

**Government-Donor round table**  
**4 June 2010, 09:30h**  
**Sheraton Illyria Ballroom**  
**Opening Remarks from Mr. Genc Pollo, Minister for Innovation and ICT**

Colleague Ministers,

Excellencies Ambassadors, donor representatives,

Distinguished guests and participants,

On behalf of the Government of Albania, I would like to welcome and thank you all for participating in this very important forum. It has been six months since our latest regular Government Donor Roundtable in November last year. Our meeting today provides another opportunity for comparing notes and generating further valuable recommendations for both the government and partners toward aid effectiveness in the country.

Let me start by briefly updating you on the progress made by the Government in reforms undertaken aiming at development and European integration of the country.

The European perspective remains the main strategic focus for Albania and in this light significant events have occurred during this year. Following the application for EU membership last year and submission of the Questionnaire to us, tremendous work has been done to answer it in a timely and qualitative way.

The recent proposal by the European Commission to waive the short-term Schengen visa requirement for Albania is a major historical step for every Albanian citizen. This is a result of the hard work by the Government in reaching every benchmark leading to this decision. I would assure you furthermore that we will work equally hard to reach the remaining benchmarks.

In this regard, intensive work has been done to draft the strategy for the reintegration of Albanian returnees, which has been widely consulted with the civil society and the donor community at large and will be adopted by the Council of Ministers by mid June.

The recommendation about the strengthening of law enforcement capacities and the effective implementation of a legal framework for fighting organized crime and corruption, including the allocation of adequate human and financial resources, is being tackled already. The same can be said about the effective implementation of the legal framework in the area of the confiscation of organized crime assets.

Regarding the financial and economic situation, I am pleased to emphasise that the measures taken by the Government, and the huge investments in infrastructure, with the latter accounting

for 10% of the GDP and a relatively limited exposure of our banking system to international financial markets, appear to have had positive effects on the Albanian **economic growth**; unlike the economies of most other countries it showed positive figures during the year 2009; accordingly, our economy promises to maintain this trend during 2010. An in depth information with the latest developments on the macro-economic situation is included in your folder. The deputy Finances Minister, Mr. Haldedaj is here with us to answer queries you might have.

Transparency and accountability are major goals set by the Government. The fight against **money laundering** and **corruption** remains an area of utmost importance. Considerable progress has been achieved with regard to completion of the legislation and effective implementation, carrying out continuously the reforms in all areas and, establishing or strengthening new structures. An Anticorruption Action Plan for 2010 has already been adopted. The donor community has supported us in strengthening anti-corruption measures as set out in the strategy through different projects. In May 2010 Albania hosted the Regional Conference of Transparency International, where our progress in the fight against corruption was highly appraised.

The development of human capacities is the main determining resource for the future of the country. **The continuation of the public administration reform** remains a crucial commitment of the Government. Our vision is to have a small effective and impartial public administration based on professional merit. We have taken concrete steps to strengthen the capacity of the public administration through training activities, in order to meet the challenges of European integration. The recent decision of the Government for opening the School of Public Administration will be a corner stone for the training, qualification and education of the public administration employees.

The Government is determined in building a modern and high standard **information society**; the establishment of the Ministry for Innovation and ICT will shape this process. The adoption of the Electronic Communications Policy Paper is a step further on defining the mid-term vision on the sector. Very good results have been achieved so far: equipment of all schools with internet connected PC-labs, digitalization of the National Civil Registry and of the country map, 100% e-procurement, e-taxes and customs, GOVNET: the governmental network provider, which after Tirana is being extended in Durrës, just to mention a few: IT penetration has considerably increased from 4.8% in 2005 to 32% in 2009; while the aim is approaching the EU standards. A good bandwidth, countrywide connectivity and data transmission will be better provided by 3G cell phones licenses and the Broadband Backbone; it is crucial for the social and business development. A national fund will be established for the “Digital Albania” program that will make sure among other things that every youth has a PC. Our ambition is to become a regional ICT center through developing the human resources alongside the infrastructure and serving our market and over a wider area.

The improvement of **education** quality and access remains one of the main government development priorities. Higher performance in education was registered due to the implementation of a series of reforms that focused on strengthening policy making, management and decision-making capacity, improving the teaching process, human resource development and

enhancement and expansion of vocational education and training. The Bologna system is already implemented, but again, I must say that these are the first important steps. In order for the country to achieve its objectives, we should complete all the initiated reforms, including scientific research and innovation and their funding mechanisms. We consider investments in education and science a guarantee for the development of the country.

Considerable investments have supported **health care reforms** to improve Albania's public health sector. Results have been achieved in developing standards for primary health care centers, establishing modern information and data collection systems, cut through some of the red-tape in healthcare financing, and improving the skills of doctors and nurses. Government acknowledges the fact that challenges in this sector still remain considerable and that it is very important to increase investments in its workforce, improve the care for its elderly, and protect and support the health and well-being of all women and children. These increased and sustained investments are integral to Albania's progress towards EU membership.

One of the recent major Government initiatives is related to the **promotion of regional development**, while shifting further the attention from the central government to regional and local levels by combining decentralisation with efficiency. The Regional Development Fund was established this year as a mechanism for managing public investments at regional level through ensuring balanced development and equally promoting the potential of regions. This new reform will further contribute to preparing the country structures for the integration process, especially to have accesses to the other three components of IPA as soon as Albanian obtains the candidate status.

I would like also to emphasize the importance of sound **macroeconomic statistics** for the Government which is crucial to competent policy making, and investor and donor confidence. According to Eurostat 2009 and IMF 2010 mission statement, the national statistical agency INSTAT has made formidable progress over recent years, by publishing quarterly national accounts and continuously upgrading their quality; improving their resources and management capacities. With the fruitful cooperation and assistance of the World Bank, the Living Condition Measurement Survey and Household Budget Survey have been conducted. In 2009 INSTAT won a premium from Worldbank for "**ACHIEVING OUTSTANDING RESULTS**" with *Albania: A programmatic Poverty Assessment*.

**Shifting the focus to the main subject of today's agenda, I would like to emphasize that we are all witnesses of the significant improvements in the donor coordination process, which has resulted in an increased effectiveness of aid delivery.**

Albania has made good progress in the implementation of the Paris Declaration Agenda, particularly in increasing the national ownership and leadership through alignment of external assistance with national priorities.

An important step to this process has been the preparation and endorsement of the Harmonisation Action Plan in the last Donor Round Table. I am proud to mention that considerable progress has been done during the last six months to implement the Action Plan, as a result of joint efforts of

both the government and your missions. DSDC has prepared a progress report on the HAP implementation, which you can find in your folder.

We can use this forum as a possibility to jointly set out and agree on the next steps to pursue for a concrete implementation of the Harmonisation Action Plan.

One important initiative in this regard has been the joint request of the government and donors to undertake an assessment of the Public Procurement system with the final goal to pave the way for an increased use of the country systems. I will not dwell long in mentioning the achievements done in the Albanian public procurement, but I strongly believe that once this assessment is completed, the government will be able to show more progress for this indicator.

On the other hand, the establishment and revitalisation of the SWGs has been a result of the joint work of different actors, such as line ministries, DSDC, DTS and other representatives of the donor community. We consider the SWGs as important institutional forums in the process of coordination of external assistance in sector level. I will use this opportunity and the presence of the line ministry and senior representatives to raise again their awareness on their indispensable role in making use and increase the role of the SWGs. The support of the donor focal point and European lead donors in assisting government efforts is also very important.

On May 31st 2010 myself, on behalf of the Government and European Donors representatives have formally adopted the Fast Tracking Initiative of Division of Labour (FTI-DoL) through a Memorandum of Understanding where the GoA and the participating donors have firmly expressed their will to develop it forward. Its signature marks the beginning of the implementation of an in-country division of labour following a joint work carried out by the DSDC and European Donors facilitated by Italy since its launch in February 2009. This initiative should take into consideration also the active role of some non-European donors, in order to avoid duplication and increase effectiveness of our joint efforts.

As a follow up of the Sarajevo workshop held in March, the government in discussion with donors is exploring the possibility of shifting external assistance gradually towards programme and sector oriented approaches. For this purpose, several sector strategies will be assessed in order to move forward to identify and agree on priority sectors sufficiently advanced for starting to implement and develop a sector wide approach.

Another step forward is also the introduction of a new monitoring system for the National Strategy for Development and Integration, initiated by DSDC and approved by the Government. This new monitoring system will be based on managing for results and will help the government to ensure that the priorities set out in the NSDI and supporting sector/cross-cutting strategies are appropriately reflected and delivered.

I would like to conclude my remarks through highlighting that a culture of openness and transparency within public decision-making system has been nurtured in Albania. Yet, there is always room for improvement and this meeting truly contributes to this.

I would like to extend my special thanks to Ambassador Robert Bosch, in his capacity as chair of DTS, and his staff especially Mr. Dan Redford for their commitment and contribution in leading the Donor Technical Secretariat, a cooperation which I am sure will continue. In this regard, I congratulate Switzerland for taking over the DTS chair and wish them success in the next six months.

Last, but not least, I would like to praise Director Valbona Kuko and DSDC staff, for their excellent work including organizing this event.

Thank you for your attention,