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The Reconstruction and Development Policy in Albania After the Earthquake of 26 November 2019

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Abstract: The paper explores the reconstruction and redevelopment policy in Albania, after the damages caused by the earthquake of 26 November 2019 as a devastating natural disaster, and the following crises it created. One of the major problems was that of damages that suffered several regions, in relation with the houses and buildings in these areas. The reconstruction policy for the unsheltered persons following the destruction caused by the earthquake, aimed at helping individuals and families that lost their homes as a result of this natural disaster. Thus, this paper aims to present the situation in relation with the implementation of the reconstruction and housing policy and the steps undertaken by the Albanian government, together with other public and private actors in this direction. In this regard, it was necessary to create ties and collaborate with affected local government units or municipalities, different nongovernmental actors and citizens, also accompanied by the necessary funds, in order to respond to increased responsibilities to cope and overcome the crises situation, in line with all the support of international actors. In this paper, will be analyzed the involvement and the response of the government and other relevant actors in time of crisis and the undertaken government initiatives to offer citizens effective and efficient public goods and services. The methodology to exploring this topic, is that of qualitative methods, and by using primary and secondary sources of information from different international and national relevant institutions. The different aspects and the used instruments of the reconstruction and redevelopment policies, have been related with arguments about its efficiency and effectiveness, with different treatment of the citizens, the steps and the quantity of the given relief from government, and debates about the speed of the process, accompanied by the problematic situation of Covid 19 spread at the time, in the country.

Keywords: Reconstruction and development policy; housing policy; government' response to crisis; sustainable development

1. The Reconstruction and Development Policy in Albania after the Earthquake of 26 November 2019

Albania is a country at risk from natural disasters like earthquakes, floods or from outbreak of epidemic diseases. The earthquake with a magnitude of 6.4 of the Richter scale on the 26th of November 2019 hit the areas of Durrës, Shijak, Tirana, Kruja (Thumana), Kamza, Kavaja, Kurbin and Lezha, resulting in 51 fatalities and 913 wounded people, also accompanied by great material damages, in buildings and

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other facilities. In these conditions the socialist government led by the Prime Minister Edi Rama has undertaken the reconstruction policy and the housing public policy, in order to help the affected areas and citizens to return to the normal life conditions, before the earthquake happened. This public policy was accompanied by difficulties and also by the problems caused by the spread of the Covid 19 pandemics in the country.

Nevertheless, the elements and the instruments of the reconstruction policy have been followed by disputes and arguments regarding the efficiency and the effectiveness of the process, the different treatment of the citizens, the aid and relief given to individuals and families and the speed of the reconstruction and development policy in relation with the sheltering of the affected citizens, made even more difficult by the spread at the time, of the Covid 19 pandemics.

2. The Reconstruction Policy and the Government Strategies to Cope with the Crises

The reconstruction program is a policy undertaken by the Albanian government after the earthquake of 26th November 2019. It entails new buildings and reconstruction of the objects and urban infrastructure, after the inspection and assessment of the damages caused by the earthquake. The reconstruction policy was initiated by the Ministry of Reconstruction¹ that was in charge of the process, led by the deputy prime minister (at the time) Arben Ahmetaj (now being wanted by the Albanian justice and accused for corruption) and with the Albanian Commission of Reconstruction (KSHR)², as a collegial body. The other actors for the reconstruction and revitalization of the earthquake' affected areas were the National Agency of the Civil Defense (AKMC), the National Agency of the Territorial Planning (AKPT)³, the Municipalities of the affected cities, and the Albanian Development Fund (FShZh) as the implementing agencies for the reconstruction of the individual houses; the aligning and the reconstruction of the individual houses in the rural areas, together with the necessary supportive infrastructure; and the construction of the new urban neighborhoods. About this issue, the government had a leading role in handling and coping with post-disaster problems or effects, apart from a bottom-up view that considers as substantial the role of the community and other involved private actors.

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Initially, the Albanian experts analyzed and estimated the structural damages, with the support also of the foreign experts, that classified and categorized 5080 buildings as inappropriate to live in or that were uninhabitable (apartments or flats, private or individual houses, schools, hotels, etc.) in a category DS4 and DS5 (Level 4 and 5, Structural Damages). In the Post-Disaster Needs Assessment (Vlerësimi i Nevojave Post-Fatkeqësi) a total number of 11,490 shelter or housing units are classified as totally damaged or to be destroyed.⁴

¹ <https://rindertimi.gov.al>.

² Akti normativ nr.9, datë 16.12.2019, "Për përballimin e pasojave të fatkeqësisë natyrore" dhe VKM nr. 878, datë 24.12.2019, "Për përbërjen, organizimin e veprimtarive dhe rregullat e funksionimit të KShR"/ Normative act no. 9, dated 16.12.2019, "On coping with the consequences of natural disasters" and VKM no. 878, dated 24.12.2019, "On the composition, organization of activities and rules of operation of KShR".

³ Agjencia Kombëtare e Planifikimit të Territorit/ National Spatial Planning Agency, AKPT, <https://planifikimi.gov.al/index.php?id=home>.

⁴ <https://reliefweb.int/report/albania/albania-earthquake-revised-emergency-appeal-n-mdral008>.

3. Crises/Natural Disaster Budgeting and the Necessary Funds for the Reconstruction Policy

In order to cope with the issues and problems caused by natural disasters, in the organic law of the public budget, it is the article 4/4a¹ that specifies the case of budgeting in extraordinary situations: in cases of catastrophic events or natural disasters, technological accidents or other situations, that are unpredictable and out of the government control, that endangers or risks the life or health of the Albanian citizens. Given this situation, the government should finance and budget for the management of the issues caused by the natural disasters, in this case of the earthquake, and also secure other sources of financing. In this regard, in the law for public budget for the year 2020, in the article 7, it was stated that the fund for the reconstruction is approximately 20 billion ALL (Albanian lek), to cope with the earthquake' damages. The fund consists of²: grants, 7 billion ALL and a fund in the state budget' expenditures of 13 billion ALL. In the fiscal indicators of the consolidated budget for the period 2018-2023, in relation with the capital expenditures, it was approved in 2021, a fund of 28 000 million ALL, or 1.7 % of the GDP, and in 2022 a fund of 6 000 million ALL.

In the Conference of the Donors for the reconstruction of Albania, held in Brussels on 17 February 2020, the country could raise a fund of 1.15 billion euro in the form of gifts, help, grants, and loans. These funds, together with the funds secured by public debt will be used to finance the Reconstruction program. The reconstruction policy will be conducted by the development of the new areas for obligatory development; building the urban infrastructure; investing in stock dwellings; grants for reconstruction and social rebound; reconstruction of the individual houses, building and reconstruction of public infrastructure and every other step in order to rebuild these dwellings in the territory of the municipalities of Durrës, Kamëz, Kavajë, Rrogozhinë, Krujë, Kurbin, Lezhë, Mirditë, Shijak and Vorë, as stated in the predefined projects (1+1, 1+2, 1+3)³

The fiscal indicators of the consolidated budget 2020, in millions ALL:

<i>Reconstruction fund, from which:</i>	<i>34,000</i>	<i>2.2%</i>
<i>Grants</i>	<i>3,000</i>	<i>0.2%</i>
<i>Expenditures</i>	<i>31,000</i>	

4. The Government Role in Facing the Consequences of the Earthquake and the Needed Reconstruction Policy

The central government initiated post-disaster reconstruction, by designing the necessary instruments like: interacting agencies, possible funds or the grants from agencies or other institutions and the trained personnel to face the crises or necessary human capital. Based on the author Laura E. Grube, the government, from the start, should design clear and known game rules; the rules for defending the private properties; and the rules that help the local actors to be involved in the process of handling the crises (Grube, 2020).

Based on the Normative Act “For coping with the consequences of the natural disaster” the program of reconstruction and the respective subprograms, are specified in the article 18⁴: the development of the new objects and of the new areas for development, with the suitable public infrastructure, and the reconstruction of the actual or existing damaged buildings and of the public infrastructure from the state

¹ Ligj Organik i Buxhetit, nr.57, 02.06.2016, pp. 7-8/ Organic Budget Law, no. 57, 02.06.2016, pp. 7-8.

² Ligj për Buxhetin e vitit 2020, nr.88, dt. 18.12.2019, p. 4/ Law on the Budget of 2020, no. 88, dt. 18.12.2019, p. 4.

³ Open Procurement Albania. <https://prokurimettransparente.al/sq/albaniandf/view/id/293>, accessed on 11 may 2024.

⁴ Akt Normativ no.9, dt., 16.12.2019, Për përballimin e pasojave të fatkeqësisë natyrore, pp. 8-9/ Normative Act no. 9, dt., 16.12.2019, On coping with the consequences of a natural disaster, pp. 8-9.

authorities and from the sponsors or donors; the reconstruction of the collapsed earthquake's buildings in the same ground; collaboration program with the private sector for constructions. The program of the creation of the fund for dwellings: for buying new dwellings in the market and the dwellings donated by private actors. The program of the reconstruction grants: for the reconstruction of the damaged dwellings; paying the rent for the unsheltered families as a result of the earthquake; the compensation of the expenses of the private sector that offer accommodation structures. The program of the social and economic recovery measures: the compensation for damages from the disaster; the measures for the social recovery; the measures for the economic recovery and the remedial and preventive measures.

*The case of the municipality of Durrës*¹ as one of the most affected municipality in Durrës, 15 months after the earthquake, based on the Decisions of the Municipality Council², that have been approved from the period of 29.05.2020 - 24.02.2021, there were 13661 benefitting subjects of the reconstruction fund, in the value of 100000 ALL for buildings categorized as DS1, 250000 ALL for DS2 and 500000 ALL for DS3. So, the reconstruction process comprised the repair of the dwellings from the families that have benefitted from the reconstruction grant and the repair of the shared premises of the buildings from the state.

Table 2. Author's research

<i>DS category</i> <i>Durrës</i> <i>municipality</i>	<i>List</i> <i>no. I</i>	<i>List</i> <i>no. II</i>	<i>List</i> <i>no. III</i>	<i>List</i> <i>no. IV</i>	<i>List</i> <i>no. V</i>	<i>List.</i> <i>no. VI</i>	<i>List</i> <i>no. VII</i>	<i>List</i> <i>no. VIII</i>	<i>List</i> <i>no. IX</i>	<i>List</i> <i>no. X</i>
<i>DS1</i>	1081	237	122	590	70	30	16	13		
<i>DS2</i>	2223	440	185	964	121	73	44	17		
<i>DS3</i>	2953	515	157	752	100	84	68	104		
<i>TOTAL</i>	6257	1192	464	2306	291	187	128	134	806	1896

Based on the Mayor of the Municipality of Durrës, one year from the earthquake, 9700 families have benefited from the reconstruction grant, 4800 families benefited a rental bonus, 31 kindergarten and schools, 30 buildings will be reconstructed in the prior ground, 123 DS4 buildings are in the phase of the detailed design of projects, 904 individual houses, 615 buildings were reconstructed in the shared premises (stairs, lifts and facades) and will be founded 2 new neighborhoods with contemporary standards in Spitallë and Manëz.³

Although the actual number of the grant benefitting subjects, there have been too many discussions about the procedures followed by the responsible institutions, in relation with the announcements and the 2 to 3 days limit for applying, that it was not enough for the interested citizens (and also Albanian emigrants) that waited for hours and days in line in order to apply for the grant, with the fear of the Covid 19 spreading of. A significant number of applications waited in the list for the other opportunity to apply for the grant. Also, it was very difficult to secure the analysis and the expertise of the inspected buildings, for completing the necessary documents for the application.

¹<https://www.durres.gov.al/bashkia/zyra-e-shtypit/1356-fillon-rikonstruksioni-i-ambienteve-te-perbashketa-per-pallatet-e-demtuara-nga-termeti-kryebashkiakja-sako-inspekton-punimet>.

² Vendimet e Këshillit Bashkiak Durrës, nr. 55, 64, 70, 81, 88, 100, 115, 129, Lista IX, Lista X/ Decisions of the Durrës Municipal Council, no. 55, 64, 70, 81, 88, 100, 115, 129, List IX, List X.

³https://durreslajm.al/aktualitet/nje-vit-nga-termeti-cpo-ndodh-ne-durres-me-rindertimin-sako-6-muaj-do-perfundojne?fbclid=IwAR35e92IYR0Toh75KP_zDpFncpL-2zAU_ejsjoYh0fsEPNkhMri9k5OGsWw, accessed on 27th of January of 2021.

5. The Actual Results from the Reconstruction and Development Policy

Reconstruction policy continues and probably will continue even beyond the year 2024. From the start in 2020 until now has been difficult to calculate and have a panoramic of the actual situation because of the defragmentation of the process based on several agencies and also the changing and shifting of the responsibilities of the institutions involved in the process.

Lately, the Ministry of Infrastructure and Energy responded to the request about the process results, by declaring for the first time the total number of the constructed or built individual units and flats in all the affected country areas. In total, the number of the reconstructed individual houses or dwellings is about 2250 from the implementing agencies, Albanian Development Fund and the local level government units. It continues the work to finishing the individual houses in the reconstruction process. About 4500 flats have been rebuilt from the implementing agencies, Albanian Development Fund, the local level government units, and from other different donors. In the process of reconstruction are finishing about 125 buildings with flats (palaces). But it remains unclear the number of the flats in these buildings. The actual expenditures for the reconstruction process until the end of December 2023 were 92 billion ALL or about 885 million euro. These expenditures cover the financing of the policy in 11 affected municipalities from the earthquake of 26 November 2019.¹

In the same line, the article about the reconstruction policy specifies that in four years of reconstruction, the funds from the state budget were about 900 million ALL for building the new neighborhoods for the sheltering of the individuals and families. Until now, 6000 families have been sheltered in new individual houses and in this year it is expected that the process of reconstruction will end in Kavaja, Rrogozhina, Vora, and Kruja. Nevertheless there is not a finishing date for the process in Durres and Lezha, when still continues the work for the new neighborhoods of Tirana (Kombinat and 5 Maji). Until now about 3500 flats are finished 2200 individual houses and 143 schools have been reconstructed. Actually about 1000 families still continue to live in rented houses, waiting for the new houses. Overall the damages caused by the earthquake required investments of about 1.8 billion euro, from which approximately 800 million euro covered the damages related with the housing policy. In the Conference of the Donors for the reconstruction of Albania, the country got 1.15 billion euro, from which 300 billion were grants and the remaining was a loan. The aim of the Albanian government has been to benefit from the EU projects, that were mostly related with educational and cultural objects. Except for 524 apartments or flats that were invested from Turkey, and other flats financed by United Arab Emirates, the other dwellings were financed by the government, from the budget funds. There is not yet a date for the termination of the reconstruction process, whereas for the next year there is a fund of 70 million euro to spend for the process.²

6. Conclusions and Recommendations

Given the way in which is functioning the policy of reconstruction in Albania after the devastating earthquake of 26 November 2019, in the Durrës municipality and the other affected areas, the conclusion is that the process has been relatively slow, with uncertainties, and delays that have impacted the life and wellbeing of the citizens.

¹ <https://gazetareforma.com/5-vite-pas-termetit-rindertimi-i-banesave-pritet-te-shkoje-pertej-2024-es/>, accessed on 11 May 2024.

² <https://shqiptarja.com/lajm/rindertimi-ne-4-vite-nga-buxheti-u-shpenzuan-900-mln-euro-kete-vit-mbyllet-rindertimi-ne-vore-kavaje-e-rrogozhine-6-mije-familje-kane-marre-celesat-e-banesave-te-reja>, 26 November 2023, and accessed on 25 March 2024.

The central government took the leading role in the reconstruction and development process, without leaving out of focus the problems associated with this process. Although the government role in securing the necessary funds and relief and other sources, there have been a variety of issues and problems related with the efficiency and effectiveness of the process, like: different expertise from different sources, short time limits, slow process of reconstruction, uncertainties and lack of information for the subjects, the aid measures, problems with fund disbursement for the rental bonuses, or of the grant beneficiaries, problems regarding the classified buildings in the category DS4, etc.

The reconstruction and the return to normality should have included clear and known rules for the citizens, more transparency in relation with the structural damages of the inspected buildings, the families' treatment with the rental bonus and the reconstruction funds, in relation with: application time limits, the used criteria, in-depth expertise, new areas of development and the property rights of the subjects, also the facilities and other designed aids from different sources. Even more, there were too many uncertainties in relation with the reconstruction or considering a building as part of the DS4 classification that requires forced demolition, because of the differences in act-expertise or other related issues. This affects even the perception of the citizens that these are half measures and not enough to cope with the situation, and even more related with the electoral gains of the general elections held on 25 April of 2021, and the following political party staying in power. In the situation when the government has taken the leading role in the management of the post-disaster problems and reconstruction, it was needed a better coordination between the institutions involved, by supporting the local actors, companies and citizens, in order that in a reasonable timeframe, to regain and return back to the normal life, even in the difficulties that followed by the spreading of the Covid-19 pandemics.

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