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A Joint Effort of the Donor Technical Secretariat and the Department of Strategy and Donor Coordination

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Photo: Kick-off ceremony of the Joint Border Crossing Point Muriqan/Sokobine - Prime Minister Sali Berisha, the Prime Minister of Montenegro, Milo Djukanovic, the Head of the EC Delegation to Albania, Ambassador Helmuth Lohan, laying the symbolic bricks (Photo: Delegation of European Commission).

Joint Border Crossing Point between Albania and Montenegro

The European Commission finances 1.1 million Euros for construction of the Joint Border Crossing Point between Albania and Montenegro

On 21 April 2008, the 'kick-off' ceremony was held in the presence of Prime Minister Sali Berisha, the Prime Minister of Montenegro, Milo Djukanovic, the Head of the EC Delegation to Albania, Ambassador Helmuth Lohan, and the Head of the EC Delegation to Montenegro, Ambassador Leopold Maurer; as well as the Ministers of Interior, Finance, Foreign Affairs, European Integration from both countries. The construction of the Joint Border Crossing Point Muriqan/Sokobine, the first one in the Western Balkans, will facilitate co-operation between both countries, will help to smooth the problems arising from their proximity, will contribute to the social and economic development in the border area and will help to safeguard the environment, to prevent and fight against organized crime, ensuring efficient and secure borders and promoting local

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Government and Donors response to Gërdec tragedy

On 11 April 2008, upon the request of the Minister of the Interior, Bujar Nishani, the **Donor Technical Secretariat** (DTS) held a donor co-ordination meeting that discussed the aid requirements with regard to the Gërdec incident. The meeting was addressed by the Emergency **Co-ordinator in the Ministry** of Interior, Alfred Olli, who outlined the events surrounding the incident, the short term responses and the Government's medium and long term plans. The meeting was chaired by the European Commission Delegation, in their capacity as DTS Chair. On 21 April 2008, in response to this meeting, the Prime Minister, Sali Berisha, issued an order that established the Inter-institutional Working group for Donor Co-ordination in the Civil Emergency Cases. The IWG is chaired by the Director of the Department of Strategy and Donor Co-ordination and is composed of General Secretaries from all Line Ministries, the **General Director of Civil Emergencies in the Ministry of** Interior, the General Director of KESH, the General Director of Water and Sanitation, the Director of ALUIZNI, the **Director of the Immovable Property Registration Office, the Public Internal Financial Control** and the Director of the Housing **Enterprise.** Government/Donor meetings are planned for May to discuss the priorities from line ministries in order to receive financial commitments from donors.

Joint Border Crossing Point between Albania and Montenegro



Photo: Kick-off ceremony of the Joint Border Crossing Point Muriqan/Sokobine - Prime Minister Sali Berisha, the Prime Minister of Montenegro, Milo Djukanovic, the Head of the EC Delegation to Montenegro, Ambassador Leopold Maurer and EC Task Manager architect Giulia Agrosí laying the symbolic bricks (Photo: Delegation of European Commission).

"people-to-people" type actions. This project is part of a major project financed by the EC to assist in establishing an efficient and strengthened integrated border management system. This includes some 12 Border Crossing Points with a total amount of 5.4 million Euros. The EC has contracted 1.1 million Euros under the CARDS programme to build the JBCP Muriqan/Sukobin. The EC Task Manager, architect Giulia Agrosi in charge of integrated border management, prepared the event by designing symbolic items for the ceremony.

Co-Chairs to United Nations General Assembly consultations on System-wide coherence visit Albania to review Delivering as One UN UN Ambassadors from Ireland and Tanzania, currently serving as Co-Chairs to United Nations General Assembly consultations on Systemwide coherence, visited Albania from 30 April to 1 May 2008 to assess the work on UN reform and Delivering

as One UN. They met with Prime Minister, Sali Berisha, Ministers, international partners, civil society representatives and the in-country UN team to get their views on Delivering as One UN. Prior to visiting Albania, the Ambassadors visited Vietnam, Tanzania, Mozambique and Cape Verde, who are also piloting UN reform. The Co-chairs will report to the UN General Assembly in June on whether Delivering as One UN is providing greater effectiveness of UN development assistance in line with the national priorities.

Parliamentarians and Elbasan and Burrel communities discuss challenges of European integration in an OSCE Presence-organized forum

On 15 and 23 April 2008 respectively, the OSCE Presence in Albania, within the framework of its Parliamentary Support Project, Phase II, in co-operation with the Albanian Assembly and the European Movement Albania, held in Burrel and Elbasan policy forums that aimed at getting the community more acquainted with the impacts of the Stabilization and Association Agreement. Participants included the Head of the EC Delegation, Ambassador Helmuth Lohan, the Head of Presence, Ambassador Robert Bosch, the Chair and Deputy Chair of the Assembly Committee for European Integration, Ilir Meta and Genc Juka respectively, the Chair of the Socialist Party Parliamentary Group, Valentina Leskaj, other members of the Assembly European Integration Committee, local MPs as well as local government, business, civil society representatives.

Photo: Head of EC Delegation Ambassador Helmuth Lohan and chair Socialist Movement for Integration Ilir Meta at policy forum in Burrel on 15 April 2008. (Photo: OSCE/Miranda Veliaj)



Photo: Chair of parliamentary group of Socialist Party Valentina Leskaj, Head of OSCE Presence Ambassador Robert Bosch, chair Socialist Movement for Integration Ilir Meta at policy forum in Elbasan on 23 April 2008 discussing on social and economic developments that are expected to affect the region in the process of European integration. (Photo: OSCE)

Gërdec Tragedy: Support from donor community

Italy contributed to Gerdec emergency by providing transport, medical evacuation and treatment for 17 injured people. Italy has also provided two Explosive Ordnance Disposal (EOD) personnel to assess the situation with protection and detection equipment, and other relevant materials. The EOD experts also contributed to the surface clearing in Zones Two and Three of the affected areas. On March 19 2008, following a Government request, the **Italian Development Cooperation** Office in Tirana confirmed that a group of Italian NGOs were available to offer accommodation as well as open space for tents, for about 40 persons affected by the incident. Italian NGOs also collected and supplied food, clothes and other equipment in the affected area. An Italian Cooperation expert was part of the UNDAC advisory team in charge of assisting the Government in co-ordinating and supporting the assessment of short and medium term needs.





Public Procurement goes online in Albania

On 17 April 2008, Albania carried out its second fully electronic procurement through the new e-procurement system (EPS) developed under the Millenium **Challenge Corporation (MCC) Threshold Programme, administered** by USAID, to improve transparency, efficiency and accountability in public procurement, while combating corruption and promoting fair competition among businesses. The web-based system was built based on EU requirements and meets the highest international standards in ease of use and security. The EPS now includes all public tender notices in Albania. By eliminating paper files and simplifying procedures, e-procurement saves Government contract authorities up to 50-80% of the cost of the average paper procurement.

Photo: Prime Minister Sali Berisha

Photo: International Consortium Plenary Meeting at Sheraton Hotel, 3 April 2008 (Photo: U.S Embassy)

Sector Related Activities

JUSTICE and HOME AFFAIRS

The International Consortium Steering Committee holds Annual Plenary

On 3 April 2008, the International Consortium (IC) held its annual meeting in Tirana. The U.S Ambassador, John L. Withers II, the Head of the EC Delegation, Ambassador Helmuth Lohan, the Head of the OSCE Presence, Ambassador Robert Bosch, the Minister of Interior. Bujar Nishani, the Deputy Chair of High Council of Justice, Kreshnik Spahiu, the General Prosecutor, Ina Rama and Minister of Justice Enkelejd Alibeaj and the Deputy Minister of Integration, Albert Gajo all welcomed the IC's contribution to the advancement of the rule of law and pledged continued support. The event reviewed working groups activities and outlined critical issues related to assistance and reform efforts. The General Director of the Albanian State Police (ASP), Ahmet Prenci, gave an overview of the implementation of the new ASP

law, the implementation of the new ASP organizational structure, the current obstacles facing the ASP, an update on human resource management as well as the status of projects aimed at improving efficiency. ICITAP Programme Manager, Darrel Hart, chaired the session that focused on brief reviews of the activities of the working groups and outlining critical issues related to assistance and reform efforts. Presentations were followed by open discussions on how to address more efficiently rule of law challenges while strengthening capacities of the law enforcement agencies. All Consortiums' activities are coordinated by ICITAP. The 2008 annual meeting was sponsored by the EC Delegation.

REGIONAL DEVELOPMENT

Donor Meeting on Regional Development

On 30 April 2008, the Ministry of Economy, Trade and Energy in cooperation

with the Department for Strategy and Donor Coordination held a donor round table to discuss regional development issues. The meeting was chaired by the Deputy Minister, Enno Bozdo, who gave details about the pilot project to be funded by the EU and implemented by UNDP in Kukes, Shkoder and Lezhe. The aim of the event was to get the donors contribution and support in implementation of the Cross-cutting Strategy of Regional Development. The event was financially supported by MADA.

ENVIRONMENT

Government and UNDP to tackle environmental hotspots in Albania

On 28 April 2008, officials from the Ministry of Environment, Forestry and Water Administration, local government and UNDP launched two projects to tackle environmental hotspots. The first is a regional project that covers nine hotspots in the Western Balkans region. The area to be rehabilitated in Albania is the Bajza railway station (near Shkodra Lake) where expired pesticides and industrial chemicals have been stored. The second project will: identify and assess environmental hotspots in Albania, create a database, and build capacity within the environmental administration to further identify and monitor hotspots and plan further

remedial actions. Both projects are funded by the Government of the Netherlands.

YOUTH

New programme in support of Albanian youth

On 16 April 2008, a 2 million Euros programme supporting the promotion of policies in favour of children and youth was presented in Tirana. The opening ceremony was introduced by the Minister of Labour, Social Affairs and Equal Opportunities, Koço Barka, and by the Ambassador of Italy in Albania, Saba D'Elia. The initiative is funded by the Italian Ministry of Foreign Affairs and cofunded by the Italian Regions Emilia Romagna, Marche and Puglia. The Municipality of Forlì is responsible for the implementation of the project in co-operation with the MoLSAEO and local government in Elbasan, Shkoder and Vlora. The aim of this programme is fostering national institutions capacities in the implementation of policies aimed at assisting children and youth at risk of marginalization and/or facing difficult living conditions. At central level, an Inter-ministerial Forum for Children will be created as well as the enhancement of the National Committee for Adoption.

USAID to extend successful financial sector development programme in Albania

In April, USAID awarded the **Financial Services Volunteer** Corps (FSVC) an additional 1.2 million USD to extend its work to strengthen Albania's financial sector institutions and promote economic growth for an additional three years. Through some 25 individual projects, **FSVC expert volunteers** from leading international financial institutions will conduct seminars, provide on-site consultations and legal commentaries, and organize training programmes to strengthen the Banking Supervision Department of the Bank of Albania, the Financial Supervisory Authority, and the Albanian Actuarial Association.

Photo: Expired pesticides and chemicals at Bajza Railway Station in Shkodra will be removed for safe disposal and the site cleaned up (Photo: UNDP Albania)





The TACTA Project officially launched

On 4 April 2008, the EU Project **Technical Assistance to Customs** and Tax Administrations, TACTA, was officially introduced. The Project is led by the Italian Customs Agency and is targeted at the five countries of the Western Balkan Area - Albania, Bosnia-Herzegovina, Kosovo, Montenegro and Serbia. The Project will help achieve a step-by-step modernisation of organisational structures and operational procedures in line with EU standards as well as develop new strategies against fraud and illegal trafficking. The Project started with a preliminary stage on 1 February 2008 and will follow in the footsteps of the previous Customs and Fiscal **Assistance Office Programme** (CAFAO) launched in 1996.

USAID Conference highlights municipal borrowing for cities

On 8 April 2008, mayors and officials from nearly all of Albania's 65 municipalities and representatives of the business community attended a conference on municipal borrowing sponsored by USAID. Prompted by the recent enactment of a municipal borrowing law (that enables local government to borrow money from commercial lenders to finance infrastructure and other development projects in their jurisdictions) the conference provided a forum for city officials to discuss opportunities created by this law. Presentations by local and international experts focused on the detail of the law and secondary legislation, as well as credit worthiness and methods for developing creditworthy projects.



Pilot initiatives will be undertaken in Elbasan, Shkoder and Vlora to foster local social services dedicated to children and youth, thus providing an effective model to be replicated in other districts.

Strengthening Civil Society

Albania part of MATRA Programme

As of 2008, Albania is part of the MATRA country list. The MATRA Programme is a programme of the Ministry of Foreign Affairs of the Government of the Netherlands that aims at strengthening civil society in Central and Eastern Europe. The name of MATRA derives from the Dutch for social transition maatschappelijke transitie. Projects under MATRA are designed to help strengthen institutions and build capacities of central and local government, and above all, civil society organisations. They seek to improve interaction between national and local government and civil society and to encourage consensus on measures to strengthen democracy and rule of law. MATRA is based on twining networks between the Netherlands and the MATRA target countries and encourages "matchmaking" between Dutch organisations and like-minded" agents of transformation".

Programmes: Matra for Good

Governance: Matra Projects Programme (MPP); Matra Political Parties Programme (MPPP); Matra Small Local Initiatives (KPA); Matra Small Embassy Projects (KAP/KNIP). *Matra for European Cooperation:* Matra Training for European Cooperation (MTEC); Matra flex.

Themes: legislation/law-making; human rights and minorities; public order/good governance; strengthening civil society, especially voluntary participation; the environment; public health and health care; labour relations; public information strategies; *education:* management and curriculum development; *culture:* management and variety; public housing

General information on MATRA: http://www.mfa.nl/tir and http://www.minbuza.nl/en/ europeancooperation/subsidies,The-Matra-Programme.html *Flex:* http://www.evd.nl/cooperation/ Programmes/ProgrammaInt_pre. asp?land=pre *MTEC:* http://www.cross-agency. nl/index.php?la=en&page=3

AGRICULTURE

USAID Support for herb and spice producers and exporters

With the harvesting season fastapproaching, members of Albania's Essence Producers and Cultivators Association (EPCA) attended the 5th National Conference on Herbs and Spices on 29 April 2008 in Tirana, sponsored by USAID. Conference presentations highlighted the importance of quality during harvesting, processing, and exporting periods as the key element to Albania's increased competitiveness internationally. Presentations also included recent developments in international rules and regulations that affect the industry.

USAID Workshop discusses ways to get more credit to farmers

On 23 April 2008, USAID organised in Durres a one-day Agriculture and Rural Finance workshop to assess the current availability of credit to agriculture and to explore ways to increase the credit flow to the sector. The flow of credits to the agriculture sector is currently very low - less than 5 percent of the total loan portfolio in Albania. Past and current USAID programmes with Opportunity Albania (formerly known as PSHM), the National Commercial Bank (BKT), and Raiffeisen Bank, have shown that market-based credit activities can succeed both in the agriculture and non-agriculture sectors. Representatives of farmer and agribusiness associations, representatives from the Ministries of



Finance, Agriculture, Food and Consumer Protection, various financial institutions and other international donors discussed the current situation and identified the best way to make credit more available and accessible to the agriculture sector.

PUBLICATIONS

EBRD Donor Report 2008: Real people & real change

The European Bank for Reconstruction and Development (EBRD) has published its 2008 Donor Report: Real people & real change. Over the past year, the EBRD and donors have shifted attention to the needs of the poorer countries in the EBRD region. In a foreword for the Report, the



EBRD President, Jean Lemierre, notes that "Inadequate infrastructure, slow business and employment growth and, in many communities, extreme poverty are among the acute challenges facing countries eligible for Official Development Assistance, such as Belarus, Moldova and Ukraine, as well as others in the Caucasus. Central Asia and the Western Balkans. The EBRD and its donors can do much to improve people's lives in these countries." Donors and public sector institutions play a critical role in advancing transition in the EBRD region. Since 1991, the year the EBRD was established, donor funding for the EBRD's technical cooperation grants programme has grown steadily, reaching a cumulative total of 1.27 billion Euros by the end of 2007. The largest contributor was the EU, working through the EC and the European Agency for

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Reconstruction. Other major contributors are Italy, Japan and the US. In 2007, EU entrants, Czech Republic, Hungary, Poland, the Slovak Republic and Slovenia became donors by contributing to the EBRD's multi-donor Fund for the Western Balkans. Sustainable development will be a priority area for the EBRD and its donors. Find out more about the EBRD and donors in the 2008 Donor Report. It provides information on how donors support the development of the private sector, the provision of basic infrastructure services, transfer of skills and strengthening of regulatory, financial and other institutions. To order a copy please contact the EBRD's Publication Desk at: pubsdesk@ebrd.com

2008 DAC Survey on Monitoring the Paris Declaration

The OECD DAC shared the draft country chapter analyzing the results of the 2008 Survey on Monitoring



the Paris Declaration for Albania. The chapter provides an analysis of the state of aid effectiveness in 2007, drawing out analysis of progress and challenges made since 2005. It was drafted by the Overseas Development Institute (a UK based organisation) and its partner organisations in France and Spain in co-operation with the OECD Secretariat. The chapter draws on information provided in the assessments made by donors in country and on other sources, including the Annual DAC Questionnaire on untying, and the self-assessment methodology for procurement. The draft was shared with the donor community to receive their comments. To see the draft country chapter, please click here.

In-Country Missions

International Monetary Fund

From 30 April to 13 May 2008, an IMF Review mission visited Tirana to conduct the fifth review mission under the Poverty Reduction and Growth Facility/ Extended Fund Facility (PRGF/EFF) programme. The mission, headed by Gerwin Bell, met with the Prime Minister, Sali Berisha, the Minister of Finance, Ridvan Bode, the Governor of the Bank of Albania, Ardian Fullani, MPs and other public officials to negotiate the Memorandum on Economic and Financial Policies (MEFP) for the next 6 months.

From 5 until 23 May 2008, Michael Andrews, is visiting Tirana to conduct a



2008 Stift VCy On Monitoring the Paris Declaration Accra High-Level Forum on Aid Effectiveness

mission on national accounts. The aim is to improve the accuracy and reliability of the annual national accounts and beginning the quarterly national accounts.

From 6 to 10 May 2008, the regional IMF advisor, Eivind Tandberg, visited Tirana to discuss with the national authorities recent developments in public financial management (PFM). This will provide inputs to a regional study of PFM reforms in South-Eastern Europe, which aims to identify common challenges and good practices in the different countries, and develop common approaches to strengthen these reforms in the region.

On 14 May 2008, the IMF held a conference in Tirana on Albania - Opportunities and Challenges in the Move Towards Emerging Market Status. Aimed at policy makers, academics, donors, business community and NGOs, this event provides the chance to look at the challenges for fiscal and monetary policies as Albania moves on toward an emerging market status, with a lighter attachment to the Fund. It provides a coherent framework and opportunity to bring together various counterparts to discuss the challenges for economic policymaking.

Italy

In April, an expert from the General Directorate for Development Cooperation of the Italian Ministry of Foreign Affairs (MAE/DGCS) visited Albania to provide technical assistance in implementing a programme aimed to rehabilitate five Polyclinics - two located in Tirana, the remaining in Gjirocastra, Korca and Peshkopia. The initiative is supported with a 5 Million Euros loan and a 110,000 Euros grant for the technical assistance component. In the framework of this programme, work to rehabilitate the Polyclinics of Tirana 2 and Tirana 3 were inaugurated on 13 March 2008. A new mission is envisaged to begin in May.

An expert from the MAE/DGCS is visiting to assist the Telecontrol of Electric System - Project Implementation Unit and the Project Management Unit of the Ministry of Economy, Trade and Energy, responsible for implementing Italy-funded programmes in the energy sector. They amount to some 94 million Euros and are aimed to rehabilitate and enhance the electric system in order to facilitate integration in the Balkans system as well as to contribute to KESH technical and managerial rehabilitation. The mission's assistance covers the revision of the tender documents concerning Sauk and Tirana-Centre sub-stations, the launch of the tender for Pogradec substation and the assessment of technical aspects in the contracts defining the construction of the Line Elbasan-Tirana, Tirana 2 substation and the National Dispatching Centre.

A mission aimed to provide assistance to the Ministry of Economy, Trade and Energy began in April, to facilitate the implementation of an Italy-funded programme (some 30 million Euros), supporting the creation of a credit line in favour of Small and Medium Enterprises. In April, a mission started to provide technical assistance to the Project Implementation Unit of the Ministry Telecommunications in order to facilitate the implementation of Italy-funded programmes in the Transport sector.

Switzerland

Assistant Director-General of Swiss Agency for Development and **Cooperation and Head of Department** Co-operation with Eastern Europe and the Commonwealth of Independent States ,to visit Albania.

From 27-30 May 2008, on the occasion of 11th anniversary of the opening of SCO-Tirana, Assistant Director-General of SDC and Head of Department Cooperation with Eastern Europe





and the CIS, Therese Adam will visit Albania. This mission contemplates project field visits and Mrs Adam will meet the Government officials as well as development agencies. An international travelling photo exhibition entitled Tales from a Globalizing World, which aims to create a better understanding of and greater solidarity with the people of the South and the East, will accompany the visit. These efforts are meant to increase public awareness to other cultures, to promote development cooperation. More information can be found at **www.** globalizingworld.net

World Bank

From 7 to 19 April 2008, a World Bank (WB) Skills and Labour Markets Mission for the Albania Country Economic Memorandum (CEM) visited Albania. The main aim was to explore skill formation and labour market issues in the context of the proposed CEM. CEM is a report planned to look at growth priorities in the context of future EU accession. Key government officials and representatives from private sector, civil society organizations and donor community were met.

From 14 to 17 April 2008, a WB Identification Mission for the Governance and Accountability Analytical Advisory Activities took place. The aim was to identify line ministries concerns to be reflected by the Governance & Accountability AAA, to come to a preliminary decision on the analytical approach of the proposed AAA, and to continue dialogue on inclusion of new governance and accountability questions in the questionnaire of the 2008 LSMS.

From 14 to 25 April 2008, a WB Supervision Mission for the Second Community Works Project took place The aims were: to assess the extent to which the project continues to meet development objectives; and the degree to which the project can be completed by the closing date. The mission appraised Albania Development Fund (ADF) efforts to prepare the necessary documentation of the Implementation Completion Report. From 2 to 24 April 2008, a WB Mission from the Oil, Gas and Mining Sector Policy Division visited Albania. The aim was to assess the current mining operations and to estimate the potential for growth. In finalising the Phase I Scoping Report for the Albanian mining sector, it was noted that an update on the status of existing mining operations was beneficial. The Report is now finalised and a follow-up visit on this work was conducted between 21 and 24 April 2008, focusing on the detailed analysis of the overarching policy, fiscal and regulatory framework.

From 7 to 11 April 2008, a WB Supervision Mission for Treasury System Review took place. The focus was to complete a preliminary review of the new Treasury System. The aims were: to discuss the current status of Treasury System operations and information technology infrastructure, to identify sustainability risks, and to recommend solutions for improving daily operations; to assess the effectiveness of treasury system functional modules; to discuss the use of treasury system in planning and execution of public investment projects; and to assess the integration of the Treasury systems with the HRMIS.

From 27 April to 2 May 2008, a WB Supervision Mission for the Integrated Coastal Zone Management and Cleanup Project (APL-1) took place. The mission focused on: the assessment of the legal framework for land registration, legalization and property restitution and compensation, urban planning enforcement with special focused on illegal building and resettlement laws, policies and procedures; recommendations for strengthening transparency and due process, as well as the provision of international best practices.

donordialogue

As of 1 April 2008, the European Commission is the current Chair of the DTS Secretariat.

Any comments regarding Donor Dialogue

(both positive and negative) are strongly encouraged – and we promise to print all such comments received!

Want to contribute?

If you would like to contribute, send your text to the Donor Technical Secretariat (DTS) Office (**nevila.como@aidharmonisation.org.al**) by the 1st of every month. An ideal word count for submissions is around 100 words.

Frequency

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

Who are the donors in Albania?

There are over 40 donors operating in Albania. To find out who they are please click **here**.

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