

**Together for Albania**  
**International Donors' Conference after November 2019 Earthquake**  
**Brussels, February 17, 2020**

**Linda Van Gelder, Regional Director for the Western Balkans**

**INTERVENTION ON POST-DISASTER NEEDS ASSESSMENT (PDNA)**

Prime Ministers,  
Excellencies,  
Ladies and Gentlemen,

The November earthquake brought personal tragedy to many families in Albania; you have our deepest sympathies. It also caused damages and losses estimated at 7.5 percent of the 2018 GDP. Accompanying the urgent reconstruction needs is also the importance to focus on strengthening the policy and institutional framework for resilience.

The World Bank stands ready to support Albania's reconstruction and to help build resilience. Based on our experience, there are three groups of principles that can help facilitate successful reconstruction.

First, private ownership is critical. Limited public resources must prioritize those most in need and be non-discriminatory, paying special attention to gender issues, and targeting the most vulnerable. Housing reconstruction must be owner-driven, with effective mechanisms to ensure that programs integrate homeowner preferences.

Second, reconstruction needs to be transparent and with full accountability. In particular, eligibility criteria must be clear, with robust grievance redress mechanisms. The details, decisions, and monitoring of any reconstruction program should be publicly accessible.

Third, reconstruction must build back better. Housing and infrastructure need to be reconstructed or rehabilitated to be more resilient. Rebuilding and potential new settlements must pursue modern, green, low-carbon, community-friendly, and livable urban development.

To deliver on these principles, reconstruction activities should be carried out uniformly, no matter the source of financing. Public resources need to be leveraged to crowd in private financing, while adhering to standards of equity and quality.

We are pleased to see that the housing sector recovery strategy, outlined in the PDNA, also highlights the importance of these issues. The PDNA notes the importance of:

- ***Owner-driven reconstruction supported by a rules-based, transparent public program;***
- ***Policy reform to manage temporary accommodation, home-owners associations, illegal housing, and challenges for vulnerable populations;***
- ***Robust regulatory frameworks to manage environmental and social issues; and***
- ***Resilient urban development.***

The World Bank has significant experience in housing reconstruction, committing over US\$2 billion over the last decade. While owner-led housing reconstruction is complex, the potential long-term development benefits are significant and worth pursuing to support the well-being of the citizens of Albania.

We are ready to support Albania's reconstruction across multiple sectors including housing, committing ourselves to help care for its citizens, invigorate the economy, and make the country more resilient.

### **PLEDGE INTERVENTION**

Let me once again offer my deepest sympathies to the People of Albania. On behalf of the World Bank and IFC, the World Bank Group makes the following pledge:

The World Bank pledges 106 million Euro in IBRD loans. This includes up to EUR 85 million in IBRD loans for reconstruction efforts in the housing sector where the World Bank has global experience in supporting post-disaster housing recovery.

The World Bank and the Government of Albania have already redeployed EUR 6 million from an ongoing Health Sector Modernization operation to support the reconstruction design work for three hospitals. EUR 15 million in additional IBRD loans could be made available under the same health project to support further reconstruction needs in the health sector, including the purchase of needed equipment and furniture for impacted hospitals.

New loans are subject to Government request and World Bank Board approval.

The International Finance Corporation (IFC) will seek to develop financial instruments to be delivered through commercial banks aimed at making financial products more affordable for affected households. The instrument would be supported by blended financing from others. This may help the Government to maximize its impact in the most vulnerable regions impacted by the earthquake.

In addition, a Financial sector team from the World Bank is providing support for the development of a law for catastrophe risk insurance. We are also providing technical assistance focused on Strengthening Disaster Resilience in Albania.

We stand ready to respond to the requests of the Government of Albania to support its reconstruction efforts as well as its approach to strengthening resilience to future shocks.