new programme.

## governmentdonor**dialogue**

As of 15 November 2009 until 15 May 2010, the OSCE Presence in Albania will be the Chair of the Donor Technical Secretariat.

Any comments regarding Government-Donor Dialogue (both positive and negative) are strongly encouraged!

From January 2010 Government-Donor Dialogue will be available in both English and Albanian language.

### Want to contribute?

If you would like to contribute, send your text to the DTS ([nevila.como@aidharmonisation.org.al](mailto:nevila.como@aidharmonisation.org.al)) or the DSDC ([agerxhani@km.gov.al](mailto:agerxhani@km.gov.al)) by the 5th of every month. An ideal word count for submissions is around 100 words.

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Each edition will be sent to you on the 15th of every month.

### Who are the donors in Albania?

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