

# **Approach Paper**

## **Albania Country Program Evaluation**

12/19/2018

### **1. Background and Context**

#### **Introduction to the evaluation**

**1.1 The primary goal of the evaluation is to assess the Bank Group’s development effectiveness in Albania during the period FY11-19 and to inform the design and implementation of its future activities in Albania.** The Country Program Evaluation (CPE) will place strong emphasis on assessing World Bank Group (WBG) strategic positioning and program delivery to help Albania achieve its development goals, notably that of European Union (EU) accession. The selection of Albania for this CPE – one of two undertaken by IEG in FY19 – is motivated by the important challenges the country has faced since the 2008 financial crisis in sustaining the major development gains achieved following the opening of the economy in the early 1990s. The CPE seeks to provide inputs for the next Country Partnership Framework (CPF), scheduled for Board discussion in FY21. While the CPE is primarily aimed at informing future WBG support to Albania, the evaluation findings are expected to provide lessons for WBG programs in countries that share similar characteristics and aspirations—for example, other small-size, middle-income countries seeking to achieve high rates of growth and poverty reduction, facing the challenge of employment creation, or aspiring to join the EU.

#### **Country Context, Development Gains, and Ongoing Challenges**

**1.2 Situated in the Western Balkans and South-Eastern Europe with a population of 2.8 million, Albania enjoys a favorable geographic location and possesses valuable natural resources.** Albania is located close to larger economies (Greece and Italy) which are main trading partners, hosts of Albanian immigrants, and sources of investment. Bordering Kosovo and Montenegro to the north, Albania has promoted regional stability and collaboration by enhancing transport connectivity and trade facilitation. Its rich natural resources include over 360 kilometers of Mediterranean coastline for tourism development, fertile agricultural land, water, including hydropower, and mining. The country also has a relatively young population by European standards and exhibits cultural diversity.

**1.3 Albania has achieved significant socio-economic development and convergence with the EU in the almost 30 years since the collapse of isolationist communism.** Albania has made significant development progress by opening its economy. Albania’s

GNI per capita (PPP, constant 2011 \$) increased from \$4,793 in 1996 to \$11,886 in 2017, attaining middle-income status by 2008. Poverty headcount according to a national poverty line fell from 25.4 percent in 2002 to 12.5 percent in 2008 but rose again following the global financial crisis (figure B.1). Nevertheless, poverty (\$1.90 a day and below) was lower than the average for upper middle-income countries (UMIC) and for Europe and Central Asia (ECA) in 2012. From 2002 to 2012, inequality as measured by the Gini index slightly declined from 31.7 to 29. The latest poverty projections suggest a steady decline in poverty (\$5.5 a day) from 39.1 in 2012 down to 31 percent in 2017.<sup>1,2</sup> Over the last 15 years, trade as a share of gross domestic product (GDP) has increased from 64 percent to 78 percent and FDI from 3 percent to 8 percent. The country has also experienced rapid social change, including internal rural-urban migration and mass emigration of workers, today an important source of remittances.

**1.4 Albania has pursued EU membership as an overarching national goal and a vision to promote inclusive and sustainable economic growth.** In 2001, the Government adopted *the National Strategy for Social and Economic Development (NSSED)* as its central development strategy and later approved *the National Strategy for Development and Integration for 2007-2013 (NSDI I)* and updated it for 2015-2020 (*NSDI II*).<sup>3</sup> The NSSED/NSDI is a comprehensive medium-term strategy for long-term growth, poverty reduction, and integration with the EU. The NSDI has been operationalized through a medium-term *budgeting* process, the Medium-Term Budget Programme (MTBP),<sup>4</sup> which requires each ministry to develop a three-year plan within expenditure ceilings to achieve policy objectives as intermediate steps to the NSDI goals. Albania was formally recognized by the EU Council in June 2014 as an EU candidate country,<sup>5</sup> and the Council of European Union agreed in June 2018 to open negotiations in June 2019 provided certain governance conditions are met. Albania stands to benefit from regional integration, despite the challenges of meeting EU standards. Closer integration with EU countries would offer access to better economic opportunities, as well as to expanded markets and affordable services, to increase people's well-being.

**1.5 Before the 2008 financial crisis, Albania had a track record of strong growth, poverty reduction, and improving social welfare.** Driven by domestic demand, GDP grew at an average annual rate of 6 percent over 2000-08, the best growth performance of any non-oil-rich European country. However, in the aftermath of the global crisis, economic growth decelerated to 1.7 percent per annum over 2009-13, even though it remained higher than others in emerging Europe. The decline in poverty was temporarily reversed, and convergence with the EU stalled (figure A.1, left). Growth was inclusive before 2008 (i.e., consumption growth for the bottom 40 percent of population was higher than for the overall population) but not inclusive after the crisis (figure A.1, right). Because of Albania's reliance on Greece and Italy, which among European countries were most

affected by the crisis, financial flows to Albania have declined over the last 10 years after peaking before the global crisis (figure F.1). Remittances declined from 10.3 percent of GDP in 2008 to 6.8 percent in 2013 and FDI inflows have fluctuated. The gradual loss of competitiveness, lack of productivity gains, large fiscal deficit and mounting debt imbalances, financial sector weakness, and increase in poverty reflect the shortcomings of a consumption-driven growth model fueled by remittances in delivering sustainable development gains.

**1.6 Albania has faced multiple macroeconomic challenges since the crisis, notably regarding fiscal consolidation and financial stability.** To sustain growth, the government stepped up public spending. While this helped avoid the severity of recession seen elsewhere in Europe, fiscal vulnerabilities increased. The overall fiscal balance deteriorated from minus 3.6 percent of GDP in pre-crisis period (2005-07) to minus 6.5 percent in 2008-09 (IMF 2010). Public debt increased from 54 percent of GDP in 2007 to 60.3 percent by 2011 and to almost 72 percent by 2014 (IMF 2011-2017). Poor budget planning and lack of control on investment commitments led to a failure to honor government contracts and accumulation of arrears to the private sector. These arrears, which impacted corporate liquidity and borrowers' ability to repay loans, also contributed to a rise in non-performing loans (NPLs) in banks, from 3 percent pre-crisis to a record high of 25 percent by end-2014.

**1.7 Promising reform momentum beginning in 2013 has since encountered some difficulties.** Under the unfavorable post-crisis conditions, a new coalition Government took office in 2013. It embarked on a set of ambitious reforms to accelerate growth, create jobs, and restore trust in government, reaping substantial dividends. However, while reforms started off well, with early wins in some sectors, reform momentum later stalled, notably before the June 2017 general elections. The Government has implemented a medium-term program of fiscal consolidation and financial stability. Structural reforms in energy and pensions have started to have some impact on fiscal sustainability as well as on growth and inclusion. The initial reforms have also begun improving the investment climate and tackling corruption<sup>6</sup> in public service delivery. Albania was ranked for the first time in the top half of the global ranking in Doing Business 2014 and has continued to improve its business regulations, narrowing the gap with the global frontier in Doing Business 2018.<sup>7</sup> Albania's World Governance Indicators ranking in control of corruption improved from 27 in 2012 to 41 in 2016.<sup>8</sup> Albania is among the top-ranked countries in the world in terms of exposure to high economic risks because of multiple hazards and it is Europe's most vulnerable country to climate change (World Bank 2016a). Over 2008-12, unsustainable policies led to a sharp increase in natural capital depletion. Aware of these challenges, the Government is also engaging reforms to mitigate these risks, notably to secure property rights and foster the sustainable use of natural resources – water, land,

and coastal assets – to maximize growth potential and become compliant with EU environmental standards. However, around the 2017 elections, reform momentum stalled for several key structural reforms. For example, institutional reforms in the energy sector and social protection have slowed down while some set-backs were faced in fiscal consolidation (with the accumulation of new arrears and the build-up of off-budget PPP-related contingent liabilities).

**1.8 Albania has made impressive progress in non-monetary indicators of well-being, beyond the upper-middle-income country average in several areas, but significant challenges remain to improve the efficiency of public services.** The poor quality of infrastructure and public services mean significant coping costs for the less well-off. In the social sectors, health outcomes have improved (table A.3) but significant inequities persist among socioeconomic groups with high out-of-pocket health care expenditure among the poor. Access to education has increased across levels and compares favorably with regional peers and the OECD average, but inequities persist, and the education system faces critical deficiencies in quality and labor market relevance. Youth unemployment stood at 18.3 percent in 2017. Access to clean drinking water and sanitation have also increased. Access to financial services remain more constrained for the poor and women. Barriers and inequities in labor markets particularly affect youth, women, minorities, and the bottom 40 percent of population, and help explain remaining gaps in income and access to services. Gender gaps also remain in accessing property rights and employment. Ethnic minorities (Roma and Egyptians) continue to face obstacles in accessing education and health services, and as a result face greater illiteracy, malnutrition, and poverty rates, which increases the risks of exclusion (World Bank 2015b).

**1.9 Albania aspires to overcome challenges and accelerate the process of EU accession.** Albania aims at achieving strong and sustained growth and translating it into improved well-being for all citizens within a fair and cohesive society irrespective of gender and ethnic background. Government priorities include: ensuring macroeconomic and fiscal sustainability; enhancing competitiveness; making public services transparent and accountable; and promoting efficient and sustainable use of natural resources, especially water, energy, and land (World Bank 2015a). In particular, with regard to EU accession—progress on which has been slower than more advanced countries, given Albania’s extremely low starting point—the Government focuses on the Five Key Priorities to meet the conditions for opening accession negotiations (European Commission 2018): i) to reform the public administration with a view to enhancing its professionalism and de-politicization; ii) to reinforce the independence, efficiency, and accountability of judicial institutions; iii) to make further determined efforts in the fight against corruption; iv) to make further determined efforts against organized crime; and

v) to reinforce the protection of human rights, including of Roma, and anti-discrimination policies, as well as implementing property rights. The Government is also focusing on making progress in “non-harmonized areas” with the EU *acquis* (the accumulated body of EU laws and obligations), which were identified through monitoring by European Commission. Coverage of policy areas in the EU *acquis* is comprehensive and includes areas of WBG support.

**1.10 In sum, a review of the country context points to several inter-linked sets of issues meriting attention in Albania over the evaluation period.** One set of issues concerns macro-fiscal and financial stability, as well as public financial management and broader public-sector governance. A second set of issues has to do with boosting the prospects for domestic and foreign investment and export-oriented growth and for reducing unemployment, particularly among youth, by improving the business environment. This also relates closely to the quality of infrastructure services, especially roads and energy; in the latter sector, significant arrears buildup also has important implications for public finance management. A third set of issues involves managing the country’s natural capital (land and water) and reducing vulnerabilities to climate change. Finally, a fourth set of issues concerns service delivery notably in water and sanitation and the social sectors. The latter include challenges related to the labor market (such as the prevalent skill mismatch) as well as the pension system, which also has important implications for long-term fiscal sustainability. Crosscutting issues concern building institutional capacity, treatment of gender as well as progress on the requirements for EU accession.

## World Bank Group Objectives

**1.11 Two successive strategy documents steered WBG support to Albania during the FY11-19 evaluation period.** The first, the FY11-14 Country Partnership Strategy (CPS), underwent amendment in a CPS Progress Report (CPSPR, FY13). The second, the FY15-19 Country Partnership Framework (CPF), remains under implementation and has been extended by one year and revised by a 2018 Performance and Learning Review (PLR). Both strategies continued the “one WBG” approach initiated under the FY06-09 CAS with the goal of drawing public-private synergies through a more focused program and catalyzing private sector resources in support of Albania’s development.

**1.12 The FY11-14 Country Partnership Strategy (CPS), the first to follow Albania’s graduation from IDA in mid-2008, was anchored on the 2007-13 National Strategy for Development and Integration (NSDI I).** NSDI I sought to: (i) integrate the country into the EU and NATO; (ii) develop and consolidate the democratic state; and (iii) achieve rapid, balanced and sustainable economic, human, and social development. The CPS

sought primarily to address key challenges to the resumption of growth after the global crisis. It focused on three strategic objectives: (i) accelerating the recovery of Albania's economic growth through improved competitiveness; (ii) broadening and sustaining Albania's social gains; and (iii) reducing Albania's vulnerability to climate change.

**1.13 The FY13 CPSPR amended the CPS program and results framework to help Albania better manage risks arising from economic vulnerability.** The CPSPR increased the financing envelope to respond to the Eurozone crisis and amended the program in response to the ex-post impact of the Eurozone crisis. Emphasis was increased on supporting structural reforms to alleviate growing fiscal constraints and power sector problems as well as to strengthen financial sector resilience. Increased amounts were allocated to the social sectors (through budget support) to help address growing household vulnerability. The WBG also strengthened its partnership with the EU, notably with respect to social assistance and public-sector management. Elements of the CPS results matrix were modified to reflect the introduction of a new financial sector operation and delays in previously planned water and roads projects.

**1.14 Following the June 2013 elections, the new coalition government adopted a new strategy for inclusive and sustainable economic growth.** The WBG had prepared a set of briefs to identify the constraints and opportunities for economic growth; these served as an input to an international advisory conference convened by the incoming government. In late 2013, the Government requested WBG support in identifying three top priorities for each ministry and for the Government as a whole. These priorities were then codified in the new National Strategy for Development and Integration for 2015-2020 (NSDI II). The strategy considers progress towards EU integration an overarching national goal and outlines a vision for inclusive and sustainable growth around the following priorities: ensuring macroeconomic and fiscal sustainability; enhancing competitiveness; making public services transparent and accountable; and promoting efficient and sustainable use of natural resources. Simultaneously, the Government set up a Delivery Unit to track progress in implementing its priorities.

**1.15 In 2015, the WBG adopted the FY15-19 Country Partnership Framework (CPF) to support Albania's aspirations to achieve equitable growth and integration with the EU.** Following its work with the Government on priority setting, the WBG prepared a Systematic Country Diagnostic (SCD) to set priorities through the lens of the WBG twin goals to eliminate extreme poverty and boost shared prosperity. The CPF chose to support the five SCD priorities (out of twelve) deemed fundamental to achieving the twin goals<sup>9</sup> (Appendix A). The CPF is organized around three broad strategic objectives: (i) restoring macroeconomic balances; (ii) creating the conditions for accelerated private sector growth;

and (iii) strengthening public sector management and service delivery. There are two cross cutting themes: (i) gender; and (ii) EU accession.

**1.16 The October 2018 Draft PLR mostly extended the CPF until May 31, 2020 to allow for most objectives to be achieved, given the stall in reform momentum stalled during a prolonged period before and after the 2017 parliamentary elections and challenges in implementing an ambitious lending program.** The PLR indicated that three investment project financing loans – to cover subnational finance and governance, integrated land management, and jobs and skills, respectively, were to be dropped. The Government, under pressure to reduce debt, was to focus instead on scaling up some ongoing activities like social assistance modernization, dam safety, water resources, and irrigation projects. The Government also requested further transport sector support through a regional project, even though this had not been identified as a priority area for Bank support in the SCD and the CPF. Another possibility for new Bank engagement relates to promoting gender equality in access to economic opportunities. The PLR also acknowledged that IFC’s investment targets would not materialize, given the low levels of FDI expected and the challenging business environment, and reduced the target to the end of the CPF period from \$150-200 million to \$40-\$60 million.

## WBG Program

**1.17 The WBG provided substantial financing covering key sectors as well as knowledge work over the evaluation period.** IBRD approvals totaled \$1.1 billion for 19 World Bank financing operations during the period FY11-19 (as of Q1 FY19) together with associated policy dialogue and an active program of Advisory Services and Analytics (ASA) and Trust Fund use. Allowing for ongoing projects approved prior to the evaluation period, a total of 34 IDA and IBRD projects with an associated commitment of \$1.4 billion were active during at least part of the period.<sup>10</sup> There was a total of 38 trust funded activities, notably in the Governance GP and the Environment GP. There were also 9 IFC investments,<sup>11</sup> totaling some \$220 in original commitment and 86 million in net commitments, alongside 16 advisory service projects during FY11-19.<sup>12</sup> Three major sectors for the investments were Banking, Energy, and Oil, Gas & Mining. MIGA issued four guarantees, mainly in the Banking sector.

**1.18 Reflecting the ambitious policy reform agenda that the new Government embarked upon by end-2013, the Bank ramped up its engagement, notably through budget support.** There was clear Government commitment to tackle the urgent issues, including resolution of arrears and public debt as well as the strengthening of budget controls and public financial management (PFM). The Bank supported the Government’s efforts with new IBRD commitments totaling over \$300 million in FY14, a record for

Albania, including two Development Policy Loans (DPLs) to support macro-fiscal sustainability and financial stabilization,<sup>13</sup> together with ASA, including a Public Finance Review, a set of Policy Notes, a PFM Strategy, and TA on Pension Reform.

**1.19 Despite Albania’s above-average Bank project outcome ratings, portfolio implementation difficulties have recently surfaced.** The share of operations exiting the portfolio with IEG outcome ratings of moderately satisfactory or better stood at 86.2 percent over FY11-19, better than the Bank-wide average of 82.5 percent but lower than the Europe and Central Asia (ECA) region average. However, portfolio performance as measured by disbursement was less-than-satisfactory in FY16 and FY17 (respectively 11 and 7 percent), due in part to weak institutional capacity exacerbated by coordination issues among ministries and agencies (PLR 2018).<sup>14</sup> The Risk to Development Outcome Rating for Albania, at 41.2 percent moderate or lower, is less favorable than the ECA average of 56.8 percent and the overall Bank average of 45.5 percent. IEG development effectiveness ratings of IFC advisory services have been positive.

## Previous Evaluations

**1.20 The CPE will draw on two IEG evaluations that have encompassed an Albania case study as well as on four Project Performance Assessment Reports.** The country case study for the WBG response to the global economic crisis (Phase II) evaluation found that while Bank interventions were not explicitly aimed at the crisis, they contributed to creating the fiscal space to maintain the social safety net. The case study also showed that Bank technical assistance helped increase the effectiveness of social protection programs by improving the targeting of benefits. The IEG early-stage assessment of the SCD and CPF country engagement process and implementation highlighted good practice in Albania’s consultation process. In addition, it identified Albania as a good example of gender integration, as the SCD has a comprehensive discussion of the most pressing gender issues (youth unemployment, labor force participation, and land rights). The Project Performance Assessment Reports (PPARs) cover Bank projects in health, community works, and secondary and local roads, as well as a social protection DPL.

## 2. Purpose, Objectives, and Audience

**2.1 The CPE’s primary goal is to assess WBG development effectiveness in Albania during the period FY11-19 against the backdrop of the country context and national goals and to inform the design and implementation of future WBG activities in the country.** The report will assess whether the WBG strategy and program amount to a coherent and cogent “whole” (with appropriate complementarity and sequencing of instruments). It will seek to deepen evidence about the results achieved by the WBG program in Albania and how it contributed to WBG strategic priorities – ultimately to the



Twin Goals. It will also review whether the WBG program helped Albania tackle issues critical to its agenda on EU accession, an explicit national goal. The CPE will seek to facilitate real-time learning on the relevance and effectiveness of WBG operational choices in Albania.

**2.2 Two specific objectives of the CPE relate to the overall WBG strategy and program and to individual areas of WBG support, respectively.** The first is to assess, over the FY11-19 period, overall WBG strategic positioning and program delivery, notably relative to Albania’s country context and needs, its national goals, WBG comparative advantage, and other development partners’ interventions. The second objective is to evaluate the relevance and effectiveness of WBG support under each of the specific areas where it was involved, including the coherence of the different parts of the program (lending, ASA, and trust-funded activities) in support of each area. The report will provide ratings of the extent to which the WBG achieved its relevant objectives in each of its main areas of engagement, in line with the traditional accountability mandate of CPEs. In so doing, the CPE will comment on the likely sustainability of WBG program results and the risk to development outcomes. However, the emphasis in the document’s design and organization will be on lesson-learning and recommendations apt to help enhance program effectiveness.

**2.3 The CPE is expected to be of potential use to the WBG, the Government of Albania, and other development practitioners and stakeholders.** The intended audience for the Albania CPE consists primarily of the WBG Board through its Committee on Development Effectiveness (CODE), WBG management and staff, government counterparts, and other stakeholders interested in Albania’s development achievements and associated WBG contributions (e.g., civil society and private sector organizations, and other development partners present in Albania). Findings would also likely be of substantial relevance to WBG development effectiveness across a broad spectrum of client countries sharing similar development challenges and aspirations, including small European countries engaged in macro-economic and structural reforms in pursuit of EU accession. Moreover, given the WBG’s engagement in land administration reforms in the Western Balkans, CPE findings in Albania would likely be of interest to other countries seeking to formalize and enhance the inclusiveness and sustainability of land markets. Likewise, Albania is one of the top-rated countries in the world for economic risks because of multiple hazards and is Europe’s most vulnerable country to climate change. CPE findings regarding the WBG’s interventions in the water sector, which has major direct impacts on agriculture and energy, could also be relevant for countries facing similar environmental risks.

### 3. Evaluation Questions and Scope

#### Scope of the Evaluation

3.1 **The scope of the CPE will be determined by the key areas in which the WBG aimed to make significant contributions.** Following the SCD prioritization exercise, there were some marked changes in the WBG program under the FY15-FY19 CPF. For example, the restoration of macroeconomic balances became the first of three focus areas of the WBG strategy for promoting growth and shared prosperity. The WBG also shifted its support in education from primary and secondary education towards the skill and job agenda. In infrastructure, the WBG opted to focus on energy and withdraw from the transport sector. The WBG continued to support the sustainability of land use but disaster risk management no longer featured as an explicit objective; the WBG also added an objective to enhance the coverage of water and sanitation services. Table A.2 (Appendix A) presents the strategic objectives or “pillars” in each of the two WBG documents that framed the institution’s engagement in Albania during the evaluation period.

3.2 **The CPE will use four organizing—but interlinked—broad strategic objectives or “pillars” to cover the entire evaluation period (table 3.1).** The four pillars — Strengthening macro-financial and public-sector governance; improving the conditions for private sector development; managing natural capital and reducing climate change vulnerabilities; and improving the quality of service provision in the social sectors — consolidate WBG objectives or areas of intervention over the CPS and CPF periods. The consolidation into four pillars is as much an organizational as an analytical tool. Under each pillar, the evaluation will discuss the nuances of shifts in emphasis across CPF periods and their relevance. Results sought will also be looked at separately, as these often change across CPF periods.

3.3 **Table 3.1 also details the specific objectives or areas of intervention to be assessed under each pillar.** Under the first pillar, the report will assess the relevance and efficacy of the WBG program in addressing macroeconomic instability (notably in strengthening public finance and public-sector governance) and in improving financial stability. Under the second pillar, it will assess WBG support in improving the business climate, including land and property registration, and infrastructure services in energy and transport. Under the third pillar, the report will evaluate WBG support in managing natural capital and reducing climate change vulnerabilities. It will assess the relevance of WBG support, which shifted in emphasis over the evaluation period, and the efficacy of that support in: (i) reducing vulnerabilities to climate change – notably through sustainable land and water management; (ii) improving land productivity – notably through irrigation; and (iii) improving waste management. Finally, under the fourth

pillar, the CPE will examine the relevance and effectiveness of WBG support in improving the quality of service provision in water and sanitation and the social sectors — education, health, and social protection — including the recent emphasis on the jobs/unemployment agenda.

**3.4 There are inter-linkages and overlaps across the four pillars, and some areas of WBG intervention do not fit neatly within the pillar structure.** Some topics do not obviously fit under one pillar rather than another. Whenever this is the case, issues will be carefully cross-referenced where relevant, as illustrated in the following cases. Macro-financial stability, a central objective, will be discussed under pillar one, in examining the package of WBG support for strengthening macro-financial and public-sector governance. However, it is closely tied to specific sectors (such as energy in pillar 2 and pension in pillar 4) since they also had a major impact on fiscal sustainability<sup>15</sup>. The Bank’s recent emphasis on reducing unemployment will be discussed under pillar 4, as ongoing analytical work emphasizes addressing the skills mismatch through more market-relevant training and active labor market programs. Yet such support will also help improve the business environment and will therefore need to be cross-referenced under sub-objective 2.1.

**Table 3.1. Evaluation Pillars for the FY11-19 CPE**

Pillar 1: Strengthening Macro-Financial and Public-Sector Governance	Pillar 2: Improving the conditions for private sector development	Pillar 3: Managing natural capital and reducing climate change vulnerabilities.	Pillar 4: Improving the quality of service provision in the social sectors
1. Strengthening macro-economic management, fiscal sustainability, and public sector governance	1. Improving business climate (incl. understanding labor market constraints and supporting land/property registration and tourism development)	1. Reducing vulnerabilities to climate change	1.Improving access to and quality of education services  2.Improving access to and quality of health services
2. Improving financial stability	2. Improving access to and the quality of infrastructure Services  Transport  Energy	2.Improving land productivity  3. Improving waste management	3.Improving the coverage, targeting and efficiency of social protection services    4.Provide enhanced coverage of water and sanitation services
<i>Crosscutting issues: facilitating EU accession, promoting socio-economic inclusion (gender and ethnic minorities), building institutional capacity</i>			

## Evaluation Questions

3.5 **To assess to what extent WBG support met its relevant objectives, the CPE will examine two sets of questions mapped to its two specific objectives (para 19).**

3.6 **Under the first objective, evaluation questions will assess overall WBG strategic positioning and program delivery, including the extent to which these took account of Albania’s specific context.** Were WBG objectives relevant to country realities and goals? The evaluation will assess the relevance of design of WBG interventions (including both financing and advisory services and analytics) across the evaluation period. Did the WBG have a good understanding of Albania’s needs and constraints, and to what extent was design of WBG instruments (including the program as a whole) tailored to these context-specific issues? How relevant and cogent were Bank knowledge work and IFC advisory services over the evaluation period? How did the WBG program approach political economy factors? Was the selectivity of the WBG program adequate and in line with country needs, WBG value added, and other development partners’ interventions? Did the WBG demonstrate sufficient flexibility and agility in responding to shocks, notably following the Eurozone crisis? Was the quality of WBG results frameworks adequate? Did the WBG coordinate its interventions adequately with other donors?

3.7 **Appendix C provides a detailed set of questions to assess the relevance of overall WBG support in face of Albania’s needs and goals.** The report will cover *inter alia* the following broad topical questions to assess the relevance and cogency of WBG support. Given the country’s overarching goal of joining the EU, the report will review the relevance of WBG interventions in helping Albania progress towards EU accession. In addition, given that macroeconomic stability was a major and persistent challenge over the entire period, the evaluation will review whether the overall package of Bank interventions at the macro and sectoral level adequately tackled the issue. The evaluation will also assess whether WBG interventions were adequately customized to specific challenges that Albania faces, such as high unemployment, socio-economic inclusion of minorities (notably the Roma), gender gaps (notably in access to land and employment), and environmental challenges.

3.8 **Under the second objective, questions will focus on assessing development effectiveness under each (sub-)pillar (table 3.1) as well as synergies within or across pillars and across WBG institutions and with other development partners.** Questions regarding relevance and effectiveness of WBG support will be structured around the results frameworks (RFs) that the WBG put forward in its strategies. While taking account of RF quality (e.g., soundness of the underlying logic and quality of indicators used), the results chain will help trace through links between WBG strategic objectives, WBG activities and associated outputs, and the higher-order outcomes that it sought to

influence, thereby helping to assess the likelihood of a WBG contribution. The CPE will consider Bank ASA and IFC AS in addition to lending and investment in assessing the overall relevance of WBG support in areas of interventions, considering cross-sector synergies. Did the combination of WBG financing and non-financial activities deployed in search of a particular outcome make sense, or were obvious gaps left unfilled? Did the WBG activities help realize the policy changes, investments, knowledge, or institutional capacity development sought in the time frame envisioned? Did WBG support facilitate the EU accession process? To what extent did WBG support help reduce exclusion (ethnic minorities and gender gap)? Was the program underpinned by successful intra-WBG collaboration (WB, IFC, MIGA) and synergies with other DPs? The CPE will also assess the sustainability or resilience to risk of the development benefits to which the WBG program contributed under each (sub-) pillar. More specifically worded questions under each (sub-) pillar are detailed in Appendix C.

## 4. Evaluation Design and Evaluability Assessment

**4.1 Inherent limitations on the evaluability of a country program notwithstanding, the CPE will examine the likelihood of WBG program contribution to Albania’s development results.** The consolidated pillar structure for the WBG program and the use of results frameworks to relate the outputs of WBG interventions—policy changes, investments, increased knowledge and capacity, and harmonization, among others—to the intermediate and final outcomes sought will help structure and facilitate the evaluation process. However, the fundamental problem of establishing a deterministic causal relationship between WBG interventions—structured as they are into an overall program, not simply as individual lending and non-lending products—and higher-order country outcomes persists. While in many cases the problem is ultimately insurmountable, the CPE will endeavor to assess the likelihood (or otherwise) of WBG contribution. This involves clarifying and juxtaposing the various links in the results chain (e.g., considering how the results of WBG activities relate to higher-order country outcomes), and comparing the “whole” with the “sum of the parts” of the WBG program. The picture is of course further complicated by the presence of other development partners in Albania.

### Analytical Methods and Data Requirements

**4.2 To address the evaluation questions, the CPE will draw on a mixed method approach and a broad range of informational sources and analytical methods.**<sup>16</sup> As described further below, the CPE will use a combination of quantitative and qualitative data/information and methods, document reviews, and stakeholder interviews, and the use of diverse sources of information will provide for some “triangulation” to test

robustness of findings. The evaluation design matrix (Appendix D) presents greater detail on the various informational/data needs and sources, as well as the data collection and analytical methods envisaged, to answer the main evaluation questions.

## Analytical Methods

**4.3 Throughout, the CPE will use the standard mixed method approach of IEG evaluations, using desk reviews, analyses of macro- and socio-economic indicators, and portfolio review analysis, supplemented by semi-structured stakeholder interviews.** Analysis of available macro- and socio-economic data will help gauge evolution of, and variations in, conditions over time. The absence of a recent household survey will make it difficult to provide quantitative evaluative evidence in key areas, particularly with respect to the inclusiveness of growth and the poverty impact of many reforms that the WBG supported throughout the period to improve the access and quality of service delivery. Analysis of the portfolio of WBG operations will involve tracing the evolution of project quality indicators (for example, the extent to which development objectives have been— or are likely to be—met, and implementation status) and other portfolio indicators (e.g., proactivity indices) over time and effecting comparisons with the same measures in comparator countries and in the WBG on average. Desk-based reviews—including content analysis, where relevant—of the available WBG, IEG, and outside documentation (in particular EU reports), as well as of notes from stakeholder interviews, would be mainly qualitative in nature. Regarding the WBG country strategy, retrospective reviews would be undertaken to compare outturns with outputs and outcomes targeted *ex ante*.

**4.4 Semi-structured stakeholder interviews will be conducted with WBG, country, and development partner stakeholders.** The CPE team will organize a series of semi-structured interviews with current and former Country Directors and Managers, Task Team Leaders, and relevant IFC and MIGA staff, as well as with relevant IMF and EU staff, to get their views on WBG strategy and operations in Albania—a process referred to figuratively as “deep dive week” (but not necessarily compressed into that timeframe). Since deep dive week will take place immediately following the CPE team’s initial desk review, the team also plans to use the discussions to begin testing some of its preliminary findings. It is intended that most interviews with key WBG staff will be concluded before the field mission to Albania. During the mission, tentatively scheduled for late January 2019, the CPE team will solicit views from: (i) country officials, on both overall and specific aspects of WBG support; (ii) other country stakeholders, such as private sector, beneficiaries’ and civil society representatives, on specific aspects of WBG support and the quality of consultation; and (iii) field-based development partners, including EU, EBRD, IMF, UNDP and key bilateral donors under each pillar, on the quality of WBG

coordination and collaboration with other partners. Given the mission's limited time, counterparts to be interviewed will be prioritized.

## Sources of Information

4.5 **Data.** The CPE will mainly draw on WBG, country, or other partner—for example, IMF, UN, OECD, or EU—quantitative databases. The CPE will also draw upon a range of Albanian government data sources and surveys, including fiscal and financial statistics, Household Budget Surveys, Labor Force Surveys, and Structural Surveys of Enterprises. However, the lack of recent household survey will make it challenging to provide definitive quantitative evidence on poverty and shared prosperity trends since 2012. No primary collection of quantitative data is envisioned for the Albania CPE, but the CPE team will collect the latest or additional data during the mission, as needed.

4.6 **Documentation.** The CPE will draw on available WBG, IEG, and relevant outside documentation. The WBG documentation includes country-level documents as well as specific project and program documents, such as (for lending products) Project Appraisal Documents (PADs) or Program Documents (PDs), Implementation Status Reports (ISRs), Implementation Completion Reports (ICRs), and (in the case of IFC investments) Expanded Project Supervision Report (XPSRs). For non-financial products, relevant documents include economic and sector work reports, advisory services documents, technical notes, policy briefs, and reports prepared for trust fund activities. External sources, such as EU documents and data and PEFA assessments, will also be particularly valuable in complementing assessments of progress, notably on the EU accession agenda. In terms of prior evaluation work, the CPE team will draw on the IEG review of the FY11-14 CPS, the findings of recent IEG thematic evaluations that have had Albania case studies,<sup>17</sup> and project evaluations, such as PPARs and Implementation Completion Report Reviews (ICRRs). IEG has reviewed 100 percent of the ICRs that have been completed for projects exiting the Albania portfolio, although ICRs are still lacking on two closed projects. A large part of the portfolio includes lending projects that are still active, so ICRs/ICRRs are available for just 50 percent of lending operations that were active during at least part of the evaluation period. Given the evaluation's limited budget, all available evaluation material on Albania, both from IEG and other partner institutions,<sup>18</sup> will be drawn upon as inputs for the CPE as much as possible and will help clarify where fresh evaluative efforts should be concentrated.

## 5. Quality Assurance Process

5.1 The quality assurance process will be ensured through appropriate peer review arrangements and deployment of the full range of IEG knowledge resources. Anita Tuladhar (Mission chief for Albania / Deputy Division Chief, European Department,

IMF), Tzvetina Tzvetkova (Policy Officer, Unit for Albania in the Directorate-General for Neighborhood and Enlargement Negotiations, European Commission), and Inder Sud (former Bank Country Director) have agreed to serve as external peer reviewers. Together, the peer reviewers offer expertise in a range of thematic and operational matters pertinent to Albania. The report will be prepared under the direct supervision and guidance of IEGEC Manager and the IEGHE Director, and the review process will engage all the IEG units and the associated expertise.

## 6. Expected Outputs, Outreach and Tracking

6.1 **Outputs.** The main output for this task will be a CPE evaluation report that presents relevant findings, lessons, and recommendations. The report will be disclosed publicly in accordance with IEG's access to information policy. Depending on the findings and perceived demand, shorter briefs (for example, IEG insights), blogs, or podcasts may also be considered subsequently.

6.2 **Outreach.** Appropriate opportunities for disseminating the report to internal WBG audiences will be explored, including specific events organized jointly with the Albania country team. Suggestions for in-country events to engage stakeholders on CPE findings and recommendations will be developed in consultation with the WBG country team, Albanian counterparts, and development partner representatives. A complete dissemination and outreach strategy will be prepared prior to the one stop review meeting for the full report.

## 7. Resources

7.1 **Timeline.** Tasks will be sequenced, starting in September with desk reviews of the documentation relating to WBG strategy, IDA/IBRD lending and ASA tasks, IFC investments and advisory services, MIGA guarantees, and trust fund activities. This will be followed by deep dive week interviews with WBG and IMF staff during November-December. A country visit is planned in late January to complete the assessment and triangulate findings. The CPE report will be submitted to CODE in June 2019.

7.2 **Budget.** The CPE has an estimated *administrative budget* of \$470,000. Staff costs amount to \$270k of the estimated budget and an additional \$150k will cover the costs of five short-term consultants. Team travel is estimated at \$50k.

7.3 **Team and skills mix.** The evaluation team will be led by Florence Charlier (Senior Economist, IEGEC) and Yumeka Hirano (Economist). The other team members include Ramachandra Jammi (Senior Evaluation Officer, IEGSD), April Connelly (Senior natural resource specialist, IEGSD), Corky de Asis (IEGEC), Ana-Maria Arriagada (Consultant),



Varadan Atur (Consultant), Ali Khadr (Consultant), Chandra Pant (Consultant), and Richard Pollard (Consultant). Team composition reflects broad thematic and evaluative expertise. Carla F. Coles will provide research assistance and administrative support to the task team.

## Endnotes

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<sup>1</sup> Calculations are based on ECAPOV harmonization, using 2012 LSMS (draft PLR, October 2018).

<sup>2</sup> The latest poverty headcount ratio based on the household survey is 2012. Since then, only the estimates based on the WB's Macro Poverty Outlook are available. (A Census is planned in 2020.)

The US\$ 5.5/day poverty rate has been used in recent years. The estimated poverty rate (measured as US\$ 5.5/day, 2011 PPP) is 32.8 percent, down from 33.9 percent in 2016, 35.4 percent in 2015, and 39.1 percent in 2012 (World Bank 2018a and 2018b).

<sup>3</sup> The NSDI II was initially prepared for the period of 2014-2020. With some delay, it was approved in May 2016.

<sup>4</sup> The strategic document for NSDI II does not refer to the MTBP but does refer to sectoral strategies and action plans.

<sup>5</sup> The country became a member of North Atlantic Treaty Organization (NATO) in 2008 and formally applied for EU candidate status in 2009, after ratification of its Stabilization and Association Agreement, originally signed in 2006. Through this Agreement, Albania aims to attain some level of approximation with the EU standards that will pave the way to EU membership.

<sup>6</sup> Despite some improvement, corruption persists as a major problem. For example, the WBG's integrity report cites several Albanian companies as having continued involvement in various forms of fraud and mis-procurement (WB 2011 & 2016).

<sup>7</sup> Nevertheless, the CPF objective with respect to reducing Albania's Distance to Frontier (Doing Business) was not achieved in 2018.

<sup>8</sup> Percentile rank indicates the country's rank among all countries covered by the aggregate indicator, with 0 corresponding to lowest rank, and 100 to highest rank.

<sup>9</sup> The CPF opted to support a sub-set of areas within these priorities using three additional filters: country ownership and championship, comparative advantage, and strategic programming.

<sup>10</sup> In terms of sector focus by leading Global Practice (GP), the Finance, Competitiveness & Innovation (21 percent) and the Energy & Extractive (20 percent) GPs accounted for the biggest share of commitments, a total of \$552 million, followed by the Transport & Digital Development GP (13 percent) and the Water GP (11 percent). Albania also participated in one regional lending project by the Energy & Extractives GP. There were 27 ASA completed, notably by the Governance GP, the Finance, Competitiveness & Innovation GP, and the Transport & Digital Development GP.

<sup>11</sup> During the FY11-14 CAS period and before. No direct IFC investment was made during the current CPF period except indirect financing of highway PPP and trade finance for a local bank. Nevertheless, IFC continues to support Albania through its advisory services.

<sup>12</sup> The no. of projects and the amount do not include the regional projects.

<sup>13</sup> In the early part of the evaluation period, the Bank had one Social Sector DPL (\$25 million, FY12).

<sup>14</sup> The PLR noted a slight improvement in the FY18 disbursement rate at 21 percent.

<sup>15</sup> Likewise, improving public investment management, notably in the transport sector, will be discussed under sub-pillar 1.1, recognizing it also helps improve transport services, an objective considered under sub-pillar 2.2. Strengthening financial stability will be examined under sub-pillar 1.2 but contributes equally to improving the business climate under sub-pillar 2.1.

<sup>16</sup> In broad terms, the analytical approach will be guided by *the Country Assistance Evaluation (CAE) Retrospective* by the World Bank Operations Evaluation Department OED (IEG's predecessor) (World Bank 2005) and the Evaluation Cooperation Group (ECG)'s "Good Practice Standards on Country Strategy and Program Evaluation" in the *Big Book on Evaluation Good Practice Standards* (ECG 2012, pp. 99-143), which IEG was instrumental in preparing. In terms of assessing program outcomes, the analytical approach will be guided by "Update to Guidance on World Bank Group Program Outcome Ratings in Independent Evaluation Group Country Program Evaluations,"

which IEG prepared in September 2018 to provide more detailed guidance on CPE outcome ratings. To assess gender as a cross-cutting issue, the analytical approach will be guided by *Integrating Gender into Evaluation Work*, prepared by IEG (World Bank 2016b).

<sup>17</sup> In addition, the CPE will draw on the IEG evaluation on Managing Forest Resources for Sustainable Development (World Bank 2013b), which features cases from Albania based on findings from PPARs and ICRRs.

<sup>18</sup> For example, the UNDP's country program evaluation discusses development cooperation and coordination with the World Bank (UNDP 2016). Other key documentation includes Albania 2018 Annual Report, being prepared by the EU.

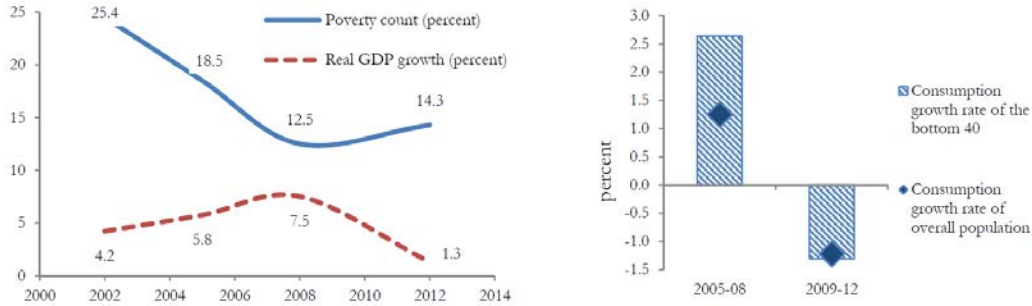
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## Appendix A. Socio Economic Data, SCD priorities and Strategic Pillars in FY11-14 CPS and FY14-20 CPF

Figure A.1. Growth and Poverty 2002-2012



Source: SCD (World Bank 2015b).

Table A.1. Overall Impact Assessment of SCD Priorities on Twin Goals

<u>Policy Priorities</u>	<u>Overall Impact</u>
Restoring fiscal sustainability and maintaining financial stability	Fundamental
Establishing a high quality business environment	Fundamental
Providing clean, efficient, equitable and financially sustainable energy	Fundamental
Formalizing and enhancing inclusiveness and sustainability of land markets	Fundamental
Enhancing governance, transparency and accountability of government	Fundamental
Increasing the quality and inclusiveness of labor market engagement	Supporting
Improving quality, access and relevance of education and training systems	Supporting
Improving efficiency, access and quality of public services delivery	Supporting
Improving inclusiveness of access to financial markets	Supporting
Enhancing effectiveness and efficiency of social protection systems	Sustaining
Ensuring sustainable use of natural resources and stewardship of the environment	Sustaining
Improving quality, efficiency and equity of health services	Sustaining

Source: SCD (World Bank 2015b)

**Table A.2. Strategic Pillars in the FY11-14 CPS and FY14-20 CPF**

WBG strategy	Focus Area 1	Focus Area 2	Focus Area 3
<b>FY11-14 CPS</b>	<b>Accelerating the recovery in economic growth through improved competitiveness</b>	<b>Broadening and sustaining social gains</b>	<b>Reducing vulnerabilities to climate change</b>
	1.Sound macroeconomic management and improved PFM	1.Improved access to and quality of education services	1.Improved the conservation, management and efficient use of water resources
	2.Improved business regulations and reduced compliance cost for the private sector	2.Improved access to quality health services and the efficiency of public spending	2.Decreased vulnerability to natural and man-made disasters
	3.Improved and enhanced financial sustainability of infrastructure services in roads, energy and irrigation	3.Improved targeting and effectiveness of social protection	
<b><i>Use of Governance Filter to maintain focus on governance issues across the portfolio</i></b>			
<b>FY15-19 CPF</b>	<b>Restoring macroeconomic balances</b>	<b>Creating conditions for accelerated private sector growth</b>	<b>Strengthening public sector management and service delivery</b>
	1.Support improved fiscal sustainability	1.Contribute to improved business environment	1.Support increased efficiency of public service delivery
	2.Provide strengthened Public Investment management in transport sector	2.Sustainable tourism development	2.Support improved equity and access to social protection services
	3.Support improved financial stability	3.Support enhanced energy security, efficiency and supply	3.Contribute to increased efficiency and access of health services
		4.Provide expanded and inclusive land/property registration	4.Provide enhanced coverage of water and sanitation services
		5. Contribute to increased productivity and sustainability of land use	
<b><i>Cross Cutting Themes: Gender and EU accession process</i></b>			

**Table A.3. Albania Selected Social and Economic Indicators**

Indicators	Albania						UMIC	ECA	EU	
	1990	1996	2002	2005	2008	2012	Latest Year (2014-17)			
GNI per capita (PPP, constant 2011 int'l \$)	..	4,793	6,585	7,862	9,193	10,301	11,886	16,554	28,877	36,145
Poverty headcount ratio at \$1.90 a day (PPP, % of pop.)	..	1.1	2.0	1.1	0.4	1.1	..	1.7	1.5	..
Poverty headcount ratio at national pov. lines (% of pop.)	..	..	25.4	18.5	12.5	14.3	..	..	..	..
GINI index	..	27	32	31	30	29	..	..	..	..
Immunization, measles (% of children ages 12-23 months)	88	92	96	97	98	98	96	95	95	94
Births attended by skilled health staff (% of total)	93	91	98	100	..	..	..	98	99	99
Maternal mortality ratio (modeled estimate, per 100,000 live births)	71	50	37	30	30	30	..	41	16	8
Mortality rate, under-5 (per 1,000 live births)	40	31	21	17	14	11	9	14	9	4
Life expectancy at birth, total (years)	72	72	75	75	76	77	78	75	77	81
School enrollment, secondary (% gross)	90	68	73	78	85	93	95	94	78	112
School enrollment, tertiary (% gross)	8	11	16	23	32	61	61	51	35	68
People using safely managed drinking water services (% of pop.)	..	..	47	53	58	65	..	..	91	96
People using safely managed sanitation services (% of pop.)	..	..	56	59	61	64	..	50	67	89
Mobile cellular subscriptions (per 100 people)	-	0	27	50	62	120	119	111	125	123

Source: WDI and SCD (World Bank 2015b)



## Appendix B. EU Accession.

**Albania has made substantial progress in key reforms to meet EU accession criteria, although much remains to be done.** Albania presented its application for membership of the EU in April 2009. The European Council of June 2014 endorsed the decision of the General Affairs Council granting Albania candidate status. In November 2016, in view of the progress in meeting the key priorities, the Commission recommended opening accession negotiations subject to credible and tangible progress in the implementation of the justice reform, in particular the re-evaluation of judges and prosecutors (vetting) (European Commission 2018). In the reporting period, Albania continues regular political and economic dialogue with EU and has implemented smoothly its obligations under the Stabilization and Association Agreement (SAA), which are additional conditions for Western Balkans (European Commission 2013). Albania has made some progress for adopting and implementing the EU rules “acquis”.

**Accession criteria** - The accession criteria, or Copenhagen criteria (after the European Council in Copenhagen in 1993 which defined them), are the essential conditions all candidate countries must satisfy to become a member state. These are:

- Political criteria: stability of institutions guaranteeing democracy, the rule of law, human rights, and respect for and protection of minorities;
- Economic criteria: a functioning market economy and the capacity to cope with competition and market forces;
- Administrative and institutional capacity to effectively implement the acquis<sup>1</sup> and ability to take on the obligations of membership.
- Absorption capacity of the EU: Apart from the above criteria, this fourth one was added.

**Stabilization and Association Agreement (SAA)** <sup>1</sup>-The objectives of these SAA are to (a) support the efforts of Albania to strengthen democracy and the rule of law, (b) contribute to political, economic and institutional stability in Albania, as well as to the stabilization of the region, (c) provide an appropriate framework for political dialogue, allowing the development of close political relations between the Parties, (d) support the efforts of Albania to develop its economic and international cooperation, also through the approximation of its legislation to that of the Community, (e) support the efforts of Albania to complete the transition into a functioning market economy, to promote harmonious economic relations and develop gradually a free trade area between the Community and Albania, (f) foster regional cooperation in all the fields covered by this Agreement.

**EU rules (the "acquis")** - The conditions and timing of the candidate's adoption, implementation and enforcement of all current EU rules are negotiated. These rules are divided into 35 different policy fields (chapters), such as public procurement, financial services, taxation, transport,

energy, education, environment, etc., each of which is negotiated separately. Other issues, such as financial arrangements and transitional arrangements, are also discussed.

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<sup>1</sup> The EU reserves the right to decide when a candidate country has met these criteria and when the EU is ready to accept the new member.

## **Appendix C. Detailed Evaluations Questions for the Second Evaluative Question.**

### **I. First Evaluative Question**

The first evaluative question reviews the relevance of WBG strategic positioning in view of specific country needs and challenges.

**Assessing the relevance of WBG support to Albania’s progress towards EU accession.** Was overall packaging and sequencing of WBG activities and products well aligned with the country’s quest to become a EU member? How well did the WBG exercise intellectual leadership in policy dialogue, notably in sectors deemed critical for Albania’s accession to EU? Did the WBG work effectively with the EU to help implement Albania’s accession agenda? For example, to what extent did the WBG program leverage significant Instrument for Pre-Accession Assistance (IPA) grant funding to deepen reforms and scale up interventions?

**Assessing the relevance of WBG support to foster macroeconomic stability.** Did the overall package of Bank interventions at the macro and sectoral level tackle adequately macroeconomic stability?

**Assessing overall WBG strategic positioning in view of context-specific issues, including political economy and capacity factors.** How did the WBG program approach political economy factors, including the significant political polarization that has characterized the multi-party parliamentary democracy? How effectively did the Bank capitalize on the emergence of a reformist coalition government in 2013 to deepen its engagement and foster the implementation of long overdue structural reforms? How customized to Albania’s needs was WBG support for private sector development, notably the supply-demand mismatch in skills, given the low participation and employment rate? Did WBG support help reduce gender gaps, notably in access to land and employment? Did the WBG program help promote socio-economic inclusion of minorities, notably the Roma population? And to what extent did WBG support address weaknesses in Albania’s capacity to move ahead with a challenging reform agenda aimed at making more efficient, equitable, and sustainable use of the country’s resources?

**Assessing the flexibility of WBG Support.** Did the WBG’s strategic approach maintain flexibility to respond to shocks? How did the WBG adapt to the financial European crisis and the prolonged stagnation in the Eurozone? Did the adjustments (e.g. prioritization and withdrawal) in WBG support over the evaluation period help address potential gaps in areas deemed critical to meeting the country’s goals?

**Assessing donor coordination.** To what extent did the program seek to foster synergies and coherence—both intra-WBG and with other development partners (DPs)—to help Albania achieve its development goals?

**Assessing the quality of the results framework:** Were WBG results frameworks (including associated indicators) of good quality? Were WBG results frameworks effectively used to conduct M&E?

## **II. Second Evaluative Question**

**Under each WBG strategic (sub-) objective or pillar, the CPE will evaluate relevant results achieved by the country and assess the likelihood of WBG contribution.** The discussion will include an assessment of whether the choice of financing instruments used was appropriate. It will also assess the role of knowledge work, notably whether it helped identify risks and provided relevant recommendations to guide WBG support and help enhance its impact. Whenever relevant, the CPE will also assess to what extent WBG support helped to reduce gender and ethnic minority gaps, strengthen institutional capacity, and facilitate the EU accession process.

The paragraphs below set out specific questions under each (sub-) pillar to guide assessments of the extent to which relevant WBG strategic objectives and targeted outcomes were achieved.

### **Pillar 1**

**The over-arching question concerns the relevance and effectiveness of WBG programs in strengthening macro-financial and public sector governance.** The Albania NSDI seeks to ensure macroeconomic and fiscal sustainability. The SCD considers macro-fiscal sustainability and financial sector stability a pre-requisite to accelerated and sustainable growth. The evaluation will assess to what extent WBG support contributed to: (i) reforming public finance to ensure fiscal and macroeconomic stability and improve service delivery; and (ii) strengthening the resilience of the financial sector.

**Strengthening macro-economic management, fiscal sustainability, and public sector governance.** After the global crisis, Albania's macro-economic vulnerabilities were exacerbated by high public debt and arrears, unsustainable fiscal deficits, and financial sector imbalances, notably high levels of non-performing loans (NPLs). To what extent did WBG support contribute to improving the credibility and contestability of fiscal policy and to improving public expenditure management systems? Did the structural reforms on pensions, social protection, and energy that the WBG supported contribute to improved macro-fiscal stability? The transport sector, which was a major beneficiary of the fiscal expansion that followed the global crisis, has been responsible for almost all capital investment arrears and generated major financial distress. Did WBG support in the transport sector strengthen the management of public investment and help rebalance public expenditure towards maintenance of assets? Overall, did WBG support contribute to strengthening institutional capacity for fiscal, expenditure, and debt management (e.g., the implementation of new procedures and management information systems)?

In Albania, the quality of public service delivery and government accountability is undermined by corruption. To address this challenge, the government initiated a bold reform program to

transform the interface between citizens and the state. To what extent did WBG support to this program contribute to improved service delivery for citizens?

**Strengthening the financial sector.** Following the global financial crisis, the financial sector was hit with deleveraging by foreign banks and rising NPLs. As a result, private banks curtailed lending to local companies. In addition, Albania faces economic disparity in access to finance between rural/semi urban and urban areas. To what extent did WBG support help improve access to finance and promote financial stability? Did WBG support to microfinance institutions (MFIs) help reduce the rural/urban gap in access to finance? Did WBG support contribute to strengthening the independence and institutional capacity of the financial regulators (insolvency regime, collateral execution, risk management)?

## Pillar 2

**The over-arching question concerns the relevance and effectiveness of WBG programs in improving the conditions for private sector development.** Despite some progress in the early 2000s, entrepreneurs continue to face burdensome institutional and regulatory barriers and poor quality of infrastructure, notably in energy and transport. Other binding factors harming the business environment include the low quality of labor market engagement<sup>1</sup> and poor relevance of skills, which are discussed in pillar 4 (education), as well as weaknesses in land administration. Indeed, insecure property rights, due to unresolved policy, legal, and institutional issues hamper efficiency in the use of land in both rural (farm fragmentation) and urban areas (informal settlements).

**Improving the business climate.** Albania's business environment remains unattractive due notably to excessive bureaucracy, widespread corruption, and lack of contract enforcement. Did WBG support help reduce the regulatory burden and strengthen the policy, legal and institutional framework for domestic and foreign investment? Did WBG activities help improve trade logistics and facilitation, in particular customs clearance procedures? Overall, did the package of reforms supported by the WBG contribute to improving the business environment (e.g., as measured by Doing Business Distance to Frontier, Global Entrepreneurship and Development Index, recent BEEPS, etc.)? To what extent did WBG interventions support the promotion of sustainable tourism, notably in the coastal region? Did WBG support for economic regeneration of the coastal region through integrated coastal development help reduce poverty and disparities? Private businesses also face significant challenges in implementing the technologies needed to meet new EU standards and regulations. Did the WBG program help strengthen the capacity of private firms to comply with these regulations?

**Strengthening Land and property reforms.** A key constraint to an efficient land market is the incomplete registration of property and land as well as procedures which place women and the less well off at a disadvantage. Did WBG interventions contribute to the set-up of a modern system for registering, recording, and transferring land and property? Did the WBG support

actions that allow for a land restitution/compensation scheme in a fiscally sound and fair manner in line with international practices? Were gender and inclusion dimensions taken into account in setting-up this new land information service to address exclusionary practices that affect women and the bottom 40 percent? Did WBG support help strengthen the management and capacity of entities responsible for allocating and managing immovable property?

**Improving infrastructure services in roads and energy.** The absence of a reliable and affordable power supply is a top constraint to doing business in Albania and inefficiencies in the energy sector are a major source of fiscal imbalance. Albania's competitiveness is also impaired by inadequate road infrastructure.

- **Energy.** The WBG has been supporting since 2008 the major energy reform program of the government. To what extent did the WBG help Albania optimize generation performance and increase and diversify domestic power generation? In particular, did WBG programs help improve the management of hydropower resources? Did WBG activities contribute to improving distribution efficiency and collection rates? Did WBG initiatives contribute to energy efficiency improvements for households? Did the WBG help improve the targeting and coverage of the energy safety net for poor households? To what extent did WBG interventions contribute to gradually crowding in new and private financing mechanisms where possible? Overall, did WBG lending and analytical work help strengthen the capacity of the state-owned electricity company, private investors, and the regulatory commission?
- **Roads.** Over the evaluation period, the emphasis of WBG support has shifted from financing construction of major and secondary roads towards providing institutional development and capacity building for the maintenance of the national road network. Did WBG support help develop the connectivity of the network and improve access to services and markets for Albania's population? Did WBG activities contribute to increasing the share of regional and local roads in good condition? Did reforms supported by the WBG help set up sustainable management and financing systems? Did the WBG contribute to strengthening the capacity of sector institutions, notably the Albanian Road Authority?

### Pillar 3

**The over-arching question concerns the relevance and effectiveness of WBG programs in managing natural capital and reducing climate change vulnerabilities.** Although Albania is endowed with rich natural diversity and abundant natural resources, their use as productive inputs present many challenges and the recent increase in the level of natural capital depletion threatens sustainable growth potential. Abundant water resources which play a key role in the economy (notably for irrigation and energy) are nevertheless highly volatile, and hydrological variability is expected to amplify given Albania's substantial exposure to climate change. Moreover, poor wastewater management threatens the quality of sea and fresh water, posing health challenges. Similarly, severe upstream soil erosion and downstream sedimentation due in

large part to unsustainable forestry and agriculture practices, compounded with Albania's steep topography and exposure to an increased incidence of flooding, is jeopardizing agriculture and tourism growth potential.

**Reducing vulnerabilities to climate change.** Did overall Bank support contribute to increasing Albania's resilience to climate change? In particular, to which extent did WBG help improve land use and water resource management?

- **Land and water resource management:** To what extent did WBG interventions lead to an improvement in the share of land under sustainable land management? To what extent did the WBG support the design and implementation of a sound water management strategy that takes into account competing demand for ground and surface water use for multiple purposes? Did WBG support help strengthen institutional capacity to manage hydro resources (e.g., through river basin approaches including through regional cooperation)? Did WBG interventions help improve soil and water management practices? To what extent did WBG support contribute to preventing the irreversible degradation of coastal assets? Did WBG interventions contribute to a reduction in erosion in targeted areas? Did communities benefiting from WBG support benefit from an increase in income earned from forestry and agricultural activities?
- **Disaster risk management.** To what extent did WBG support help improve disaster preparedness and mitigation?

**Improving land productivity:** Did the WBG contribute to increasing the number of irrigated and drained hectares of land in rehabilitated schemes?

**Improving waste management:** Did the WBG contribute to building critical public environmental infrastructure to improve waste collection (disposal of household waste and treated sewage in coastal cities)?

## Pillar 4

**The over-arching question concerns the relevance and effectiveness of WBG support in improving the efficiency, equity and access to basic social services, notably health, education, social protection and water and sanitation.** The quality of public service delivery in the social sectors suffers from a weak governance framework, corruption, and inequity. Despite some recent progress in access to education, inequities in access remain prominent among the bottom 40 percent (B40), in particular in preprimary and higher education. The quality of education remains low throughout the formal education system and the high skills mismatch is often cited by firms as a critical constraint to their development. Inequities in the distribution of resources and complex institutional arrangements impede the efficiency of spending in the education sector. Similarly, in the health sector, despite some improvement in health outcomes, the health care system continues to display significant shortcomings in quality and equity. Public spending

on health, one of the lowest in the region, is inefficiently allocated with a bias towards pharmaceuticals and medical supplies and hospital-based services. Existing social safety nets also suffer from poor management. The Solidarity Albania Program, the main poverty-targeted benefit scheme, suffers from poor targeting and coverage and its benefits are low, while the more generous disability benefits do not cover the most severely disabled. Likewise, pension administration is weak and the pension system is not financially sustainable in the long term. Public investments in water networks are poorly governed and performing below optimum levels with irregular service delivery to citizens.

**Improving access to and quality of education services.** Did WBG support help improve access to and quality of secondary education (incl. through curriculum reform, teachers' training, reduction in shifts)? To what extent did WBG support help reduce inequities (enrollment and educational attainment of the B40, gender gaps)? Did reforms supported by the WBG in tertiary education contribute to making the educational system more responsive to market demand? Did WBG analytical work contribute to improving the relevance of the training systems and active labor market programs, including enhancing linkages with employers? To what extent did WBG activities contribute to improving the efficiency of public spending on education (e.g., resource allocation, linking financing to performance, decentralization of management)? To what extent did WBG assistance help strengthen institutional capacity in the education sector?

**Improving access to and quality of health services.** Did WBG support help improve access to and quality of health care (incl. retraining of PHC providers, implementation of basic benefits package)? To what extent did WBG support help reduce inequities (access to the poorest quintile, and disadvantaged groups such as poor women, the Roma)? Did the activities supported by the WBG help protect the poorest households against high out-of-pocket payments? Did WBG interventions help increase the share of the population enrolled in health insurance? Did reforms supported by the WBG contribute to improving the efficiency of public spending (e.g., decreasing the share of spending on hospital care, rationalizing plans for facilities, implementing performance-based contracting and monitoring for hospitals, pharmaceutical pricing and regulation, etc.)? To what extent did WBG assistance help strengthen institutional capacity in the health sector?

**Strengthening the targeting and effectiveness of social protection services.** Did WBG interventions help improve the coverage and targeting of Solidarity Albania (social assistance program)? Did WBG support help improve the targeting of the disability assistance scheme? Overall, did WBG interventions help increase transparency and efficiency in the allocation of social assistance resources? To what extent did WBG activities help strengthen the capacity of central and local governments, in charge respectively of designing and carrying out these programs (incl. through the set-up of effective management information systems (MISs)? How effective was WBG technical assistance on pensions in ensuring the less well-off are covered and guaranteeing benefits for future retirees?



**Improving access to and quality of water and sanitation services:** Did WBG support help improve access to water supply and sanitation notably in critical underserved economic areas? To which extent is the policy dialogue in the water sector contributing to sustainable service delivery? To what extent did WBG support contribute to institutional strengthening?

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<sup>1</sup> Notably “low employment rates, low labor force participation rates, significant informality, a substantial share of unpaid family workers and extremely high outmigration” (Source: SCD, p. vii).

## Appendix D. Evaluation Design Matrix

### Evaluation Design Matrix

Key Questions/Issues	Information required	Information sources	Data collection methods	Data analysis methods	Strengths and limitations
<b>Evaluation questions regarding the “overall strategic positioning and program delivery” of the WBG’s approach notably in relation to Albania’s goal of becoming a EU member.</b>					
Relevance and effectiveness of the overall package of WBG strategies and interventions in facilitating EU accession	Development objectives in development strategies	The WBG country strategies	Downloading relevant documents from WBG databases and the website (WBG, IMF, UN, EBRD, governments, etc.)	Desk review of country strategies and projects documents	Limitations on data availability, especially on initial conditions during/after communist regime.
Relevance of WBG support to foster macroeconomic stability	Country socioeconomic context and major development challenges	The government’s strategies and documents	Interviews with key stakeholders: WBG staff, researchers, and experts, government counterparts and civil society	Content analysis, to assess the extent to which objectives reflected priority issues and took into account country context	Limitations on the assessment on relevance and effectiveness of the WBG support under the FY15-19.
Overall WBG strategic positioning in view of context-specific issues, including political economy and capacity factors	Analytical underpinnings of country strategies and program design	Major macroeconomic databases and socio economic indicators		Time-series and cross-country analyses	Interviewee sample limitations.
Flexibility in WBG support	Country risk profiles	WBG project documents and databases		Portfolio review analysis of WBG program/projects	Staff turnover in partner agencies can limit feedback.
Collaboration within the WBG and with other DPs	Governance and institutional indicators	IEG evaluations	Downloading relevant data from WBG and other relevant institutions	Qualitative analysis of interviews	Difficulties and sensitivities involved in assessing political economy.
Effectiveness of WBG in building institutional capacity	Data on financial flow and budget	Evaluations by DPs			Strengths: A series of data and surveys are available
	Project portfolios	Findings from interviews			
		Aid memoire			

Key Questions/Issues	Information required	Information sources	Data collection methods	Data analysis methods	Strengths and limitations
Effectiveness of WBG contribution in reducing exclusion (gender and ethnic minority gaps)	Evidence on influence, and development impact of the WBG support				
	Evidence on flexibility and synergies in the WBG engagement				
	Evidence on donor coordination, harmonization with DPs, and effective platforms for policy dialogue				
	Usage and impact of knowledge work			Retrospective review of the results frameworks	
Relevance of the results frameworks	Results frameworks, monitoring indicators and the project results				

Key Questions/Issues	Information required	Information sources	Data collection methods	Data analysis methods	Strengths and limitations
<b>Evaluation questions on the achievement of relevant WBG objectives by (sub-) pillar, with reference to the results frameworks</b>					
<p><b><i>To what extent did the WBG contribute to the achievement of objectives and related sub-objectives under each of the four pillars and cross-cutting issues – facilitating EU accession, promoting socio-economic inclusion (gender and ethnic minorities), and building institutional capacity? In addition to discussing the pertinence of each sub-objective (and the indicators used to measure progress) under the respective pillars, the evaluative questions under each pillar will assess, inter alia:</i></b></p> <p><b><i>Were the instruments used consistent with the objective?</i></b></p> <p><b><i>What were the actual results achieved by Albania in the respective area?</i></b></p> <p><b><i>What was the contribution of the WBG to the results achieved?</i></b></p> <p><b><i>To what extent has Bank support been mainstreaming cross-cutting issues in its strategies and its lending and non-lending products, and to what extent has it been contributing to the achievement of targeted outcomes?</i></b></p> <p><b><i>Did WBG interventions build upon synergies within and/or across pillars?</i></b></p> <p><b><i>Did WBG intervention build on synergies across WBG institutions and with other development partners?</i></b></p>					
<b>Pillar 1:</b> <i>How relevant and effective were the WBG programs in strengthening macro-financial and public sector governance?</i>	Evidence on relevance of WBG support	WBG country strategies, and project documents  IEG thematic evaluations, CLR Reviews, PPARs ICRs	Downloading documents and data from the WBG and the government website.	Desk review of country strategies, projects documents, and WBG reports  Data analyses Qualitative analysis of interviews	Limitations on availability of evidence on projects, which were initiated in recent years. This evaluation will focus on relevance.  Challenges in attribution of effects to WBG interventions. E.g. Potential weakness of links of interventions to sectoral performance due to other binding constraints. Impact of global financial crisis and other global/regional events may
<b>Pillar 2:</b> <i>How relevant and effective were the WBG programs in improving the conditions for private sector development?</i>	Evidence on effectiveness of relevant interventions	Evaluations by DPs	Interviews with key stakeholders, including WBG staff, relevant ministries, local governments, private sector, development		
<b>Pillar 3:</b> <i>How relevant and effective were the WBG programs managing natural capital and</i>	Evidence on incorporating cross-	Findings from interviews and site visits			

Key Questions/Issues	Information required	Information sources	Data collection methods	Data analysis methods	Strengths and limitations
<p><i>reducing climate change vulnerabilities?</i></p> <p><b>Pillar 4:</b> <i>How relevant and effective were the WBG programs in improving the efficiency, equity and access to basic social services, notably health, education and social protection?</i></p> <p><i>Did the WBG interventions draw upon synergies within or across pillars?</i></p> <p><i>Did WBG intervention build on synergies across WBG institutions and with other development partners?</i></p>	<p>cutting issues in strategies and projects.</p>	<p>Government documents and legal documents</p> <p>Household surveys, national surveys and studies,</p> <p>Data and statistics on economic/social indicators</p> <p>Published literatures and reports</p>	<p>partners and civil society</p> <p>Collecting data during the field mission</p> <p>Visiting project sites</p>		<p>overwhelm that of reform efforts. Attribution problem given the important role played by many donors.</p> <p>The evaluation focuses on incorporating cross-cutting issues in strategies and design of projects. Limited evidence on effectiveness.</p> <p>Limitations on availability of evidence on regional projects.</p> <p>Strengths: A series of data and surveys are available</p>

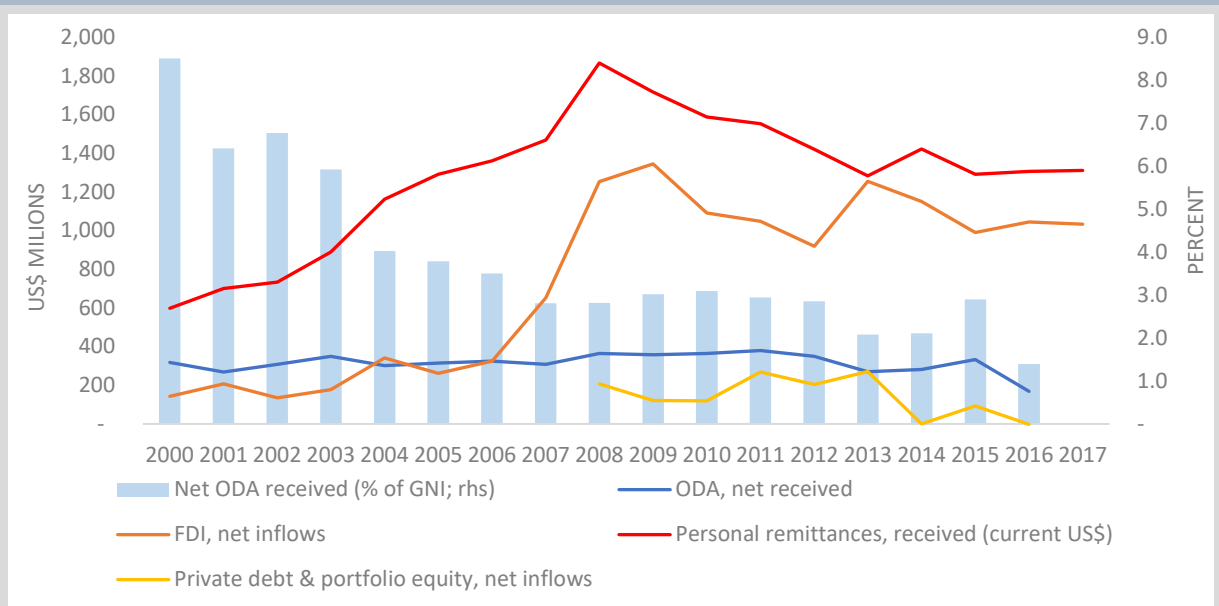
## Appendix E. Detailed Timeline

Item	Date
IEG one-stop review for approach paper (AP)	November 13, 2018
Circulation of AP to WBG management	November 29, 2018
Submission of AP to CODE	January 11, 2019
Data gathering and analysis	August 2018 – Mid January 2019
Mission	January 21, 2019 – Feb 1 2019
IEG one stop review for draft report	May 9, 2019
Report circulated for internal WBG review	May 23, 2019 June 5, 2019
Report sent for Government comments	
e-Submission of final report to CODE	June 28, 2019

## Appendix F. Preliminary Portfolio Review of World Bank Group Operational Program in Albania FY11-19

Financial flows to Albania have declined over the last 10 years with the peak before the financial crisis in 2008. While personal remittances doubled from \$598 million in 2000 to \$1.3 billion in 2017, the latter represents a decline from the peak at \$1.9 billion in 2008 (figure F.1). FDI net inflows increased by seven times from \$143 million to \$1 billion during the same period; however, it has fluctuated after the crisis. Albanian’s financial flows were heavily affected by the EU countries, particularly Greece and Italy, which are Albania’s largest trading partners. The net ODA remained around \$300 million till 2015 and hit the lowest level (\$169 million) in 2016. As a ratio of GNI, it declined from 8.5 percent in 2000 and to 1.4 percent in 2016. Given the constraints on declining financial flows, leveraging ODA and developing the private sector are critical for sustainable growth and development.

**Figure F.1. Financial Flows to Albania, 2000-17**

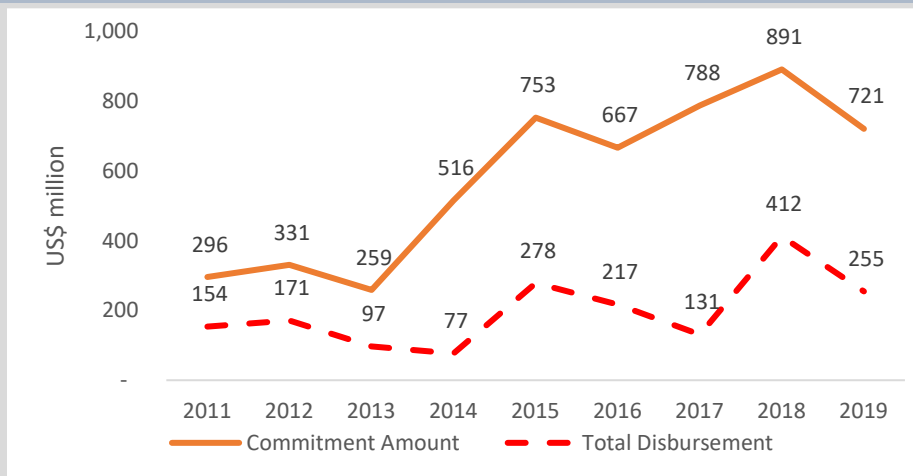


Source: WDI.

**World Bank financing.** The WBG continued to support Albania with increasing commitments and disbursements over the two CPS/CPF periods (figure F.2). The Bank approved 19 IBRD projects to Albania with a total commitment of \$1.1 billion over the FY11-19 period (as of September in FY19). There were 34 IDA and IBRD projects with a total commitment of \$1.4 billion, including the ongoing projects approved prior to the evaluation period. Eighty five

percent of the total commitment was from IBRD (24 projects) and fifteen percent was originated from IDA (10 projects). Annual average lending commitments for FY11-14 were \$350 million and disbursements were \$125 million, while averages for FY15-19 were \$764 million and \$259 million respectively. Slow rates of disbursement (respectively 11 percent and 7 percent in FY16 and FY17) reflect the challenging implementation environment affected by political (tensions between parties in the ruling coalition) and technical complexities in face of insufficient know-how (complex and large procurement packages). The average annual IDA/IBRD disbursements were clearly important contributors to overall ODA flows.<sup>1</sup>

**Figure F.2. Commitments and Disbursements to Albania, FY11-19**

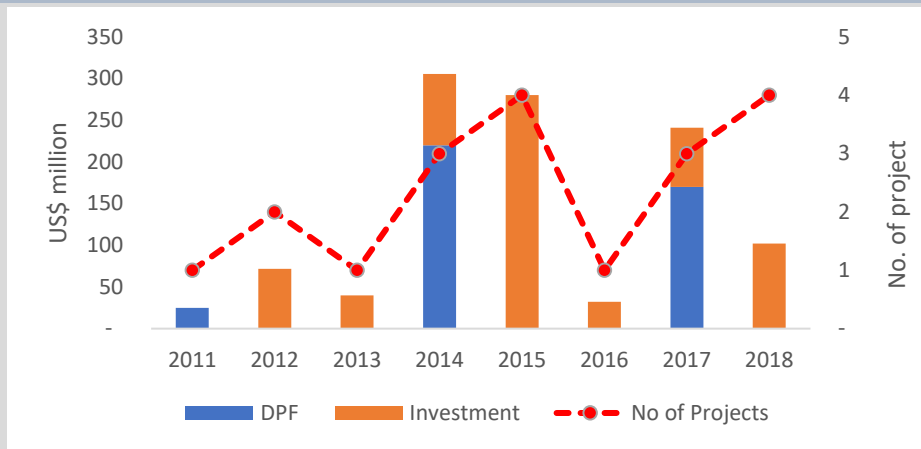


Source: WB Business Intelligence.

Reflecting the ambitious reform agenda of the coalition Government that took office in 2013, there were some changes in the engagement model and the priority areas. In FY14, new IBRD commitments rose above \$300 million, at the time a record amount for Albania, including two Development Policy Loans (DPLs) (Financial Sector DPL and Public Finance DPL) to support macro-fiscal sustainability and financial stabilization, respectively. There were 14 investment project financing (IPF) operations approved (\$682 million) and 5 DPLs (\$415 million) approved.



**Figure F.3. Amount (by Instrument Type) and Number of IBRD Commitments to Albania, FY11-19**



Source: WB Business Intelligence.

**IDA/IBRD program implementation.** Under the FY11-14 CPS, the Bank's actual lending volumes were \$602 million, close to the proposed allocation in the CPS baseline scenario (\$625 million) (table F.1). Under the FY15-19 CPF, the Bank's actual lending volumes were \$645 million, reaching about half of the proposed allocation (as of September 2019).

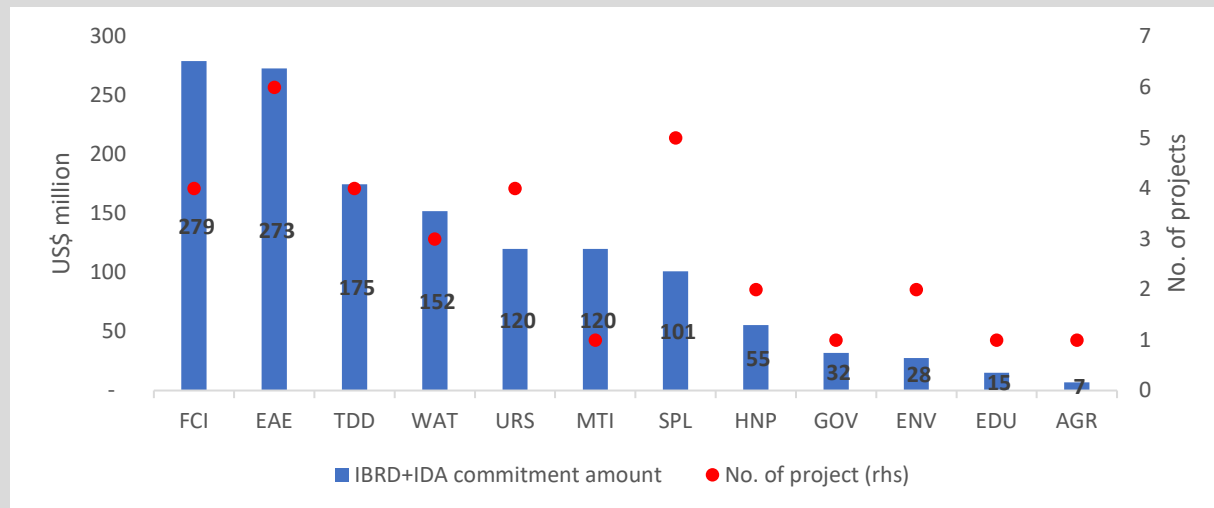
**Table F.1. Albania Planned and Actual IDA/IBRD Lending, during the CPS FY11-FY14 and CPF FY15-19**

	CPS FY11-14			CPF FY15-19		
	Proposed	Actual	Ongoing	Proposed	Actual	On-going
Total during period	625	602	261	1,220	645	238
Average annual	156	150		244	129	

Sources: IEG based on CPS, CPSPLR, CPF, and WB Business Intelligence.

**Distribution of IDA/IBRD commitments by Global Practice (GP).** Among all 34 IDA and IBRD projects, the Finance, Competitiveness & Innovation (21 percent) and the Energy and Extractive (20 percent) Global Practices accounted for the biggest share of commitments amounting to \$552 million, followed by the Transport and Digital Development GP (13 percent) and the Water (11 percent) GP.

**Figure F.4. IDA and IBRD Commitments Active in Albania during FY11-19 by Global Practice**



*Note:* The projects include the one approved before the evaluation period and closed or remaining active during the evaluation period.

*Source:* WB Business Intelligence.

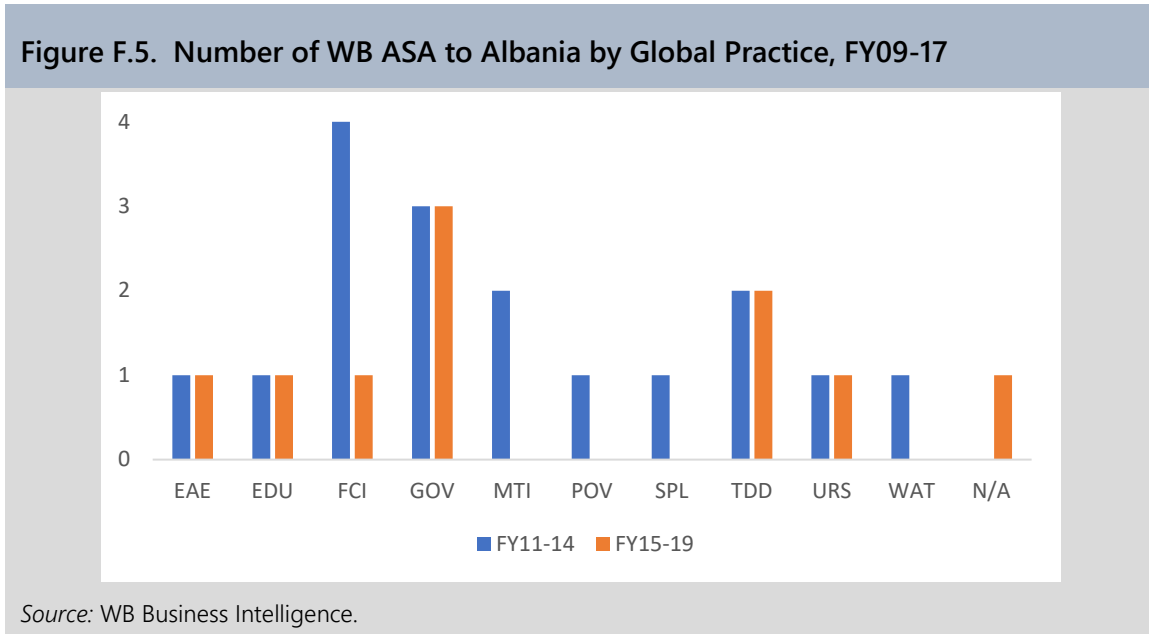
**Regional Lending.** To promote Albania’s regional integration, the Bank supported the Government of Albania (GoA) through regional projects. Albania participated in one IBRD regional lending operation for ECA, with a total regional commitment of \$800 million. It has been implemented by the Energy and Extractives GP.

**Country-level Performance.** During the review period, 17 projects have been evaluated by IEG with a total associated commitment of \$451.2 million. Albania performed better with an outcome rating of moderately satisfactory or better of 86.2 percent, higher than the Bank-wide average of 82.5 percent but lower than the ECA average of 92.1 percent. The average Risk to Development Outcome Rating for Albania projects, at 41.2 percent moderate or higher, is more favorable than the ECA average of 56.8 percent and the overall Bank average of 45.5 percent (tables F.4 & F.5).

**Projects at Risk.** The share in terms of the number of projects at risk for Albania (26.2 percent) is higher than that for the ECA region (19.2 percent) and the Bank average (23.4 percent) and is the same as the share of commitments at risk (table F.6).

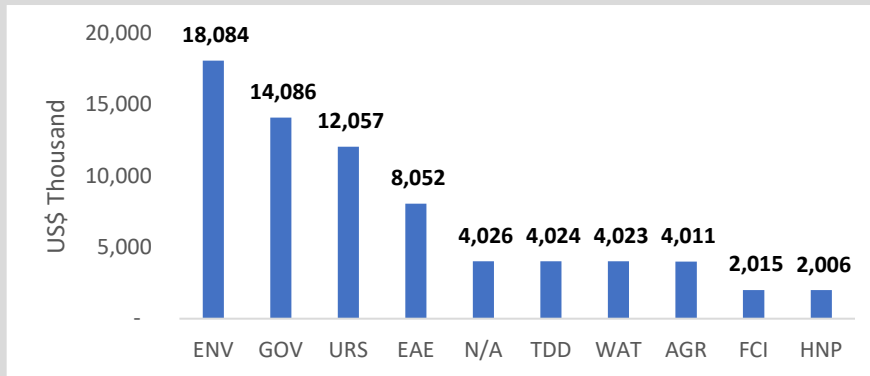
**WB Advisory Services and Analytics (ASA).** During the review period, there were 27 Advisory Services and Analytics completed corresponding to 10 Economic Sector Work (ESW) (\$2.36 million) and 17 non-lending Technical Assistance (TA) activities (\$2.28 million). Since FY11, the Bank has provided ASA notably in Governance (6 projects, 22 percent of total number of ASA), Finance, Competitiveness & Innovation (5 projects, 19 percent) and Transport & Digital

Development (4 projects, 15 percent). During the FY11-14, the number of ASA by Finance, Competitiveness & Innovation was the highest (4 projects) to respond to the Government’s needs to manage crisis and improve financial stability (figure F.5).



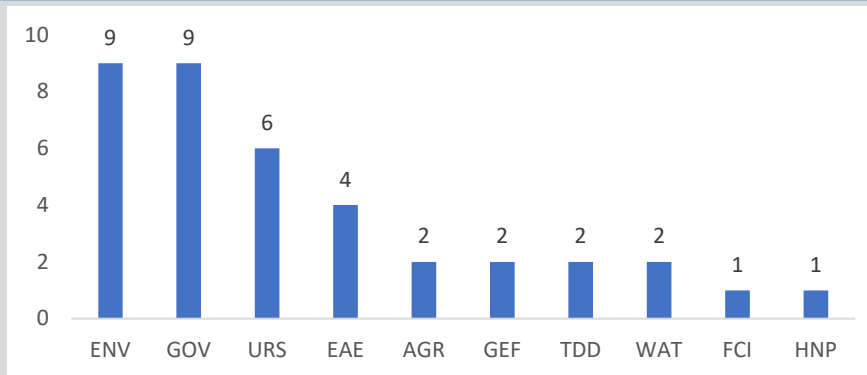
**Trust Fund (TF) Financing.** There was a total of 38 trust funded activities in Albania active during the review period amounting to \$76.2 million. The Environment and Natural Resources GP ranks highest among the GPs at 24 percent in terms of amount (\$18.1 million, 9 projects) followed by Governance \$14.09 million (19 percent, 9 projects), Urban, Rural and Social (17 percent, 6 projects) and Energy and Extractives (11 percent, 4 projects). Four Governance TF were approved during the CPS and CPF period respectively. Six out of nine TF projects for Environment GP were approved prior to the evaluation period.

**Figure F.6. Active Trust Fund Financing in Albania by Practice (amount), FY11-19**



Source: Client Connection.

**Figure F.7. Active Trust Fund Financing in Albania by Practice (no. of projects), FY11-19**



Source: Client Connection.

**IFC Investment and Advisory Service.** There were 9 investments and 16 advisory projects in Albania totaling to \$220.62 million (original commitment) and \$22.31 million, respectively during the review period. 8 out of 9 investments were approved during the FY11-14 CPS period and before. No direct IFC investment was made during the FY15-19 CPF period except indirect financing of highway PPP and trade finance for a local bank. Three major sectors for the investments were Banking, Energy, and Oil, Gas & Mining. IEG has reviewed one investment and three advisory projects during the review period. IEG rated the investment project Mostly Unsuccessful on development outcomes. IEG rated two advisory projects Mostly Successful and one Successful on development effectiveness.

MIGA. As of December 3, MIGA issued political risk insurance guarantees for a total gross outstanding exposure of \$287 million in support of four projects, three in the banking sector (\$225 million) and one in the power sector (\$62 million).

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<sup>1</sup> Average annual IDA/IBRD disbursements accounted for 44 percent of average annual total ODA disbursements during FY11-16 (IEG calculation based on the WB Business Intelligence and OECD aid data).



Table F.2. WB Lending for Albania FY11-19

No.	Proj ID	Fiscal year	Exit FY	Proj Name	Agreement Type	Proj Stat	Practice	Len Instr Type	"IBRD Commit Amt"	"IDA Commit Amt"	IBRD+IDA+Grant Amt
1	P166469	2018	#	AF 2 ECSE APL5 Dam Safety	IBRD	Active	EAE	Investment	14.2	0	14.2
2	P162079	2018	#	AF Social Assistance Modernization	IBRD	Active	SPL	Investment	11	0	11
3	P163239	2018	#	Regional and Local Roads Connectivity	IBRD	Active	TDI	Investment	50	0	50
4	P162786	2018	#	Albania WRIP AF	IBRD	Active	WAT	Investment	26.8	0	26.8
5	P152064	2017	2018	AL Financial Sector DPL	IBRD	Closed	FCI	Dev Pol Lend	100	0	100
6	P155605	2017	2018	Albania Competitiveness DPL	IBRD	Closed	FCI	Dev Pol Lend	70	0	70
7	P155875	2017	#	Proj. for Integrated Urban & Tourism Dev	IBRD	Active	URS	Investment	71	0	71
8	P151972	2016	#	Citizen-centered public services	IBRD	Active	GOV	Investment	32	0	32
9	P144029	2015	#	Power Recovery Project	IBRD	Active	EAE	Investment	150	0	150
10	P130492	2015	#	ENVIRONMENTAL SERVICES PROJECT	IBRD	Active	ENV	Investment	10	0	10
11	P144688	2015	#	Albania Health System Improvement	IBRD	Active	HNP	Investment	40	0	40
12	P132982	2015	#	RRMSP	IBRD	Active	TDI	Investment	80	0	80
13	P146280	2014	2015	AL Financial Sector DPL	IBRD	Closed	FCI	Dev Pol Lend	100	0	100
14	P147226	2014	2016	Public Finance DPL	IBRD	Closed	MTI	Dev Pol Lend	120	0	120
15	P102733	2014	#	Water Sector Investment Project	IBRD	Active	WAT	Investment	85.3	0	85.3

16	P121186	2013	#	WATER RESOURCES AND IRRIGATION	IBRD	Active	WAT	Investment	40	0	40
17	P125856	2012	#	DAM SAFETY - ADDITIONAL FINANCING	IBRD	Active	EAE	Investment	21.6	0	21.6
18	P122233	2012	#	Social Assistance Modernization Project	IBRD	Active	SPL	Investment	50	0	50
19	P116937	2011	2012	Social Sector Reform DPL	IBRD	Closed	SPL	Dev Pol Lend	25	0	25
20	P107382	2009	2013	ADD'L FIN - SOC SERVICE DEL	IBRD	Closed	SPL	Investment	5	0	5
21	P110481	2008	#	ECSEE APL 5 DAM SAFETY	IDA	Active	EAE	Investment	0	35.3	35.3
22	P110845	2008	2013	DISASTER RISK MITIGATION	IBRD	Closed	URS	Investment	3	6.2	9.2
23	P107833	2008	2013	SECONDARY AND LOCAL ROADS	IDA	Closed	TDI	Investment	0	20	20
24	P096643	2007	2012	AL Busi Env Ref & Insti Streng	IBRD	Closed	FCI	Investment	5.6	3.7	9.3
25	P096263	2007	2014	LAND ADMIN & MGMT PROJ	IBRD	Closed	URS	Investment	20	15	35
26	P078949	2007	2011	TRANSPORT	IBRD	Closed	TDI	Investment	20	5	25
27	P078933	2006	2013	EDUC EXCEL & EQUITY	IDA	Closed	EDU	Investment	0	15	15
28	P082814	2006	2012	HEALTH SYST MOD	IDA	Closed	HNP	Investment	0	15.4	15.4
29	P100273	2006	2011	AVIAN FLU - AL	IDA	Closed	URS	Investment	0	5	5
30	P082375	2005	2011	NATURAL RES DEVT	IDA	Closed	AGR	Investment	0	7	7
31	P090656	2005	2012	ECSEE APL2 (ALBANIA)	IDA	Closed	EAE	Investment	0	27	27
32	P086807	2005	2015	COASTAL ZONE MGMT (APL #1)	IDA	Closed	ENV	Investment	0	17.5	17.5
33	P077526	2004	2012	POWER SECTOR GENER & RESTRCT'G	IDA	Closed	EAE	Investment	0	25	25
34	P055383	2001	2013	SOC SERV DEVT	IDA	Closed	SPL	Investment	0	10	10
TOTAL									1,150.5	207.1	1,357.6

Source: WB Business Intelligence as of April 2, 2018.



Table F.3. Advisory Services and Analytics (ASA) for Albania FY11-19

**A. Economic and Sector Work**

	Proj ID (AAA)	Project Name	Fee Based Flag	Fiscal year	Practice	Report Type	Total Cum Cost (US\$T)
<b>1</b>	P107759	Accountability for Better Governance AAA	No	FY11	EDU	Other Social Protection Study	320
<b>2</b>	P124165	DeMPA Assessment - Albania	No	FY11	MTI	General Economy, Macroeconomics, and Growth Study	65
<b>3</b>	P143099	Public Finance Review	No	FY14	GOV	Public Expenditure Review (PER)	471
<b>4</b>	P145524	Policy Notes	No	FY14	MTI	Sector or Thematic Study/Note	8
<b>5</b>	P146188	Albania FSAP Update	No	FY14	FCI	Financial Sector Assessment Program (FSAP)	333
<b>6</b>	P152404	Assessment of Road Assets	No	FY16	TDD	Sector or Thematic Study/Note	17
<b>7</b>	P155674	Public Finance Functional Review	No	FY16	GOV	Sector or Thematic Study/Note	249
<b>8</b>	P156725	Albania Skills and Jobs Diagnostic	No	FY17	EDU	Sector or Thematic Study/Note	280
<b>9</b>	P157934	Country Fiduciary and Project Implement.	No	FY17	GOV	Integrative Fiduciary Assessment (IFA)	230
<b>10</b>	P159602	Albania Sustainable Logistic - MDTF	No	FY17	TDD	Sector or Thematic Study/Note	302

## B. Technical Assistance

	Proj ID (AAA)	Project Name	Fee Based Flag	Fiscal year	Practice	Report Type	Total Cum Cost (US\$T)
1	P112643	FBS - Pro-Poor Gov in Water and Electr	Yes	FY12	POV	Technical Assistance	498
2	P115786	Albania CGAC Program - GPF Grant	No	FY15	GOV	Technical Assistance	44
3	P117865	Albania: #8090 Fin Crisis CP & Sim. Ex.	No	FY11	FCI	Technical Assistance	232
4	P118219	Albania GPF - e-government TA	No	FY11	TDD	Technical Assistance	105
5	P119929	Expropriation safeguards TA (TF096005)	No	FY12	URS	Technical Assistance	38
6	P122125	FBS-Pro-Poor Govt in Water and Electric.	Yes	FY12	WAT	Technical Assistance	18
7	P122126	FBS-Pro-Poor Govt. in Water and Electric	Yes	FY12	EAE	Technical Assistance	65
8	P126807	Albania repeat PEFA Assessment	No	FY12	GOV	Technical Assistance	137
9	P127294	Albania #10051 Liberalizing MTPL Ins Mkt	No	FY13	FCI	Technical Assistance	249
10	P127599	Pension Reform TA	No	FY13	SPL	Technical Assistance	112
11	P130386	Universal Access and Service ICT Sector	No	FY13	TDD	Technical Assistance	150
12	P130439	Albania #10177 Strength Deposit Insurance	No	FY13	FCI	Technical Assistance	82
13	P131457	Support to PFM Strategy in Albania	No	FY14	GOV	Technical Assistance	46
14	P149745	Reducing Risk and Building Resilience	No	FY16	URS	Technical Assistance	245
15	P150997	Albania B004 Pension Supervsn	No	FY16	FCI	Technical Assistance	261
16	P154086	Citizen Centric Service Delivery JIT TA	No	FY16	N/A	Technical Assistance	41
17	P158420	Albania Energy PSIA	No	FY17	EAE	Technical Assistance	35

Source: WB Business Intelligence as of 9/12/18.

**Table F.4. Albania Trust Fund Financing in FY11-19**

	Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount	GP
1	P159931	Development of Public Sector Accounting	TF A5134	2018	2020	376,500	GOV
2	P159931	Development of Public Sector Accounting	TFA3277	2018	2020	1,073,500	GOV
3	P158380	SUPPORT TO EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE COMPLIANCE PROCESS PROJECT	TF A1769	2016	2019	400,000	EAE
4	P153167	Albania: Procurement Performance Enhancement Project	TF 19164	2016	2018	270,000	GOV
5	P152567	Albania-Enhancing Quality of Financial Reporting (EQ-FINREP)	TF 19228	2015	2020	2,076,348	GOV
6	P128412	ENVIRONMENTAL SERVICES	TF 17364	2015	2020	2,880,000	ENV
7	P153211	Albania FSA - SECO Trust Fund for Strengthening Supervisory Capacities	TF 18931	2015	2019	1,583,721	FCI
8	P130492	ENVIRONMENTAL SERVICES PROJECT	TF 18238	2015	2019	7,960,000	ENV
9	P143963	Albania MDTF for Extractive Industry Transparency Initiative (EITI), Implementation Support, Phase III	TF 14999	2014	2016	420,000	EAE
10	P132982	Results-based Road Maintenance and Safety Project	TF 14761	2014	2015	700,000	TDD
11	P121186	Water Resources and Irrigation Project	TF 14255	2013	2019	5,094,000	WAT
12	P129332	Second MDTF for Capacity Building Support to Implement the IPS (IPS 2)	TF 13972	2013	2019	4,833,416	GOV
13	P132679	Land Degradation Enabling Activities - Albania	TF 13194	2013	2016	150,000	N/A
14	P132129	Revision of the National Biodiversity Strategy and Action Plan	TF 12599	2013	2015	220,000	N/A
15	P096263	Land Administration and Management Project (LAMP)	TF 12392	2013	2014	2,706,131	URS
16	P120961	Free Standing TF on Natural Resource Development	TF 11576	2012	2014	2,716,028	ENV
17	P116632	Albania: Extractive Industries Transparency Initiative Implementation	TF 12148	2012	2013	110,000	EAE
18	P127684	Supporting to increasing security of Albania's e-procurement system	TF 11176	2012	2013	100,000	GOV
19	P125591	REPARIS Albania MDTF No. TF098923 Corporate Financial Reporting Enhancement Project	TF 98923	2011	2014	1,819,876	GOV

<b>20</b>	P122216	Albania - Mini Development Marketplace for Governance	TF 97338	2011	2013	140,000	GOV
<b>21</b>	P110845	Disaster Risk Mitigation and Adaptation Project	TF 99141	2011	2013	600,000	URS
<b>22</b>	P113978	Youth Empowerment through Community Development in Albania	TF 93709	2010	2014	1,155,700	URS
<b>23</b>	P102733	Water Sector Investment Project	TF 93096	2010	2013	980,000	WAT
<b>24</b>	P114789	Strengthening Aarhus Convention Implementation	TF 94711	2010	2013	370,000	TDD
<b>25</b>	P116632	Albania: Extractive Industries Transparency Initiative Implementation	TF 96009	2010	2012	275,000	EAE
<b>26</b>	P084605	ALBANIA/MONTENEGRO LAKE SKHODER INTEGRATED ECOSYSTEM MANAGE	TF 91937	2009	2013	1,990,000	ENV
<b>27</b>	P096263	Land Administration and Management Project (LAMP)	TF 90309	2008	2014	2,447,013	URS
<b>28</b>	P096263	Land Administration and Management Project (LAMP)	TF 56729	2008	2013	1,537,000	URS
<b>29</b>	P105143	Albania MD Capacity Building & Support to Implement the Integrated Planning System	TF 90843	2008	2012	6,391,344	GOV
<b>30</b>	P085089	Albania Butrint Global Biodiversity and Heritage Conservation	TF 56176	2008	2011	950,000	ENV
<b>31</b>	P091145	Afforestation & Reforestation of Refused Lands in Albania BioCarbon Fund Project	TF 56871	2007	2019	1,013,584	ENV
<b>32</b>	P100273	Avian Influenza Control and Human Pandemic Preparedness and Response Project	TF 56728	2007	2011	800,000	URS
<b>33</b>	P086807	Integrated Coastal Zone Management & Clean-Up Project (APL #1)	TF 55922	2006	2015	2,509,878	ENV
<b>34</b>	P086807	Integrated Coastal Zone Management & Clean-Up Project (APL #1)	TF 55065	2006	2015	2,230,000	ENV
<b>35</b>	P082814	Health System Modernization Project	TF 55804	2006	2012	1,610,000	HNP
<b>36</b>	P086807	Integrated Coastal Zone Management & Clean-Up Project (APL #1)	TF 54400	2006	2011	3,113,333	ENV
<b>37</b>	P082375	Natural Resources Development Project	TF 54995	2006	2011	5,047,774	AGR
<b>38</b>	P089061	Albania - Natural Resources Development Project	TF 54926	2005	2012	5,000,000	AGR

Source: Client Connection and BI 8/8/18

Table F.5. IEG Ratings for WB projects for Albania, ECA region, and World, FY11-19

Region	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$)	Outcome % Sat (No)	RDO % Moderate or Lower Sat (\$)	RDO % Moderate or Lower Sat (No)
Albania	451.2	17	86.2	76.5	24.4	41.2
ECA	31,540.5	320	92.1	80.2	59.6	56.8
World	170,194.2	1,954	82.5	72.1	56.2	45.5

Source: WB Business Intelligence as September 13, 2018.

**Table F.6. IEG Ratings for WB projects for Albania, FY11-19**

Exit FY	Proj ID	Project name	Total Evaluated (\$M) *	IEG Outcome	IEG Risk to DO	Agreement Type
2011	P078949	TRANSPORT	26.1	SATISFACTORY	MODERATE	IBRD
2011	P082375	NATURAL RES DEVT	6.9	MODERATELY SATISFACTORY	SIGNIFICANT	IDA
2011	P100273	AVIAN FLU - AL	3.9	MODERATELY SATISFACTORY	SIGNIFICANT	IDA
2012	P077526	POWER SECTOR GENER & RESTRCT'G	24.7	UNSATISFACTORY	HIGH	IDA
2012	P082814	HEALTH SYST MOD	14.5	MODERATELY UNSATISFACTORY	SIGNIFICANT	IDA
2012	P090656	ECSEE APL2 (ALBANIA)	22.3	MODERATELY SATISFACTORY	SIGNIFICANT	IDA
2012	P096643	AL Busi Env Ref & Insti Streng	9.2	MODERATELY SATISFACTORY	MODERATE	IBRD
2012	P105143	IPS Implementation	0.0	MODERATELY SATISFACTORY	MODERATE	RETF
2012	P116937	Social Sector Reform DPL	25.0	MODERATELY SATISFACTORY	MODERATE	IBRD
2013	P055383	SOC SERV DEVT	16.4	MODERATELY SATISFACTORY	MODERATE	IDA
2013	P078933	EDUC EXCEL & EQUITY	14.6	MODERATELY UNSATISFACTORY	MODERATE	IDA
2013	P107833	SECONDARY AND LOCAL ROADS	18.7	HIGHLY SATISFACTORY	MODERATE	IDA
2013	P110845	DISASTER RISK MITIGATION	8.3	MODERATELY UNSATISFACTORY	SIGNIFICANT	IBRD
2014	P096263	LAND ADMIN & MGMT PROJ	33.0	SATISFACTORY	SIGNIFICANT	IBRD
2015	P086807	COASTAL ZONE MGMT (APL #1)	15.8	MODERATELY SATISFACTORY	SIGNIFICANT	IDA
2015	P146280	AL Financial Sector DPL	96.3	SATISFACTORY	SIGNIFICANT	IBRD
2016	P147226	Public Finance DPL	115.5	SATISFACTORY	SIGNIFICANT	IBRD
		Total	451.2			

Notes: WB projects include IDA, IBRD, GEF, and RETF projects.

**Table F.7. Projects at Risk for Albania and Comparators, FY11-19**

Fiscal year	2011	2012	2013	2014	2015	2016	2017	2018	2019	Ave FY11-19
Albania										
# Proj	12	8	5	7	9	9	12	11	11	9
# Proj At Risk	2	3	3	2	1	2	2	3	4	2
% Proj At Risk	16.7	37.5	60.0	28.6	11.1	22.2	16.7	27.3	36.4	26.2
Net Comm Amt	248.6	218.5	198.7	469.7	632.2	544.2	785.2	718.3	718.3	504
Comm At Risk	50.0	59.1	108.7	96.9	85.3	142.2	96.9	270.0	331.0	138
% Commit at Risk	20.1	27.1	54.7	20.6	13.5	26.1	12.3	37.6	46.1	27.4
ECA										
# Proj	242	201	189	202	207	197	202	204	204	205
# Proj At Risk	38	41	45	36	30	40	34	45	45	39
% Proj At Risk	15.7	20.4	23.8	17.8	14.5	20.3	16.8	22.1	22.1	19.2
Net Comm Amt	22,413.8	22,859.4	24,478.6	26,638.2	26,192.1	27,213.5	25,219.5	26,524.9	26,144.8	25,298
Comm At Risk	2,095.9	2,644.2	3,817.5	2,619.0	3,507.2	4,288.2	5,460.1	4,138.4	4,179.3	3,639
% Commit at Risk	9.4	11.6	15.6	9.8	13.4	15.8	21.7	15.6	16.0	14.4
World										
# Proj	1,454	1,371	1,337	1,386	1,402	1,398	1,459	1,497	1,522	1,425
# Proj At Risk	302	304	339	329	339	336	344	348	354	333
% Proj At Risk	20.8	22.2	25.4	23.7	24.2	24.0	23.6	23.2	23.3	23.4
Net Comm Amt	165,792.3	166,208.1	169,430.6	183,153.9	191,907.8	207,350.0	212,502.9	229,965.6	230,145.2	195,162
Comm At Risk	22,573.0	23,324.5	39,638.0	39,748.6	44,430.7	42,715.1	50,837.9	48,148.8	48,858.8	40,031
% Commit at Risk	13.6	14.0	23.4	21.7	23.2	20.6	23.9	20.9	21.2	20.5

Note: Only IBRD and IDA Agreement Type are included.

Source: WB Business Intelligence as of 9/13/18

Table F.8. List of IFC Investments in Albania

A. IFC Investments Committed in FY11-FY19

Project ID	Project Short Name	Institution Number	Cmt FY	Project Status	Primary Sector Name	Project Size	Net Loan	Net Equity	Net Comm	Orig Comm
<b>33378</b>	Kurum Hydro	747848	2014	Active	Electric Power	144,261	40,872	-	40,872	44,911
<b>32190</b>	Credins EE/RE	568237	2013	Closed	Finance & Insurance	12,581	5,070	-	5,070	11,806
<b>32749</b>	Credins Swap	568237	2013	Closed	Finance & Insurance	50	-	-	-	50
<b>33077</b>	Bankers II	622404	2013	Closed	Oil, Gas and Mining	439,000	-	-	-	50,000
<b>33093</b>	GTFP UNION BANK	696024	2013	Active	Finance & Insurance	2,000	718	-	718	718
<b>29208</b>	CEZ Albania	685904	2012	Closed	Electric Power	69,158	28,332	-	28,332	72,378
<b>30979</b>	enso Albania	692149	2012	Active	Electric Power	139,728	8,662	8,662	8,662	8,662
<b>32001</b>	Antea RI	629688	2012	Active	Nonmetallic Mineral Product Manufacturing	6,698	6,698	6,698	6,698	6,698
Sub-Total						813,475	90,352	15,360	90,352	195,223



**B. IFC Investments Committed pre-FY11 but active during FY11-19**

Project ID	Project Short Name	Institution Number	CMT FY	Project Status	Primary Sector Name	Project Size	Net Loan	Net Equity	Net Comm	Orig Comm
25323	SEF Konstruksion	564441	2007	Active	Primary Metals	6,791	2,632	-	2,632	2,632
					Sub-Total	6,791	2,632	-	2,632	2,632
					TOTAL	820,266	92,984	15,360	92,984	197,855

Source: IFC-MIS Extract as 5/31/18

Table F.9. List of IFC Advisory Services in Albania

A. IFC Advisory Services Committed in FY11-FY19

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	BL Name	Total Funds, US\$
<b>601642</b>	Western Balkans Regional Investment Policy and Promotion Project	2017	2020	ACTIVE	EFI	Equitable Growth, Finance and Institutions	2,766,000
<b>600476</b>	Albania Investment climate and agribusiness competitiveness	2016	2020	ACTIVE	EFI	Equitable Growth, Finance and Institutions	2,185,641
<b>601598</b>	Albania: establishment of a day-ahead electricity market	2016	2020	ACTIVE	CAS	Cross-Cutting Advisory solutions	774,000
<b>600511</b>	Albania Labs PPP	2015	2019	ACTIVE	CAS	Cross-Cutting Advisory solutions	710,141
<b>600200</b>	AlbPetrol PPP	2014	2015	TERMINATED	PPP	Public-Private Partnerships Transaction Advisory	1,276,142
<b>599428</b>	ECA DR Western Balkan	2014	2022	ACTIVE	EFI	Equitable Growth, Finance and Institutions	5,436,503
<b>599053</b>	Albania Solid Waste PPP	2013	2017	CLOSED	CAS	Cross-Cutting Advisory solutions	1,009,189
<b>583387</b>	Albanian hydroelectric power plant privatization	2012	2013	CLOSED	CAS	Cross-Cutting Advisory solutions	923,665
<b>566368</b>	Albania Sub-National Regulatory Simplification and Investment Generation	2011	2012	CLOSED	IC	Investment Climate	710,975
<b>29970</b>	Albanian Highway	2011	2018	CLOSED	CAS	Cross-Cutting Advisory solutions	2,421,449
	Sub-Total						18,213,705

### B. IFC Advisory Services Committed prior to FY11 but active during FY11-19

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	BL Name	Total Funds, US\$
<b>568367</b>	Residential Energy Efficiency Project- Albania	2010	2016	CLOSED	FIG	Financial Institutions Group	769,201
<b>575568</b>	Renewable Energy Albania Small Hydro Power	2010	2016	CLOSED	INR	Infrastructure and Natural Resources	1,286,580
<b>563668</b>	ADR ALBANIA Phase II	2009	2011	CLOSED	IC	Investment Climate	247,787
<b>564807</b>	Integrated Solid Waste Management -Albania	2009	2012	CLOSED	SBA	Sustainable Business Advisory	485,000
<b>565267</b>	ISTR AL Exten	2009	2012	CLOSED	SBA	Sustainable Business Advisory	434,297
<b>567127</b>	CorpGovAlb-II	2009	2012	CLOSED	SBA	Sustainable Business Advisory	398,192
	Sub-Total						3,621,057
	TOTAL						21,834,762

Source: IFC AS Data as of July 15, 2018.

This table does not include regional projects:

601333-ECA Energy Solutions for Power and District Heating Sector - ECA Power Program;

595107-See Tax Transparency and Simplification Project

595728-Balkan Renewable Energy Program (BREP);

571707-ECA Risk Management and ECA SME banking Program (2009-2014)

Table F.10. IFC Commitment by Sector in Albania

A. IFC Net Commitment Activity by Product Category in Albania, FY11 - FY19

	2011	2012	2013	2014	2015	2016	2017	2018	Total
<b>Long-term Investment Commitment</b>									
Financial Markets	-	-	11,814,350	314,820	(7,371,270)	-	(50,000)	-	4,707,900
Other MAS Sectors	-	-	-	45,435,272	(5,034,094)	7,970	-	-	40,409,147
Manufacturing	-	6,758,006	48,700	58,300	(246,700)	(3,750)	25,650	27,650	6,667,856
Tourism, Retail, Construction & Real Estates (TRP)	1,246,875	(1,080,150)	(3,879,760)	56,350	(6,296,050)	-	-	-	(9,952,735)
Oil, Gas & Mining	-	25,000,000	50,000,000	-	(2,000,000)	-	(61,770,670)	-	11,229,330
Infrastructure	-	73,698,800	(40,604,614)	217,550	(557,552)	(8,475)	57,970	62,490	32,866,169
<b>Total IFC Long Term Investment Commitment</b>	<b>1,246,875</b>	<b>104,376,656</b>	<b>17,378,676</b>	<b>46,082,291</b>	<b>(21,505,666)</b>	<b>(4,255)</b>	<b>(61,737,050)</b>	<b>90,140</b>	<b>85,927,667</b>
<b>Short-term Finance/Trade Finance</b>									
Average Outstanding Balance	199,373	-	-	133,429	224,657	-	-	-	557,459

Source: IFC MIS as of 7/25/18

Note: IFC began reporting average outstanding short-term commitments (not total commitments) in FY15 and no longer aggregates short-term commitments with long-term commitments. IEG uses net commitment number for IFC's long-term investment. For trade finance guarantees under GTFP, average commitment numbers have been used.

## B. IFC Original Commitment Activity by Product Category in Albania, FY11 - 15

	2011	2012	2013	2014	2015	Total
Financial Markets	0	0	11,856,200	0	0	11,856,200
Trade Finance	398,745	0	0	266,859	449,315	1,114,918
Other MAS Sectors	0	0	0	44,911,350	0	44,911,350
Manufacturing	0	6,697,890	0	0	0	6,697,890
Oil, Gas & Mining	0	25,000,000	50,000,000	0	0	75,000,000
Infrastructure	0	81,039,400	0	0	0	81,039,400
<b>Total</b>	<b>398,745</b>	<b>112,737,290</b>	<b>61,856,200</b>	<b>45,178,209</b>	<b>449,315</b>	<b>220,619,758</b>

Source: IFC MIS as of 12/12/18

## Table F.11. List of MIGA Activities in Albania

Project Name	Fiscal Year	Status	Sector	Gross Exposure
Raiffeisen Sh.A.	2018	Active	Banking	150
Alpha Bank Albania Sh.a.	2016	Active	Banking	54
Energji Ashta Shpk (Ashta)	2012	Active	Power	62
ProCredit Bank S.A.	2011	Active	Banking	22
<b>Total</b>				<b>287</b>

Source: MIGA 12/3/18.

## **Appendix G. Evaluation Report Outline**

### **Chapter 1: Introduction**

- 1.1 Country Context
- 1.2 WBG Strategic Objectives and Program Delivery
- 1.3 WBG and ODA
- 1.4 Toward a Consolidated Framework for the Evaluation Period

### **Chapter 2: Assessing WBG strategic positioning and program delivery**

- 2.1 Assessing the relevance of WBG support against overarching goals -the country's national goal of joining the EU and the need to sustain macro financial stability
- 2.2. Assessing the relevance of overall WBG strategic positioning in view of context-specific issues, including political economy and capacity factors
- 2.3. Assessing the selectivity of WBG support
- 2.4. Assessing the flexibility of WBG support
- 2.4. Assessing the partnership with other DPs incl. EU

### **Chapter 3: Assessing the relevance and effectiveness of WBG support under each evaluation pillar**

- 3.1. Strengthening Macro-Financial and Public Sector Governance
- 3.2. Improving the Conditions for Private Sector Development
- 3.3. Managing natural capital and reducing climate change vulnerabilities
- 3.4 Improving the Quality of Service Provision in the Social Sectors and Water and Sanitation

### **Chapter 4 : Conclusion, lessons and recommendations**

- 4.1. Conclusion
- 4.2. Lessons
- 4.3. Recommendations