



**The European Union's "2007/145-210" Project
for the WBT Region**

**Service Contract for a Monitoring system of the
implementation of Projects and Programmes of External Co-
operation financed by the European Community
Lot 6: Western Balkans & Turkey**

**Synthesis Report on
*EU Funded National Projects in
Albania monitored in the Period
January to June 2010***

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This report has been produced in the frame of a project funded by the European Union. The content of this publication is the sole responsibility of the Results-Oriented Monitoring (ROM) WBT Team and can in no way be taken to reflect the views of the European Union.

It is recalled that the ROM system focuses on individual projects and is solely designed to measure their individual performance, within the overall frame of the Project Cycle Management (PCM) approach. Its methodology and criteria have not been thought for (foreseen?), nor tailored to allow drawing more general findings, conclusions or recommendations on any higher or wider level, such as sectors, countries or regions.

For this reason, attention is drawn to the fact that such more general findings and conclusions, formulated in this Synthesis Report, should be considered as indicative only, without any statistical validity or reliability whatsoever.

REPORT COVER PAGE

Project Title	“Service Contract for a Monitoring system of the Implementation of Projects and Programmes of External Co-operation financed by the European Community - Lot 6: Western Balkans & Turkey”,
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Date of report:	22 June 2010
Authors of report:	David Jackson, Regional Team Leader, Tirana Arian Hoxha, Regional Monitor Katerina-Maria Sourouni, KOMIS Manager
QA of report:	Athanasios Papakonstantinou, Quality Manager

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1. ACHIEVEMENTS

1.1. Overview of outputs

During the period from 01/01/2010 to 30/06/2010, the following have been achieved with regard to the monitoring of projects in Albania:

20 ongoing national (bilateral) projects were monitored.

20 missions were implemented.

20 sets of ROM outputs (Monitoring Reports, Background Conclusion Sheets and Project Synopses) were submitted.

The monitored projects cover a total of 14 specified sectors (at CRS level code):

- 1 project in 11320: Secondary education
- 2 projects in 33120: Trade facilitation
- 2 projects in 31195: Livestock/veterinary services
- 3 projects in 21010: Transport policy and administrative management
- 2 projects in 15130: Legal and judicial development
- 1 project in 33210: Tourism policy and administrative management
- 1 project in 16020: Employment policy and administrative management
- 1 project in 16062: Statistical capacity building
- 2 projects in 15111: Public Finance Management
- 1 project in 15110: Economic and development policy/planning
- 1 project in 31310: Fishing policy and administrative management
- 1 project in 14050: Waste management/disposal
- 1 project in 33110: Trade policy and administrative management
- 1 project in 43050: Non-agricultural alternative development

The total budget (EC contribution) covered was € 29.546.945.

The average size of the monitored projects was € 1.477.347.

2. ANALYSIS OF ROM RESULTS

2.1. Operational Conclusions

2.1.1 Best Practices

This section highlights the examples of best practices identified among the projects monitored. In order to identify the candidate projects and single out the best practices, the following four-stage method was applied:

Stage 1: Draw up a "shortlist" of all "very good" projects, having a general average score above 3,00.

Stage 2: Select all projects which have at least one "A" grade.

Stage 3: Remove all projects which have "C" or "D" grade.

Table 1: Short-listed success stories in the reference period in Albania

#	Title	Type of Project	Country of Implementing Entity (Contractor)	EC Budget	Project Authority	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Average Score	% of excellence
1	Development of Public Internal Financial Control	National	United Kingdom	€ 1,000,000	National Audit Office	A	A	B	B	B	3.54	85 %

Stage 4: Identify the success stories in terms of design quality, sound operational set-up and expected results.

The result of the method is summarised in the following table providing a short profile of the selected project and presenting comments on the selection process and reasons for success:

Table 2: Success Story

Project Title	Development of Public Internal Financial Control	
Monitoring	Report N° & grades	MR-120582.02: A-A-B-B-B
	Previous grades	B-B-B-B-B
Type	National	
Sector	15111 - Public Finance Management	
Intervention Logic	<p>Overall Objective: To strengthen Public Internal Financial Control in Albania to ensure compliance with EU and International Standards in accordance with Article 90 of the SAA.</p> <p>Project Purpose: To assist the beneficiary to ensure the correct and timely use of public funds through supporting the establishment of two Central Harmonisation Units (CHUs) in Financial Management and Control (FMC) and in Internal Audit (IA).</p> <p>Specific Project Purpose: To support both CHUs to (i) be technically competent and operational; (ii) update and implement the AP for PIFC in line with the legal and administrative framework in Albania; (iii) issue regulations and guidelines on FMC and IA based on managerial accountability; (iv) include all foreign grants under Government Reporting; (v) update and upgrade methodological tools to coordinate and/or deliver the necessary training; (vi) enhance the audit capacity and auditors skills in specialised areas such as financial audit, systems-based IT audit and performance audit; and (vii) establish links between the MoF and line ministries for better internal control and annual reporting on IA/FMC.</p> <p>Expected Results: Substantial improvement in all aspects of the functioning of the MoF and in particular of the PIFC system in Albania, allowing the institution to contribute to the</p>	

	<p>strengthening of accountability and of sound financial management in the Albanian public sector.</p> <p>Activities: defined to achieve the expected results include:1. Financial Management and Control: 1.1 Situation Analysis of current practices applied by a sample of Line Ministries and Internal Audit Units. 1.2 Review of Legal Framework: Updating of the PIFC Policy Paper and Action Plan; Draft FMC Law. 1.3 Draft FMC Manual. 1.4 Sound FMC in two Ministries: Training workshops; on-the job training; Assessment of the progress made by the two Ministries. 1.5 Training on FMC: Train the Trainer course; Training courses on FMC.2. Internal Audit. 2.1 Provide methodological assistance to CHU/IA: Updating Internal Audit Law; Enhancement of the Internal Audit Manual and other audit templates; on-the job training. 2.2 Internal Audit staff training. 2.3 providing assistance on pilot audit.3. Communications: study visits to MoF (Poland/UK/Bulgaria); support internal communication strategy.</p>
Key issues and recommendations	<p>The PIFC II is a strategic and challenging project that is well designed and has produced tangible outputs. It is advised that the Task Manager consider: 1) An Ex-post ROM monitoring in 12 months time. 2) Initiating a Donor Coordination meeting to explore possibility of supporting the CHU for future Training Activities. MoF: 3) Identify additional qualified human resources to support such training if the CHU become over loaded.</p>

2.1.2 Problematic cases

This section highlights the problematic cases identified among the projects monitored. In order to single out the problematic cases, the following four-stage method was applied:

Stage 1: Draw up a “shortlist” of all projects with “serious deficiencies, having a general average score below 2,00.

Stage 2: Select all projects which have at least one "D" grade.

Stage 3: Identify the success stories in terms of design quality, sound operational set-up and expected results.

The application of the method resulted in no project identified to be experiencing major difficulties.

2.2. Performance Conclusions

2.2.1 Overall performance

The frequencies or % of A, B, C, and D occurrence are presented based on the grades of the Monitoring Reports in order to illustrate the number of A and B (very good or good performance) over the total number of grades in the ROM outputs, i.e. a percentage of 50% demonstrates that in the respective category there are more A or B than C or D. The following table illustrates the performance of the 20 projects monitored along with the average score.

Table 3: Average DAC criterion scores for main criteria

#	Criterion	Good (A or B)	Average Score
1	Relevance/Quality of design	95 %	2.88
2	Efficiency	80 %	2.79
3	Effectiveness	70 %	2.80
4	Impact	90 %	2.86
5	Sustainability	70 %	2.75
Average		80 %	2.82

In general, the 20 projects monitored in the period from 01/01/2010 to 30/06/2010 performed well (average “B” grade) with regard to all five criteria. Relevance and Quality of design appears to be the strongest aspect of the monitored projects, followed by Impact prospects. The projects have also performed well in general, in terms of Effectiveness (the contribution of the projects’ results to the achievement of their project purpose) and Efficiency (how well the planned inputs/means and activities are converted to outputs leading to the achievement of the expected results). The relatively weaker area of performance of the monitored projects is related to their potential sustainability.

The distribution of grades along the 5 ROM criteria is illustrated in the table below.

Table 4: Overview of performance by DAC criterion of MRs for ongoing projects (% of frequency of ratings)

#	Criterion	Very good (A)	Good (B)	Problems (C)	Serious deficiencies (D)	N/A	TOTAL
1	Relevance/ Quality of design	5 %	90 %	5 %	0 %	0 %	100 %
2	Efficiency	5 %	75 %	20 %	0 %	0 %	100 %
3	Effectiveness	0 %	70 %	30 %	0 %	0 %	100 %
4	Impact	0 %	90 %	10 %	0 %	0 %	100 %
5	Sustainability	0 %	70 %	30 %	0 %	0 %	100 %
BCS TOTAL Score		5 %	75 %	20 %	0 %	0 %	100 %
Total number of MRs		20					
Total number of Projects		20					

The 5% of the monitored projects had very good performance, i.e. an A grade as overall score, mainly due to their high relevance, very good design and efficiency of implementation. The B grade (good performance) is met as overall score in 75 % of the projects, with a higher frequency (90 %) of B for Relevance and Impact prospects. On the other hand, while there are no projects with serious deficiencies, problems were identified in the performance of 20% of the monitored projects; the higher frequency of C grades was identified in the areas of Effectiveness and Sustainability prospects.

The following table illustrates the performance of the projects as per category of performance introduced by the EC ROM Development and Coordination Unit (QAIDCO/E5).

Table 5: Performance of ongoing projects per Category (I, II, III, and IV)

Category	Performance	Projects	%
Category I	<i>Very good performance (minimum 3 a, no c, no d)</i>	0	0 %
Category II	<i>Good performance (a, b, maximum 2 c, no d)</i>	15	75 %
Category III	<i>Performing with problems (a, b, minimum 3 c, no d)</i>	5	25 %
Category IV	<i>Not performing, or having major difficulty (minimum 1 d)</i>	0	0 %
TOTAL		20	100 %

The majority of the monitored projects fall into Category II (good performance). There are no projects experiencing major difficulties or not performing.

2.2.2 Performance by ODA sector

In this section, performance statistics are presented in relation to the Official Development Assistance (ODA) Sectors:

ODA 1: Social Infrastructure and Services

ODA 2: Economic infrastructure and services

ODA 3: Production sectors

ODA 4: Multi-sector/Crosscutting

ODA 5: Commodity aid and general programme assistance

ODA 6: Action related to debt

ODA 7: Humanitarian Aid

ODA 9: Other

The 20 monitored projects cover in total 4 ODA sectors. The percentage of projects with A or B grading per ODA sector is illustrated in the table below:

Table 6: Overview of good performance per ODA sector % of frequency of ratings

ODA	1	2	3	4	5	7	9	
Description	Social Infrastructure and Services	Economic infrastructure and services	Production sectors	Multisector/ Crosscutting	Commodity aid and general programme assistance	Humanitarian Aid	Other	Total
N° operations monitored	9	3	7	1	0	0	0	20
N° reports produced	9	3	7	1	0	0	0	20
Million € covered	15.90	3.00	9.50	1.10	0.00	0.00	0.00	29.50
Relevance/Quality of design	100 %	67 %	100 %	100 %	0 %	0 %	0 %	92 %
Efficiency	100 %	67 %	57 %	100 %	0 %	0 %	0 %	81 %
Effectiveness	100 %	0 %	57 %	100 %	0 %	0 %	0 %	86 %
Impact	100 %	67 %	86 %	100 %	0 %	0 %	0 %	88 %
Sustainability	89 %	67 %	43 %	100 %	0 %	0 %	0 %	75 %
Average	100 %	67 %	57 %	100 %	0 %	0 %	0 %	81 %

The biggest share of the projects (45 %) is under the ODA sector “Social Infrastructure and Services” with a higher concentration in the CRS sector 15130 Legal and judicial development (2 projects). It is noted that overall, the highest concentration of projects (3 projects) is under CRS sector 21010 – Transport policy and administrative management.

The samples per ODA sector are rather small to allow any concrete assessment of performance per sector and any identification of systematic best practices or problem areas.

2.2.3 Performance over Time

The provision of reliable comparisons regarding the performance of the portfolios (of EC external cooperation which are monitored from year to year in a Region or country) is always fairly difficult, for a number of reasons (e.g. size and representation of samples of projects, different stages of projects monitored and re-monitored, no assurance that the projects have been monitored in all reference years, etc.). Consequently, the assessment of the performance over time is based only on re-monitored projects, i.e. those that have been monitored twice or more.

Ten (10) projects were re-monitored (in 2009 and in the first semester of 2010):

- Support to vocational education and training reform. (CRIS No 153693)
- EURALIUS II (CRIS No 146012)
- Strengthening labour market and employment, and support to labour inspection services and Regional Labour Offices in Albania (CRIS No 156531)
- Technical Regulations, Market Surveillance, Consumer Protection (CRIS No 157016)
- Development of Public Internal Financial Control (CRIS No 164570)
- Establishment of the National Food Authority (CRIS No 140082)

- Support to the General Prosecutor Office to Undertake Inspections and Evaluations of Prosecutors (CRIS No 164344)
- Accreditation, Standards and Certification (CRIS No 153821)
- Supervision of works for the construction of the ferry terminal building and yard at Durrës, Albania (CRIS No 143737)
- Preparation of the Albanian Authorities for the EU Decentralised Implementation System (DIS) (CRIS No 171943)

The performance of the 10 re-monitored projects is summarised in the following table:

Table 7: Overview of performance of projects re-monitored in 2009 and 2010

Year	2009		2010	
N° operations monitored	10			
N° reports produced	10		10	
Million € covered	15,343,374.00			
Relevance/Quality of design	80 %	2.78	90 %	2.92
Efficiency	60 %	2.61	80 %	2.89
Effectiveness	30 %	2.50	70 %	2.80
Impact	60 %	2.60	80 %	2.80
Sustainability	50 %	2.64	70 %	2.73
Average	50 %	2.63	70 %	2.83

Improvements are clearly visible in the performance of the projects in relation to all five ROM criteria. This is on one hand due to the fact that as the projects' implementation proceeds, the activities are better stabilized, and the outputs and results start to be delivered and are accessed by the beneficiaries, thus increasing the effectiveness and impact prospects. On the other hand, it is hoped that the ROM conclusions and recommendations have had an added value and were adopted by the projects' relevant stakeholders.

ANNEX I

List of Monitored Projects

- Support to vocational education and training reform. (CRIS No C_153693)
- Immovable Property Registration and Road Signage in Priority Coastal Areas of Albania (CRIS No C_164537)
- Strengthening the performance of livestock sector in Albania (CRIS No C_203598)
- Technical assistance for the restructuring of the GRD, establishing the Albanian Roads Authority (ARA) (CRIS No C_215542)
- EURALIUS II (CRIS No C_146012)
- Mise en place du plan stratégique de développement durable et intégré de la Commune de Voskopojë (CRIS No C_135031)
- Strengthening labour market and employment, and support to labour inspection services and Regional Labour Offices in Albania (CRIS No C_156531)
- Technical Regulations, Market Surveillance, Consumer Protection (CRIS No C_157016)
- Technical Assistance to the National Statistics Office (INSTAT) (CRIS No C_213275)
- Development of Public Internal Financial Control (CRIS No C_164570)
- Establishment of the National Food Authority (CRIS No C_140082)
- Improving of Consumer Protection against zoonotic diseases (CRIS No C_223812)
- Establishing and strengthening of monitoring, control and surveillance system in fisheries, Albania (CRIS No C_225734)
- Support to the General Prosecutor Office to Undertake Inspections and Evaluations of Prosecutors (CRIS No C_164344)
- Environmental clean-up and disposal of hazardous waste in the Chlor-Alkali plant in Vlorë (CRIS No C_210514)
- Accreditation, Standards and Certification (CRIS No C_153821)
- Technical Assistance to the Ministry of Public Works, Transport and Telecommunication (CRIS No C_227301)
- Supervision of works for the construction of the ferry terminal building and yard at Durrës, Albania (CRIS No C_143737)
- Kukës Region Tourism and Environment Promotion - KRTEP (CRIS No C_204878)
- Preparation of the Albanian Authorities for the EU Decentralised Implementation System (DIS) (CRIS No C_171943)