

Government-Donor round table
03 December 2010
Opening Remarks from Mr. Genc Pollo, Minister for Innovation and ICT

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Colleagues Ministers Bregu and Bode,
Ambassador Enzler,
Ambassadors and donor representatives,
Ladies and Gentlemen,

On behalf of the Government of Albania, I am pleased to welcome and thank you for participating in this meeting. I notice with pleasure that this round table has become an important forum for essential dialogue between the Government and its development partners.

I would like to use this opportunity to briefly draw out some of our achievements and challenges in the last six months and also highlight some important issues, related to our cooperation and coordination process.

Let me first start by saying that having a visa-free regime in the Schengen area is a historical event for the Albanian citizens. I would like to express our deep gratitude to the EU Commission, Parliament and Council as well as our praise to those hundreds of administration officials who worked with devotion and determination to fulfill 120 roadmap requirements for lifting the visa regime. Visa-free travel is a matter of liberty and dignity for every Albanian but we know it comes with responsibilities. This is a good opportunity to guarantee that the Government is determined to prevent every undesired consequence. Our awareness campaign about the new travel opportunities and their limits is going on through TV ads and explanatory leaflets to be provided to every family. I'm confident that the new situation will allow Albanians, especially the younger ones to get to know Europe better and will enhance business relations also.

The European integration remains the top priority for the Government. The next milestone in Albania's EU integration process remains the candidate status that we are committed to obtain as soon as possible. In this context, the latest Opinion by the European Commission becomes for us a work program. Issues and recommendations are being already addressed and clarified.

Good governance, transparency and accountability are major goals for us. Considerable progress has been achieved in fighting corruption with regard to completion of the legislation and its effective implementation. These results have been internationally recognized and stated in different reports and awards. I would like to mention some of them:

Earlier in June Albania was awarded the 2010 UN Public Service Award in the category of "Improving transparency, accountability and responsiveness in the public service" as a second place-winner (after Germany) in the Europe-North America area, for being the first country in the world to implement 100% digital public procurement.

In October 2010, the world annual listing of public perception of corruption by Transparency International moved Albania up by 8 positions compared to 2009, ranking her 87th out of 178 countries.

The World Bank's Albania Country Economic Memorandum, issued in October 2010 points out that development of Albania's economy has been underpinned by a substantial structural reform program. As a result Albania has seen better overall governance, reduction in corruption and a significantly improved business environment over the last decade.

The World Bank's Doing Business Report 2010 ranks Albania 82-nd compared to the 89-th position in 2009, a further improvement to those of 2007 and 2009 according to the same report. But it should not a surprise that in country where the political polemics is fraught with graft accusations the opinion polls on corruption indicate a huge gap between public perception and real occurrence.

The Albanian economy has demonstrated an impressive overall performance, despite the downturn in the world economy. The international financial markets demonstrated their confidence during our recent borrowing. My colleagues will elaborate further on this.

Let me further highlight progress made in implementing other reforms:

First ICT; major resources and attention have been devoted to the ICT sector by driving public investment and by adopting legislation and regulation that creates predictability, confidence in the market and a favorable investment environment. I think the high offer by Vodafone at the 3G license auction confirmed it. Internet penetration has reached 45% countrywide (it was only 4,8% five years ago); surveys show that 58% of the small enterprises (with less than 5 employees) and 100% of the bigger ones use internet.

Continuous infrastructure investments have been crucial for boosting the economic development. Particular attention has been paid to road infrastructure, water supply and sewerage. The sustainable rural development policies are pursued through a sector wide approach that we are implementing with donors' assistance. Both, donors and state budget have supported considerable investments in rural and secondary roads focusing on roads connecting tourism oriented areas.

Tourism is a sector that has developed substantially over the last years and represents undoubtedly one of the main sectors of the Albanian economy. The Albanian Government is committed to build a more friendly, "green", and environmental tourism, as well as further valorization of archeological and historical heritage for tourism benefits.

Today, the health reform is gradually providing tangible results with respect to service quality improvement and decreased corruption.

With respect to education, equity and quality of the system remain at our focus aiming at increasing the level of high school and university attendance. Further investments for the construction and rehabilitation of new schools are in progress while Vocational Education and Training remains a joint endeavour of the Government and donor community.

There is no doubt that all reforms undertaken by the Government and their success have been relying on the continuous and valuable support offered by the donor community.

Here I would like to emphasize the importance of the future cooperation between us. During this year several country strategies and bilateral agreements on development cooperation were adopted, while some are still in the preparation process. These agreements represent considerable financing investments in important areas to be implemented during the next 3 to 4 years. There are around 700 ongoing and planned projects for the 2010-2013 period. Donors are committed to finance more than 1.8 billion Euros, supporting various areas such as good governance, infrastructure, energy, health, education and social sectors.

Worthy to mention is the progress done in the programming process by having a more focused assistance that is balanced within the priority sectors. This will make us more effective and achieve concrete results. In that respect we initiated and put in practice the support through the Programme Based Approach in Agriculture sector, while another one in Environment will be implemented soon. I am sure that by taking all necessary administrative and operational steps more SWAP-s will be introduced and have your support.

On the institutional side, our joint efforts on establishing a functioning Integrated Planning System are maturing. This year the *full IPS cycle is completed* with the performance monitoring of sector strategies and overall NSDI. I believe that the process is now much healthier both in terms of effectiveness and efficiency of policy formulation and implementation. Deepening and extending the IPS benefits to all levels of Government Institutions remain our goal and challenge for the near future.

In that respect the Multi-Donor Trust Fund has provided an important support toward these results. A follow-up phase of the IPS Trust Fund will be carefully analyzed by the government institutions and will be part of our agenda for the dialogue with donors during the next year.

As a signatory country to the Paris Declaration on the External Assistance Effectiveness, considerable progress has been made towards increasing the national ownership as well as aligning donor support with national priorities.

Sound advancement has been seen in linking national and sector strategies with medium-term budget, both in terms of process and size. The proportion of external assistance that is accounted in the national budget has considerably increased due to a continuous work of exchanging information between government and donors.

It is time, now, to gradually start implementing one of the important indicators of the Paris Declaration, using the country systems. Assisted by UNDP, this summer, we completed the assessment of the public procurement systems, which showed major improvements in several areas and proposed steps to be undertaken. We are fully committed to work hard in order to meet the recommendations resulted from this assessment and getting full donor support.

Once again, I would like to thank both donors and my Government colleagues, especially the DCDC, for their contribution and commitment and encourage them to further strengthen this co-operation in pursuit of our main goal, the full EU membership. I would like to thank in particular Switzerland, ambassador Enzler, and Mr. Daniel Züst as the rotating chair of the Donor Technical Secretariat over the last six months and wish success to the next DTS Chair, the World Bank Country Office.

To conclude, I would like to reiterate how much we value the importance of this event and wish to have an open and constructive dialogue today.

Thank you for your attention.