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ANNEX

to the

COMMISSION IMPLEMENTING DECISION

adopting a second special measure in favour of Albania for post-earthquake reconstruction and rehabilitation for the year 2020

1 IDENTIFICATION

Beneficiary	Albania
Basic act:	Instrument for Pre-accession Assistance (IPA-II)
CRIS/ABAC Commitment references	2020/042-820
Budget line	22.02 01 02
Total cost	EUR 100 000 000
Union Contribution	EUR 100 000 000
Method of implementation	Indirect management with an entrusted entity to be selected according to the criteria set in section 2.2
Final date for contracting , including the conclusion of delegation/contribution agreements	At the latest by 31 December 2021
Indicative operational implementation period	6 years following the date of adoption of the Financing Decision

2 DESCRIPTION OF THE SPECIAL MEASURE

2.1 SECTORS SELECTED UNDER THIS SPECIAL MEASURE

On 26 November 2019, an earthquake of magnitude 6.3 hit Albania causing destruction of public and private infrastructure, hitting thousands of households and resulting in 51 fatalities, about 1,000 injured people, and about 17,000 people displaced. The Post Disaster Needs Assessment (PDNA)¹ produced by the Albanian authorities with support from the European Commission, United Nations and the World Bank, was published in February 2020 and provides the basis for the post disaster re-construction work.

The PDNA assesses the impact of the earthquake on affected sectors and populations. It studies the socio-economic development of affected districts, as well as on a wider national level. It defines a recovery strategy with short, medium and longer term needs, priority actions and costing, and an intervention framework. The PDNA identifies the total needs of EUR 1,076 billion.

EU response

The EU Civil Protection Mechanism (UCPM) was activated at the request of the Albanian authorities on 26 November. In a first response to the earthquake, the UCPM mobilised three search and rescue teams of more than 200 staff as well as structural engineers from five Member States to assess the damage. In addition, eight EU Member States delivered in-kind assistance through the UCPM, including tents, beds, blankets, sleeping bags, generators and hygiene items. Two EU Civil Protection Teams coordinated and facilitated the arrival of this assistance. Furthermore, the Copernicus emergency management service produced six satellite images of the affected zones.

The EU also allocated EUR 300,000 in immediate emergency funding to provide vulnerable people with food, non-food assistance and psychosocial support, channelled through the International Federation of Red Cross and Red Crescent Societies.

An international donors` conference was organised by the EU in Brussels on the 17th February 2020 based on the Post Disaster Needs Assessment (PDNA) report. It collected EUR 1.15 billion in grants and loans.

Funding confirmed by the international community for the post-earthquake recovery in Albania	
TOTAL GRANTS	295.738.622 €
TOTAL LOANS	853.017.997 €
TOTAL IN-KIND	3.418.500 €
TOTAL PLEDGES	1.152.175.119 €

The total pledges by the EU member states, the European Commission and the European Investment Bank amount to EUR 400,4 million. The European Commission pledge of EUR 115 million consists of two components:

- The initial amount of EUR 15 million, announced in December 2019. The special measure focusing on rehabilitation and reconstruction of education facilities was adopted

¹ https://ec.europa.eu/info/events/international-donors-conference-albania-earthquake_en

on 14 February 2020. To allow urgent launch of the construction operations, it is implemented through a contribution agreement with the United Nations Development Programme, which has existing capacity in this sector in Albania. The contract covers the rehabilitation and reconstruction of indicatively 22 schools.

- The additional EUR 100 million, which is the subject of this special measure.

Rationale for the selection of the specific sectors under this special measure

The choice of sector for this special measure is based on the Post Disaster Needs Assessment (PDNA) and the interventions of the other donors. The Government maintains the coordination of different donor actions. The education and cultural heritage sectors have been identified as the priority sectors for the Commission funding.

According to the PDNA, the physical infrastructure of the **education facilities**, especially in rural areas, do not meet current regulations on safety and accessibility. Most of the aged school buildings are in urgent need of reconstruction, particularly those built before the 1990s. 321 educational institutions (all types including dormitories) were affected by the earthquake. This accounts for 24% of all education facilities in the 11 affected municipalities. About 90% of damaged schools are in the public sector. Education authorities have managed to resume education by relocating children to neighbouring schools, providing transportation, and setting up temporary learning centres. However, disruption in education and relocating children to a new school environment can negatively affect internal efficiency and equity in education. The rate of absenteeism has gone up and there are reports of parents not allowing girls to travel long distances to neighbouring schools for safety reasons. Socio-economically disadvantaged children, ethnic minorities children with special needs, and children struggling academically in school, are likely to suffer from negative effects more.

A total of 111 **cultural heritage monuments and sites** were inspected in the earthquake-affected areas. 53 of them are either temporarily unusable or at high risk. The Castles of Durrës, Kruja and Preza are among the most damaged cultural monuments. Several monuments are nonfunctional and are closed to the public. The cultural heritage monuments face risks such as water penetration and structural damages. The general condition of the buildings and low digitization rate, could result in potential losses to the collections, including scientific information. Cultural heritage resources are often non-renewable in nature and have high significance for national identity, history, culture and income. They foster social cohesion and sustainable development at the community level.

Under this special measure of EUR 100 million,

- EUR 50 million shall be allocated to scale up the work done under the first special measure, to rehabilitate and reconstruct education facilities, and to provide essential furniture and equipment for the full recovery of vital education services for children and youth. Together the two special measures will allocate EUR 65 million for the education sector.
- EUR 50 million shall be allocated to the rehabilitation of damaged **cultural heritage** sites including e.g. monuments, museums, libraries and archeological sites. In addition to covering the structural damage, restoration of the monuments and rehabilitation of the buildings, the assistance will help improve aspects related to the valorisation of these sites, e.g. by improving the sites' landscaping or other essential tourism infrastructure and facilities, digitalisation, or by supporting the development of management plans. The developments will be done in line with the UNESCO operational guidelines for the world heritage sites where applicable. Consequently, this component is expected to have a direct positive impact on the post-earthquake economic recovery of the country. The work

will be pursued in line with relevant international standards and in clear respect of the values, authenticity and integrity of cultural sites.

All construction will follow the Build Back Better (BBB) principle, applying sustainable building norms and providing an opportunity to sustainably reduce the future risk. BBB will guide rebuilding stronger, safer and more disaster-resilient infrastructure and systems. This agenda will also contribute to building sustainable infrastructure. In terms of environmental sustainability considerations, the special measure will bring improvements to energy efficiency, which will be pursued through the reconstruction/rebuilding process of the public buildings and in the cultural heritage sites. This will help manage the carbon footprint for the buildings and sites, and reduce cost for the beneficiaries.

List of Actions foreseen:

Action	Direct management	Indirect management	
		With entrusted entity	With IPA II beneficiary
Rehabilitation and reconstruction of public buildings			
Action 1 Post-earthquake reconstruction and rehabilitation of education facilities	EUR 0	EUR 50 000 000	EUR 0
Action 2 Post-earthquake rehabilitation of damaged cultural heritage sites	EUR 0	EUR 50 000 000	EUR 0
TOTAL	EUR 0	EUR 100 000 000	EUR 0

2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

The envisaged assistance is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU².

SECTOR 7	Education, employment and social policy	EUR 50 000 000
Action 1	Support for the post-earthquake reconstruction and rehabilitation of education facilities	EUR 50 000 000

(1) Description of the action, objective, expected results and key performance indicators

The **overall objective** of the action is to assist Albania in the reconstruction efforts in the aftermath of the earthquake, in order to enable swift recovery and delivery of vital public services. The focus of the action will be on education facilities, and may as well include other public buildings.

Specific objective:

- to provide support for post-earthquake reconstruction to ensure delivery of public services in the education sector

Expected results:

- Severely affected public buildings (such as schools and education facilities) are rehabilitated / reconstructed

Key Performance Indicators

- a) number of buildings renovated;
- b) number of buildings reconstructed;
- c) number of students attending rehabilitated/reconstructed schools

(2) Assumptions and conditions

The main assumption is that the relevant authorities are responsible for the coordination of the activities.

The condition is that the technical documentation is of sufficient quality and produced on time. Construction and reconstruction will only be undertaken on sites for which the necessary permits

² www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

have been issued. Failure to comply with the requirements set out above may lead to a recovery of funds under this programme and/or the re-allocation of future funding.

(3) Implementation modalities

(3)(a) Indirect management with entrusted entity

This action will be implemented in indirect management with an entity which will be selected by the Commission services using the following criteria: (i) mandate of the entrusted entity covering the nature of the action; (ii) operational capacity, logistical & management capacities, technical expertise; (iii) impact, results, leverage effect of cooperation with other entities/donors, also covering effectiveness of the delegation of tasks, in Albania; (iv) reduced transaction costs; (v) transparency and absence of conflict of interest; (vi) and the capacity of the entity for possible co-financing. Experience of the potential entity in particular in the context of the European Union and in the Western Balkans, is an asset.

Brief description of the tasks entrusted to the entity

The entities chosen will be responsible for the implementation of the reconstruction and rehabilitation of the damages caused by the earthquake to selected public buildings. This will include design preparation or revision, finalisation of tender documents, award and completion of contracts, communication about the results of the actions. It will also be responsible for supervising the implementation on the ground, reporting to the EU Delegation and monitoring the activities.

(4) Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

SECTOR 6	Competitiveness and Innovation	EUR 50 000 000
Action 2	Support for the post-earthquake rehabilitation of damaged cultural heritage sites	EUR 50 000 000

(1) Description of the action, objective, expected results and key performance indicators

The **overall objective** of the action is to assist Albania in the reconstruction efforts in the aftermath of the earthquake, to save seriously damaged cultural sites and to contribute to the economic recovery. The focus of the intervention will be on cultural heritage sites, and may as well include other public buildings linked to the said facilities and sites.

Specific objective:

- to provide support for post-earthquake reconstruction to to preserve cultural heritage

Expected results:

- Severly affected cultural heritage sites are rehabilitated

Key Performance Indicators

- a) number of cultural heritages sites rehabilitated

(2) Assumptions and conditions

The main assumption is that the relevant authorities are responsible for the coordination of the activities.

The condition is that the technical documentation is of sufficient quality and produced on time. Construction and reconstruction will only be undertaken on sites for which the necessary permits have been issued. Failure to comply with the requirements set out above may lead to a recovery of funds under this programme and/or the re-allocation of future funding.

(3) Implementation modalities

(3)(a) *Indirect management* with entrusted entity

This action will be implemented in indirect management with an entity which will be selected by the Commission services using the following criteria: (i) mandate of the entrusted entity covering the nature of the action; (ii) operational capacity, logistical & management capacities, technical expertise; (iii) impact, results, leverage effect of cooperation with other entities/donors, also covering effectiveness of the delegation of tasks, in Albania; (iv) reduced transaction costs; (v) transparency and absence of conflict of interest; (vi) and the capacity of the entity for possible co-financing. Experience of the potential entity in particular in the context of the European Union and in the Western Balkans, is an asset.

Brief description of the tasks entrusted to the entity

The entities chosen will be responsible for the implementation of the reconstruction and rehabilitation of the damages caused by the earthquake to selected public buildings and cultural sites in line with relevant international standards. This will include design preparation or revision, finalisation of tender documents, award and completion of contracts, communication about the results of the actions. It will also be responsible for development of management plans where relevant, and supervising the implementation on the ground, reporting to the EU Delegation and monitoring the activities.

(4) Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

3 BUDGET

3.1 INDICATIVE BUDGET TABLE – SECOND SPECIAL MEASURE IN FAVOUR OF ALBANIA FOR POST-EARTHQUAKE RECONSTRUCTION AND REHABILITATION FOR THE YEAR 2020

		Indirect management		Direct management	Total EU contribution (EUR)	IPA-II beneficiary or other third party contribution (EUR)	Total (EUR)
		with IPA-II beneficiary	with entrusted entity				
		EU contribution (EUR)	EU contribution (EUR)	EU contribution (EUR)			
Objective 2	Sector 7 Education, employment and social policy		50 000 000		50 000 000		50 000 000
	Action 1 Post-earthquake reconstruction and rehabilitation of education facilities		50 000 000		50 000 000		50 000 000
	Sector 6 Competitiveness and Innovation		50 000 000		50 000 000		50 000 000
	Action 2 Post-earthquake rehabilitation of seriously damaged cultural heritage sites		50 000 000		50 000 000		50 000 000

4 PERFORMANCE MONITORING ARRANGEMENTS

As part of its performance measurement framework, the Commission shall monitor and assess progress towards achievement of the specific objectives set out in the IPA II Regulation on the basis of pre-defined, clear, transparent measurable indicators. The progress reports referred to in Article 4 of the IPA II Regulation shall be taken as a point of reference in the assessment of the results of IPA II assistance.

The Commission will collect performance data (process, output and outcome indicators) from all sources, which will be aggregated and analysed in terms of tracking the progress versus the targets and milestones established for each of the actions of this programme, as well as the Indicative Strategy Paper.

The overall progress will be monitored through the following means: a) Result Orientated Monitoring (ROM) system; b) IPA II Beneficiaries' own monitoring; c) self-monitoring performed by the EU Delegation; d) joint monitoring by the European Commission (DG NEAR) and the IPA II Beneficiary, whereby the compliance, coherence, effectiveness, efficiency and coordination in implementation of financial assistance will be regularly monitored by an IPA II Monitoring committee, supported by Sectoral Monitoring committees, which will ensure a monitoring process at sector level.

5 EVALUATION

The financing of the evaluation shall be covered by another financing decision.

Having regard to the nature of the action, a final evaluation will be carried out for this action or its components via independent consultants. It will be carried out for accountability and learning purposes at various levels (including for policy revision).

The Commission shall inform the implementing partner at least 30 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the IPA II beneficiary and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the IPA II beneficiary, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.