

Government-Donor round table

13 November 2009

Opening Remarks from Mr. Genc Pollo, Minister of State

Colleague Ministers,

Excellencies Ambassadors, donor representatives,

Dear Participants,

Ladies and Gentlemen,

On behalf of the Government of Albania, please allow me to thank you for your participation in this meeting. We value the particular importance of this round table discussion as venue of open and constructive dialogue on how to best coordinate our efforts and increase the effectiveness of our development and integration initiatives taking advantage of the guidance and support of our development partners.

I would like to use this opportunity to briefly highlight some of Government's major achievements since our last meeting, and then address critical issues directly related to our cooperation and coordination process.

As a general statement I would like to emphasise that even in spite of 2009 being the election year, the Government kept a steady rhythm of reforms and initiated further ambitious initiatives.

Joining the North Atlantic Alliance in April this year represents an historical achievement for Albania and for the Albanians. Becoming a member of NATO is the fulfilment of our nation's dream and an enormous step towards a consolidated democracy and the rule of law.

The entry into force of Albania's Stabilization and Association Agreement with the European Union in April 2009 represents the beginning of a new relationship and a key milestone in our path to joining the European Union. This momentum encouraged the Albanian Government to apply for EU candidate status by the end of the same month. The Government institutions are working diligently to fulfil conditions and requirements to achieve the candidate status, while being fully aware that this is a very demanding and challenging process.

Five months ago, Albania held the **general elections** which were monitored by the international observers and considered as a major step forward in meeting international standards, deserving an overall positive assessment. Some key actions worth mentioning and also emphasized in the OSCE/ODHIR Final Report are: the approval of the Elections Code by the previous legislature also with the consent and support of the main opposition party; the tangible progress marked with the introduction of new voter registration and identification, modern IT infrastructure of vote counting and the timely adjudication of election disputes. Achieving the highest standard in the upcoming elections and tackling problems occurred in the last ones, is being seriously taken by the Government.

The reconfirmation of the political majority for governing the country, as well as the new coalition Government, has provided an impetus for accelerating the momentum and strengthening the commitment to implement of reforms already initiated and for the new ones to be articulated.

Over the last year, Albania has achieved a solid progress in a number of critical sectors. A major priority of the Government has been the **fight against corruption**. As confirmed in the European Commission's Progress Report 2009, Albania has made major steps forward in this area. The US established Millennium Challenge Corporation placed Albania for the first time above the median line of the recipient countries in the fight against corruption. The Government has taken effective measures to eliminate or reduce graft especially in university admissions, tax and customs services, public procurement, business licensing, business registration, etc. Important steps have been undertaken with respect to prevention and fight of money laundering in collaboration with the Prosecution Office.

The policy framework was enriched during 2009 with the approval of few new sectoral strategies that further complete the already existing framework of 38 sector and crosscutting strategies under the overall umbrella of the National Strategy for Development and Integration 2007-2013.

The continuation of the public administration reform remains a crucial commitment of the Government. The approval of the Strategy for Public Administration Reform is an important step which will be followed up by the civil service law reform. The preparation of a civil service corps, capable to respond properly to integration challenges, remains in focus of public administration reform. The concern related to the staff turnover has not been a real issue, indicating the consolidation of the administrative structures. The set up of the Public Administration School is a long term objective that is part of the government vision for a merit based professional and impartial public administration.

The E-Government process with digitalization of the government institutions, which constitutes the bulk of my own portfolio, remains a main tool for increasing the efficiency, transparency and quality of services of the public administration. The 2007 established National Agency on Information Society has been tasked with evaluating and implementing IT projects and standardization of hard and software. We kindly ask your support on making possible that every project of yours having IT components should be consulted with the Agency. The initiatives concerning digitalization of civil registry, 100% e-procurement, e-taxes and customs, internet in all schools, are some success stories that have radically improved the public services and improved efficiency in the use of public funds. Today, the pace of IT penetration in the Albanian society has risen significantly; "Albania in the digital age" is our motto in the short medium term. Our aim is to digitalize all public services and especially extend the IT use also in rural areas.

Health and education have been central to the government development priorities. Funding for the education sector increased significantly with domestic public expenditure for education accounting for 3.7% of GDP in 2008 and almost 4% in 2009. This year the Government approved the sectoral strategy on basic education and the cross-cutting strategy on research, innovation and technology. These important documents complete the strategic framework for the transformation of the overall education sector; meanwhile the law on higher education is being implemented in compliance with the Bologna Declaration. Research, technology acquisition and innovation will be boosted with the establishment of a special Agency, while the respective budget will increase. Expanding e-learning in all subjects is the next challenge that we will face, while providing every student in the country with a computer.

Albanian citizens will feel like European citizens only when their health care, prevention and treatment will be up to European standards. Significant progress has been noted in the reform of health services, but the Government remains aware of the fact that challenges in this sector still remain considerable. We foresee that within the current mandate the budget for health sector will increase substantially, while apart from more funding this sector needs deep reforming of the management and financing system of the health care services.

One of the recent major Government initiatives is related to the **promotion of regional development** while shifting further the axis of it from the centre to regional and local levels by combining decentralisation with efficiency. This initiative improves the institutional and legal framework by establishing the Regional Development Fund as a mechanism of managing public investment at regional level that ensures balanced development and equally promotes the potential of regions. This new reform will further contribute to prepare the country structures for

the integration process, especially for the absorption of EU funding and EU investments due to come when Albania becomes eligible to benefit from the IPA Component III and later on from the Structural Funds.

Given the specifics of this round table, I would like to focus on our efforts related to **improving external assistance**. As a signatory country of the Paris Declaration on Aid Effectiveness, Albania remains fully committed to its principles of “effective leadership, ownership and alignment of development policies and strategies” and the translation of national strategies and domestic budget into prioritized, results-oriented, operational programmes.

I hope you all share my perception that in the long path of reforms, we have gone beyond concerns of coordination issues as such, and our joint efforts are shifting toward effectiveness and sustainability of external assistance. I have the pleasure to notify you that thanks to our joint efforts, coordination is working relatively well at the central level under the leadership role of the DSDC and in close cooperation with the Ministry of Finance and the Ministry of European Integration. We intend to vitalise further the IPS Coordination Group, composed of these three institutions, as the core promoter of coordination at the central level. Issues related to the external assistance management and its prioritization will be given more focus in the collective work of this group.

Later on, the Director of DSDC will focus on the technicalities of our institutional and process changes to improve external assistance management, so I will not expand on that subject, but would like to emphasize four items on which Albania has demonstrated a good progress.

First, we have made significant progress in completing the strategic framework that leads strategic programming process, as I mentioned earlier. Along with that a number of Cooperation Strategies have been jointly prepared.

Second, DSDC in cooperation with DTS and other Albanian institution have prepared the Harmonisation Action Plan to implement Paris Declaration Agenda in Albania. Its endorsement in this meeting will pave the way towards its successful implementation. One of the most important and immediate steps is to increase the use of national procurement systems by donors. To address this, concrete actions have been taken to conduct a full assessment of the public procurement systems in Albania in the coming months.

Third, Albania has progressed as a pilot country in implementing the “One UN” program, which has helped to enhance the effectiveness of the work of the UN system in Albania by re-

organizing and simplifying processes, while also ensuring a better harmonization and orientation of the funds towards the country's strategic priorities agreed jointly.

Fourth, I can't leave without noticing our progress with introducing a Sector Wide Approach Program (SWAPs) in the education sector demonstrated to be such a good practice that over 2010 we would like to also pilot SWAP to other sectors.

Despite the progress in coordination amongst the three top central institutions, I do not have the same positive perception on effectiveness of coordination at the sectoral level, at least not for all the sectors. Proceedings of the Sectoral Working Groups during 2009 have been "apathetic" in some sectors, while in quite few of them they were almost non-existent. Being aware of this challenge, it is our strong intention for the next year to focus closely on vitalisation of SWGs, trying to transform them into effective fora for policy and coordination. Special efforts will increase the role of Line Ministries in leading the Sector Working groups.

I would like to use this opportunity to also express our support to the EC led initiative on "division of labour" and congratulate the office of Italian Cooperation in Tirana for steering the discussion on the subject. I would also like to point out that given the specifics of external assistance in some sectors and actors involved, this division of labour should take into consideration also the active role of some non-EU donors, in order to avoid duplication and increase effectiveness of our joint efforts.

I would like to conclude my remarks by reconfirming once again our Government's commitment to pursue further the reforms toward EU standards and would like to reiterate our strong belief that the difficulties of this journey of reforms and development will be less difficult for us to achieve thanks to the support of our development partners that you all represent.

Last but not least special thanks goes to Ambassador of the Kingdom of the Netherlands and his office, in particular Mrs. Ardi Stoios-Braken for their commitment and contribution in leading the Donor Technical Secretariat over the last six months, a cooperation with which I am sure will remain very good in the future.

Thank you for your attention.