

DONOR RESPONSE FOR GOVERNMENT-DONOR ROUNDTABLE
Opening remarks by the Swiss Ambassador Yvana Enzler, Chair of the
Donor Technical Secretariat,
TIRANA INTERNATIONAL HOTEL,
3 DECEMBER 2010

Minister Pollo,
Minister Bode,
Minister Bregu,
Director Kuko,
Excellencies, ladies and gentlemen, Mirëmëngjes,

I am happy to address you here at this important Government-Donor Roundtable in my capacity as Chair of the Donor Technical Secretariat.

I think it is a good opportunity to pay tribute to the work of Minister Pollo and to the crucial co-ordinating role played by the Department of Strategy and Donor Coordination (DSDC) under the excellent leadership of Director Kuko.

In particular, I would like to express the appreciation of all donors for the continued dialogue that is being conducted between the Government and the donor community. Such a dialogue is not happening only twice per year, it is present throughout the year, in donor conferences, in Development and Integration Partner meetings and in Sector Working Groups, for example.

I note, with satisfaction, that today's agenda offers ample opportunity for discussion, continuing the excellent trend started in more recent round tables. I hope you will all bring pertinent questions to the floor and set an agenda for future discussions and co-operation.

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Minister,
Excellencies,
Ladies and Gentlemen,

Since the Government and the Donor community last met in this setting, a number of important events have taken place.

In the framework of the visa liberalisation dialogue, Albania has made important progress. On the 8 of November, the EU Council of Ministers announced the decision to grant visa-free travel to Albanians, a decision that will take effect in mid December.

In this context, I should like to extend my personal congratulations and best wishes to the Albanian people for this achievement.

Facilitated travel will certainly expand opportunities for further economic growth, and it will develop substantial communication on several levels, in particular artistic, cultural and educational.

On the 9 of November, the European Commission presented its Opinion on the readiness of Albania to become a candidate country and start accession negotiations.

According to the opinion, I quote, “Albania has made progress towards fulfilling the criteria related to the stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities, set by the Copenhagen European Council in 1993, as well as the conditions of the Stabilisation and Association Process.” unquote

However, considerable further efforts are now needed.

It is clear that the "political" criteria, which includes the rule of law, the fight against organised crime and corruption, and, in particular, the need for a fully functioning parliament needs urgent attention.

The Opinion confirms that, quote, “The Commission will monitor progress of necessary reforms within the institutional framework of the Stabilisation and Association Agreement and continue to support efforts through the IPA financial instrument.” unquote

As Albania’s main goal is EU integration, we, as donors, acknowledge that there is a need for complementarity between EU/IPA funds and other funding, especially in light of addressing the Opinion's recommendations. IPA cannot support all national reforms as it does not cover all sectors. This is where other donors can come forward, in co-operation with the relevant state institutions, and of course, in a co-ordinate way with all donors.

The “Memorandum of Understanding on the Fast Track Initiative of Division of Labour in Albania” signed by the Government and the participating European donors in May, aims to support the process of implementing in-country division of labour, crucial to increasing aid effectiveness. Put simply, it is important to work together towards increased complementarity between the EU financial support to Albania’s enlargement and the aid offered by all bilateral and multilateral donors.

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Excellencies, ladies and gentlemen,

Briefly looking at today’s agenda, I am pleased to note that it foresees a briefing on the *Government’s plans to meet the recommendations of the Commission’s opinion and respective implementation of IPA Programming.*

All donors assume that the Government will be guided by the Commission's Opinion for its future work and they remain ready to assist the Government in fulfilling all future plans deriving from these recommendations.

The agenda includes a briefing on Albania's overall macro-economic and financial situation.

Donors are confident that issues relating to the state budget and its implications for donor programming, as well as on concerns over VAT reimbursements will be addressed.

Donors also have an important role to play in reporting on projects and programmes in a timely and accurate manner and in predicting the level of disbursement for each year.

I am also pleased to see that there will be a briefing on public administration reform.

In this regard, can I share with you a quotation from the Commission's Opinion, which states that, I quote, "public administration's legal framework and the civil service system are mostly in line with European standards and practices. However, proper implementation of the legal framework is a concern, and the public service is very politicised, lacks transparency in appointments and is marked by high turn-over of staff". unquote

We, the donors, strongly believe that the prevailing high rate of staff turnover in public administration should be limited so as not to seriously affect the institutional capacities that have been built up over many years with their significant support. They hope that the fullest implementation of the Public Administration Reform Strategy will assist in greatly reducing the impact of government change on staff turnover and look forward to receiving further updates from the Director on the steps being undertaken to address these issues.

Under the agenda heading of "IPS Progress, NSDI monitoring and Donor Co-ordination", I am pleased to see the progress made towards IPS implementation, especially in regards to NSDI monitoring and the establishment of the new results-based monitoring mechanism that will help to better align external assistance with national priorities. IPS Trust Fund has been a very effective and efficient planning tool; however, further work still needs to be done to see a fully functioning IPS.

Having covered the broad parameters of today's agenda, I would like to highlight one or two crucial issues, which for donors are important in relation to donor co-ordination.

One issue is the functioning of Sector Working Groups. Considerable efforts have been made by the DSDC in co-ordinating the activities of line ministries and donors. Co-ordination in many sectors, such as water, environment and vocational education and training, have improved.

However, there are sectors, such as decentralisation, and social inclusion where sector working groups have not effectively functioned for some time. Covering such crucial

policy areas, these Sector Working Groups need to be working. Donors believe that Sector Working Groups continue to be the most useful instrument in promoting donor co-ordination and in enhancing aid harmonisation and they strongly feel that the potential of this tool is, as yet, not fully utilized. All sides have a role to play in providing more effective strategic support, and this has to include a more proactive level of engagement by line ministries. Certainly the establishment of focal points in all line ministries is a positive step forward.

A second issue is enhancing the role of civil society in the policy making process.

The role of NGOs in tackling the remaining challenges cannot be underestimated, as the EU Opinion states, quote, “Co-operation with civil society needs to be upgraded”. unquote

The strengthening of civil society should be a key cross cutting issue in all Government-donor programming – from inception to implementation.

In preparing for the 2011 OECD/DAC Survey, I would like to highlight a few points relating to the Paris Declaration and progress made towards the implementation of the commonly Harmonisation Action Plan.

In this context, donors would like to recognize the completion of the Procurement Systems assessment, a joint Government-donor initiative. Fulfilling the final assessment report’s recommendations will set a clear ‘marker’ for Government and donors in increasing the use of country procurement systems.

On a further positive front, the implementation of the Fast Tracking Initiative of Division of Labour represents ‘added value’ to the existing co-ordination mechanisms. In line with the Paris and Accra agendas, and reflected into the Harmonisation Action Plan, its implementation will help increase the overall coherence of external assistance offered to reduce overlap and to lower transaction costs.

Another key issue is in more fully aligning donor programming with national priorities.

New country and sector programmes have been or are shortly to be completed and have been prepared incorporating Government priorities. Although we are pleased to see such a shift, we have to acknowledge that there is still a lot of work that needs to be done in following the Paris Declaration. And as we will be pleased to see more donors ‘buying’ into the Harmonisation Action Plan, Government-donor dialogue on these themes still needs to intensify.

In order to see progress in areas such as joint programming based on sector-wide based approaches, there is need from the Government’s side to be further engaged and show further commitment in building sustainable institutional capacities. As donors, we of course stand ready to support the Government in its endeavours.

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Excellencies, ladies and Gentlemen, dear friends.

To conclude, I would like to express my gratitude to all those in the administration who have made the significant progress in donor co-ordination possible.

I would like to thank again Minister Pollo, Valbona Kuko and her colleagues in the DSDC as well as all donor partners for their support to the DTS.

I must also commend the work of Nevila Çomo. The highly effective and efficient DTS programme officer has been key for maintaining and strengthening the partnership between the DTS and DSDC.

I thank all the members of the DTS for their support.

Special thanks go to Daniel Züst for skilfully chairing the DTS Steering Committee. He has shown high commitment and invested a lot of time and efforts in this job.

I would like to announce that the World Bank will be taking over as the rotating Chair for the next six months and that the DTS will be joined by two new members – Sweden and the US – replacing Austria and Switzerland.

Finally, I would like to assure you that all donors are fully committed to further strengthening the partnership with Government in completing the EU requirements and in furthering the aid harmonisation agenda.

We, donors, remain hopeful that the political environment will remain conducive for the continued smooth implementation of recommendations of the EC Opinion, as well as for successful implementation of donor-assisted programmes and projects.

Let me wish us all success for this morning's meeting.

Thank you very much. Felëminderit.