

**Project Title:** Support for “Innovation against Corruption: Building a Citizen Centric Service Delivery Model in Albania” – ISDA Support Project

**Project Number:** 00083737

**Implementing Partner:** Minister of State for Innovation and Public Administration

**Start Date:** August 2014

**End Date:** December 2019

**PAC Meeting date:**

### Brief Description

The Government of Albania is reforming its public service delivery through “Innovation against Corruption: Building a Citizen Centric Service Delivery Model in Albania” (ISDA) initiative. The pillars of this reform are: (i) Front Office (FO) – Back Office (BO) separation and centralized service delivery; (ii) Re-engineering of service processes through standardization and simplification; (iii) Digitization and online services; and (iv) Performance monitoring and citizen feedback. These interventions represent the Government’s determination to improve service access and quality for citizens and businesses and increase efficiency in the Albanian public administration as a means to strengthen the rule of law and fight corruption, strengthen compliance with the EU integration agenda, and align with Southeastern Europe regional initiatives and the UN Sustainable Development Goals’ commitments.

The fight against corruption constitutes one of the five political criteria for Albania’s EU membership. The fight against corruption is contextualized, among others, in the efforts to modernize public services delivery through institutionalizing innovations towards good governance. At the center of public services delivery modernization priority lies “the citizen-centric service delivery” which is the catch-all phrase and approach of the Government to fundamentally change the way public services are provided in Albania by fostering a customer-care culture, enhancing access, strengthening citizen feedback, increasing efficiency and accountability in the Albanian public administration, and institutionalizing the impetus for ongoing improvement.

The Government’s public service delivery reform, led by the Minister of State for Innovation and Public Administration (MIPA) consists of a customer-oriented approach with different channels of public service delivery taking advantage of innovative and ICT solutions.

Approved for launch in April 2014 as one of the six priorities of the Albania government, the reform has been fast paced with important milestones such as in completing the first inventory of central government administrative services and their classification and codification according to best EU practices; the establishment of ADISA as a dedicated Agency to guarantee customer care standards in the service delivery to citizens and businesses; the setup of a Citizen Feedback Mechanism; the revamping of the e-Albania portal; the start of a standardization and simplification process in service delivery and the piloting of the FO-BO separation and FO management by ADISA; the opening of a unique Call Center at 118-00 for information on services, etc.

The citizen-centric service delivery reform has met with a strong support from development partners. The World Bank has approved in August 2015 a substantial budget support loan which is disbursed against fulfilment of agreed indicators along a five-year disbursement plan. EU IPA 2014 support has been committed with a focus on areas of legal framework, service delivery channel design, FO outsourced management as well as consolidation of the Albanian Government Gateway Platform.

The current ISDA Support Project, which is a multi-donor mechanism managed by UNDP, was put in motion since mid-2014 and represents a critical financing mechanism to support reform strategy and management capacities of the Minister of State for Innovation and Public Administration (MIPA), as reform leader. The Project focuses on institutional capacity building and coordination, strengthening MIPA

capacities to manage and coordinate the various ongoing initiatives, contribution to policy development and piloting of good practices and a constant provision of flexible expertise to help synthesize and harmonize various efforts to reform the provision of services innovatively. The project also aims at complementing the ongoing assistance of modernization and innovation at central level institutions in terms of regionalization of public service delivery and synergies with the parallel national efforts to improving access to and provision of local government public services.

The ISDA Support Project is implemented in accordance with UNDP's National Implementation Modality, whereby MIPA is the designated National Implementing Partner, on behalf of the Government of Albania. The support provided by UNDP is in accordance with UNDP rules and regulations and within the legal framework of the Standard Basic Agreement between the UNDP and the Government of Albania, of 17 June 1991.

<b>Contributing Outcome</b> GoA - UN Programme of Cooperation for Sustainable Development (2017 – 2021) Outcome 1: State and civil society organizations perform effectively and with accountability for consolidated democracy in line with international norms and standards. Output 1.2: National public administration has greater capacity to improve access to information, address corruption and crime, and engage CSOs and media in efforts to strengthen monitoring of reform efforts.	<b>Total resources required:</b>	USD 1,904,002	
	<b>Total resources allocated:</b>	USD 1,562,496	
		<b>UN Core:</b>	92,944
		<b>UNDP:</b>	180,000
		<b>Italian Government:</b>	1,289,552
	<b>Unfunded:</b>	USD 341,506	

Agreed by (signatures):

Government	UNDP
H.E. Milena Harito Minister of State for Innovation and Public Administration	Limya Eltayeb Country Director
Date:	Date:

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## ACRONYMS

ADISA	Agency for the Delivery of Integrated Services in Albania
AKSHI	National Agency for Information Society (NAIS)
ATLAS	UNDP's corporate programme/project and financial management system
BO	Back Office
BPR	Business Process Re-engineering
CO	Country Office (UNDP)
CSCs	Citizen Service Centers
CSI	Citizen Satisfaction Index
CSO	Civil Society Organization
DAA	Digital Agenda for Albania
FO	Front Office
GoA	Government of Albania
IPMG	Integrated Policy Management Group
IPSC	Inter-ministerial Public Services Committee
ISDA	Innovation against Corruption: Building a Citizen Centric Service Delivery Model in Albania
LGU	Local Government Unit
LTPD	Long Term Policy Document
MIPA	Minister of State for Innovation and Public Administration
NSDI	National Strategy for Development and Integration
OSI	Online Service Index
PAC	Project Appraisal Committee
PAR	Public Administration Reform
PSC	Project Steering Committee
SPC	Strategic Planning Committee
STAR II	Support for the Territorial and Administrative Reform Project Phase II
TA	Technical Assistance
ZRPP	Immovable Property Registration Office (IPRO)

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## I. DEVELOPMENT CHALLENGE

The pledge to “leave no-one behind” is at the heart of the 2030 UN Agenda. It means the Sustainable Development Goals and targets should be met for everyone, with a particular focus on the poorest, most vulnerable and those who are often the hardest to reach. A major player in this global endeavour are the public institutions. None of the sustainable development goals can be achieved without bold and innovative efforts from public institutions and public servants.<sup>1</sup> In order to achieve the SDGs, public institutions need to adopt innovative approaches in public service delivery and provide the necessary capacity building to public servants to increase their awareness and skills.

On the other hand, levels of trust in government have declined in recent years across many OECD countries, posing a challenge for policy in the years to come<sup>2</sup>. This is true, and worse for several non-OECD countries, including the Western Balkans.<sup>3</sup> Lack of trust compromises the willingness of citizens and business to respond to public policies and contribute to a sustainable economic development. Also government capacity and quality of government have strong effects on almost all standards of well-being as well as social trust and political legitimacy. Evidence also suggests that satisfaction with public service delivery is positively correlated to citizen trust in government and governance. In other words, the long-term sustainability and prosperity of a country, and therefore of adopted development and transformative policies, will depend on the perceived good and concrete impact the country’s growth will make on its citizens and societies. OECD identifies six areas where governments can work to establish and consolidate trust from the citizens: reliability, responsiveness, openness, better regulations, integrity and inclusive policy making.

It is also argued<sup>4</sup> that trust in institutions is affected by a combination of governance dimensions corresponding to three levels:

- At the macro-level, trust relates to political institutions and the functioning of democracy.
- At the meso-level, trust relates to policy making – the ability of governments to manage economic and social issues, and to generate positive expectations for future well-being.
- Finally, at the micro-level, trust refers to the impact of government on people’s daily lives through service delivery.

These three levels interact and a significant lack in trust at one level may affect trust at other levels and influence policy outcomes. Efforts to strengthen trust therefore need to reinforce synergies across each of these different spheres.

Indeed, at present, a common challenge to all governments is the pressure to rationalize government spending while addressing public expectations in an increasingly connected society. Governments need to adopt new ways of communication with citizens, who demand greater participation in policymaking as well as greater government accountability for the taxpayers’ monies and the quality of public services delivered.

Obtaining the status of the European Union candidate country in June 2014 has given an added impetus to the reforms in Albania. To achieve sustainable economic and social development, as set out in the National Strategy for Development and Integration (NSDI) 2015–2020, the Government of Albania (GoA) has identified six national strategic priorities, one of which is Innovative Good Governance, whose focus is the transformation of service delivery in Albania through a citizen-centric approach. This is embodied in the Cross-Cutting Public Administration Reform Strategy (PAR) 2015–2020, which constitutes the overall framework for the modernization and transformation of institutions and practices of public administration in the country, with the

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<sup>1</sup> Wu Hongbo, UN Under-Secretary-General for Economic and Social Affairs, Remarks, UN Public Service Day 2016, New York, 23 June 2016

<sup>2</sup> OECD (2013), *Investing in Trust: Leveraging Institutions for Inclusive Policymaking*, OECD Publishing, Paris

<sup>3</sup> IDM (2015), *Open Government Partnership (OGP) Trust in Institutions Survey 2015*

<sup>4</sup> Bouckaert, G. (2012), “Trust and Public Administration”, *Administration*, Vol. 60, No. 1, pp. 91-115.

vision of providing “high quality services for citizens and businesses in a transparent, effective, and efficient way through the use of modern technologies and innovative services, and that complies with the requirements of European integration through impartial, professional and accountable civil servants, part of efficient setups”. The Cross-Cutting Strategy “Digital Agenda for Albania” (DAA) 2015–2020 complements and supports this vision.

Thus, promoting a responsive and transparent system of public service is considered not a development choice but a critical precondition for Good Governance and Sustainable Development. While government institutions are mandated by law to provide services to citizens and businesses and despite their expectations based also on the experience with customer service standards in the private sector, such as banks, telecommunications, etc., the problems beneficiaries often encounter in interacting with these institutions have to do at various degrees with lack of information, transparency, accountability and efficiency, as well as corruption.

The approval by the Strategic Planning Committee (SPC) in April 2014 marks the beginning of the Government initiative “Innovation against corruption: Building a Citizen Centric Service Delivery Model in Albania” (ISDA). This national initiative consists of four main pillars related to:

- i) Re-engineered and standardized services (from the process, legal and IT points of view, as well as including institutional reform);
- ii) Separated FOs and service delivery integration, as well as the development of their delivery channels, under customer care standards;
- iii) Creation and usage of interoperable digital data by the public administration, and online services;
- iv) Obtaining citizen feedback and monitoring the performance of public administration in service delivery.

Led by Minister of State for Innovation and Public Administration (MIPA), and supported by the Delivery Unit of the PM Office, the ISDA Program is focused on the reform of administrative services for citizens and businesses in several areas, including: property, transport, social and health insurance, civil registry, education, construction permitting, business registration and licensing.

Under MIPA's authority and by Decree no. 693 (22 October 2014) of the Council of Ministers, a special Agency for the Delivery of Integrated Services in Albania – ADISA was established and tasked to manage the citizen service centres. As the program institutional linchpin, ADISA's mandate expanded in May 2015 to include the implementation of the separation of the front office (FO) from the back office (BO) in all central institutions. This process, which is now based on the Law on the Delivery of Public Services in the Front Office in the Republic of Albania, approved on February 18, 2016 and entered in force since March 24, 2016, entails the overhaul of public service delivery in Albania with the establishment of service standards for the citizens and performance monitoring for service window clerks, based on customer-care principles. The law establishes ADISA as an autonomous agency.

Given the broad extension of public services, the institutional level is complex and multi-layered. From the strategic viewpoint, two structures are in place: The Strategic Planning Committee (SPC) for financial decisions and the Inter-Ministerial Public Services Committee (IPSC), both chaired by the Prime Minister. The IPSC is convened by the Minister for Innovation and Public Administration (MIPA) on a quarterly basis to coordinate and ensure support and higher-level coordination for the citizen-centric public service reform process at the political level.

Policy consultations and decision-making take place in the ISDA Program Steering Committee which is chaired by MIPA and brings together heads of key stakeholder agencies, such as ADISA, the National Agency for Information Society (AKSHI), as well as the heads of key Departments in the Prime Minister's Office, and key local experts recruited through development partner support for MIPA.

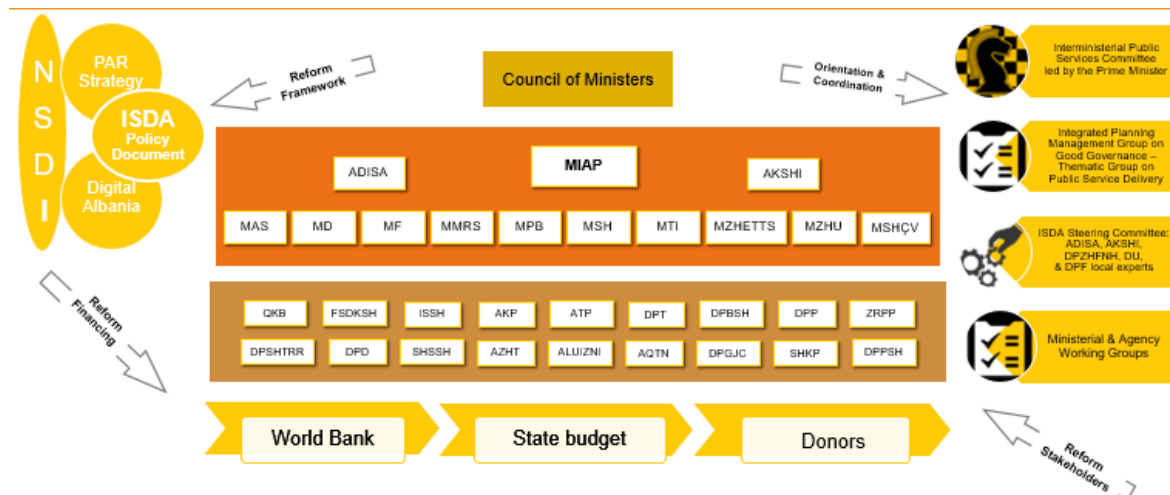
The Integrated Policy Management Group (IPMG) on Good Governance and Public Administration, which is co-chaired by MIPA and the Minister of State for Local Government provides for stronger interagency

coordination also through the thematic group on public service delivery.

Ministerial Working Groups and institutional technical groups serve as the mechanisms to review and approve new rules and work on legislation amendments in the area of public service delivery. These groups are in charge of re-engineering the business processes, by assessing them, then proposing and approving the necessary changes.

At the operational level, key stakeholders involved in the implementation of the citizen-centric services reform include ADISA as well as AKSHI and institutional public service providers on scope.

An attempt to represent the extensive network of stakeholders and management mechanisms is shown in the diagram below:



In May 2016, the Council of Ministers approved a Long-Term Policy Document (LTPD) on the delivery of citizen centric services by central government institutions in Albania, which lays out the objectives and key interventions, as well as relevant funding, management, stakeholder engagement, and monitoring-evaluation considerations.

Regionally, Albania participates in the e-SEE (Electronic South Eastern Europe) Initiative, supported by UNDP, whose latest joint program includes the commitment to increased effectiveness of fully accessible people centred e-services.

The Government of Albania joined the Open Government Partnership (OGP), an international platform for domestic reformers committed to making their governments more open, accountable and responsive to citizens<sup>5</sup>, in December 2012. The Government, under the direct leadership of Minister of State for Innovation and Public Administration, is currently implementing its second National Action Plans 2014-2016, with a focus on four main OGP identified challenges:

- Increasing public integrity
- Managing public resources more effectively
- Improving public services
- Creating safer communities<sup>6</sup>

It is worth to note that several of OGP principles and commitments are indeed an integral part of major reforms and actions endorsed by the government, such as the public administration reform, the anticorruption strategy, but also with a strong focus on technological innovations for

<sup>5</sup> <http://www.opengovpartnership.org/>

<sup>6</sup> Minister of State for Innovation and Public Administration, (September 14, 2016) - Albania End of Term Self-Assessment Report (National Action Plan 2014 – 2016)

transparency and accountability: Digital Albania, public service delivery reform as well as online portals, e-procurement platforms, etc.).

What is also unique to OGP is that it brings together engagement and action from governments and civil society. In this framework, since December 2013, civil society organizations established the Coalition on Open Government Partnership with the commitment to supporting a more transparent, accountable, and responsive government. The coalition was led primarily by the Institute for Democracy and Mediation (IDM), the latter engaging since 2013 in an annual exercise of “measuring” citizens’ trust on public institutions, known as the “Trust in Government” or “Trust in Governance” report. Since 2014, this exercise was increasingly supported by UNDP, with a commitment to ensure support on an annual basis for conducting such a survey.

To frame the issue of public service delivery reform in the Albanian context, one may refer to a first nationwide household survey conducted in March - April 2016 with a national representative sample of 2000 people, regionally stratified and randomly selected, supplemented by a booster of 200 for Roma population.

The survey found only little more than half of the respondents (51%) who contacted service providers from central government institutions during the previous 12 months that declared to be either “somewhat satisfied” or “very satisfied” with the whole service process experienced. When disaggregating by “Wealth Index” the number is (comparable, though somewhat higher) 53% for the “Poorer”. For females and those over 55 years of age, it is 57%. For the Roma population, based on a 200 booster, the general finding stands at 52%, lower when disaggregated for rural residents and over 55 years of age (41%) and higher for females (58%).

In terms of analysing levels of access to services, based on the above survey, about 42% of all respondents who contacted institutions said that the process of receiving the services was either “easy” or “very easy” for all requested services. The indicator stands at 45% for the poorer. There are more females who find the process of receiving the service as easy, compared to males (46% vs. 39% respectively). Similarly, there are more respondents of older age that evaluate the process as easy (49%), compared to those of younger age (39%). There is no difference between urban respondents and rural ones on this indicator similar to that on service satisfaction. Among the Roma population, 47% evaluates the process of getting public services as “easy” or “very easy”, lower when disaggregated for over 55 years of age (32%) and rural (35%) and highest for females (50%).

The fact that numbers for Roma are higher than those of the general public is explained by the nature of the institutions that are contacted by former. Roma respondents contact more frequently the Civil Registry and Compulsory Health Insurance services which are viewed as “easy” in terms of procedures, while they do not contact as much other more complex institutions such as Property Registration, Road Transportation services, etc.

In the aggregated results about the evaluation of the attributes for services, ‘Processing speed’ and ‘Transparency’ have the lowest scores (respectively 63 and 69 out of 100 points), followed by ‘Fairness’ and ‘Appropriate office location’ (both at 70).

In terms of the level of corruption, in general, those who did not contact any institution during the previous 12 months (31%) rate the corruption in the targeted institutions with 55 out of 100 points. Meanwhile those who contacted at least one public institution but had no experience with corruption (62%) rate the corruption level at 46 points. Furthermore, those who contacted public institution and had experience with corruption give a higher rate for corruption (58 out of 100). As a reference the Survey on Corruption (2016 IDRA study) reports that corruption perception in Albania is at the level of 61.

Finally, overall top five issues for improvement for respondents are:

- a) Queue management and
- b) Processing speed (47%), followed by



- c) Staff attitude (25%), then
- d) Infrastructure of the offices (22%) and
- e) Information about services and their delivery availability (21%).

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## II. STRATEGY

The public service delivery reform is an integral part of the public administration reform, yet a complex, huge and ambitious challenge on its own, that permeates all public sectors and levels and their interaction with and response to citizens.

Focusing, on one hand, on administrative services provided by central government institutions, GoA aims at bringing about a transformational change in the way central government interacts with citizens/businesses and provides responsive public services in general. On the other hand, the advent of the territorial reform in 2015 carries also a great potential in modernizing in the mid-term the way local public services are provided based on the establishment of service delivery standards. Actually, there are two parallel streams of efforts and assistance, focusing respectively on revamping central public services and their delivery and establishment of a network of local service delivery locations in the format of one-stop shops across the country and within each municipal territory in the proximity of citizens' residence or more precisely, in each location where an actual or former local government office was located prior to 2015 territorial reform.

Despite of the starting point, the overall approach is based on the principles of equal and fair treatment for all, also pays special attention to the economically disadvantaged, the elderly, women, persons with disabilities, minorities and the rural population, in accordance with respective commitments provided by law. Innovative solutions and information technology are considered as critical contributors in this process.

At the centre of this national reform lies "the citizen-centric service delivery" adage which is the catch-all phrase and approach of the Government to fundamentally change the way public services are provided in Albania by fostering a customer-care culture, enhancing access, strengthening citizen feedback, increasing efficiency and accountability in the Albanian public administration, and institutionalizing the impetus for ongoing improvement.

In a concise summary, policy objectives guiding the citizen-centric service delivery approach include five key paths:

1. Reduced time and administrative burden for citizens and businesses;
2. Improved service access and delivery quality;
3. Increased number of satisfied citizens from government services;
4. Reduced corruption,
5. Increased efficiency, transparency and accountability in service delivery.

In accordance with these objectives, the Government engaged in developing a Long-Term Policy Document (LTPD) on service delivery, to define main principles to be adopted by the reform, critical avenues for action as well as related targets to be achieved. The main results and targets identified through this exercise refer to:

- Transition to 100 percent e-Services;
- Anytime, anywhere service access to citizens;
- Creating a 360-degree view of beneficiaries;
- Achieving an overall high level Citizen Satisfaction Index (CSI);
- Albania's classification as one of the top 20 European countries as per the United Nations' eGovernment Survey Report on the Online Services Index (OSI).

The Government initiated the design and conceptualization of the citizen-centric service delivery model with multi-donor assistance provided by UNDP and the IPS II Trust Fund since mid-2014.

For UNDP, positive change in service delivery provision is at the core of good governance and effective functioning of public administration. UNDP's new Country Programme Document (2017-2021) highlights "Strengthening the effectiveness, transparency, accountability and service orientation of public institutions is the main pathway towards building trust in institutions and enabling their developmental functionality". In line with such consideration, UNDP engages to "leverage its past achievements and seek to reinforce the positive impacts of the administrative territorial reform for increasing service delivery capacities of institutions, ultimately building trust and creating social and economic dividends for the men and women who stand most to benefit from increased transparency, accountability and citizen orientation of services."

As a pre-cursor to the ISDA Support Project, UNDP assistance consisted in provision of expertise with focus on IT and business process re-engineering (BPR), map the web of public services and identify those services that could be effectively re-engineered and subjected to innovative provision schemes. Such expertise was essential for MIPA to enable prioritizing administrative public services for intervention, including methodology design and in-depth assessment. The BPR support facilitated coordination for the preparation of detailed passports and process maps for almost 400 services provided by 11 key institutions in the fields of property, social and health insurance, education, transport, civil registry, construction permits, business registration and licensing.

Support was also initially provided for the design of a centralized Citizen Service Centre in Tirana as well as a proposed concept idea for such centres outside the capital, which later was re-oriented towards developing a front office-back office approach and evolving at present towards conceptualizing and establishment of ADISA regional CSCs.

These endeavors were undertaken in anticipation of larger support to be provided by the World Bank and the EU.

A five-year programme support from the World Bank, conceived to be mostly based on budget-support disbursement against determined trigger indicators, focuses on:

- enhancing the back-end systems (enhancing IT systems of key agencies, business process reengineering of services, implementing overall improvements in interactivity, facilitation of transaction and integration of key services,
- enhancing citizen interface with service delivery (reforming front offices in existing agencies, improving citizen convenience with one stop shops, improving online delivery of services, implementing proactive beneficiary feedback, providing information on services), and
- building capacity to deliver for stakeholder institutions (improving strategic planning, performance management, capacity building and implementing the reform communications strategy).

Additionally, EU support through IPA 2014 is also under preparation with a focus on:

- legal framework,
- service delivery channel design,
- separated FO outsourced management, as well as
- assistance for consolidation of the Albanian Government Gateway platform.

State budget financing for digitization projects in central government institutions which provide key administrative services to citizens has also increased.

In this framework and context, ISDA Support project, financed through a pooled funding modality, is critical, complementary and with a comparative advantage as a single instrument to:

- ensure capacity support to mainly MIPA and ADISA,
- provide expert advice at policy and operational level,
- identify areas for further development

- search for best practices, know-how transfer and other international standards
- facilitate coordination and long-term planning, and
- support piloting activities in a timely and seamless manner.

ISDA Support Project has also the potential and the opportunity to develop synergies with the implementation of the administrative and territorial reform in Albania so as to enhance the efficiency of local administrations as well as strengthen and consolidate the operations of the new local government system resulting from such reform. These might, to mention a few, include areas such as:

- the co-location of services under the centralized delivery model;
- customer-care training;
- adoption of standardized practices (one such already in place is the unique code for central government services to facilitate processing and documentation, as well as a standardized application form template)

ISDA Support project, and its precursor assistance, have proved successful and useful to date in several ways:

- Enabling expert discussions on possibilities of modernizing and innovating service delivery, identifying main areas of focus and the sequence of actions according to a timetable, and then engaging expertise in developing a national long-term vision of the service delivery reform. All these elements, not only served as a bridge phase towards the forthcoming core financial support, but also served to put in motion a number of innovative ideas, engage different institutions and service providers and opened up new horizons for further developments.
- Given the complexity of the reforms under the direct responsibility of the Minister of State for Innovation and Public Administration, the limited management and expert resources available by the latter, and the necessity for flexibility, institutional coordination and expert advice, the project responded through ensuring a constant managerial and technical nucleus of expertise filled in timely as per the needs. This support has enabled the Minister to take timely decisions and actions for the implementation of various structured work packages, design specific scopes of work and undertake necessary pilot activities.
- The Project provides key support in design, change management and monitoring as well as bridging assistance for implementing the reform.
- By promoting innovation and exploring south-south and international best practices, the Project helps to efficiently put in place conditions to build support, break resistance, raise capacities and ensure sustainability.

Given these features, coupled with satisfactory flexibility and complementarity, ISDA Project Support is highly valued by the Government as a necessary capacity support/facility to accompany the implementation of the service delivery reform and its distinct dimensions in synergy and full coordination.

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### **III. RESULTS AND PARTNERSHIPS**

#### ***Expected Results***

The overall development objective of the ISDA Support Project is to improve efficiency, quality, and access to public services through innovation, therefore fully in line with UN's Albania Programme of Cooperation for Sustainable Development (2017-2021) (Output 1.2-National/local institutions have improved capacities/services to prevent corruption and increase accountability and transparency in service delivery)

ISDA Support Project is, therefore, designed to pave the way and enable the environment for the additional donor and government assistance to become more effective and properly absorbed.

In this respect, the Project, besides providing management and coordination capacity support to the Minister of State for Innovation and Public Administration, is set to articulate the Government strategic stand on service delivery, establish a coordination and monitoring frame for the implementation of the reform, advice on the geographic distribution of service delivery locations, in harmony with local service delivery provision and in respect to inclusiveness, equity and full access to services for every citizen, and finally explore successful practices and know-how for innovative service provision, service standards and citizens' interactions /feedback. All the above aims are organized along six building blocks/result areas as follows:



## Result 1: Public Service Delivery Policy Development and Implementation

### Output 1.1: Public service reform policy document formulation

The Policy Document constitutes the instrument necessary for defining the strategic vision, objectives and principles around the whole process of public service delivery reform and helping the GoA and other partners in this reform to align efforts, elaborate intentions and synergize around common objectives and expected results, taking also into account the economic rationale. This is a key document that establishes a common reference for engagement and allows for harmonized activities that span in a relatively long time frame, as is the case with transformative undertakings that entail also cultural changes. The policy document is important for its process – assessment of situation of service delivery, review of potentials for change, consultations with

various service providers and end-user/beneficiaries, adoption of international standards and principles on service delivery within the context – as well as for its end result; the document itself is part of the World Bank disbursement loan indicators, therefore one of the triggers for releasing loan installments.

#### **Output 1.2: A Result-Based Framework for Public Service Delivery Reform established**

The establishment of a results-based framework for public service delivery reform is a priority, both at the leadership as well as institutional level. It ensures that the reform policy implementation is monitored and evaluated and that the implementation is well-planned and stays on track. It is both a necessary management tool for the relevant government institutions and the government implementing team as well as an essential contribution to the sustainability of the citizen centric reform. The results framework will entail the development of a data gathering mechanism and reporting dashboard that can serve to inform a clear understanding on the reform progress, as well as decision-making on corrective action or adjustments, as required. It will at the same time help consolidate the list of indicators related to citizen-centric service delivery reform that are tracked as part of approved GoA strategies and own implementing mechanisms.

#### **Output 1.3: Annual “Trust in Governance” survey carried out in the framework of Open Government Partnership initiative**

The annual survey will provide a broader perspective of citizens’ perceptions towards the performance of public institutions, including service delivery provision. This “broadness” is in line with the public administration reform strategy, which calls for enhancement of professionalism and accountability of public officials, fight against corruption, and increased quality and efficiency of service delivery. Adopting a stance for acknowledging and more so measuring citizens’ trust in public institutions is essential and beneficial to policy makers for an efficient and effective implementation of government strategies and reforms. In the absence of trust, citizens become suspicious about their political system<sup>7</sup>. At the same time, low levels of trust can lead to lower rates of compliance with rules and regulations<sup>8</sup>. Trust is both an input to public sector reforms – and, at the same time, an outcome of reforms, as they influence peoples’ and organisations’ attitudes towards the government and its institutions.

The survey, following its previous and proven structure and with sufficient flexibility for looking into new areas, will mainly address the following dimensions of public institutions’ performance: (i) transparency, (ii) accountability, (iii) efficiency, (iv) reliability, (v) integrity, and (vi) inclusive policy making. The research will apply a quantitative methodological approach and have a national coverage with a sampling technique that attempts to give same “voice” to the opinion of citizens regardless to their vicinity with the central government. Key beneficiaries will be the central government policy makers and public institutions, civil society, academia, and the international community, all of which being potential factors contributing to desired changes.

### **Result 2: Front Office - Back Office separation and the establishment of the service delivery standards for citizens and businesses**

As a key pillar of the reform, the support activities for quality service provision in separated front offices address the need for identifying best practices that can work as well in Albania, and offer support in their implementation. A strength of donor involvement in the project is the support they could provide on having access to know-how and best practices. Albanian officials have learned from several public service reforms so far, such as Georgia, Azerbaijan, and Estonia, and are looking to especially adapt EU best practices, for modernizing the public service delivery systems in Albania. Attention is also being paid to experiences in other countries, beyond Europe, such as India, Pakistan, South Korea, Singapore or Malaysia.

Given the multifaceted and transformative nature of the public service delivery reform, assistance with study visits, participation in workshops and seminars, and engagement of international

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<sup>7</sup> Diamond, L. (2007). Building trust in government by improving governance.

<sup>8</sup> Government at a glance, 2013, OECD

experts is of great value in the areas of FO - BO separation and customer care service delivery standard implementation as captured by the following two outputs.

**Output 2.1: Best practice and know how transfer on standardized processes of service delivery**

This output provides needed support for a key component of the reform: standardization, which has a major impact in closing openings for corruptive practices and enhancing predictability and efficiency in service processes. The activities under this output will enable adoption of best experiences in standardized service delivery in the Albanian context, provide for opportunities to interact with counterparts in countries with successful service delivery reform and benefit from lessons learned. They will allow for meeting challenges, identifying areas for necessary fine-tuning and more fast-paced implementation in FO-BO separation and re-engineering of service delivery processes in Albanian central government institutions.

**Output 2.2: Best practices in customer care standards adopted in key Albanian central institutions**

The activities under this output will strive to strengthen the adoption of customer care standards in the delivery of public services by government institutions. As standards that derive from the private sector, their application in the public sector carries peculiarities. In this context, international based practice is especially beneficial to allow for smooth adaptation that builds ownership and minimizes resistance and potential disruptions. The customer care standards will find reflection in citizen charters spelling out rights and duties in service delivery to become binding for institutions. Their implementation will be tracked through performance monitoring of key indicators related to timeliness and quality of service provision to citizens.

**Result 3: Agency for Delivery of Integrated Services of Albania is supported and operational**

The activities under this Result strive to provide the environment and the organizational support for ADISA, so that the latter can fulfill its mandate and create the conditions for sustainable change in the future, with a special emphasis also on the need to establish regional branches as the Agency takes over FO service delivery outside Tirana following the successful piloting of FO-BO separation at Tirana Immovable Property Registration Office (ZRPP), since October 2015, and the entry in force of the Law on the Delivery of Public Services in the Front Office.

**Output 3.1: ADISA head offices equipped and furnished**

The provision of essential equipment for ADISA supports the fast start-up of its normal operations, and sustains rapid recruitment of personnel, which are tasked with operational support for the citizen-centric service delivery reform. It consists in basic furniture and IT equipment provision. This support accommodates the need to reduce the usual lag time in making a new agency operational in a situation in which it undergoes an increase of responsibilities in its first months of existence, and takes in consideration the fast pace of reforms underway. Provisions are made also for software purchase or upgrade for the hardware provided.

**Output 3.2: Organizational and functional support for ADISA's regional offices provided**

ADISA regional offices will be managing the regional citizen service centers, and in general nationwide coverage of central government service delivery. Emphasis is on providing institutional capacity building for ADISA as it branches out outside of Tirana to ensure its smooth functioning. This assistance will allow for both new skill developments in customer care service, as well as in management and supervision. The organizational support would ensure an efficient and effective coverage in line also with GoA's new regional development plan.

**Output 3.3: Institutional roles in design, implementation and inspection of service standards defined**

The activities under this output help establish the necessary institutional framework for implementing the duties assigned to ADISA by the Council of Ministers' Decision no. 343, as the responsible authority for designing standards. Assistance in the clear definition of roles in design,

implementation and oversight of customer care standards in service delivery is crucial in an effective institutional positioning that takes care of the issues of moral hazard or conflict of interest from an operational perspective. On the other hand, overall capabilities, especially in inspection or certification of standards, are essential building blocks in ensuring sustainability of reform activities.

#### **Result 4: Innovative solutions promoted sustainably for the public service delivery reform implementation**

Given its focus on innovation, the reform program can greatly benefit by the wealth of experience in promoting innovative solutions. Practices, such as the innovation lab, which have been successfully established in countries similar to Albania, are an invaluable contribution for the current stage as well as the future progress of the reform, as are the application of central government services' principles at the local level, such as solutions for uniform customer-care standards' adoption, efficient service delivery by co-location of both central and local service provision points, and greater access to services for citizens, as for instance through mobile units, etc., all of the above in full respect of the principles of local autonomy.

Access remains a central element of the citizen-centric service delivery model. Hence, a priority undertaking is providing the roadmap for an improved feasible model that works on a nationwide level, with special consideration of the interconnection between central and local governments. This action will support the expansion of the application of customer care standards on both the performance of public administration and the experience of beneficiaries in service delivery, notwithstanding the providing authority, i.e. central or local.

##### **Output 4.1: Public Services Innovation Lab established at ADISA**

Activities under this output relate to the establishment of an Innovation Lab based on the successful practices supported by UNDP in South Asia and Europe. They provide for building capacity and good practices to promote continuous improvement in service delivery, and sustains the necessary change in the institutional and management culture through set up assistance, training and mentoring to support its functioning. This output has a direct bearing on enhancing the sustainability of the reform and ensuring its longevity.

##### **Output 4.2: Feasibility study on regional distribution of central government services**

The feasibility study on the regional distribution model for central government services is an assessment that will consider the utilization of multiple channels of service delivery and the areas for a common approach between central and local government service delivery reforms. The study will make use of the comprehensive field assessment already conducted nationwide for the institutions under immediate focus, and will provide the necessary detail to the planned expansion of customer care services. The study is expected to include recommendations on the implementation of the colocation of central and local government services in synergy with local government one-stop-shop support activities and enable assistance to improve local service delivery through piloting. Such colocation is not generally practiced at the local level. Territorial reform created 61 new LGUs. Only a few have functional OSSHs in place. The aim is to establish them in all remaining ones as a priority. UNDP STAR2 project, a donor pool fund assistance has pledged to support local OSSHs expansion in all remaining LGUs.

#### **Result 5: E-government agenda activities with high impact on service delivery reform implemented**

Implementation of IT solutions remains a key enabler of increased benefits to citizens and businesses in service delivery, as well as greater transparency and efficiency for the public administration. Activities towards this result will be focused on digitization to ensure required coordination and prioritization from the point of view of improved provision of services for the beneficiaries, as well as their experience with the virtual service windows, whether stationary (via desktops, etc.) or on the move (via smart phones etc.).

**Output 5.1: Review of online user experience from the citizens' perspective**

The activities in this context enable the increased usage of the online service delivery channel by engaging users and encouraging their feedback as basis for continuous improvement of user friendliness. They will entail conduct of a survey and the establishment of a continuous feedback mechanism on user experience online, including mobile.

**Output 5.2: Digitization management support**

Digitization management support will be provided to ensure sustainable planning, prioritization as well as effective quality control in implementation. As a key activity to support automatization of processes, digital documents, interoperability and online services, this output enables the availability of expertise that connects the products of digitization to online service provision. It is also expected to assist in driving action at the policy and operational level to make the 'Digital First' principle a standard operating procedure by government institutions. This assistance will translate in support to AKSHI and institutional service owners to design and implement digitization projects with positive impact on service delivery automation and online provision.

**Result 6: Management support to MIPA for ISDA program management****Output 6.1: Local TA provided to MIPA**

As MIPA is the leading institution for the implementation of the service delivery reform and an institution with very limited human resources, ISDA Support Project will provide permanent technical expertise for the general needs of coordination of the various reform program components, including coordination of the activities of the ISDA Support Project itself. Such expertise will enable sustained change management also through flexible and short-term technical assistance identified as needed and engaged to respond to scheduled and emerging demands for specialized technical assistance/services and other auxiliary activities related to awareness and visibility on progress made, preparatory activities in anticipation or complementarity with other programs achievements, capacity building of government stakeholders, recipients of such programs and reform changes and therefore, supporting and facilitating change management.

**Resources Required to Achieve the Expected Results**

The Project will work on the basis of requiring both long and short-term technical expertise. The long-term expertise will include a National Project Manager, a Project Specialist and a Project Assistant for administrative and financial management matters. In addition, there will be need for short-term technical experts who will provide specific interventions with regard to the various activities and outputs of the Project. These experts will be a mix of national and international professionals and should have a strong background in the various sub-areas of public service delivery and innovation, often with specialized competencies in specific areas of work. It is through this experience that they will be able to provide peer-to-peer advice to MIPA and ADISA staff as a means of building their capacity.

Project assurance will be provided by UNDP's Country Office in terms of administrative and financial management and control. In terms of substance and progress monitoring, the Project will be included in the programming management scope of work of UNDP's Governance and Rule of Law portfolio. Time and work dedicated to the management and coordination of this Project as a standalone as well as within the framework of other UNDP and UN projects will be prorated as a direct project cost incurred by the UNDP Programme Officer in charge of the above portfolio, estimated at up to 20% of his proforma cost.

The Project will also benefit from UNDP's regional and global expertise on public service delivery, including specialized advice from UNDP's Istanbul Regional Hub, and UNDP's Global Centre for Public Service Excellence in Singapore, especially with regard to exposure to successful practices supported by UNDP in South Asia and Europe and the establishment of the service delivery Lab.



The project may also draw upon expertise from other UN agencies (i.e. – UN Women) to provide specific support for various activities and outputs. This will be of particular focus with regard to social and gender dimensions of service provision, for instance.

Some infrastructure will need to be procured by the Project, especially with regard to increased operational functionality of ADISA head office, in terms of hardware and software, as well as logistics support and transportation facilities as the Project will soon extend its geographic scope to support ADISA regional offices across the country. Nevertheless, such equipment will be only a small fraction of the cost of the project and will be directly linked to ensuring a more effective means of engagement through the offices and tools. Further details on such requirements will have to be developed along the implementation and based on specific actions.

## ***Partnerships***

The primary partners and beneficiaries of the Project will be MIPA and its agency ADISA. In particular, MIPA will be the primary interlocutor institution. The Project will continue to provide timely and strategic technical assistance to MIPA through its tailored expertise and constant management capacity support as MIPA and ADISA implement its reform plans and strives to embed international standards and best practices. Also, ADISA will benefit from tailored operational and institutional support to improve defining and delivering its mandate through its head office as well as its expanding regional and local offices.

Another key partner of the Project will be the National Agency for Information Society (AKSHI), which role is to coordinate all e-gov agenda components that contribute to improving service delivery, as well as provide the necessary IT infrastructure support in the process.

As Albania's territorial and administrative reform has entered its second stage of consolidation of 61 new municipalities resulting from the amalgamation of 373 former local government units, the improvement of local services channels and their more efficient delivery has become a top priority. The Minister of State for Local Issues, as the lead institution for the territorial reform follow up, is a natural partner with whom the Project will interact and collaborate through MIPA, at the level of the Project Steering Committee as well as at the local level through seeking the harmonization of objectives in provision of public services and innovative solutions to the citizens.

Other line ministries, who provide administrative services to citizens directly or through their dependent agencies and institutions will be partnering with the project at the strategic level, high level committees including the IPMG arrangements as well as at the technical level involving their operational and service provider offices.

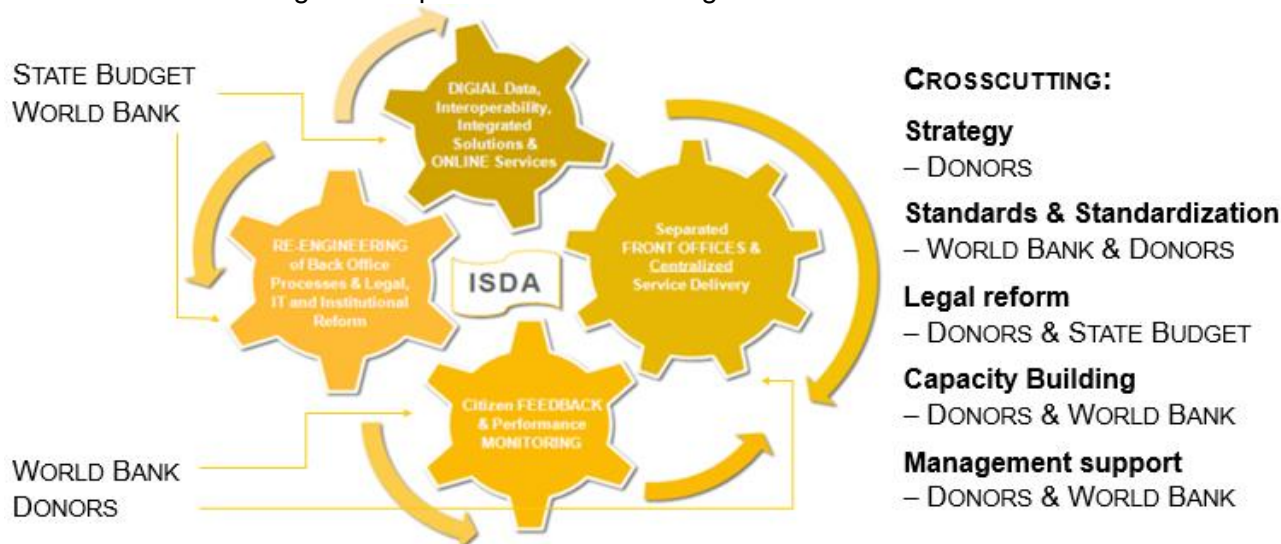
Local government units will increasingly become partners of the Project as the scope of the latter is broadening in the territory through the establishment of citizen-centric centres and the location/colocation of service deliver points at the local level/within the local governments one stop shops infrastructures.

The Project will also partner, through MIPA interface, with other development partners, especially the World Bank and the European Union, to inform the work undertaken in the framework of the overall national program as well as keeping abreast with progress made by these two partners in their respective components and sub-components relevant to the reform. This will occur through the engagement of those development partners in the work of the several committees (IPMGs, technical groups as well as the ISDA Support Project Steering Committee in a regular dialogue under the leadership of MIPA.

A partnership will be built and maintained with other UN agencies to ensure the most efficient and effective delivery of the project. Key amongst those agencies will be UN Women and its role in promoting gender equality and women's political empowerment.

The Government/ MIPA will retain the responsibility and the leading role in expenditure decisions and coordination of various activities, in consultation with the project Steering Committee (whose ToRs are attached as annex). This arrangement allows for further synergies among donors towards a more harmonized and coherent development approach anchored in national development goals for development effectiveness.

The Steering Committee will be a coordination mechanism to engage all key international partners in citizen-centric reform implementation, such as the World Bank, and the EU Delegation. The overall reform financing landscape is shown in the diagram below:



### ***Risks and Assumptions***

The project is premised on the assumption that the Government of Albania remains committed to continuing in the path of service delivery reform, makes substantial progress along the identified reform roadmap and achieves tangible progress that qualifies as such by the reform financing partners (i.e. in consideration of the disbursement loan indicators) as well as by the citizens. It is also assumed that the Government is specifically committed to be more open, accessible and inclusive while unfolding the reform stages and sub-components, engages in a broad and effective public awareness and makes due efforts to engage the public when designing and delivering so as to ensure public support and increase public trust in institutions, while on the other side make the institutions more responsive, accountable and professional.

Based on the Risk Log attached to this project document, the project will face primarily political and institutional risks that might negatively impact on the delivery of results. Key risks include:

- Lack of political will to implement reforms
- Delays or negative impacts deriving from the general elections of mid-2017
- Institutional capacity to deliver activities and outputs
- Institutional resistance,
- Short-term competing considerations,
- Lack of will for institutional and operational coordination
- Difficulties in overcoming complex coordination issues
- Ambitions are set too high and result unrealistic
- Breakdown of political dialogue amongst main political powers

Their mitigation of such risks relies, among others, on sustained stakeholder engagement, strengthened citizen feedback, extensive donor coordination, and careful planning and management.

The Project will also build on UNDPs strong and trusted relationship with national counterparts, its strategic position of Government partner and its neutrality and development brokering nature to create a dialogue on the need for a better relationship with the citizens of Albania and promote

specific changes in processes and procedures that will be required to achieve the Project goals. In addition, the Project will strive to have a robust form of M&E to monitor on an ongoing basis the implementation of activities and outputs so as to address any challenges or hurdles that may arise. An external, independent mid-term evaluation will also inform the project of progress, challenges, best practices and lessons learned as well as assess risk and mitigation.

## ***Stakeholder Engagement***

### Target Groups:

MIPA - the chief national institution leading the public service delivery reform. At the same time, it is the designated National Implementing Partner, on behalf of the Government of Albania, for the present UNDP project. MIPA is also the main target institution to receive management and coordination capacity support from the Project for an effective management and implementation of the overall service delivery reform. UNDP will build and maintain a strong relationship with MIPA, and respond to its technical demands and needs in the Project context, informed by a joint support to the implementation of the present Project and through bilateral and multi-lateral consultations.

ADISA – the main state agency under MIPA, mandated to manage the citizen-centric centres and implement the separation of front offices from back offices for the central institutions, among other duties. ADISA represents a main target of assistance for the Project in terms of institutional and operational capacity building since it is the main conduit of the deliverables of the reform and its success has a direct impact on the reform outcomes.

### Other Affected Groups:

Civil Society – This is a potential target group for the Project, including engaging civil society and the media and through them the general public. Civil society and the media will be engaged by the Project to ensure they are fully aware of the work of the Project and help leveraging the necessary outreach to the communities and citizens. A key entry point for and contribution from civil society will be the latter's engagement in conducting the "Trust in Governance" opinion survey on an annual basis, which findings will feed into the action and response of public and non-public institutions.

Development Partners – Development Partners (DPs) have been consulted in the formulation stage of the project and will continue to be engaged on a regular basis by the Project and UNDP staff. The Project will recognise the valuable inputs of the DPs in the delivery of the project, including the identification of expertise, organisation of study visits and in strategic advice by ensuring their voices are heard at the governing body level of the Project.

In a final stance, the Project scope aligns with the GoA's reform program, as it strives to support the regional expansion of customer care central government service delivery throughout the territory. As such, its final beneficiaries are citizens and businesses in Albania.

The overall design of the project takes into special consideration the gender perspective as well as ensuring that overall reform activities can have the desired effect in terms of the most vulnerable groups. In this context, the Project can help align government policies with best practices from other countries, both from the European Union member states and in the framework of South-South cooperation.

Attention will be devoted to addressing the needs of vulnerable groups, including women in activity design and implementation, ensuring that their voice is heard in carrying out studies and assessments, as well as through capturing the impact of the reform on these groups through data disaggregation. In particular, the gender perspective will include not simply gender equality considerations; it will ensure gender mainstreaming in all areas of project support: policy recommendation, capacity building, best practice adoption and piloting.

Additionally, the activities planned under the project will ensure full compliance with UNDP's social and environmental standards and safeguards.

### ***South-South Cooperation***

A key to the success of the project will be the exposure of relevant public administration staff to international standards and best practices with regard to the service delivery approaches, innovations and solutions provided. This will be achieved by the searching for and sharing of information and knowledge from other more advanced / successful initiatives in the region and elsewhere in the global South. UNDP regional and global experience and network as well as that of development partners' will be used along with the organization of specific study visits and the provision of specialised technical assistance from selected short-term international experts.

### ***Knowledge***

The present Project is primarily a knowledge transfer project. As such, one of the key project objectives is to promote best practices and standards for an effective and optimal implementation of the reform. Therefore, knowledge products will play an integral role, as they will be part of a holistic approach to sharing knowledge, pilot and adopt innovative practices.

Such knowledge products will include<sup>9</sup>.

- A Policy Document on Service Delivery in Albania
- A Feasibility Study on the distribution of central institutions' service provision locations in the country
- A Results-Based Framework for the Public Service Delivery
- A prescriptive document on services' standards
- An annual survey report "Trust in Governance"

### ***Sustainability and Scaling Up***

The ISDA Support Project spans along an implementation timeframe from August 2014 to December 2019, passing through two main phases. The first phase up to December 2016 is characterized by strong management assistance, as well as key support in policy formulation and institutional capacity building and stakeholder engagement. Key results in this stage include:

1. Capacity support to MIPA for ISDA program management, including methodology design and in-depth assessment for prioritizing administrative public services for intervention; concept idea for the citizen service centres; citizen-centric service delivery best practice transfer;
2. Operational support to ADISA, including office set up and equipment and design of the brand identity, and institutional capacity building;
3. Public Service Delivery Policy formulation and consultations, resulting in the approved long-term policy document by the Council of Ministers in May 25, 2016;

The second phase, throughout the 2017 national elections year and the subsequent one of local elections, provides for an important impetus sustaining assistance, which is focused on identifying and adopting best practices and promoting innovative solutions. These remain of paramount importance, given the role of innovation as an essential element of the reform success in overcoming barriers, driving reform policy adoption, and ensuring greater benefits for the citizens. In addition, key contribution in this second phase is putting in place essential conceptual building

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<sup>9</sup> Other knowledge products may be developed based on the demands of MIPA/ADISA or other stakeholders and the requirements when delivering on the specific outputs of the Project.

blocks that ensure sustainability, and create conditions for the anticipated synergy with and impact on local service delivery, as well as public service delivery in general.

The second phase includes also an added emphasis on a results-based framework aligned with the vision for citizen centric service delivery as detailed in the policy document, and strives to build the needed capacity for monitoring and sustaining a virtuous cycle of improvements. The flexibility to provide targeted consultancy in managing the interweaving major interventions in digitization and building channels of service delivery enabled through committed development partner financing and the state budget, as well as the bridging assistance to ensure seamless implementation across stages of these intervention constitute essential pillars of donor support through the ISDA Support project.

Thus, the sustainability challenge along the implementation and beyond will be addressed through consolidating such building blocks mentioned above, supporting the integration of identified and working solutions and practices within the routine service delivery work of the institutions, raising awareness and thus citizen pressure for quality and efficient services and finally support institutionalization of these processes. It is worth to note that sustainability will be also benefit from the ongoing large budget support of the World Bank and the furthering of the assistance provided by the EU, within an overall national strategic reform framework backed by dedicated institutions in place, where ADISA is singled out.

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## **IV. PROJECT MANAGEMENT**

### ***Cost Efficiency and Effectiveness***

The project will ensure cost efficiency during implementation through the following means:

- **Integration with other beneficiary operations:** The Project will be integrated, at the possible extent, with other initiatives and teams, especially through supporting ADISA to carry out its functions and collaborating with the World Bank PMU so that complementarity and anticipated preparation to receive WB assistance is ensured. This will allow for increased ownership of the Project by MIPA and ensure that there is no duplication of staffing positions between the various teams.
- **Limited project staffing:** Full-time posts contracted by the Project will be kept to a minimum. The bulk of the technical assistance to be provided by the project will be through short and medium-term technical experts.
- **Reliance on national staff:** Planned provisions are only for limited international expertise; all other TA will be national.
- **Partnership with UN Agencies:** The Project will seek to collaborate with other UN agencies when designing and supporting the implementation of various activities and outputs, thus allowing for the maximum use of UN resources.
- **Limited procurement of equipment:** The Project is mainly a capacity building one in nature; any procurement of equipment will be limited and directly related to building the capacity of MIPA/ADISA to improve coordination, implementation and monitoring of progress made.
- **Results-oriented capacity building tools:** The Project will use tools such as piloting and experience/know-how exchange that will allow for a greater transfer of knowledge for the same or less cost.

### ***Management***

The project will be implemented from Tirana, the capital. MIPA will provide adequate working premises in ADISA's head office. Full-time project staff and most or all other TA hired by UNDP directly will be based in Tirana, with increasing travel requirements outside the capital, especially following the regional expansion of ADISA's operations as well as the implementation of the reform at the sub-national levels as required.

Coordination of this Project's activities and outputs with those of other implementing partners (i.e. Minister of State for Local Issues, World Bank, etc.) will be a shared responsibility of MIPA and UNDP. UNDP will also ensure coordination with other UNDP and UN projects, integrating this initiative within the broad framework of the One UN Programme, through its Governance and Rule of Law team at UNDP CO.

As part of the implementation support, UNDP provides project management and administrative support from its Country Office Programme and Operations units on project and financial management, monitoring and quality assurance. In consideration of Project's future complexity and the day-to-day implementation workload required, UNDP will engage a dedicated staff (Project Specialist and Admin/Finance Assistant to support the project. To date, such duties are carried out by existing Country Office personnel. Direct project costs will be applied, in line with UNDP's corporate procedures, to cover a portion of costs and time of the Programme Officer heading the Governance and Rule of Law team, who is directly involved in Project design, revision, monitoring as well as decision making with regard to time and format of undertaking project activities.

As concern auditing, in accordance with standard UNDP procedures, an internationally recognized auditing firm will carry out annual auditing of the project. The purpose of the audit is to certify that disbursements were made in accordance with the activities specified in the project document; disbursements are supported by adequate documentation; financial reports are fairly and accurately presented; appropriate management structure, internal controls, and record keeping is maintained. At mid-term and at the end of the project, an evaluation will be conducted to assess respectively the course and relevance of the project and the necessary changes to be brought in and the overall quality of implementation and the impact of the project.

## V. RESULTS FRAMEWORK

Intended Outcome as stated in the GoA - UN Programme of Cooperation for Sustainable Development (2017 – 2021): <b>Outcome 1.</b> State and civil society organizations perform effectively and with accountability for consolidated democracy in line with international norms and standards.
Intended Output as stated in the GoA - UN Programme of Cooperation for Sustainable Development (2017 – 2021): <b>Output 1.2</b> National public administration has greater capacity to improve access to information, address corruption and crime, and engage CSOs and media in efforts to strengthen monitoring of reform efforts.
Applicable Output(s) from UNDP Albania Country Programme Document 2017-2021: <b>Output 1.2 – National/local institutions have improved capacities/services to prevent corruption and increase accountability and transparency in service delivery</b>
Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets: <ul style="list-style-type: none"> <li>– Number of proposals adopted to mitigate sector-specific corruption risks. Baseline: 2 / Target: 10. Source: National Coordinator for Anti-Corruption, MIPA</li> <li>– Number of municipalities with service delivery performance monitoring system in place. Baseline: 2 (2016) / Target: 61. Source: Ministry of Local Issues (MoLI)</li> <li>– Number of municipalities with territorially functional one-stop shop service. Baseline: 1 / Target: 40. Source: UNDP</li> <li>– Number of municipalities with operating municipal integrity plans. Baseline: 0 / Target: 6. Source: UNDP</li> </ul>
Applicable Output(s) from the UNDP Strategic Plan: <b>Outcome: 2. Citizen expectations for voice, development, the rule of law and accountability are met by stronger systems of democratic governance</b>
Project title and Atlas Project Number: <b>Support for “Innovation against Corruption: Building a Citizen Centric Service Delivery Model in Albania” – ISDA Support Project – 00083737</b>

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)						DATA COLLECTION METHODS & RISKS
			Value	Year	Year '14	Year '15	Year '16	Year '17	Year '18	Year '19	
<b>1.1:</b> Public service reform policy document formulation	<b>1.1.1</b> Approval of the Policy Document by the Council of Ministers	<i>Physical document Official Gazette</i>	No policy Document on Service Delivery in Albania	2015			Policy Document approved				<i>Project reports Official Gazette</i>
<b>1.2:</b> A Result-Based Framework for Public Service Delivery Reform established	<b>1.2.1</b> Formulation of the M&E plan	<i>Physical document</i>	No integrated plan	2015				M&E plan formulated			<i>Project reports</i>
	<b>1.2.2</b> M&E reports submitted	<i>MIPA / ADISA reports</i>	No M&E report	2015				1 report	2 reports	2 reports	<i>Project reports</i>
<b>1.3:</b> Annual “Trust in Governance” carried out	<b>1.3.1</b> Survey report prepared and disseminated	<i>Physical document</i>	Reports produced for the years	2016			Survey + report	Survey + report	Survey + report	Survey + report	<i>Project reports</i>

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)						DATA COLLECTION METHODS & RISKS
			Value	Year	Year '14	Year '15	Year '16	Year '17	Year '18	Year '19	
			2013-2015								
<b>2.1:</b> Best practice and know how transfer on standardized processes of service delivery	<b>3.1</b> Services within ISDA scope with standardized FO-BO separation agreed with institutions and re-engineered	<i>MIPA / ADISA reports</i>	ZRPP FO-BO separation piloted and functioning	2015		ZRPP pilot	Services of two (2) additional institutions with FO-BO separation	Services of two (2) institutions with re-engineered process maps	Two (2) additional institutions adopt FO-BO separation and re-engineered process maps	Two (2) additional institutions adopt FO-BO separation and re-engineered process maps	<i>Project reports Visits to institutions</i>
<b>2.2:</b> Best practices in customer care standards adopted in key Albanian central institutions	<b>4.1</b> Citizen charter formulation	<i>MIPA / ADISA reports</i>	No Citizen Charter	2015				Citizen Charter approved			<i>Project reports Official Gazette</i>
	<b>4.2</b> Institutions with key performance indicators reported	<i>MIPA / ADISA reports</i>	0	2015			One (1) institution	Two (2) additional institutions	Two (2) additional institutions	Two (2) additional institutions	<i>Project reports Official Gazette</i>
<b>3.1:</b> ADISA head offices equipped and furnished	<b>4.2</b> Number of ADISA office posts operational		0	2015		50					<i>Project reports</i>
<b>3.2:</b> Organizational and functional support for ADISA's regional offices provided	<b>6.1</b> Staff of ADISA CSCs outside Tirana trained	<i>MIPA / ADISA reports</i>	0	2015			First integrated CSC established in Kavaja and staff trained	Two (2) additional regional CSCs established and their staff trained	Two (2) additional regional CSCs established and their staff trained		List of trainees, disaggregated by CSC and gender; <i>Project reports</i>
<b>3.3:</b> Institutional roles in design, implementation and inspection of service standards defined	<b>7.1</b> Standard Operating Procedures (SOP) for inspection of service standards implementation prepared	<i>MIPA / ADISA reports</i>	0	2015					SOP approved		<i>Project reports</i>
<b>4.1:</b> Public Services Innovation Lab established at ADISA	<b>8.1</b> Staff of the Public Services Innovation Lab appointed and trained	<i>MIPA / ADISA reports</i>	0	2015				Set-up workshop conducted	Staff training carried out		Appointment order Activity agenda Project reports
<b>4.2:</b> Feasibility study on regional distribution of central	<b>9.1</b> Roadmap for regional service distribution model developed	<i>MIPA / ADISA reports</i>	0	2015				1			<i>Project reports</i>



EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)						DATA COLLECTION METHODS & RISKS
			Value	Year	Year '14	Year '15	Year '16	Year '17	Year '18	Year '19	
government services	<b>9.2</b> Central and local service delivery colocated	MIPA / ADISA & LGU reports	0	2015			1 Pilot CSC	At least 3 (three) LGUs agree on colocation of service delivery	At least 5 (five) additional LGUs agree on colocation of service delivery	10 (ten) additional LGUs provide colocated services	Project reports STAR2 reports LGU reports / information channels
<b>5.1:</b> Review of online user experience from the citizens' perspective	<b>10.1</b> Citizen' survey of online usage carried out	MIPA / ADISA reports	0	2015				Survey findings submitted			Survey questionnaire Project reports
<b>5.2:</b> Digitization management support	<b>11.1</b> Number of digitization projects implemented by institutions under ISDA's scope	MIPA / AKSHI reports	0	2015				3	6	8	Project reports
<b>6.1:</b> Local TA provided to MIPA	<b>12.1</b> Progress reports prepared on citizen-centric service delivery implementation	MIPA / ADISA reports	0	2014		1	3	4	4	4	IPSC, IPMG-TG minutes Project reports
	<b>12.2</b> Increased MIPA/ADISA capacity to organize efficient outreach	MIPA / ADISA reports Media reports	Outreach is limited	2015		ADISA / Reform branding accomplish-ed	Communication strategy and outreach plan prepared	150 services with promotional plan, including media, executed	Additional 150 services with promotional plan, including media, executed	Additional 150 services with promotional plan, including media, executed	Project reports Media reports

## VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring plan.

MONITORING ACTIVITY	PURPOSE	FREQUENCY	EXPECTED ACTION	PARTNERS (IF JOINT)	COST (IF ANY)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.		
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.		Cost of specific activities as per budget
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	Quarterly and ad-hoc when specific activities focused on know-how exchange are completed	Relevant lessons are captured by the project team and used to inform management decisions.		
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.		
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project steering committee and used to make course corrections.		
Project Report	A progress report will be presented to the Project Steering Committee and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports	Quarterly, and at the end of the project (final report)			

MONITORING ACTIVITY	PURPOSE	FREQUENCY	EXPECTED ACTION	PARTNERS (IF JOINT)	COST (IF ANY)
	prepared over the period.				
Mid-term evaluation	External independent consultants will carry out mid-term evaluation to assess results, progress, challenges, risks, best practices and lessons learnt as well as to provide recommendations for the remaining of the implementation	Around end 2017 or early 2018	Areas of strength and weaknesses will be reviewed by project management and used to inform decisions to improve project performance		\$10,000
Final evaluation	External independent consultants will carry out mid-term evaluation to assess results, progress, challenges, risks, best practices and lessons learnt as well as to provide recommendations for future improvements in the areas within the project scope	At the end of the project (end 2019)	Areas of strength and weaknesses will be reviewed by project management and implementing partners and recommendations prepared for future programming		\$10,000
Project Review (Steering Committee)	The project's governance mechanism, the project steering committee will hold regular project reviews to assess the performance of the project and review the Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the project steering committee shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up.	Quarterly	Any quality concerns or slower than expected progress should be discussed by the project steering committee and management actions agreed to address the issues identified.		

## VII. MULTI-YEAR WORK PLAN <sup>10</sup>

Expected Output	Planned Activities	Timeframe (years)						Planned Budget	
		2014	2015	2016	2017	2018	2019	Description	Amount
Result 1 – Public Service Delivery Policy Development and Implementation									
1. 1: Public service reform policy document formulation	1.1 International TA		51,926	46,048				Senior & Junior Int'l Experts	97,974
1.2: Established Result-Based Framework for the Public Service Delivery Reform Policy	2.1 International TA				54,000			Senior Int'l Expert	54,000
						35,000		Junior Int'l Expert	35,000
1.3: Annual “Trust in Governance” carried out	Procurement of services			20,000	20,000	20,000	20,000	Contract for services / micro-capital grant agreement	80,000
Sub-Total for Result 1			51,926	66,048	74,000	55,000	20,000		266,974
Result 2 – Front Office - Back Office separation and the establishment of the service delivery standards for citizens and businesses									
Output 3: Best practice and know how transfer on standardized service delivery	3.1. National expertise		13,067	28,382	15,000	10,000		National experts	66,449
	3.2. Study tour / experience exchange		6,952	2,050	8,000	8,000	8,000	Study tour costs	33,002
	3.3 International training workshop				14,000	14,000	14,000	Travel & workshop costs	42,000
Output 4: Best practices in customer care standards adopted in key Albanian institutions	4.1 International TA					56,000		International Expert	56,000
	4.2 National expertise				12,000	12,000	12,000	National experts x 3	36,000
Sub-Total for Result 2			20,019	30,432	49,000	100,000	34,000		233,451
Result 3 – Agency for Delivery of Integrated Services of Albania is supported and operational									
Output 5: ADISA head offices equipped and	5.1 Procurement of goods		45,841					Procurement of hardware	45,841

<sup>10</sup> Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32. Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project Steering Committee. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

Expected Output	Planned Activities	Timeframe (years)						Planned Budget	
		2014	2015	2016	2017	2018	2019	Description	Amount
furnished					3,000	3,000		Procurement of software	6,000
			19,247					Procurement of furniture	19,247
<b>Output 6:</b> Organizational and functional support for ADISA's regional offices provided	6.1 Institutional TA				15,000			National expert (1)	15,000
	6.2 Tirana-based and local training seminars			4,102	5,000	5,000	5,000	Workshop costs	19,102
<b>Output 7:</b> Institutional roles in design, implementation and inspection of service standards defined	7.1 International TA					35,000		International Experts	35,000
<b>Sub-Total for Result 3</b>			<b>65,088</b>	<b>4,102</b>	<b>23,000</b>	<b>43,000</b>	<b>5,000</b>		<b>140,190</b>
<b>Result 4 – Innovative solutions promoted sustainably for the public service delivery reform implementation</b>									
<b>Output 8:</b> Public Services Innovation Lab established at ADISA	8.1 Tirana-based workshop				10,000			Workshops	10,000
	8.2 Visit to a sister Innovation Lab					25,000		Travel costs	25,000
	8.3 Coaching/Internship					27,000		International experts	27,000
<b>Output 9:</b> Feasibility study on regional distribution of central government services	9.1 Feasibility study				185,000			International expertise contract	185,000
<b>Sub-Total for Result 4</b>					<b>195,000</b>	<b>52,000</b>			<b>247,000</b>
<b>Result 5 – E-government agenda activities with high impact on service delivery reform implemented</b>									
<b>Output 10:</b> Review of citizen online user experience	10.1 Assessment study					38,000		National expertise contract	38,000
	10.2 National expertise (mobile)						8,000	National expert	8,000
<b>Output 11:</b> Digitization management support	11.1 National TA				20,000	20,000	20,000	National expert x 3	60,000
	11.2 International TA					42,000		International expert	42,000
<b>Sub-Total for Result 5</b>					<b>20,000</b>	<b>100,000</b>	<b>28,000</b>		<b>148,000</b>
<b>Result 6 – Support for ISDA program management for MIPA</b>									
<b>Output 12:</b> Local TA provided to MIPA	12.1 National experts		27,136	31,958	34,000	35,500	37,000	Project Manager	165,594

Expected Output	Planned Activities	Timeframe (years)						Planned Budget	
		2014	2015	2016	2017	2018	2019	Description	Amount
				5,086	5,000	5,000	5,000	Project Assistant/Translation	20,086
		24,398	56,082	26,241	64,000	64,000	64,000	Pool of S/T Local experts	298,721
	12.2 National workshops/events		6,588	6,982	8,000	8,000	8,000	Workshop costs	37,570
	12.3 Intl' conferences participation					12,000	12,000	Participation costs	24,000
	12.4 In-country travel / Transportation			3,000	20,000	5,000	5,000	Travel/vehicle costs	33,000
	12.5 Sundries	710	758	2,275	3,000	2,000	1,500	Sundries	10,243
<b>Sub-Total for Result 6</b>		<b>25,108</b>	<b>90,564</b>	<b>75,542</b>	<b>134,000</b>	<b>131,500</b>	<b>132,500</b>		<b>589,214</b>
General Management Support	UNDP management support		9,326	10,847	12,500	12,500	12,500	UNDP CO support	57,673
					19,200	19,200	19,200	UNDP Project Assistant	57,600
					1,000	1,000	1,000	Sundries	3,000
	Audit					7,000	7,000	Audit costs	14,000
	Evaluation				10,000		10,000	Evaluation costs	20,000
<b>Sub-Total for General Management Support</b>			<b>9,326</b>	<b>10,847</b>	<b>42,700</b>	<b>39,700</b>	<b>49,700</b>		<b>152,273</b>
<b>Project direct costs</b>		<b>25,108</b>	<b>236,923</b>	<b>186,971</b>	<b>537,700</b>	<b>521,200</b>	<b>269,200</b>		<b>1,777,102</b>
UNDP Management Fee (8%)									126,900
<b>Project total costs</b>									<b>1,904,002</b>

## VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

### Implementation Arrangements

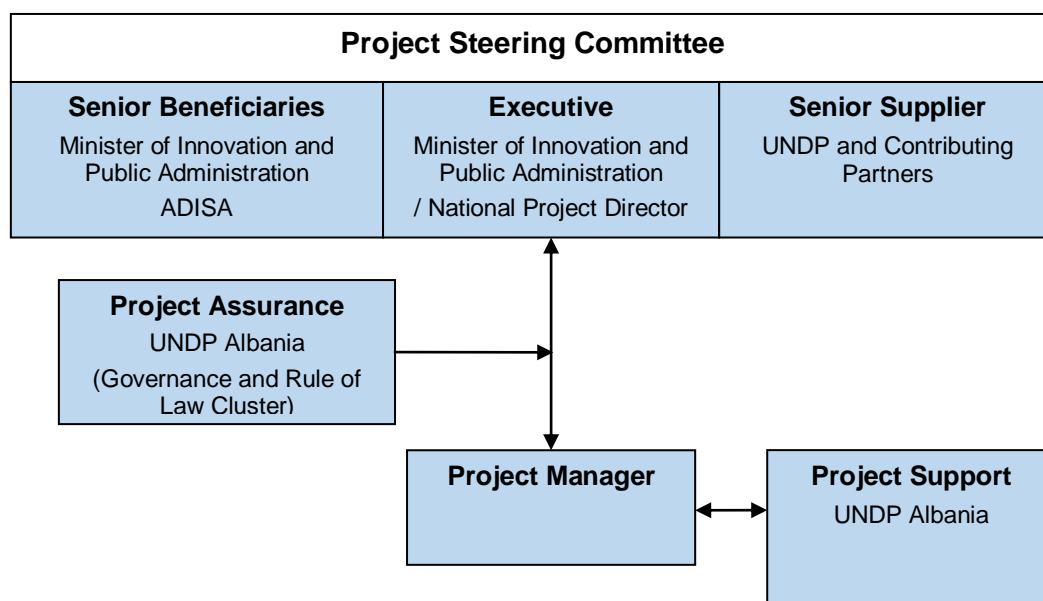
The project will be implemented in accordance with UNDP's National Implementation Modality, whereby the Ministry of Innovation and Public Administration is the designated National Implementing Partner, on behalf of the Government of Albania.

UNDP will be responsible for the provision of project inputs upon formal requests from the Minister of Innovation and Public Administration/National Project Director.

Services will be provided according to UNDP rules and procedures, based on a standard letter of agreement with the Minister of Local Issues for the provision on support services. In addition to the broader stakeholder consultation and advisory fora, the management of the project at hand will entail functions as defined in National Implementation Guidelines

[http://www.undp.org/content/dam/undp/library/corporate/Programme%20and%20Operations%20Policies%20and%20Procedures/NIM\\_for\\_Government\\_english.pdf](http://www.undp.org/content/dam/undp/library/corporate/Programme%20and%20Operations%20Policies%20and%20Procedures/NIM_for_Government_english.pdf).

The project organization structure will be as follows:



### Detailed description of various roles within the management of the project

Project Steering Committee (ToRs attached as annex)

Project Director/Implementing partner:

- A Project Director is designated by Government, and is given the authority to request advances, payments, contracts, etc.;
- The National Project Director (NPD) is responsible for the achievement of project objectives.
- The Project Director is the official liaison between the Minister of Innovation and Public Administration and UNDP to ensure proper project execution;
- Approve work plans for planned expenditures;
- Approve and sign the Combined Delivery Report (CDR) at the end of the year;
- Sign the Financial Report or the Funding Authorization and Certificate of Expenditures (FACE).

#### Senior Beneficiary:

- Group of individuals representing the interests of those who ultimately benefit from the project. The Senior Beneficiary's primary function within the Project Steering Committee is to ensure the realization of project results from the perspective of Minister of Innovation and Public Administration.

#### Development Partners (Supplier):

- Individuals or groups representing the interests of the parties concerned which provide funding and/or technical expertise to the project. Senior Suppliers in this specific case are considered all international partners contributing to the project budget represented in the Steering Committee. Synergies will be built also with the Good Governance IPMG process.

#### Project Manager:

- Reports to the National Project Director.
- Plan the activities of the project and monitor progress against the approved work-plan;
- Mobilize personnel, goods and services, training and micro-capital grants to initiative activities, including drafting terms of reference and work specifications and overseeing all contractors' work;
- Monitor events as determined in the project monitoring schedule plan, and update the plan as required;
- Manage requests for the provision of financial resources by UNDP, through advance of funds, direct payments, or reimbursement using the FACE (Fund Authorization and Certificate of Expenditures);
- Monitor financial resources and accounting to ensure accuracy and reliability of financial reports;
- Be responsible for preparing and submitting financial reports to UNDP on a quarterly basis;
- Manage and monitor the project risks initially identified and submit new risks to the project Steering Committee for consideration and decision on possible actions if required; update the status of these risks by maintaining the project risks log;
- Capture lessons learnt during project implementation – a lessons learnt log can be used in this regard (MS Word template)
- Perform regular progress reporting to the project Steering Committee as agreed to with the Steering Committee;
- Prepare the annual review report, and submit the report to the project Steering Committee and the outcome group;
- Prepare the annual work plan for the following year, as well as quarterly plans if required;
- Update the Atlas Project Management module if external access is made available.

#### UNDP project assurance:

- Ensure that funds are made available to the project;
- Ensure the project is making progress towards intended outputs;
- Perform regular monitoring activities, such as periodic monitoring visits and "spot checks";
- Ensure that resources entrusted to UNDP are utilized appropriately;
- Ensure that critical project information is monitored and updated in Atlas;
- Ensure that financial reports are submitted to UNDP on time, and that combined delivery reports are prepared and submitted to the project Steering Committee;
- Ensure that risks are properly managed, and that the risk log in Atlas is regularly updated.

#### UNDP Project Support:

- Set up and maintain project files;
- Collect project related information data;
- Assist the project manager in updating project plans;
- Administer project Steering Committee meetings;



- Administer project revision control;
- Establish document control procedures;
- Compile, copy and distribute all project reports;
- Assist in the financial management tasks under the responsibility of the project manager;
- Provide support in the use of Atlas for monitoring and reporting.

## **Financial Management Arrangements**

### ***Pooled Budget Management***

UNDP will dedicate a unique and identifiable project code (ATLAS Award ID) for financial management of the project. UNDP will:

- Produce a project budget, unique to this project which is identifiable in all transactions and which will be the budget into which third party and government cost sharing contributions (donor contributions) will be credited (accounts receivable) for carrying out of the project activities,
- Ensure physical security of financial contributions, cash and records,
- Disburse funds in a timely, proper and effective manner,
- Ensure financial recording and reporting, and
- Prepare, authorize and adjust commitments and expenses.

### Third Party (Donor) Contributions

Upon indication of commitment, the donor governments and other donors will be expected to pool their resources into the Budget of this project which is identifiable in accounting terms by UNDP (unique ATLAS ID). UNDP will contribute its own core resources (TRAC) allocated to Albania for jump starting project activities. Those funds will be co-mingled with funds from UNDP to cover the costs of the project.

A contribution agreement between the Donor and the UNDP will be required because the third-party donor will not be signatory to the Project document at hand which describes the Support for “Innovation against Corruption: Building a Citizen Centric Service Delivery Model in Albania” Project of the Government which it wants to finance; and because UNDP has legal responsibilities for management of the financial resources. Standard UNDP agreement templates are in place as applicable to all participating donors in Albania. Only standard agreements will be concluded so as to avoid delays in resource mobilization and negotiations.

### Recognition of revenue on donor contributions (standard third party cost sharing)

a) The standard third party cost sharing agreement enters into force upon signature of the donor and UNDP. Therefore, revenue will be recognized only upon signature of agreement by both parties. All installments will be recognized as revenue based on dates in the schedule of payments of the agreement. Where the agreement’s entry into force is upon signature and first deposit (i.e. the first payment from the donor) revenue will only be recognized after signature and first deposit.

b) For multi-year contributions, revenue is recognized based on the dates in the schedule of payments in the agreement. The schedule of payments is an indication of the intended period to which the funds relate.

c) Funds received prior to signature and entry into force of an agreement must be recognized as a liability (deferred income) and recognized as revenue in accordance with the revenue recognition policy when the donor agreement is signed.

All these funds will be recorded in a unique, recognizable ATLAS ID account for the project, according to the established rules for receivables. Following the procedures to record project expenses and reimbursements enables adequate budgetary and financial control, as well as the preparation of financial reports for the implementing partner, the government, and the donors.

## Cash Transfers from the Project Budget/Fund

UNDP will conduct expense from requisition through to disbursement with no cash being transferred to the MIPA. However, MIPA has full programmatic control and therefore ultimate control over expenses, exercised through budget approvals; monitoring of expenditures; and quarterly Combined Delivery Report certifications. UNDP rules and regulations for expenditures apply irrespective of the origin of the funds to implement the project, i.e. UNDP core resources, cost sharing from the government, International Financial Institutions, bilateral donors, etc.

### ***Financial Reporting and Budget Controls***

The UNDP will avail of several tools to monitor national execution finances by UNDP. The Combined Delivery Report (CDR) is the only accepted formal financial reporting tool, which must be signed by UNDP and certified by MIPA. The Project Budget Balance Report and the Project Transaction Detail report are generated unilaterally by UNDP for monitoring and budget control purposes and do not constitute official financial statements.

UNDP will prepare a **Combined Delivery Report (CDR)** at the end of each quarter and at the end of the year. The Combined Delivery Report is a mandatory official report which reflects the expenses and funds utilized on a project. The report presents two pages, expense and funds utilization. The expense page reflects the total expenses (recorded in Atlas) of the project during a period. The Funds Utilization page reflects undepreciated assets, prepayments, inventory, and outstanding commitments made by UNDP as direct support to the project. The final Combined Delivery Report at the end of each quarter or the year must be signed by UNDP and certified by MIPA to confirm the validity of the expenses incurred on behalf of the project for the reporting period. The Combined Delivery Report is presented to the donors through the Country Office in Tirana as well as through annual donor reports produced globally for each UNDP donor.

The **Project Budget Balance** report will be used to monitor and manage budgetary availability for the Project. It shows budget balances and budget utilization rate of the project. This report will be made available in summary level (project, output, activity, responsible party) and detail level (project, output, activity, responsible party, budgetary department, fund, donor, account). UNDP will avail updated Project Budget Balances to the Project Steering Committee for monitoring purposes. This report is a UNDP report for monitoring the financial movements of all projects and does not constitute a financial statement.

The **Project Transaction Detail** report provides the lowest level of transactional details supporting commitments, expense, and full cost of asset amounts shown on the project budget balance report. The report shows transactions at the project/output/activity/Chart of Accounts level, including voucher/purchase order IDs, vendor ID and name, and line descriptions. The UNDP will avail updated transaction details to the Project Steering Committee for monitoring purposes. This report is a UNDP report for monitoring the financial movements of all projects and does not constitute a financial statement.

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## **IX. LEGAL CONTEXT AND RISK MANAGEMENT**

### **1. Legal Context:**

- ☐ Country has signed the Standard Basic Assistance Agreement (SBAA)

### **2. Implementing Partner:**

- ☐ Government Entity (NIM)

This document together with the UN Program of Cooperation which is incorporated herein by reference, constitute together a Project Document as referred to in the Standard Basic Assistance Agreement (SBAA); as such all provisions of the SBAA apply.

Consistent with the Article III of the Standard Basic Assistance Agreement (SBAA), the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.

The Implementing Partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via: [http://www.un.org/sc/committees/1267/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml). This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document".

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## **X. ANNEXES**

- 1. Steering Committee Terms of Reference**
- 2. Risk Log**
- 3. Project Quality Assurance Report**
- 4. Social and Environmental Screening Template**
- 5. Capacity Assessment**

## ANNEX 1

### Terms of Reference Project Steering Committee – PSC

#### ISDA Project Support

##### 1 Composition of the Project Steering Committee

The project will be implemented in accordance with UNDP's National Implementation Modality, whereby the Ministry of Innovation and Public Administration is the designated National Implementing Partner, on behalf of the Government of Albania.

UNDP will be responsible for the provision of project inputs upon formal requests from the Minister of Innovation and Public Administration/National Project Director. Services will be provided in accordance with UNDP rules and procedures, based on a standard Letter of Agreement for Provision of Support Services with the Minister of Innovation and Public Administration.

The highest management body for the project is the Project Steering Committee (PSC), an ad-hoc group of key project stakeholders including at least the main national beneficiary(ies), as well as direct contributing and implementing partners. In accordance with UNDP's project management terminology, these three distinct stakeholders are respectively the Executive, Senior Beneficiary, and Senior Supplier.

The standard responsibilities of each of the above categories are the following:

Executive - ultimately responsible for the project, supported by the Senior Beneficiary and Senior Supplier. The Executive's role is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher level outcomes. The Executive has to ensure that the project gives value for money, ensuring a cost-conscious approach to the project, balancing the demands of beneficiary and supplier.

Senior Beneficiary - is responsible for validating the needs and for monitoring that the solution will meet those needs within the constraints of the project. The role represents the interests of all those who will benefit from the project, or those for whom the deliverables resulting from activities will achieve specific output targets.

Senior Supplier - represents the interests of the parties which provide funding and/or technical expertise to the project. The Senior Supplier's primary function within the Board is to provide guidance regarding the technical feasibility of the project.

For ISDA Support Project, the proposed PSC composition includes the following representation:

- Minister of Innovation and Public Administration (PSC Chair, in the role of Executive and Senior Beneficiary)
- ADISA (member, as a Senior Beneficiary)
- Contributing Partners (member, as Senior Supplier)
- UNDP (member, as Senior Supplier and Executive on behalf of MIPA)
- Representatives of key GoA citizen-centric service delivery reform program financing partners, i.e. World Bank and EU
- Representative from the STAR II project Senior Beneficiary
- Any other member that the above core PSC would decide as appropriate

The members of the PSC will act as focal points for their respective organizations. The Project team in charge of direct implementation will play the role of the Secretariat to the PSC.

## **2 Responsibilities of the Project Steering Committee**

The PSC is the group responsible for making by consensus management decisions for a project. In order to ensure UNDP's ultimate accountability, PSC decisions should be made in accordance to standards that shall ensure best value to money, fairness, integrity transparency and effective competition.

### **2.1 Overall responsibilities of the PSC**

#### **For project implementation**

- Provide overall guidance and direction to the project, to ensure that the agreed deliverables are produced satisfactorily according to plans.
- Review, discuss and endorse all annual (and quarterly work plans whenever applicable) working plans and other strategic documents prepared by the project regarding the forthcoming periods.
- Review project progress against project outcomes, outputs and indicators (qualitative) and achievements and budget delivery (quantitative) as well as endorse eventual progress reports
- Discuss and resolve eventual implementation issues by proposing activities or to be implemented or approaches to be adopted for solving any particular difficulty that might stem during project development or take decisions for follow up by the project management
- Take key strategic decisions related to the project implementation or in response to proposal/amendments coming from external factors or identified in the course of implementation
- Facilitate any coordination action needed at operational or institutional level, by conveying agreements/suggestions to the relevant institutions where final decisions have to be made or regulations have to be designed.
- Facilitate project implementation by urging concerned institutions to work out measures capable to accelerate the development of the sectors targeted by the project
- Provide, if possible, any other rational needed support to maximize the effectiveness and impact of the project
- Take decisions, preferably by consensus of all the members so as to avoid or minimize recurring to voting as a last resort when circumstances and time do not allow for further discussion.
- Ensure that required resources are committed and arbitrate on any conflicts within the project or negotiate solutions to any problems between the project and external bodies.

#### **For project closure**

- Assure that all Project deliverables have been produced satisfactorily;
- Review and approve the Final Project Review Report, including Lessons-learned;
- Make recommendations for follow-on actions;

### **2.2 Specific responsibilities of PSC members**

#### **Executive**

- Ensure that there is a coherent project organization structure and logical set of plans
- Monitor and control the progress of the project at a strategic level
- Ensure that risks are being tracked and mitigated as effectively as possible
- Brief relevant stakeholders about project progress
- Organize and chair PSC meetings

#### **Senior Beneficiary**

- Ensure the expected output(s) and related activities of the project are well defined
- Make sure that progress towards the outputs required by the beneficiaries remains consistent from the beneficiary perspective
- Promote and maintain focus on the expected project output(s)
- Prioritize and contribute beneficiaries' opinions on PSC decisions on whether to implement recommendations on proposed changes
- Resolve priority conflicts

- Ensure specification of the Beneficiary's needs is accurate, complete and unambiguous
- Monitor implementation of activities at all stages to ensure that they will meet the beneficiary's needs and are progressing towards that target
- Impact of potential changes is evaluated from the beneficiary point of view
- Monitor frequently risks from the beneficiary point of view

#### Senior Supplier

- Make sure that progress towards the outputs remains consistent from the supplier perspective
- Promote and maintain focus on the expected project output(s) from the point of view of supplier management
- Ensure that the supplier resources required for the project are made available
- Contribute supplier opinions on PSC decisions on whether to implement recommendations on proposed changes
- Arbitrate on, and ensure resolution of, any supplier priority or resource conflicts
- Advise on the selection of strategy, design and methods to carry out project activities
- Ensure that any standards defined for the project are met and used to good effect
- Monitor potential changes and their impact on the quality of deliverables from a supplier perspective
- Monitor any risks in the implementation aspects of the project

Project reviews by the PSC are made at designated decision points during the implementation of the project, or as necessary when raised by the Project Manager or any of the key members. The regular and preferred frequency of PSC meetings is every quarter.

## ANNEX 2

### RISK LOG

#	Description	Date Identified	Type	Impact & Probability	Counter measures / Mgmt. response	Owner	Submitted update by
1	Institutional resistance to inter-agency collaboration	Revision phase	Political Operational	<p>There is a need to break the often evidenced work-in-isolation culture and actively engage institutions on topics of common interest and in need for joint contributions.</p> <p>P = 3 I = 3</p>	<ul style="list-style-type: none"> <li>– Leveraging the Inter-ministerial Public Services Committee and the IPMG Thematic Group on the Delivery of Public Services;</li> <li>– MIPA's direct engagement with stakeholders</li> </ul>	– MIPA	Project Assurance
2	Waning of ownership due to short-term competing considerations	Revision phase	Political Operational	<p>The complexity of the undertaking, the attraction of the quick wins' effect and the various agencies' interests can affect the overall trend and should be addressed timely.</p> <p>P = 2 I = 3</p>	<ul style="list-style-type: none"> <li>– Quick wins and milestones planning;</li> <li>– Promoting and sharing attained results and good practices</li> <li>– Stakeholder regular communication and information focused on benefits and aligned with internal goals;</li> <li>– Citizen feedback</li> </ul>	– Project Steering Committee	Project Assurance



#	Description	Date Identified	Type	Impact & Probability	Counter measures / Mgmt. response	Owner	Submitted update by
3	Inadequate institutional capacity to deliver reforms	Revision phase July 2016	Operational	<p>The capacity of MIPA / ADISA and other relevant central agencies has increased in previous years and this risk should continue to diminish, but from time-to-time such challenges may still occur.</p> <p>P: 3 I: 2</p>	<ul style="list-style-type: none"> <li>– Ongoing dialogue with beneficiaries</li> <li>– Annual work planning</li> <li>– Temporary supplemental support</li> </ul>	MIPA ISDA Project	Project Assurance
4	Inadequate political will to implement specific reforms	Revision phase July 2016	Political	<p>Institutional resistance can also take a political strength/backing as political realities change, and the project could be challenged to achieve results if political will dissipates.</p> <p>P = 3 I = 4</p>	<ul style="list-style-type: none"> <li>– Ongoing engagement and dialogue with senior MIPA staff</li> <li>– Monitoring of political situation</li> <li>– Donor consultations</li> </ul>	– NA	Project Assurance
5	Changes due to 2017 national and 2019 local elections that may impact speed and timing of activities	Revision phase July 2016	Political	<p>Two elections will be held before during the implementation period of the Project, which may impact on the commitment of MIPA and key interlocutors engaged by the project.</p> <p>P = 2 I = 4</p>	<ul style="list-style-type: none"> <li>– Alignment with objectives and actions plans of approved strategic documents</li> <li>– Plan around election cycle</li> <li>– Donor stance</li> </ul>	– Project Manager	Project Assurance

#	Description	Date Identified	Type	Impact & Probability	Counter measures / Mgmt. response	Owner	Submitted update by
6	Low capacity to establish or maintain key partnerships for effective delivery of outputs and the outcome	Revision phase July 2016	Organizational Political	Partnerships with committees within GoA and with external actors, such as the civil society, must be established and effectively managed to ensure the project is able to achieve results.  P = 2 I = 2	<ul style="list-style-type: none"> <li>– Ongoing dialogue with leadership or partner groups</li> <li>– Addressing the needs of partners in the planning and implementation of the project</li> <li>– Addressing concerns of partners as they arise</li> </ul>	– MIPA	Project Assurance
7	Timely and sufficient resource mobilization dependent upon the funding availability and willingness to commit from potential partners	Revision phase	Financial	P = 2 I = 4	<ul style="list-style-type: none"> <li>– Continuous engagement between GoA donor coordination bodies and development partners;</li> <li>– Regular projection of forthcoming needs, matching with available resources and prioritization</li> <li>– Advocate for co-funding of project activities</li> </ul>	<ul style="list-style-type: none"> <li>– MIPA</li> <li>– ISDA Project</li> </ul>	Project Assurance