

REPORT

MONITORING THE STATE HEALTH
BUDGET OF ALBANIA:

- THE YEAR 2020
- SEPTEMBER – DECEMBER 2020
- JANUARY – APRIL 2021

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NOVEMBER 2021

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Abbreviations

GDP	Gross Domestic Product
MHSP	Ministry of Health and Social Protection
CHIF	Compulsory Health Insurance Fund
DCM	Decisions of Council of Ministers
UHC	University Hospital Centre “Mother Teresa”
IPH	Institute of Public Health
NMEC	National Medical Emergency Centre
PPP	Purchasing Power Parity
Q I	First quarter
Q II	Second quarter
Q III	Third quarter
Q IV	Fourth quarter
ALL	Albanian Lek

Average exchange rate: 1 EUR=123 ALL¹

¹ Source: Bank of Albania

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INTRODUCTION

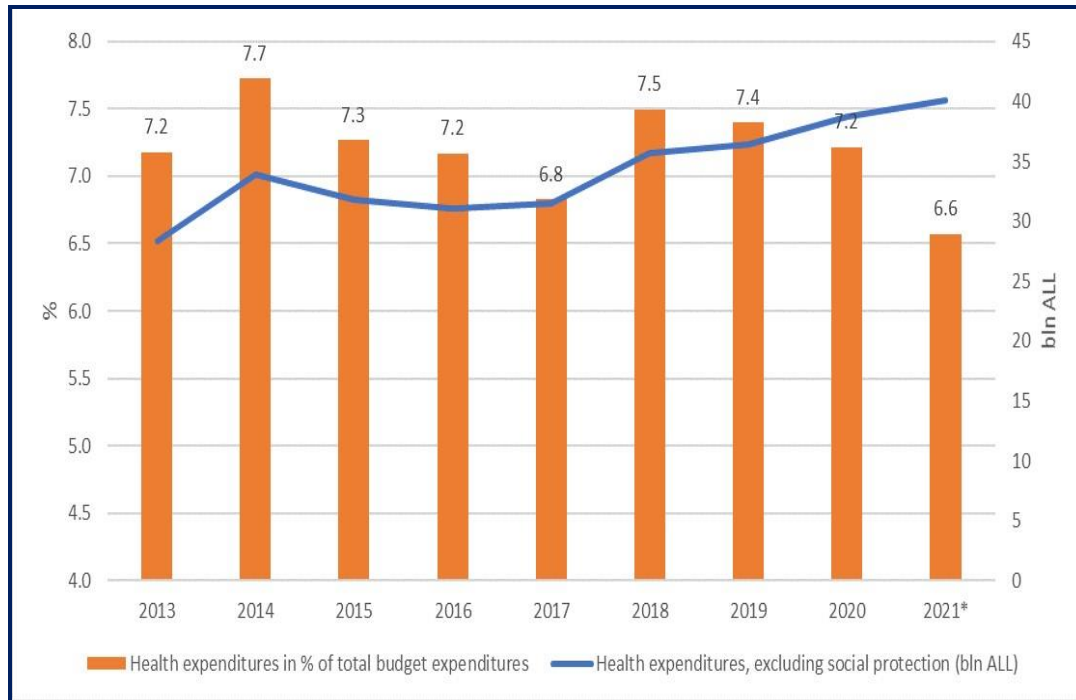
This report analyses the implementation of the health budget for 2020. More detailed analyses of the last quarter of 2020 and the first quarter of 2021, the last period when official data are available, are provided. The report analyses the official data used by the Ministry of Finance for the actual 2020 budget and the 2021 budget planning and the monitoring reports of the Ministry of Health that are published quarterly.

Procurement data in the health sector from openprocurement.al were also used. In addition to analysing the public data, requests for information based on the law "On Public Information" were sent out to several institutions.

1. MAIN FINDINGS, JANUARY 2020 - APRIL 2021

- During the last two years, Albania has managed an unprecedented pandemic not seen in the last century. Contrary to expectations, this pandemic is not exerting high pressure on public funds, at least in terms of additional funds needed to cope with the health crisis.
- In the last two years, expenditure for the health sector (fact 2020-plan 2021) increased at lower rates than the total budget expenditures.
- In 2021, the state budget plans to spend only 6.6 per cent of total expenditures on financing the health sector, 0.6 percentage points less compared with 2020, marking the lowest level of the decade since the data have been reported. Although in nominal terms, in 2021, planned expenditures for the health sector have increased slightly by 3.6% compared to 2020, in relation to total expenditures, the share of funds for health has decreased significantly. This is because the government has increased the total budget expenditures in other sectors, such as infrastructure.
- In 2020, when the country faced two consecutive pandemic waves in August and November-December, the health sector spent only 7.2 % of total budget expenditures, with a decrease of 0.2 % compared to 2019.
- As demonstrated by the chart below, the funds for health have been declining in the last two years (2020 and 2021), compared to the total budget expenditures. Over the last decade, health expenditures compared to total expenditures were capped at 7.7% of the total budget expenditures in 2014.

Chart 1: Public spending on health



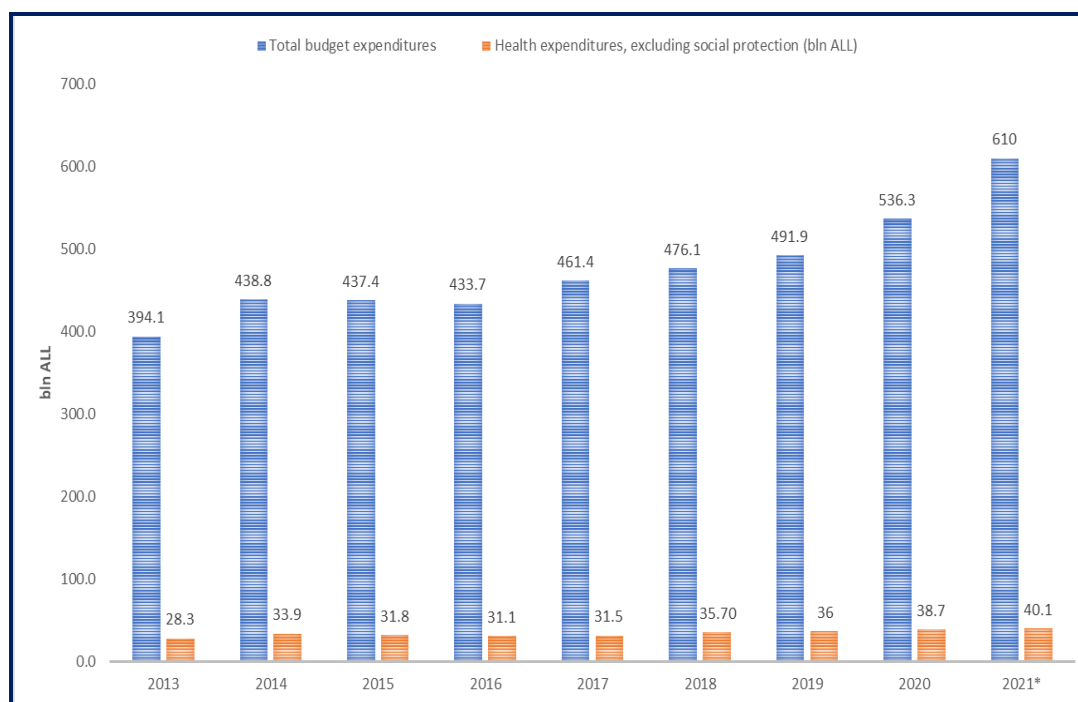
Source: From 2013-2019 actual health expenditures (Monitoring reports 2013-2020, Ministry of Health), actual budgets (Ministry of Finance); 2021*- spending on health planning; Data Processing, Author

- From March 2020 up to June 2021, the government allocated ALL 10.1 billion (EUR 82 million) to cope with the pandemic health crisis, of which ALL 3.1 billion (EUR 25.2 million) have already been spent in the 2020 budget, and 7 billion ALL (EUR 57 million) are authorised to be spent in 2021.²
- Total expenditures value allocated to face the pandemic for the health system was equal to 0.9% of the total budget expenditures of the two last years (fact 2020 - plan 2021).
- In 2020, the total state budget expenditures reached ALL 536 billion (EUR 4.3 billion). In 2021, the budget expenditures are planned at ALL 610 billion (EUR 5 billion), according to the Normative Act No. 26 dated 22.06.2021. The total budget expenditures for the 2020- 2021 period are estimated at ALL 1.1 trillion or EUR 9.3 billion. Meanwhile, the funds for coping with the health crisis

² (<https://www.financa.gov.al/projektbuxheti-2021/relacioni>).

during 2020-plan 2021 of about 82 million EUR are only 0.9% of the total budget expenditures of EUR 9.3 billion.³

Chart 2: Total budget expenditures and expenditures for health functions 2013 -2021



Source: <https://financa.gov.al/statistika-fiskale-mujore/>; <https://shendetesia.gov.al/tabelat-e-raportimit-per-intervale-t-kohore-3-muaj-9-muaj-dhe-vjetore-si-dhe-relacionet-perkatase/>; 2021*-plan

- Planned health expenditures to deal with the pandemic are expected to reach 12.6% of the total budget of the health sector for the two years (fact 2020-plan 2021).
- Even at the peak of the pandemic wave in September-December 2020⁴, health expenditures increased very little. During this period, funds for the health sector were only 12% higher than in the average year 2019 (see chart below). It is worth noting that during October-December 2020, the total death toll in the country increased by 70% compared to the average of the same period for 2016-2019.
- Based on the funds allocated to face the pandemic health crisis in 2020, it is evident that a large share has been used for protective equipment for medical staff, while funds to improve logistics and services to patients were limited. Out of ALL 3.1 billion (EUR 25 million), ALL 1.2 billion (EUR

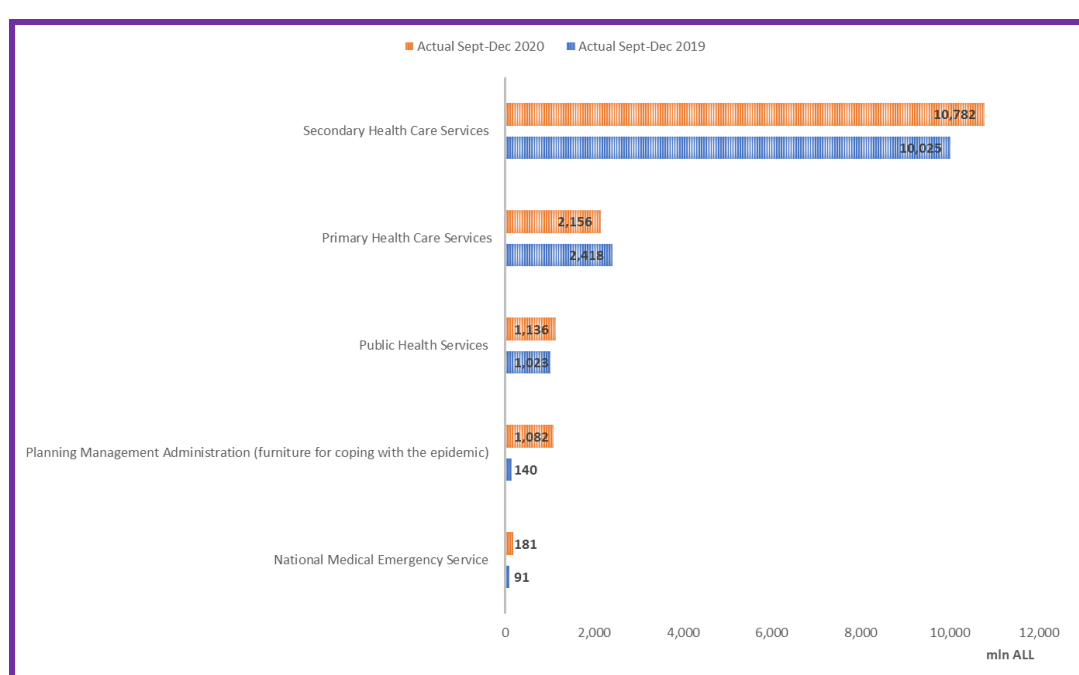
³ <https://financa.gov.al/statistika-fiskale-mujore/>.

⁴TfL has analysed in its previous report the budget performance of the health sector for the period January-August 2020

9.6 million) or 38% of the total went for protective equipment, while the rest improved infrastructure and logistics in the COVID-19 hospitals.

- This report represents a continuation of the work previously done to analyse the Ministry of Health and Social Protection budget. As the previous monitoring analysis covered only nine months in 2020, the current report summarises the entire 2020 financial year. A more detailed analysis is prepared for the last four months of 2020 and the first four months of 2021, the most recent period that official data are available. Read the report: "Following the Coronavirus Money Trail: The case of Albania."⁵

Chart 3: Health expenditures by function, September-December 2020-2021



Source: Ministry of Health and Social Protection

The same trend was observed during the first four months (4 MI) of 2021. Although there was a new pandemic wave January-February 2021 and more funds were needed to purchase vaccines, the budget expenditures on health were ALL 15 billion (EUR 122 million), representing an increase of 33% compared to the first four months (4 MI) of 2020.

⁵ https://www.wfd.org/wp-content/uploads/2021/01/WFD-Report_Follow-the-Money-in-Health_English-FINAL.pdf

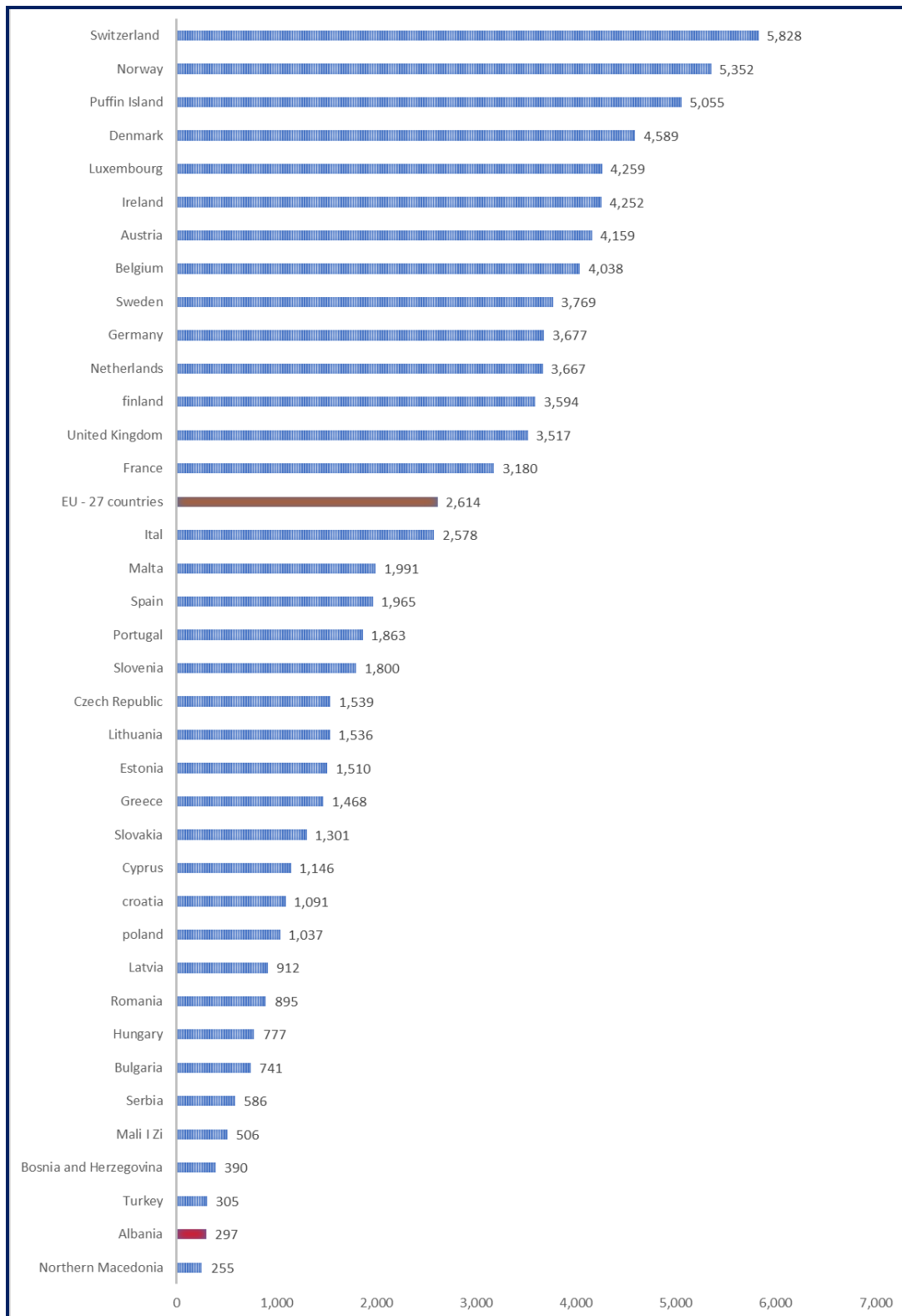
	Factual 4 M I 2020 (000 ALL)	Factual 4 M I 2021 (000 ALL)	Factual, %, 2021/2020
Planning Management Administration	267,239	66,637	-75.1
Primary Health Care Services	2,908,039	3,054,645	5.0
Secondary Health Care Services	7,174,841	9,134,984	27.3
National Medical Emergency Service	50,140	81,476	62.5
Public Health Services	828,677	2,669,616	222.2
Total	11,228,937	15,007,358	33.6

- Other EUROSTAT data show that health expenditures for Albania are among the lowest in Europe, and this trend continued in the pandemic year 2020. Nominal expenditures per capita in the health sector, in EUR⁶, (according to purchasing power parity) were EUR 297 in 2020, the second-lowest in Europe after Northern Macedonia (EUR 255) and almost ten times less than the European Union average (27 countries) of EUR 2,614⁷.

⁶ https://ec.europa.eu/Eurostat/databrowser/view/PRC_PPP_IND__custom_1303701/default/table?lang=en

⁷ Euro in Purchasing Power Parity (PPP)

Chart 4: Nominal expenditure per inhabitant, health (in EUR/PPP)



SOURCE: EUROSTAT

2. EXECUTIVE SUMMARY

The year 2020⁸

As in the other parts of the world, the outbreak of the COVID-19 pandemic has had a large effect on Albania, both in the economy and in managing the health situation of the population.

The Gross Domestic Product (GDP) reached ALL 1,607.9 billion (EUR 13 billion) at the end of 2020,⁹ falling 3.3% compared to 2019, and to the lowest level since the Ponzi (pyramid) schemes' crisis in 1997. This has been the first recession in Albania for more than two decades, but the Albanian economy proved resilient, and the economic downturn turned out to be much more restrained than the initial forecast, which fluctuated between -6.1% and -8% per year.¹⁰

Since March 9th, 2020, when the first official case of COVID-19 infection was identified in Albania, followed by a severe lockdown to restrain the pandemic, public finances have come under pressure, with revenue shrinking and spending rising, resulting in a sharp increase in the public debt. During 2020, revenues fell by 7.5% compared to 2019. On the other hand, spending increased by 9% due to several stimulus packages, aiming to help the economy and reallocate health spending to cope with the effects of the pandemic. The decline in revenues and the increase in expenditures led to a 250% increase in the budget deficit.¹¹

The total actual budget of the Ministry of Health and Social Protection (MHSP), including the funds for Social Protection - in 2020, was ALL 67.6 billion (EUR 549 million),¹² with an increase of 10.4% over the previous year.¹³ **In 2020, expenditures for the health sector accounted for 12.6% of the total budget expenditures, from 12.4% in 2019, when it was a typical year.¹⁴ The negligible change in the share of health expenditures in the pandemic year is an indication that the**

⁸ This report is in line with the previous one aiming to analyse the budget of the Ministry of Health. Given that the previous report analysed a 9-month period in 2020, the current one summarises the entire year 2020. A more detailed analysis is taken of the last four months of 2020 (September-December) and the first four months of 2021 (January-April), the last period when official data are available. You can find the previous report in the link: https://www.wfd.org/wp-content/uploads/2021/01/WFD-Report_Follow-the-Money_Shendetesi_Shqip-FINAL.pdf?fbclid=IwAR0f6S2AkN_gzIBkeg4cGurtAXLXnJD-1rgyW35NQfoCyHzAWnc1nV7-mBQ.

⁹ <http://www.instat.gov.al/al/temat/ekonomi-dhe-financ%C3%AB/llogarit%C3%AB-komb%C3%ABtare-gdp/publikimet/2021/produkti-i-brendsh%C3%ABm-bruto-t1-2021/>

¹⁰ Forecasts of the World Bank, the International Monetary Fund and the European Bank for Reconstruction and Development

¹¹ <https://financa.gov.al/statistika-fiskale-mujore/>

¹² Including social protection funds that are part of the MHSP budget

¹³ <https://shendetesia.gov.al/tabelat-e-raportimit-per-intervale-kohore-3-muaj-9-muaj-dhe-vjetore-si-dhe-relacionet-perkatese/>

¹⁴ <https://financa.gov.al/statistika-fiskale-mujore/>

sharp increase in the budget deficit was not oriented towards coping with the health emergency.

Out of the total funds of ALL 16.5 billion (EUR 143 million) allocated from the Albanian government to face the effects of the pandemic (on health and the economy), only ALL 3.1 billion (EUR 24 million), or 19%, were used to finance the health needs caused by the pandemic, while ALL 13.5 billion (EUR 110 million) were used to support the economy through two emergency relief packages.¹⁵

For the period September-December 2020, which coincides with the aggravation of a wave of the pandemic, the actual expenditures on health, including funds for Social Protection, were ALL 24.8 billion (EUR 195 million), or 14% more compared to the same period of 2020. The significant increase in Social Protection funds that are not directly related to health care spending was the main contributor to this upward trend. Out of EUR 195 million spent in September-December 2020, about ALL 9.1 billion (EUR 74 million), or 36.8%, were funds for Social Protection and ALL 15.6 billion (EUR 126.8 million), or 63.1%, were health expenditures. As of 2017, the function of Social Protection has been part of the MHSP.

First 4 months of 2021

Even in the first half of 2021, the country faced a strong second wave of the pandemic. Despite this wave and the high increase of excess deaths¹⁶ at 70%¹⁷, compared to normal periods, the government did not implement any lockdown decisions, opting for supporting the economy before people's health. The lack of restrictions led to the improvement of the economy. The Gross Domestic Product (GDP) in the first quarter of 2021 increased by 5.53%, compared to the first quarter of 2020.¹⁸

The improvement of the economy in the first half of 2021 led the government to revise an increase in the 2021 state budget. **Referring to the Normative Act No.26** dated 22.06.2021 for the change of the budget 2021, the revenue plan was revised by an increase of 1% compared to the initial budget reaching ALL 489 billion (EUR 3.97 billion), or 13% higher than the fact of 2020¹⁹.

The budget expenditures plan revision in June 2021 increased by ALL 17 billion (EUR 138 million), reaching a total of ALL 610 billion (EUR 4.9 billion) or 2.9% higher than the initial plan of 2021. Meanwhile, the budget deficit expanded by ALL 11.8 billion (EUR 95.9 million) compared to the initial budget, reaching ALL 120.5 billion

¹⁵ <https://financa.gov.al/paketa-e-projektligjit-te-buxhetit-faktik-2020/>.

¹⁶ Excess mortality is a term used in epidemiology and public health that refers to the number of deaths from all causes during a crisis above and beyond what we would have expected to see under 'normal' conditions.

<https://ourworldindata.org/excess-mortality-covid>

¹⁷ <http://instat.gov.al/al/temat/treguesit-demografik%C3%AB-dhe-social%C3%AB/lindjet-vdekjet-dhe-martesat/publikimet/2020/treguesit-demografik%C3%AB-t4-2020/>

¹⁸ <http://www.instat.gov.al/al/temat/ekonomi-dhe-financ%C3%AB/llogarit%C3%AB-komb%C3%ABtare-gdp/#tab3>

¹⁹ <https://financa.gov.al/wp-content/uploads/2021/06/Akti-Normativ-i-Buxhetit-2021-nr.26-date-22.06.2021.pdf>

(EUR 101 million) or 11% higher than the initial forecast of the 2021 budget law. Total expenditures in the 2021 budget are planned to be 12.2% higher than that of 2020.

Despite the total increase in expenditures, according to recent budget changes, total funds for the Ministry of Health and Social Protection amounted to ALL 70.4 billion (EUR 572 million) from ALL 71.4 billion (EUR 580 million) in the initial budget, slightly decreasing by 1.4%, although the pandemic crisis is still far from over.

During the period January-April 2021, the total health expenditures²⁰ were ALL 24.1 billion (EUR 196 million), 13.5% higher than the same period of 2020. This increase was driven by higher spending on the National Emergency Medical Service and Secondary Health Care Services.

During the first four months of 2021, ALL 1.4 billion (EUR 11.3 million) of budget funds were used to purchase anti-COVID vaccines, mainly Pfizer and Sinovac.²¹ In January 2021, ALL 430 million (EUR 3.5 million)²² were procured to prepay one lot of 500,000 doses of Pfizer, while for the whole year 2021, the fund available for the purchase of Pfizer vaccines is ALL 2 billion (EUR 16.3 million).

In January 2021, from the State Budget Contingencies, **ALL 430 million** (EUR 3.5 million) were allocated for the prepayment of Pfizer vaccine doses. The medical emergency expenditures in the first 4 months of 2021 were ALL 81.4 million (EUR 661 thousand) or 23% of the annual plan. This value was 62% higher than the first quarter of 2020. Almost all of the amount spent on the National Emergency was for cases handled by the emergency units. Even so, funds spent on the National Emergency in the first 4 months represented only 0.4 percent of the total budget of the Ministry of Health for this period.

During the period January-April 2021, expenditures for secondary health care were ALL 9.1 billion (EUR 74 million) or 52% of the funds planned for the year. This amount was 22% higher than in the same period of 2020.

Public hospitals have spent a total of ALL 7.5 billion (EUR 61 million), or 38% of the annual plan. The number of persons admitted to hospitals funded by the Compulsory Health Insurance Fund (CHIF) for four months was 73,556 patients. During this period, hospitals have rewarded their staff with over ALL 210 million (EUR 1.7 million) per month as a bonus for engaging at the front line against the pandemic. This payment has negatively impacted the financial situation, as, within the first four months, 38% of the annual amount has already been spent. The Ministry of Health and Social Protection has announced that the additional needs for this purpose are over ALL 1.1 billion (EUR 9 million) for 2021.²³

²⁰ Including Social Protection funds

²¹ Ministry of Health and Social Protection /Monitoring report -4 first months of 2021
<http://openprocurement.al/sq/htender/view/id/25917>

²³Ministry of Health and Social Protection /Monitoring report / The right for information

3. METHODOLOGY AND LIMITATIONS

To draft this report, the official data from the Ministry of Finance for the budget fact 2020 and the budget planning for 2021 were used, as well as the monitoring reports of the Ministry of Health and Social Protection that are published every four months. The report focuses on the last four months of 2020 and the first four months of 2021, which coincide with the first and second waves of the pandemic, with severe consequences in the loss of human lives.

A summary of 2020 is also part of this report, as the previous one only covered nine months.

Procurement data in the health sector from openprocurement.al are also used.

In addition to analysing available data, several official requests, based on using the Law on Right to Information²⁴ were sent to several institutions, including the Ministry of Health and Social Protection and the Compulsory Health Insurance Fund. The cooperation of institutions to show transparency on budget expenditures, especially those related to the pandemic, was minimal, returning lukewarm responses or not responding at all. Until the publication of this report, the Ministry of Health and Social Protection partially responded to the request for information, not providing information on the detailed purchase of equipment, hospital costs for the treatment of a patient with severe symptoms suffering from COVID-19, or reimbursement of the expenses for patients receiving treatment at home.

²⁴ <https://www.idp.al/freedom-of-information/?lang=en>

4. TOTAL HEALTH EXPENSES

4.1 The Year 2020

The Ministry of Health and Social Protection administers and manages public funds according to seven approved programs, as follows:

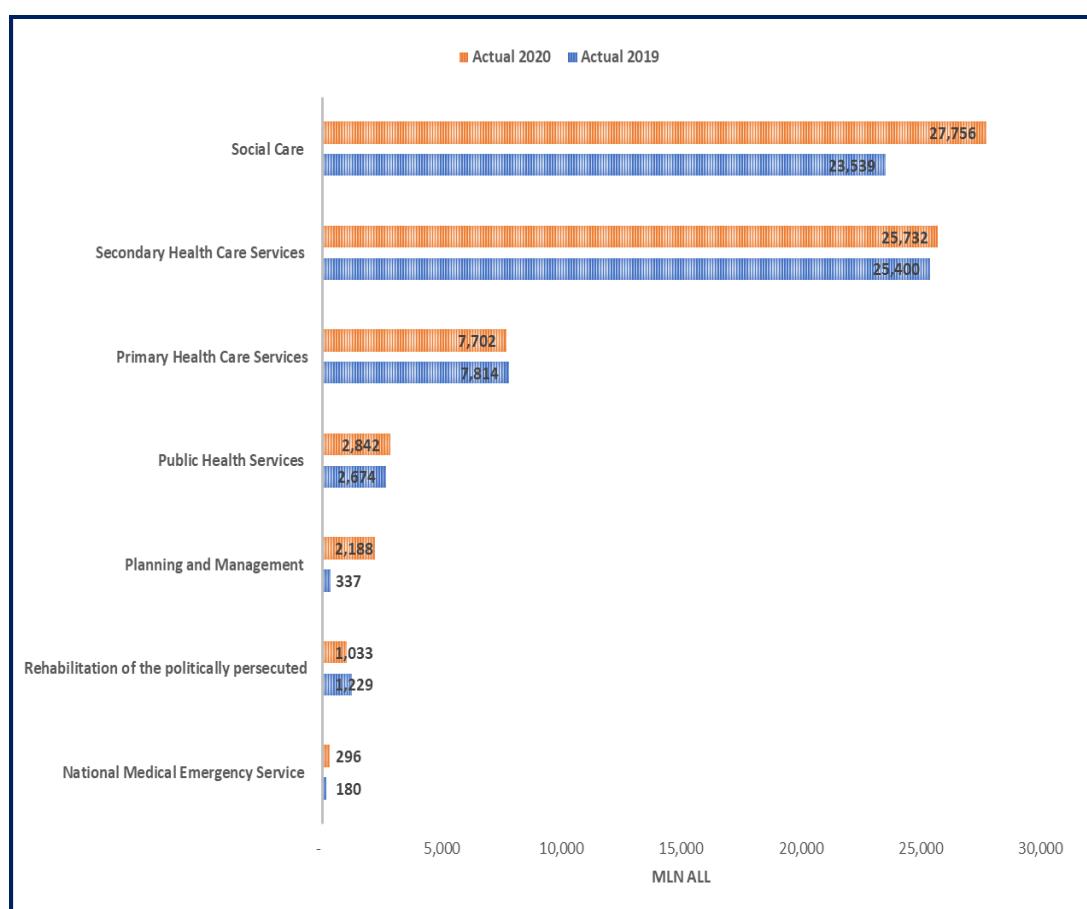
1. Planning, Management, Administration; protective materials for COVID-19, bonus for medical staff, purchase of ambulances, medical equipment, etc.)
2. Primary Health Care Services
3. Secondary Health Care Services
4. Public Health Services
5. National Medical Emergency Service
6. Social Care (cash payment for families in need, individuals with disabilities and babies' bonus)
7. Rehabilitation of the Politically Persecuted people

For 2020, the total actual expenditures on health were ALL 67.5 billion (EUR 549 million), with an increase of 10.4% on an annual basis.²⁵ The increase was driven by the growth of expenditures for "Social Care" by 18% (+ ALL 4.2 billion or EUR 34 million) and for "Planning, Management and Administration," which increased sixfold (+ALL 1.85 billion or EUR 14.6 million).

If "Social Care" services and "Rehabilitation of the Persecuted People," which are not directly related to health care, are deducted from the total expenditures of MHSP, the total funds for "Management, Planning and Administration", "Primary Health Care Services", "Secondary Health Care Services", "Public Health Services" and "National Medical Emergency Service" for 2020 were ALL 38.7 billion (EUR 314.6 million) in 2020, with an increase of 6.5% on an annual basis.

²⁵ <https://shendetesia.gov.al/tabelat-e-raportimit-per-intervale-kohore-3-muaj-9-muaj-dhe-vjetore-si-dhe-relacionet-perkatese/>

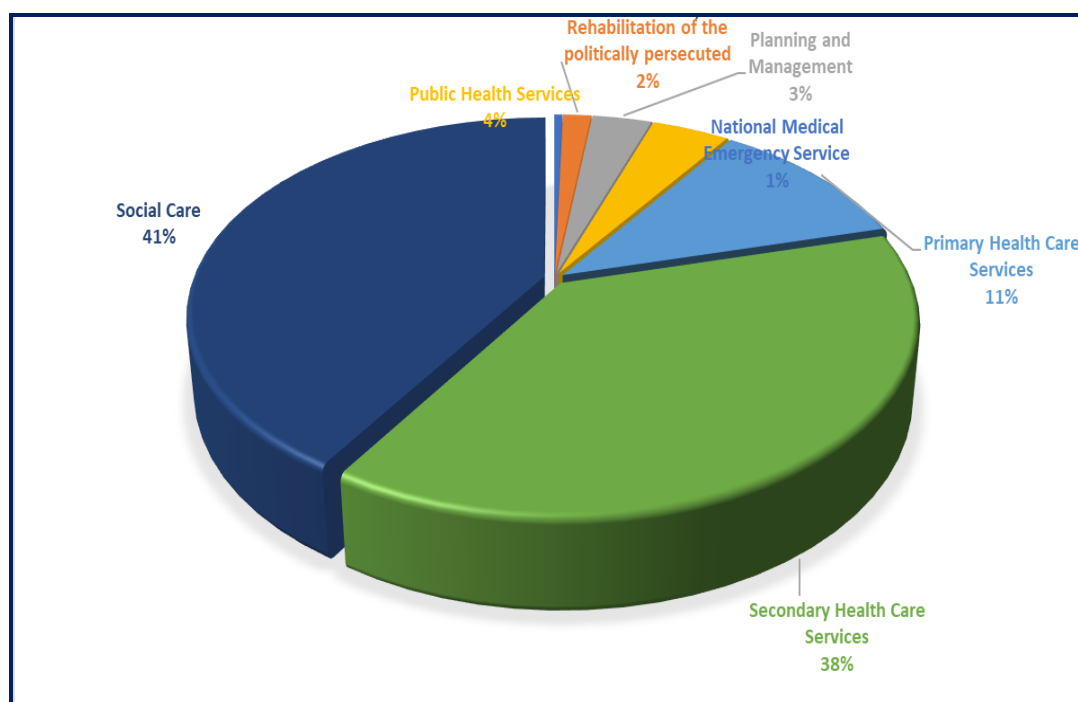
Chart 4A: Actual expenditures, Ministry of Health, according to programs



Source: <https://shendetesia.gov.al/tabelat-e-raportimit-per-intervale-kohore-3-muaj-9-muaj-dhe-vjetore-si-dhe-relacionet-perkatese/>

The "Social care" part accounts for the largest share of health expenditures, with 41.1% of the total for 2020. Compared to the previous year, there is an increase of 2.6%. The second program is the "Secondary Health Care Services", which includes expenditures on public hospitals with 38.1% of the total, followed by the "Primary Health Care Services" (11.4%).

Chart 5: Actual expenditures by programs, 2020



Source: Ministry of Health and Social protection, monitoring reports

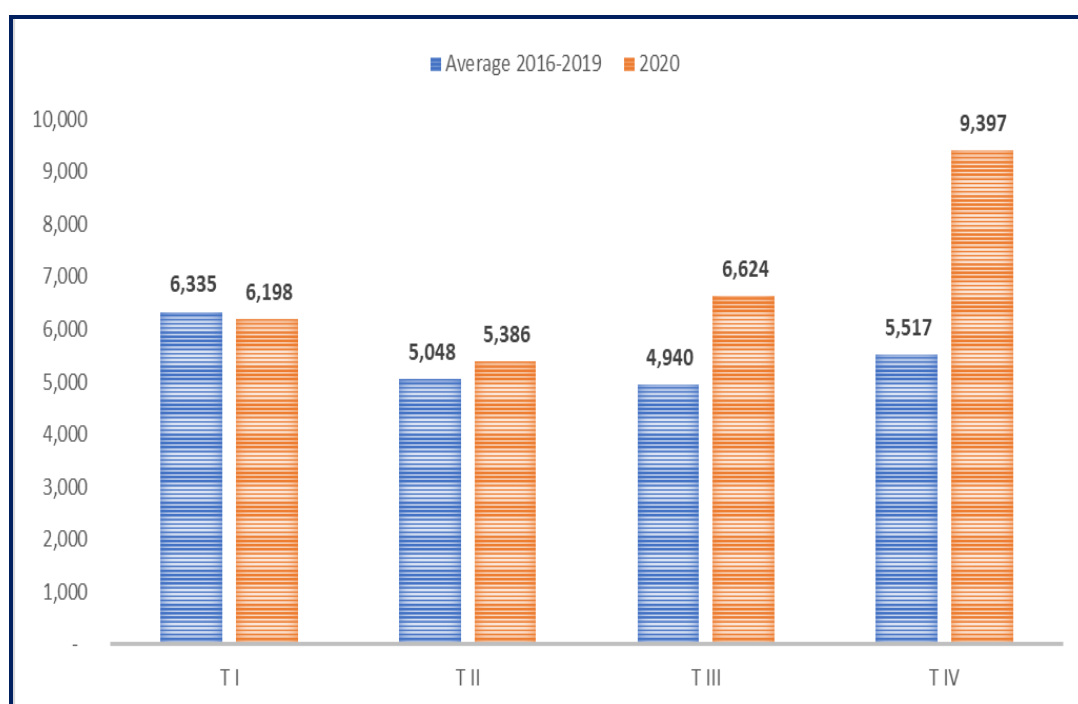
4.2 September - December 2020

The last four months of 2020 coincided with the first severe wave of the COVID-19 pandemic, which culminated in November and December. The significant increase of daily new cases of COVID-19 infections led to hospital overcrowding and high growth in excess deaths in the country. In the period October-December, deaths increased by 70% compared to the average of the same period for 2016-2019²⁶, or about 3,900 more lives lost. The high excess death compared to the 2016-2019 average is an indication of the serious consequences that COVID-19 has brought to the population's health and the increase in the number of lives lost, which in a normal non-pandemic situation would not have occurred. Recent data from the European Commission²⁷ confirm that Albania had the highest increase of excess mortality in Europe during 2020, with 27% more fatalities compared with the average of 2016-2019.

²⁶ <http://instat.gov.al/al/temat/treguesit-demografik%C3%AB-dhe-social%C3%AB/lindjet-vdekjet-dhe-martesat/publikimet/2020/treguesit-demografik%C3%AB-t4-2020/>

²⁷ <https://www.esap.online/observatory/docs/148/social-protection-and-inclusion-policy-responses-to-the-covid-19-crisis>

Chart 6: Death by quarters (No)



Source: INSTAT

For the period September-December 2020, the actual expenditures on health were ALL 24.8 billion (EUR 201 million), with an increase of 14% (+ALL 3 billion or EUR 24 million) on an annual basis. This trend was largely influenced by the increase in expenditures for the “Social Care” program with 17.2% (+ALL 1.33 billion or EUR 10.5 million). This program supports through cash payments and social services, families in need and individuals with disabilities who cannot provide the necessities of life due to their disabilities and limited socio-economic opportunities. In 2020, 66,650 families benefited from economic assistance, out of 62,523 families that benefited in 2019. The pandemic increased the unemployment rates, and, therefore, over 4,000 families were re-introduced into the economic assistance scheme in 2020.²⁸

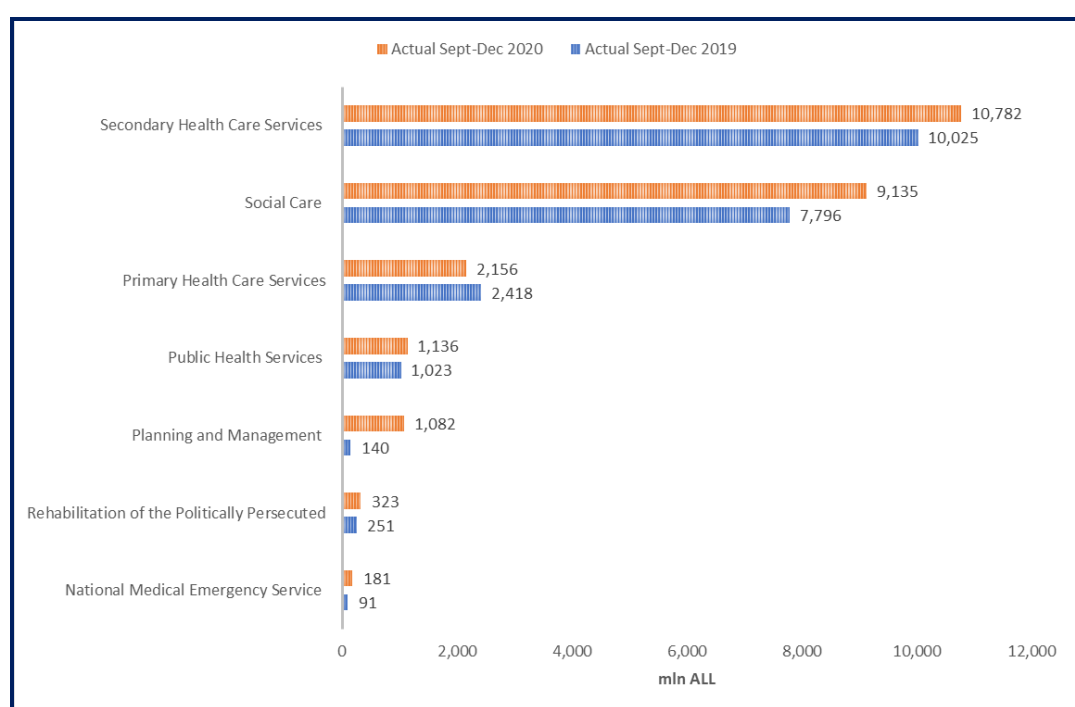
If the amount of “Social Care” services and “Rehabilitation of the Politically Persecuted People,” which are not directly related to health care, were deducted from the total expenditures of MHSP, the total fund for the "Planning, Management, Administration", "Primary Health Care Services", "Secondary Health Care Services", “Public Health Services”, and "National Medical Emergency Service" were ALL 15.8 billion (EUR 158 million) during September-December 2020, up 11.9% on an annual basis.

²⁸ <https://shendetesia.gov.al/tabelat-e-raportimit-per-intervale-kohore-3-muaj-9-muaj-dhe-vjetore-si-dhe-relacionet-perkatese/>

Funds for “Management and Planning” (expenditures for supplies related to coping with the COVID-19 pandemic), in September-December 2020, increased fivefold (+ ALL 0.9 billion, or EUR 7.3 million). The largest part, ALL 325 million (EUR 2.6 million) purchased anti-COVID-19 protective materials for the medical staff and paid bonuses for doctors of ALL 18.4 million (EUR 149 thousand). Ambulances were procured during this period with a value of ALL 229.8 million (EUR 1.8 million) and ALL 116 million (EUR 943 thousand), these were under the medical equipment of the first category.

The expenditures for the “National Emergency Medical Service” also doubled.

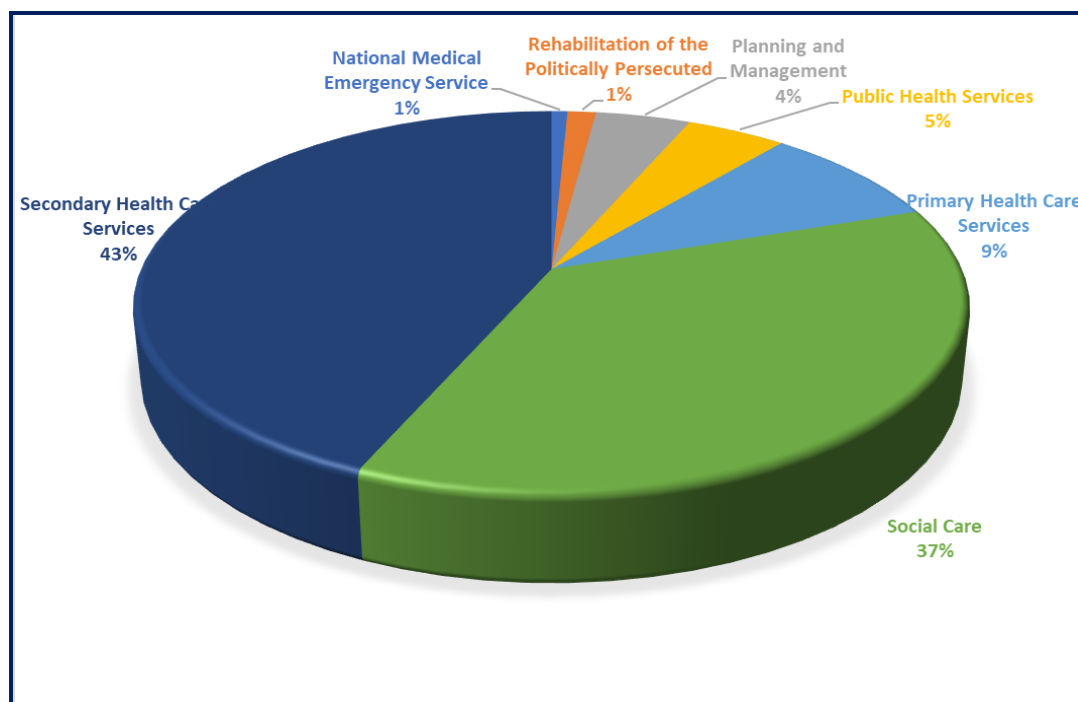
Chart 7: Spending by programs, September- December



Source: Ministry of Health and Social protection, monitoring reports

The "Secondary Health Care Services" accounted for the largest share of health expenditures, with 43% of the total for September-December 2020. The second project is the "Social Care", with 37% of the total, followed by the "Primary Health Care Services" (9%).

Chart 8: Spending by programs, actual September-December



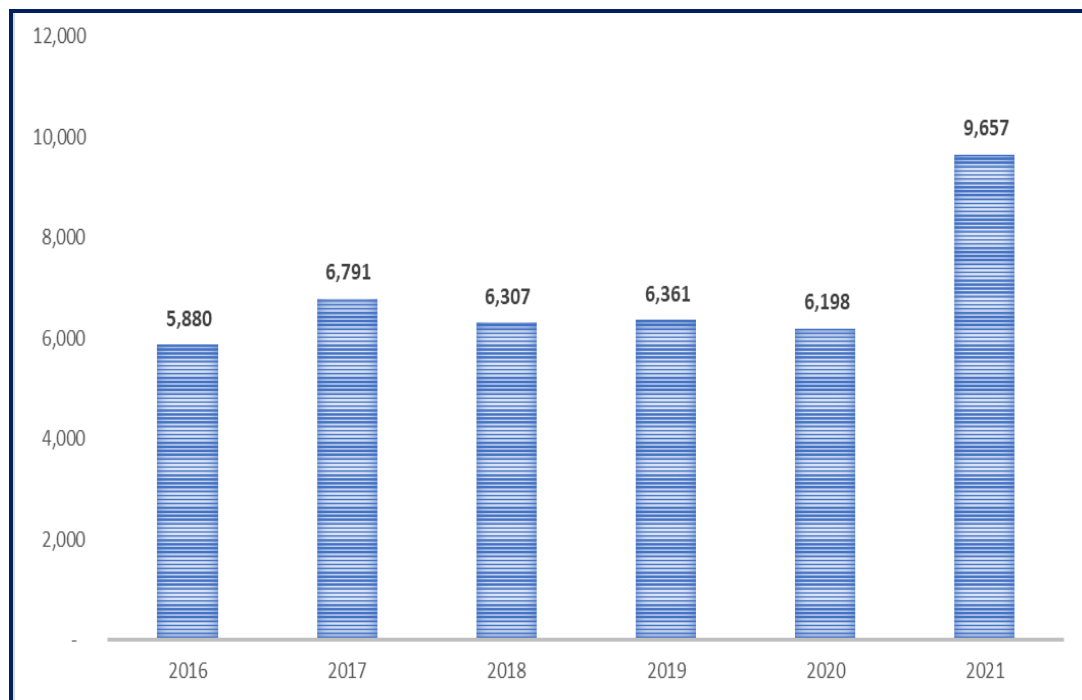
Source: Ministry of Health and Social protection, monitoring reports

4.3 January - April 2021

The first months of 2021 continued to be difficult as a second severe wave of the pandemic, which culminated in February and March, spread over the country. As the government did not implement severe restrictions, the number of infected people increased sharply, again causing hospital overcrowding and a high death toll. For the period January-March 2021, excess deaths²⁹ increased by 53%, compared to the 2016-2019 average (or about 3,300 more lives lost). Hospital overcrowding affected the costs of the Secondary Care Services program.

²⁹ <http://instat.gov.al/al/temat/treguesit-demografik%C3%AB-dhe-social%C3%AB/lindjet-vdekjet-dhe-martestat/publikimet/2021/treguesit-demografik%C3%AB-t1-2021/>

Chart 9: Number of Death, first quarter



Source: INSTAT

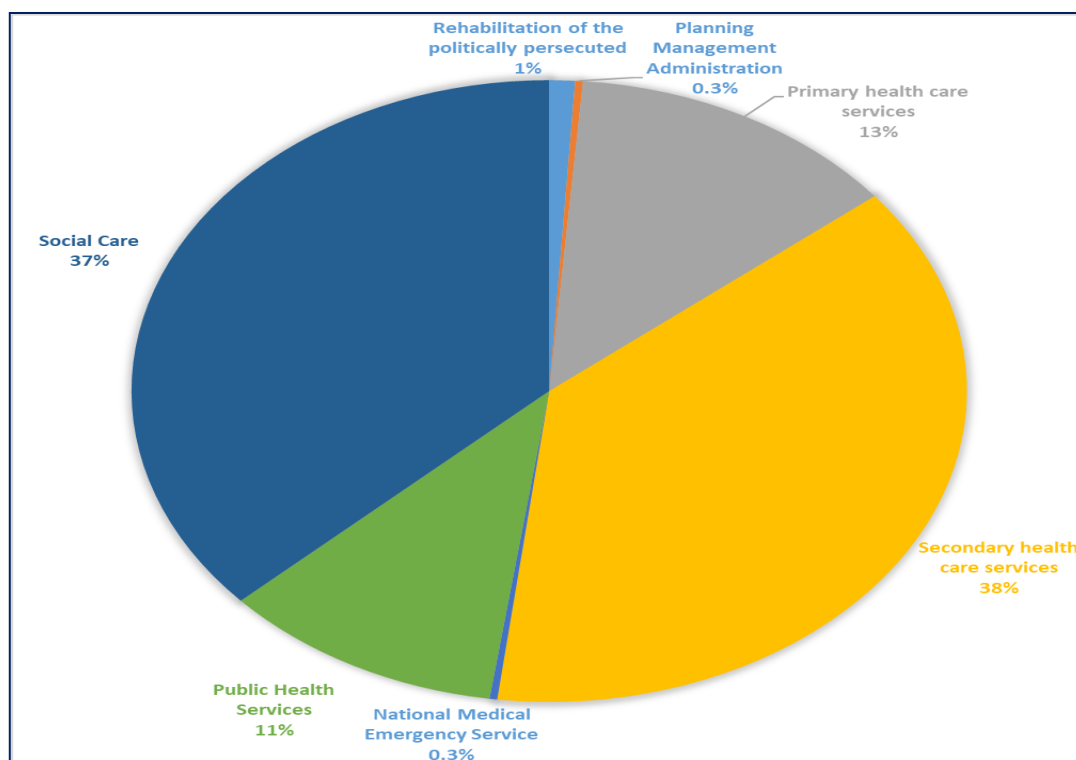
For the period January-April 2021, the total health expenditures were ALL 24.1 billion (EUR 197 million), up 13.5% on an annual basis (+ALL 2.9 billion or EUR 18.6 million).

If the amount of “Social Care” services and “Rehabilitation of the Politically Persecuted People”, which are not directly related to health care, will be deducted from the total expenditures of MHSP, the total amount of funds for "Management and Planning", "Primary Health Care Services", "Care Services", “Secondary Health Care Services“, and “National Medical Emergency Service” amounted to ALL 11.2 billion (EUR 91 million) during January-April 2021, with an increase of 33.6% compared to the same period in 2020.

The increase in the first 4 month period of the year was influenced by the significant growth in expenditures of the "Secondary Health Care Services" program, by 27.3% (+ALL 1.96 billion, or EUR 15.9 million) and in "Public Health Services", which tripled (+ALL 1.84 billion or EUR 15 million). The increase in these items was mostly influenced by the funds for the treatment of 73,566 patients in hospitals and the purchase of the anti-COVID 19 vaccines, costing ALL 1.4 billion (EUR 11.3 million).

"Secondary Health Care Services" accounted for the largest share of health expenditures, with 38% of the total for the first 4 months of 2021. The second program is "Social Care", with 37% of the total, followed by “Primary Health Care” (13%).

Chart 10: Actual expenditures by projects, first four months of 2021



Source: Ministry of Health and Social protection, monitoring reports

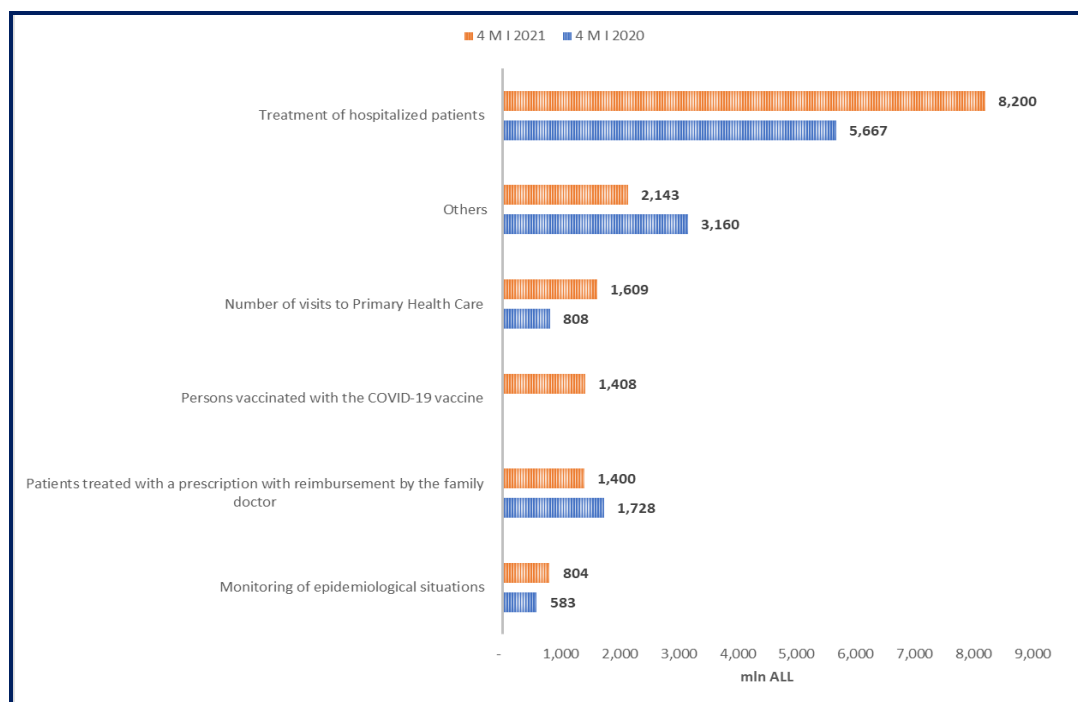
According to the detailed list of activities, the increase in health expenditures in the first four months of 2021 was influenced by the treatment of 73,556 hospitalised patients. This increase accounted for 34% of the total health expenditures for the analysed period, from 26.7% for the first four months of 2020, due to the high number of patients infected with COVID-19, leading to the increase in expenditures in the Secondary Health Care Program.

About 8.2 billion ALL (67 million EUR) were spent for the treatment of hospitalised patients for January-April 2021, with an increase of 45%, or 2.5 billion ALL (20.3 million EUR) more on an annual basis.

A new budget line that has impacted the increase of health expenditures is related to vaccination of the population, aiming to create immunisation against COVID-19, with an actual budget of 1.4 billion ALL (11.3 million EUR) for the first 4 months of 2021.

The budget for the “Visits to Primary Health Care” almost doubled, due to the devastating wave of the COVID-19 pandemic.

Chart 11: Health expenditures, according to detailed activities, main programs, January-April



Source: Ministry of Health and Social protection, monitoring reports

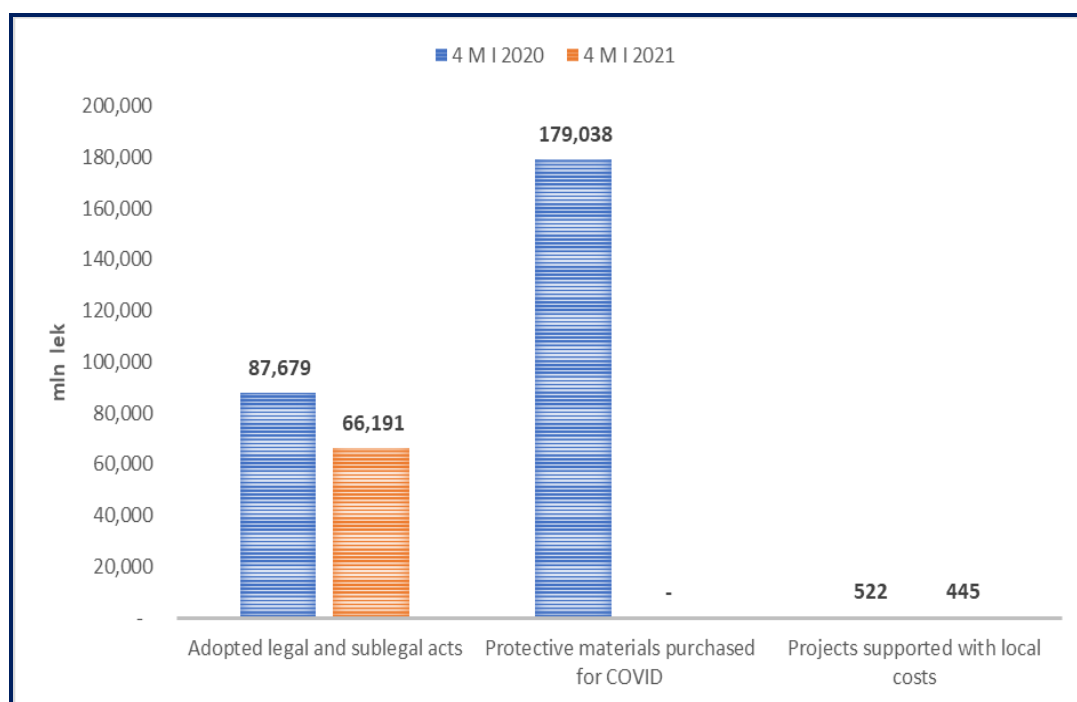
Note: The chart does not include programs for "Persons with Disabilities", "Babies' Bonus" and "Families and individuals in need benefiting from the Economic Assistance scheme". Although they are part of the expenditure's programs of the Ministry of Health (as is explained above) are not directly related to health programs.

4.4 Program implementation by specific activities, January-April 2021

I. Planning, Management, Administration

Expenditures for this program were ALL 66.6 million (EUR 536.5 thousand) for January-April 2021, falling 75% compared to the same period a year ago. The decline has come because there was no spending for COVID 19 protective materials. The activities dispensed with included expenses for adopting legal acts, bonuses for doctors facing the pandemic, protective materials against COVID-19, purchase of medical equipment, etc. Expenditures related to the anti-COVID-19 supplies marked a decrease in the first 4 months of 2021 compared to the same period of 2020 where the costs for their purchase were high.

Chart 12: Actual implementation of the program planning and management, January-April



Source: Ministry of Health and Social protection, monitoring reports

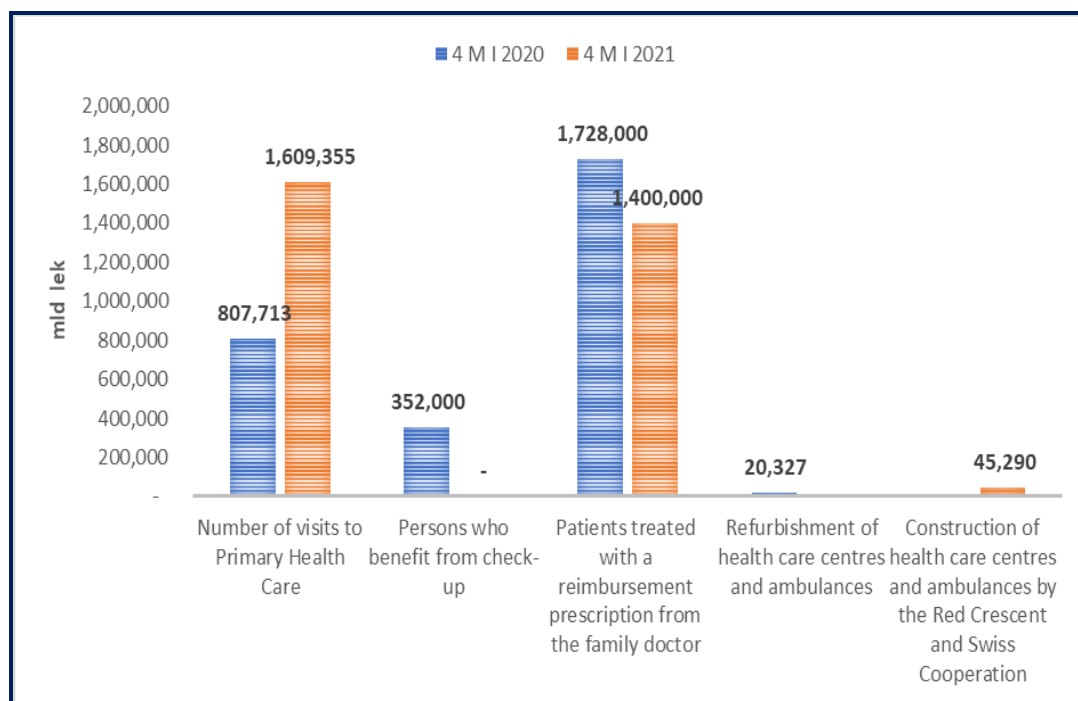
II. Primary Health Care Services

Expenditures for this program were ALL 3 billion (EUR 24 million) for January-April 2021, with an increase of 5% compared to 2020. The increase was entirely influenced by the doubling of visits' numbers to Primary Health Care, as a result of the pandemic outbreak.

Expenditures for people receiving check-ups were zero, due to the temporary suspension of this service during the pandemic. The expenses for patients treated with a reimbursement prescription by the family doctor were also reduced by 19%.

Chart 13: Implementation of the factual program: Primary Health Care Services

January-April



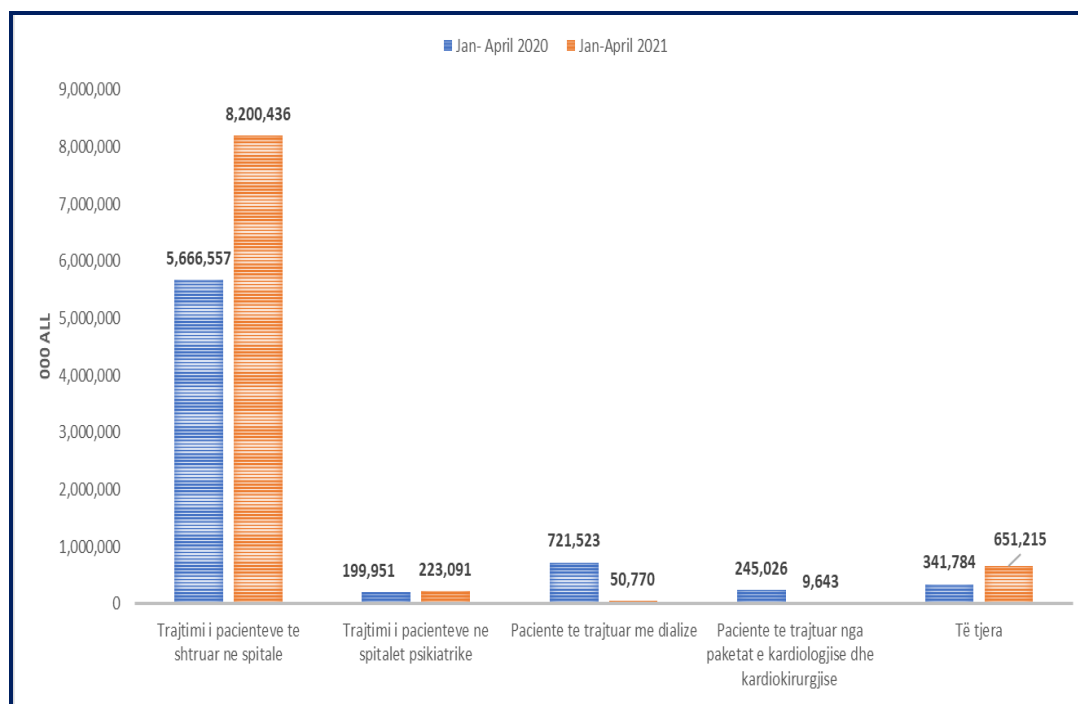
Source: Ministry of Health and Social protection, monitoring reports

III. Secondary Health Care Services

Expenditures for the secondary health care services increased by 27.3% on an annual basis in January-April 2021, reaching ALL 9.1 billion (EUR 74 million).

This budget line was completely impacted by the increase of treating patients in hospitals, which amounted to ALL 8.2 billion (EUR 66 million), or 45% more than the first 4 months of 2020, as a result of the overload caused by the second wave of the pandemic.

Chart 14: Implementation of the factual program: Secondary Health Care Services, January-April

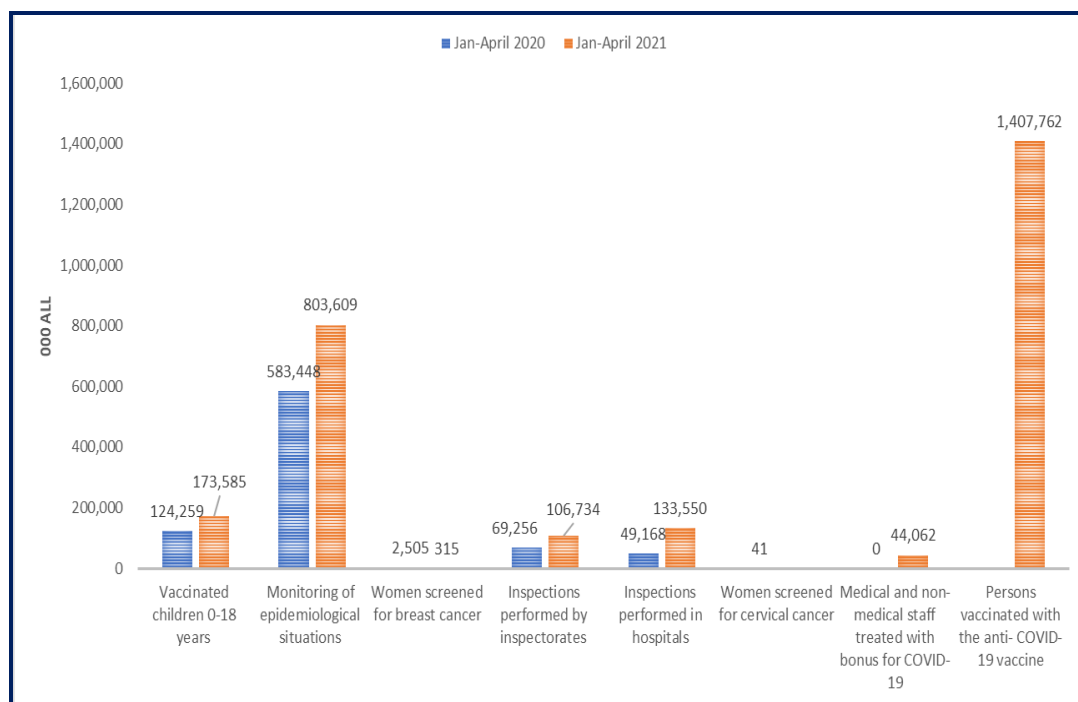


Source: Ministry of Health and Social protection, monitoring reports

IV. Public Health Services

Actual expenditures for the “Public Health Services” program were almost ALL 2.7 billion (EUR 21 million) for the first 4 months of 2021, tripling compared to the same period a year earlier. This increase was related to the new program for the vaccination of the population against COVID-19. Expenditures for persons vaccinated with the anti-COVID-19 vaccine amounted to ALL 1.4 billion (EUR 8.9 million), from ALL 1.47 billion (EUR 9 million), which was the annual budget planned for this activity.

Chart 15: Implementation of the factual program-public health services, January-April



Source: Ministry of Health and Social protection, monitoring reports

V. National Medical Emergency Service

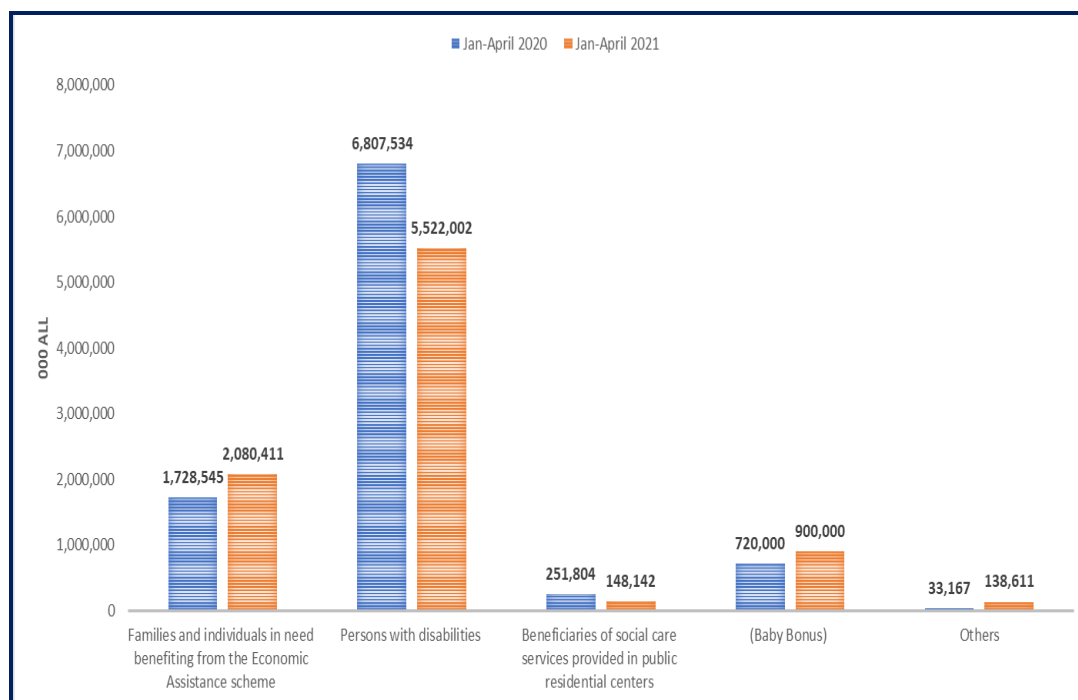
The actual expenditures for this program were ALL 81.5 million (EUR 662 000), with an increase of 62.5% for the cases treated by the medical emergency units. All emergency funds spent in the first 4 months of 2021 went to treat 337,500 cases from the medical emergency units.

VI. Social Care

This program supports through cash payments and social services, families in need and persons with disabilities, who cannot fulfil their basic needs and development of personal skills and opportunities, due to their disabilities.

The actual implementation of this program was ALL 8.8 billion (EUR 71 million) for the first 4 months of 2021, falling by 8% compared to the same period of 2020, as a result of payment reductions for Persons with Disabilities (PWDs) and caregivers.

Chart 16: Implementation of the factual – social care, January-April



Source: Ministry of Health, monitoring reports

VII. Rehabilitation of the politically persecuted people

This program aims to integrate the people formerly Politically Persecuted by the communist regime into the life of Albanian society. Compensation payments of formerly politically persecuted for the 4 first months of 2021, were ALL 270 million (EUR 2.2 million, actual implementation), falling 37.5% on an annual basis. Even in normal periods, the formerly persecuted people fail to receive the programmed funds, as in many cases they do not meet the relevant conditions and documentation.

5. EXPENDITURES TO FACE THE PANDEMIC

TOTAL EXPENSES TO DEAL WITH THE EFFECTS OF THE PANDEMIC – ONLY 3.1% OF THE 2020 BUDGET

During 2020, the budget expenditures to cope with the effects of the COVID-19 pandemic on the economy and health were ALL 16.5 billion (EUR 134.8 million). This amount was 3.1% of the total budget expenditures for 2020 of ALL 536 billion (EUR 4.3 billion).³⁰

From the total funds of ALL 16.5 billion (EUR 134 million) allocated to face the pandemic effects, only ALL 3.1 billion (EUR 25.2 million), or 19% were used to finance the health needs, while 13.5 billion ALL (11 million EUR) were used to support the economy through two relief packages.³¹

Table 1³²

Public budget expenditures and those dedicated to health in 2020	Actual expenditures 2020 (billion ALL)
State Budget	536.5
Budget of Ministry of Health and Social Protection	67.9
-Health sector	38.7
-Social protection sector	29.1
Expenditure for the health crisis of COVID -19	3.1

FUNDS FOR DEALING WITH THE HEALTH CRISIS AT 0.58% OF THE 2020 BUDGET

During 2020, the funds aiming to face the health crisis were ALL 3.1 billion³³ (EUR 25.2 million), or only 0.58 % of the total budget expenditures of ALL 536 billion (EUR 4.3 billion).

Meanwhile, the funds spent for the health crisis were as much as 4.6% of the actual budget of the Ministry of Health and Social Protection (MHSP) for 2020 and as much as 8% of the total funds³⁴ that financed health³⁵ in 2020 (including foreign aid).

³⁰ <https://financa.gov.al/paketa-e-projektligjit-te-buxhetit-faktik-2020/>

³¹ <https://financa.gov.al/paketa-e-projektligjit-te-buxhetit-faktik-2020/>

³² <https://financa.gov.al/paketa-e-projektligjit-te-buxhetit-faktik-2020/>: [https://www.shendetesia.gov.al/tabelat-e-
raportimit-per-intervale-kohore-3-muaj-9-muaj-dhe-vjetore-si-dhe-relacionet-perkatese/](https://www.shendetesia.gov.al/tabelat-e-raportimit-per-intervale-kohore-3-muaj-9-muaj-dhe-vjetore-si-dhe-relacionet-perkatese/)

³³ <https://financa.gov.al/paketa-e-projektligjit-te-buxhetit-faktik-2020/>

³⁴ Total funds include foreign aid also

In 2020, the total budget of the MHSP was ALL 67.9 billion (EUR 551 million), of which ALL 38.7 billion (EUR 315 million) or 57% went to finance the health system and the rest, ALL 29 billion (EUR 235 million), or 43% of the total, went for Social Protection functions (economic assistance, unemployment benefits, compensation for former persecuted).³⁶

The budget that finances the health needs in 2020 was ALL 2.2 billion (EUR 17.8 million) or 6.1% higher than the actual expenditures of 2019. In 2017, the government merged the Ministry of Welfare and Social Protection with the Ministry of Health, and due to new functions, the total budget for the Ministry of Health and Social Welfare increased after 2017.

Legal basis and details of Budget Funds allocated for anti-COVID 19 measures by 2020, excluding the sovereign guarantee³⁷

Through 3 Normative Acts approved during 2020, changes have been made in the Contingency Fund planned in the Budget Law No. 88/2019 "On the Budget of 2020", aiming to use them to face the difficult situation caused by the COVID-19 pandemic.

The acts intended to allocate budget expenditures in several economic relief packages to boost the economy and approve additional funds to buy protective equipment for medical staff and devices for hospitals.

Those changes are referred to as below:

With Normative Act No. 6 dated 21.03.2020 "On some changes in law No. 88/2019 'On the Budget of 2020,'" the Contingency Fund was revised to ALL 9.2 billion (EUR 74.7 million), while Article 7 defines the use of its as follows:

- ALL 1.7 billion (EUR 13.8 million) for unforeseen events for government departments.
- ALL 6.5 billion (EUR 52 million) as a contingency fund for the anti-COVID-19 social package.
- ALL 1 billion (EUR 8.1 million) for other emergencies within the anti-COVID 19 measures.

With the Normative Act No.15 dated 15.04.2020 "On some changes in the law No.88/2019 'On the Budget of 2020", as amended", the Contingency Fund was revised to the amount of ALL 16.2 billion, while its article 2 defines its use as follows:

- ALL 1.7 billion (EUR 13.8 million) for unforeseen events for government departments.
- ALL 13.5 billion (EUR 109 million) as a contingency fund for the anti-COVID-

³⁵ <https://www.shendetesia.gov.al/tabelat-e-raportimit-per-intervale-kohore-3-muaj-9-muaj-dhe-vjetore-si-dhe-relacionet-perkatese/>

³⁶ <https://www.shendetesia.gov.al/tabelat-e-raportimit-per-intervale-kohore-3-muaj-9-muaj-dhe-vjetore-si-dhe-relacionet-perkatese/>

³⁷ <https://www.financa.gov.al/projektbuxheti-2021/relacioni>

19 social package.	
➤ 1 billion ALL (EUR 8.1 million) for other emergencies within the anti-COVID 19 measures.	
With the Normative Act No. 28 dated 02.07.2020 "For some changes in the law No. 88/2019 "On the Budget of 2020", as amended,"the use of the Contingency Fund is defined as follows:	
➤ ALL 2,7 billion (EUR 22.3 million) for unforeseen events for government departments..	
➤ ALL 13,5 billion (EUR 109 million) as a contingency fund for the anti-COVID-19 social package.	
The fund "Contingency for the anti-COVID-19 social package "planned in the amount of ALL 13.5 billion (EUR 109 million), has been allocated:	
➤ ALL 12.3 billion (EUR 100 million) as financial assistance to employees in business entities with annual incomes up to ALL 14 million (EUR 114,000).	
➤ ALL 1.03 billion (EUR 8.6 million) as additional funds for the Economic Assistance scheme.	
➤ 118 million ALL (EUR 963,000) as an additional fund for the Unemployment scheme.	
In summary, the budget funds allocated during 2020, within the anti-COVID-19 measures are presented as follows:	
➤ Contingency Fund for the Anti-COVID -19 Social Package, ALL 13.5 billion (EUR 109 million).	
➤ State Budget Contingency Fund (Other Emergencies).	
➤ Anti-COVID-19 measures, ALL 629.4 million (EUR 5.1 million).	
➤ Allocations with DCM in MHSP, ALL 2.5 billion (EUR 20.3 million).	
Total budget funds	ALL 16.6 billion (EUR 135 million)

TOTAL FUNDS TO FACE HEALTH CRISIS IN 2020, 38% FOR MEDICAL STAFF' PROTECTIVE EQUIPMENT, OTHER SUPPLIES AND EQUIPMENT FOR HOSPITALS

In the framework of the COVID-19 pandemic, the Albanian government allocated to the Ministry of Health and Social Protection a dedicated budget for the management of the Pandemic response, aiming to strengthen the health system in the amount of over ALL 2.5 billion (EUR 17 million) from the state budget for 2020. An additional amount of about ALL 507 million (EUR 4.1 million) came as assistance mainly from

the international organisations in medical equipment, protective materials, and medications.³⁸

- An amount of ALL 1.2 billion (EUR 9.7 million) or 38% of the total funds for the 2020 health crisis consisting of ALL 3.1 billion (EUR 25.5 million), aimed to guarantee personal protective equipment for medical staff at all levels within the public health system.
- ALL 160 million (EUR 1.3 million) were allocated to adapt two other hospitals for COVID use, in addition to the two COVID hospitals of the Infectious Service at UHC (COVID Hospital 1) and “Shefqet Ndroqi” University Hospital (COVID Hospital 2). The building of the former Surgery Hospital at UHC with a total of 125 beds was converted into the “COVID Hospital 3”. In addition to this, COVID 4 Hospital was created in the building of the former Kristal University with a capacity of 108 beds. The government has invested in strengthening the capacities of intensive and sub intensive therapy, dedicating 500 beds, 80% of them with oxygen lines, while half of them are brand new capacities added to the system (COVID 3 and 4).
- ALL 764.9 million (EUR 6.2 million) were used to equip the COVID hospitals and intensive care units in regional hospitals 100 new resuscitation beds, 265 multiparametric monitors, and 134 invasive and non-invasive respirators. Also, additional funds have been allocated for the purchase of heavy bio-medical equipment for imaging and diagnostic services.
- ALL 50 million (EUR 406,000) were used to provide the same medical therapy protocols as those in other countries without any deficiency.
- ALL 80 million (EUR 650,000) were used to guarantee plasma therapy according to protocols.
- ALL 55 million (EUR 447,000) were used to increase the testing capacity of laboratories, opening a new laboratory at UHC and increasing the testing capacities in the laboratories of IPH.
- ALL 240 million (EUR 1.9 million) were used to strengthen the pre-medical emergency service with the purchase of 36 new ambulances.
- ALL 141 million (EUR 1.1 million) were used for vaccination against seasonal flu for vulnerable categories in the population such as the chronically ill, health personnel, teachers, educators, children 2-5 years old, and the elderly in 2020. 370,000 doses of vaccines were used, or 4 times more than in 2019.

³⁸ <https://www.financa.gov.al/projektbuxheti-2021/relacioni>

- ALL 56 million (EUR 449,000) have been invested for the reconstruction of the Paediatric Infectious Disease ward in the UHC with a cost of ALL 41 million and the reconstruction of the Intensive Care Unit of the Vlora Regional Hospital.
- Additionally, the Albanian government was financially committed to providing a safe and effective vaccine against COVID-19 through the mechanism bringing together over 90 countries, the so-called COVAX Facility. In 2020, the Ministry of Health and Social Protection also made a payment of ALL 430 million (EUR 3.4 million) for the quota based on the agreement with COVAX.
- ALL 76 million (EUR 617,000) was allocated for the front-line medical staff consisting of a financial reward of EUR 1,000, in addition to the monthly salary for the medical staff and a reward of EUR 500 for the support staff.

Use of the ALL 3.1 billion (EUR 25.9 million) fund for the health emergency, according to activities and programs in 2020	Data in ALL	Data in EUR
Protective equipment for doctors, clothing and masks	1,200,000,000	9,756,098
Purchase of anti-COVID-19 vaccines	1,200,000,000	9,756,098
Purchase of equipment for COVID hospitals, monitors, respirators, etc.	764,900,000	6,218,699
Purchase of 36 Ambulances	240,000,000	1,951,220
Reconstruction of 4 COVID hospitals	160,000,000	1,300,813
Buying normal flu vaccines	141,000,000	1,146,341
Plasma treatment	80,000,000	650,407
Reward, bonus for medical staff	76,000,000	617,886
Medications, according to protocols for the treatment of COVID in hospitals	50,000,000	406,504
Reconstruction of the resuscitation of Vlora hospital	41,000,000	333,333
Total	3,188,000,000	25,918,699
<i>Source: Ministry of Finance: draft budget 2021, Ministry of Health and Social protection: Budget Monitoring Report 2020 of MHSP</i>		

6. PANDEMIC MANAGEMENT COST IN 2021 (PLANNING)

FOR 2021, THE TOTAL PLANNED COST FOR THE PANDEMIC MANAGEMENT IS ALL 7 BILLION EUR (57 MILLION)

The total fund for the pandemic management from the state budget for 2021 is ALL 7 billion (EUR 57 million).³⁹ Out of this amount, ALL 6 billion (EUR 49 million) were forecasted in the 2020 budget, while ALL 1 billion were added via the Normative Act No. 26 dated 22.06.2021, changing the original 2021 budget.

The amount of ALL 6 billion (EUR 49 million) that was approved in the initial budget was intended to finance the following needs:

- Taking measures to maintain the continuity of hospital services, providing services based on COVID 19 medical protocols, and quick adaption to new services and requirements that could arise.
- Repositioning the hospital services to make them accessible for the population in need and continuation of emergency hospital services if the pandemic situation were to become aggravated.
- Evaluating and updating protocols designed for referral and transport from pre-medical emergencies to hospital facilities and the expansion of dedicated teams that provide in-home services in cooperation with family doctors.
- Drafting protocols for in-home treatment by NMEC (field teams) in cooperation with family doctors, for patients who do not need hospitalisation. Further increase of human resource capacities by recruiting and training additional staff.

Capacity building, including a fleet of ambulances, improvement in information systems, etc.⁴⁰

- Strengthening the role of the family doctors, the specialist physicians of the Health Centres and the Primary Care Nurse in diagnosing and follow-up of patients with COVID-19 and other chronic patients with movement disabilities through digital platforms such as Skype, WhatsApp, etc., or via home visits when it is reasonable, especially for high-risk people.
- Providing health care in the nursing homes per their needs through cooperation with relevant doctors and, if necessary, also with the help of specialist doctors from the polyclinics and nurses.

³⁹ <https://www.financa.gov.al/projektbuxheti-2021/relacioni>

⁴⁰ <https://www.financa.gov.al/projektbuxheti-2021/relacioni>

- Strengthening the nursing service to improve in-home assistance (care) for chronic patients, patients with physical disabilities (tetraplegics, paraplegics, the blind, the permanently disabled), patients with mental health problems and those that cannot move from their homes.
- Providing online consultations for chronic patients in stable conditions to limit overcrowding of health facilities.
- Increasing laboratory capacities and providing the necessary analysis as well as testing for RT - PCR SARS COV 2 in the regional hospital system.
- In the framework of increasing the capacities for coping with situations created by COVID-19 and preventing the spread of the infection, the uninterrupted supply of the medical staff with all the necessary personal protective equipment will be guaranteed, including respiratory masks, goggles, gloves, single-use and impenetrable aprons, surgical hoods for the head, Tyvek protective clothing, etc.
- To prevent the spread of infection in hospital institutions, special attention will also be paid to the management of infectious waste, strict implementation of protective protocols by medical staff, and the control of environmental infection through accurate and frequent disinfection of healthcare facilities.

The government with the Normative Act No. 26 dated 22.06.2021 for the change of the budget authorised another 1 billion ALL (8 million EUR), which will be spent for the purchase of vaccines.

The vaccination strategy to achieve immunisation of the entire population has set as a target the vaccination of 2.2 million people. Therefore 4.4 million doses of vaccine are needed. According to the Ministry of Health until June 2021, the Albanian government has signed contracts for the provision of 2.9 million doses of vaccines. Out of them, 1.2 million doses are coming from the COVAX contract over a 3-year period. 1.6 million doses are coming from the contracts that mainly end within 2021 and 236,134 vaccine doses from donations. Meanwhile, to meet the target of immunisation against COVID-19, another 1.1 million doses of vaccine are required, which, considering the prices of vaccines, would require an additional (extra) budget from the Ministry of Health of ALL 1 billion, or EUR 8 million.⁴¹

The increase of funds for the purchase of vaccines was generated by the cuts made in the total budget of the Ministry of Health and Social Protection for 2021 with the Normative Act No. 26 dated 22.06.2021. The tables accompanying the changes in the budget, already approved by the Commission of the Economy in parliament, have reduced by 1 billion ALL (8.1 million EURs) the funds for the Ministry of Health and Social Protection. According to the changes with the Normative Act of June

⁴¹ <http://www.parlament.al/ProjektLigje/ProjektLigjeDetails/54619>

2021, the total funds for the Ministry of Health and Social Protection reached ALL 70.4 billion (EUR 572 million) in June 2021, down from 71.4 billion ALL (580 million EUR) in the Normative Act of May 2021.⁴²

MARCH 2020-JUNE 2021, BUDGET FUNDINGS FOR HEALTH CRISIS MANAGEMENT OF COVID-19, AS 0.9% OF TOTAL EXPENDITURES

From March 2020 to June 2021, the government has allocated to address the health crisis created by the pandemic ALL 10.1 billion (EUR 82 million) of which ALL 3.1 billion (EUR 26 million) have already been spent in the 2020 budget and 7 ALL billion (EUR 57 million) have been authorised for expenditures during 2021.⁴³ The value of expenditures for dealing with the pandemic from the health system was as much as 0.9% of the total budget expenditures of the last two years. During 2020, the total expenditures from the state budget were ALL 536 billion (EUR 4.34 billion), while for 2021 the budget expenditures plan according to the Normative Act No. 26 dated 22.06.2021 are planned at ALL 610 billion (EUR 5 billion). The total budget expenditures in 2020 and 2021 altogether are estimated at ALL 1.1 trillion or EUR 9.3 billion. The funds for coping with the health crisis during 2020-2021 consisting of EUR 82 million are only 0.9% of the value of the total expenditure of EUR 9.3 billion.⁴⁴

Expenditures for coping with the health crisis were 12.6% of the total budget of the health sector for two years, 2019-2020. Budget data show that for 2020-2021 the health funds consisted of ALL 80.1 billion (EUR 658 million), of which ALL 38.7 billion (EUR 315 million) were spent in 2020 and ALL 40.1 billion (EUR 326 million) are earmarked to be spent in 2021.⁴⁵

In a special assessment on the capacity of health systems in the Western Balkans, the World Bank estimated that even before the outbreak of COVID-19, the health system in Albania and in the Balkans faced critical difficulties in financing and delivering services. Per capita spending on health systems is significantly lower than the EU average and how scarce funds are spent is inefficient or inconsistent with the morbidity profile.⁴⁶

According to the World Bank, per capita national health expenditures in Albania are USD 307, in Bosnia USD 681, in Montenegro USD 508, in Northern Macedonia USD

⁴² <https://financa.gov.al/ep-content/uploads/2021/06/Akti-Normativ-i-Buxhetit-2021-nr.26-date-22.06.2021.pdf>

⁴³ <https://www.financa.gov.al/projektbuxheti-2021/relacioni>

⁴⁴ <https://financa.gov.al/statistika-fiskale-mujore/>

⁴⁵ <https://www.shendetesia.gov.al/tabelat-e-raportimit-per-intervale-kohore-3-muaj-9-muaj-dhe-vjetore-si-dhe-relacionet-perkatese/>

⁴⁶ <https://documents1.worldbank.org/curated/en/941251597066127352/pdf/Albania-Emergency-COVID-19-Response-Project.pdf?fbclid=IwAR1mzeGADNVbvJGSoXCPcMc2qWyKGrnz-3JBs8ldo9UNXjEtbo5C790w7JI>

539, and in 812 Serbia USD. While the EU average is USD 3127 per capita. These amounts also include out-of-pocket expenses. For example, an Albanian from the total of 307 dollars spent on average per year on health, pays 45% out of pocket⁴⁷ and the rest is provided by the state through services and reimbursement of medicines. Albania has the highest level of out-of-pocket payments, as for Bosnia this indicator is 29%, Montenegro 39.6%, Northern Macedonia 42%, and Serbia 38.3%.

COVID-19, EUR 36 MILLION ARE PROCURED, ONLY 54% DISBURSED, MARCH 2020-MAY 2021

From March 2020 to May 2021, public institutions in the country have procured a value of ALL 4.4 billion or EUR 36 million to cope with the COVID-19 pandemic, but the state treasury has disbursed to contractors only ALL 2.4 billion (EUR 19.5 million) or 55% of the amount made available for purchases.⁴⁸

59 companies signed contracts with the government to provide the goods and services needed to cope with the pandemic. 12 of those contracts were secret and accounted for 20% of the total contracts awarded.

In addition, 11 other contracts that accounted for 20% of the total procured funds, did not have the total procured value but only the price per unit.⁴⁹

Ranked according to the Value of the Awarded Contract in Health, for purchasing, investment or orders for COVID -19 during March 2020 - May 2021, the company with the highest value is GTS-Gazra Teknike Shqiptare shpk, whose contracts consist of over ALL 2.4 billion of public funds (EUR 19.5 million), or 47% of the total funds in the list of the Public Procurement Agency. GTS-Gazra Teknike Shqiptare was the main source of the oxygen supply to COVID-19 hospitals.

The second-largest contractor was Evita company with ALL 627 million (EUR 5.1 million) and the third was Intermed with ALL 384 million (EUR 3.1 million). In all, 59 companies were contracted by the health institutions to provide medical supplies for COVID (hospital equipment, oxygen, and drugs following the anti-COVID protocols, etc.)⁵⁰.

Of the 59 companies that were contracted, it results that only 39 of them or 66% received payments during the period March 2020-May 2021. The data are valid for companies that have contracts with published values.

⁴⁷ <https://data.worldbank.org/indicator/SH.XPD.OOPC.CH.ZS>

⁴⁸ <http://ndiqparate.al/2021/06/07/biznese-kontraktore-shendetesi-covid-19-mars-2020-maj-2021/>

⁴⁹ <http://ndiqparate.al/2021/06/07/biznese-kontraktore-shendetesi-covid-19-mars-2020-maj-2021/>

⁵⁰ <https://www.financa.gov.al/pagesat-e-kryera-2021/>
<https://www.financa.gov.al/pagesat-e-kryera-2020/>

From 2.4 billion ALL payments (19.5 million EUR) made by the treasury during March 2020 - May 2021, over 1 billion ALL (8.1 million EUR), or 41% of the total, was given to the GTS company that provided the oxygen supply to the hospitals. The Evita company was the second for the largest number of disbursements with ALL 281 million (EUR 2.3 million) and the third EuroMed with ALL 137 million (EUR 1.1 million)⁵¹.

Ranking of companies according to the values awarded in tenders Health Institutions March 2020 - May 2021	
COVID -19, Health institutions March 2020 - May 2021	Tenders Awarded Value (VAT excluded), ALL
GTS-Gazra Teknike Shqiptare sh.p.k.	2,084,154,082
EVITA SHPK	627,510,300
INTERMED SHPK	384,590,308
Biometric Albania SHPK	203,645,500
MESSER ALBAGAZ SHPK	196,495,440
EURMED SHPK & Farma Net Albania SHPK	189,585,000
OES Distrimed SHPK	185,067,400
EURMED SHPK	133,247,145
EURVIA shpknj	101,430,000
Farma Net Albania	92,384,000
Gen-Alb Farma SHPK	84,935,000
FEDOS SHPK	57,340,180
XPERT SYSTEMS	40,155,500
ECO RICKLIM	9,811,200
KRIJON SHPK	7,086,000
Aquarius Medical	5,884,542
Intelligent Building Solution (IBS) - R & T	5,000,000
ALPEN PULITO	4,242,854
4 S	4,150,750
MEDI-TEL SHPK	2,730,112
LOERMA	2,647,259
GREEMED SHPK	2,072,000
JUPITER GROUP	1,525,000
SULLOLLARI-KLIMA	1,195,750
Nertil Shehaj	600,000
Jimi	545,900
ARTEO 2018	319,000
MOTO-MANIA	275,000
CFO PHARMA	239,000

⁵¹ <http://ndiqparate.al/2021/06/07/biznese-kontraktore-shendetesi-covid-19-mars-2020-maj-2021/>
<https://www.financa.gov.al/pagesat-e-kryera-2021/>

Erlind Asllani	180,000
FLORFARMA SHPK	146,300
EUR MEGA 2010	99,900
MAJ-ALB	14,000
Human Vaccine LLC	vaccines
KEYMEN ILAC SANAYI VE TICARET ANONIM SIRKETI	vaccines
GAVI Alliance	vaccines
Pfizer export bv	vaccines
Biometric Albania SHPK	secret
EUR MEGA 2010	secret
Farma Net Albania SHPK & EURMED SHPK	secret
FEDOS SHPK	secret
Genius SHPK	secret
KRIJON SHPK	secret
MEDICAMENTA SHPK	secret
MEGAPHARMA SHPK	secret
OES Distrimed SHPK	secret
Rejsi FARMA SHPK	secret
T B S 96 SHPK	secret
TEOREN	secret
Aldosch-Farma SHPK	unit price contract
EDNA - FARMA SHPK	unit price contract
INCOMED SHPK	unit price contract
LEKLI SHPK & MEGAPHARMA SHPK	unit price contract
MEDICAMENTA SHPK	unit price contract
Megapharm - DELTA PHARMA - AL - incomed	unit price contract
MEGAPHARMA SHPK	unit price contract
MEGAPHARMA SHPK & ALBANIA NEE PHARM SHPK	unit price contract
Pegasus SHPK	unit price contract
Rejsi FARMA SHPK	unit price contract
TRIMED SHPK	unit price contract
TOTAL	4,429,304,422
<i>Source: http://ndiqparate.al/2021/06/07/biznese-kontraktore-shendetesi-COVID-19-mars-2020-maj-2021; Authors</i>	

Payments from Treasury for Supplies, COVID-19 Albanian companies ranking by values March 2020 - May 2021	
Company	Total payments COVID Treasury transactions (ALL)
GTS-Gazra Teknike Shqiptare sh.p.k.	1,008,041,481
EVITA SHPK	281,187,447
EURMED SHPK	137,462,265
Biometric Albania SHPK	126,413,784
EURVIA shpknj	121,716,000

MESSER ALBAGAZ SHPK	106,901,983
Gen-Alb Farma SHPK	101,922,000
INTERMED SHPK	95,850,400
OES Distrimed SHPK	87,174,000
Farma Net Albania SHPK	65,179,014
INCOMED SHPK	40,719,713
Incomed	40,719,713
MEGAPHARMA SHPK	39,217,794
TRIMED SHPK	34,486,047
XPERT SYSTEMS	19,866,600
Rejsi FARMA SHPK	19,046,972
EDNA - FARMA SHPK	14,544,455
ECO RICIKLIM	9,811,200
MEGAPHARMA SHPK	9,666,250
ALBANIA NEË PHARM SHPK	9,544,750
T B S 96 SHPK	8,340,000
KRIJON SHPK	7,086,000
FLORFARMA SHPK	7,021,825
Aldosch-Farma SHPK	6,094,165
4 S	4,980,900
Aquarius Medical	4,799,449
FEDOS SHPK	4,528,200
Genius SHPK	3,961,536
MEDI-TEL SHPK	3,268,636
LOERMA	2,511,760
EUR MEGA 2010	2,134,836
Rejsi FARMA SHPK	1,255,466
LEKLI SHPK &	1,224,133
ALPEN PULITO	1,207,772
TEOREN	1,020,000
DELTA PHARMA	981,072
MEDICAMENTA SHPK	513,000
MOTO-MANIA	219,840
CFO PHARMA	110,400
Pegasus SHPK	35,832
TOTAL	2,430,766,690
Source: http://ndiqparate.al/2021/06/07/biznese-kontraktore-shendetesi-COVID-19-mars-2020-maj-2021/ ; author's data processing	

7. CONCLUSIONS

- It is obvious that the increase in budget expenditures and public debt, aiming to combat the effects of the pandemic on the economy and protect the health of the population, was not used to allocate more funds to cope with the consequences of the pandemic on human health.
- Although the government increased the budget expenditures to the highest rates in a decade over the last two years, 2020-2021, by 9% and 13.3% respectively, public funds for the health sector increased at lower rates of 6% and 3.4%.
- During 2020, expenditures on health, in relation to the total budget expenditures fell by 0.2% compared to the previous year, decreasing to 7.2% of the total.
- For 2021, although the pandemic wave was very strong in the first months of the year and the country has entered a new period with increased cases reported of COVID-19, the planned health expenditures are 6.6% of the total, with a decrease of 0.6% compared to 2020, due to the higher increase in total expenditures compared to those for health.
- Budget expenditures are channeled towards non-emergency projects such as investments in infrastructure and financing of concession contracts, leaving the health sector without the necessary attention in this unusual period.
- From the funds dedicated to the health crisis, the government used a large allotment for protective equipment for medical staff and very little to improve logistics and services to patients. As a result, Albania faced the highest excess death rate during 2020.
- The current trend shows that pandemics and demographic developments will put pressure on the health sector in the long run.
- In the short term, the health sector should continue an all-out war against COVID-19, as the pandemic has not completed its cycle and it is very difficult to forecast its trend.
- In the long-term, health services will face an influx of demand for treatment as COVID-19 has left a high burden of diseases with other diagnoses, including heart disorders, arthritis, diabetes etc. - the consequences of so-called Long COVID.

8. RECOMMENDATIONS

- The government should build a long-term and sustainable strategy for the health sector, as later on in the medium and long term it is expected to face the high burden of diseases that will naturally come from an ageing population and also from Long COVID.
- The Ministry of Health and Social Protection should increase the support staff in the COVID-19 hospitals such as paramedics, psychiatric nurses and resuscitators and diagnostic equipment such as digital mobile graphs, respirators, and ECMO (a device that helps bring intubated patients back to life). More investments are needed in equipment that provides first aid during patients' transport.
- The Ministry of Health and Social Protection and Public Health Institutions should further increase the capacity of tracking, testing, and laboratory equipment to maintain the spread of the pandemic under control.
- The Ministry of Health and Social Protection should increase the capacities in the primary service to improve the quality of early treatment of patients.
- All these require more budget funds channeled towards the health sector and increasing hospital capacity in both human resources and medical equipment.
- Albania has room to increase the budget expenditures in the health sector as in 2020, the nominal expenditures per capita in the health sector were EUR 297, the second lowest in Europe after Northern Macedonia (EUR 255) and much lower than the European Union average (27 countries) of EUR 2,614.
- For the reasons mentioned above, the main recommendation is to shift the spending priorities towards the health sector, at least in the short-term period, until the medical emergency has passed.

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