

Project Fiche Nr 11 – IPA National programmes / Component I

1 IDENTIFICATION

Project Title	Modernization of social assistance through improving the equity and efficiency of the existing Albanian Government's programs
CRIS Decision number	2013 / 024-190
Project no.	07
MIPD Sector Code	Social Development
ELARG Statistical code	02.19 - Social policy and employment
DAC Sector code	16010 – Social/welfare services
Total cost (VAT excluded) ¹	EUR 2 600 000
EU contribution	EUR 1 500 000
Management mode	Joint Management
Implementing Agency	World Bank (WB)
Implementation management	Ministry of Social Welfare and Youth (MoSW) Address: Rr. Kavajes nr.1001, Tirane Albania Contact person: Mrs. Alida Mici SPO Phone: 355 44504975 Fax: 355 4 2233429 Email: alida.mici@mpcs.gov.al Web: www.mpcs.gov.al
Implementing modality	Project
Project implementation type	Trust Fund Administrative Agreement with the World Bank
Zone benefiting from the action(s)	Country-wide Albania

2 RATIONALE

2.1 PROJECT CONTEXT: ISSUES TO BE TACKLED AND NEEDS ADDRESSED

Albania has a consolidated social assistance system with two main cash benefits: disability assistance benefits and the economic aid (*Ndihma Ekonomike* - NE) program, which is the main poverty-targeted social assistance benefit. In addition, the social care services are provided under the general social protection umbrella.

While overall spending on social assistance in Albania is comparable with other countries in the region, the composition has gradually shifted away from benefits targeted to the poor. The relative balance in spending on the two main social assistance programs *Ndihma*

¹ The total project cost should be net of VAT and/or of other taxes. Should this not be the case, clearly indicate the amount of VAT and the reasons why it is considered eligible.

Ekonomike (NE) program and disability assistance has shifted significantly over time in favour of disability benefits.

This shift in spending balance revealed some of the outstanding issues in the overall social assistance system. Fiscal pressures (shift in the spending as mentioned above) and errors of exclusion are the main reasons for low and falling coverage rates for NE. In addition, disability benefits do not necessarily favour the most severely disabled, either by design or in terms of outcomes. Benefits administration for both NE and disability assistance programs is also inefficient, due to limited capacity, complex application processes and inadequate systems for managing information. This lack of an effective management information system (MIS) leads to inefficiencies in applying for and awarding benefits. Moreover, imprecise “rules, roles and controls” hamper governance and transparency for both programs.

The Government of Albania initiated an ambitious reform program to strengthen the design, administration and governance of these transfers with support from the World Bank currently through the Social Assistance Modernization Project (SAMP). The World Bank project consists of two inter-related components. The first component will support the actual *results arising from implementation* of improvements in the main social assistance programs (NE and disability assistance benefits) as per the Government’s reform program.. The second component would finance *select technical investments* to strengthen the Government’s *capacity for implementing* such improvements.

The World Bank project is a major reform that will include a review of the parameters of the economic aid programs and the development of MIS and promoting awareness. To realize this reform it is necessary to strengthen the capacities of local, regional and central authorities in areas including management, monitoring and evaluation of the system of granting economic aid. These complementary activities will be covered by the IPA project.

Specifically, technical assistance for systems improvements in the Government’s capacity supported by SAMP and IPA 2013 would contribute to improved implementation of social assistance programs in Albania.

2.2 LINK WITH MIPD AND NATIONAL SECTOR STRATEGIES

The main objective of the EU IPA support to the social development sector is to prepare Albania for the implementation and management of the European Social Fund and bringing Albania closer to EU policies. In this regard the Multi-Annual Indicative Planning Document (MIPD) 2011 - 2013 specifies as specific objective for the social development sector, improvement and the accession of unemployed people to the labor market and the prevention of social exclusion for vulnerable groups. This proposal is fully aligned with these goals and with European Commission recommendations established in the European Partnership with Albania, which enlists the improvement of social protection systems and combating social exclusion as priorities, to be supported over next three years from EU.

The **National Strategy for Development and Integration 2007 - 2013 (NSDI)** represents the core strategic planning document of the Government of Albania. The NSDI harmonizes for the first time the perspective of sustainable economic and social development, integration in the EU and NATO structures, as well as the achievement of the Millennium Development Goals. In the social services pillar of the NSDI, one of the main aims is to *strengthen the coverage of social assistance programs*. Implementation of the social protection and social inclusion strategy for 2008-2013 is in progress and a plan for monitoring is in preparation. The Social Inclusion Strategy (SIS, approved on January 2008 by CoM) is modeled on the National Action Plan for Social Inclusion of European Union member states and it focuses on poverty and social exclusion risks that can persist even with economic growth. This strategy

involves three main purposes: i) reflects in an integrated manner the strategic policies of the government program in addition to monitoring framework through which will be evaluated progress; ii) identifies policies to be improved by including stakeholders outside government and donor community; and iii). is the first step to formulating a National Action Plan for social inclusion as a standard requirement for EU accession. The SIS reiterates the importance of modernizing social protection systems to ensure that social assistance schemes are targeted to needy households and individuals. Thus social assistance reform program supported by the World Bank and which proposed activities will support is anchored in the NSDI.

Other relevant National Strategies and policy documents include: the National Strategy for Youth 2007-2013; Decade of Roma Inclusion 2009; The National Strategy on People with Disabilities 2005-2015; National Strategy to Combat Trafficking of Persons and Children and Action Plan 2011-2013; National Strategy on Gender Equality and Domestic Violence and Action Plan 2010-2013; Action Plan for Protection of Child Rights 2012.

Specifically for component 1, the World Bank project also fits strategically with the World Bank's Country Partnership Strategy (CPS). It supports the second pillar of the 2011-2014 Country Partnership Strategy: "Broadening and sustaining Albania's social gains by improving access to better quality education and health services, and increasing the effectiveness of its social protection systems."

2.3 LINK WITH ACCESSION PARTNERSHIP (AP) / EUROPEAN PARTNERSHIP (EP) / STABILISATION AND ASSOCIATION AGREEMENT (SAA) / ANNUAL PROGRESS REPORT

European Commission recommendations established in the European Partnership with Albania list the improvement of social protection systems and combating social exclusion as priorities to be supported.

The main focus of the government in the field of social protection in the short term is the implementation of standards, combating social exclusion and discrimination ultimately improving equity and efficiency of the social assistance programs. Support and adoption of the social insurance system and social protection are main objectives of the Government Program in accordance with Article 99 of the Stabilization and Association Agreement, based on the European Convention on Human Rights, Child Rights, the European Social Charter (the revised), the National Strategy on Economic Development and Integration, Millennium Goals, the Constitution of the Republic of Albania. Government objectives will be accomplished through initiatives that align with this proposal, notably improvement of legislation in the field of social assistance and services and monitoring the implementation of current legislation as well as strengthening the capacities of implementing structures of legislation.

The **EU Progress Report 2012** on Albania states that some progress can be reported in the area of **social protection**. Legislation implementing the Law on Social Services and Assistance was adopted to expand the categories eligible for economic aid and to raise the aid ceiling for the benefit of large families.

2.4 PROBLEM ANALYSIS

The **Social Protection System** includes the social assistance and services for individuals and social groups in need who are unable to provide for their basic life necessities, develop their personal skills and abilities, and preserve their integrity, due to limited economic, physical,

psychological and social circumstances. This system aims to mitigate poverty and social exclusion for individuals and families, as well as to create possibilities for their integration through the establishment of a system of interventions and services for the improvement of their living conditions. This program is implemented through the support to families/individuals that are beneficiaries of the social assistance programs aid.

While overall spending on social assistance in Albania is comparable with other countries in the region, the composition has gradually **shifted away from benefits targeted to the poor**. Albania currently spends about 1.6 percent of GDP on social assistance overall. NE program and disability assistance benefits cash transfer programs account for the majority of this spending. The relative balance in spending on these two programs has shifted significantly over time **in favour of disability benefits**. Outlays on disability assistance increased from 0.4 percent of GDP in 2000 to over one percent of GDP in 2010 (among the highest in the region), while the spending on NE declined from 0.8 percent of GDP to 0.35 percent of GDP in the same period.

This shift in spending balance revealed the outstanding issues in the overall social assistance system. To start with, the coverage of the poor by the NE program is low and falling. Overall coverage of NE has fallen, from 15 percent of the total population in 2005 to seven percent by 2008, mainly because of the Ministry of Social Welfare's efforts to tighten the process for determining eligibility.² Fiscal pressures and errors of exclusion are driving these low and falling coverage rates. As discussed above, the budget for the poverty-targeted NE benefit has been squeezed by the expanding outlays on disability benefits.³ Low coverage of the poor under NE also reflects a high degree of exclusion errors arising from the way eligibility criteria⁴ are defined and implemented.

In addition, Disability benefits do not necessarily favour the most severely disabled, either by design or in terms of outcomes. In terms of "program design," determination of benefits levels does not take into account severity of disability or functional impairments. In terms of "program outcomes", coverage of disability benefits does not necessarily favour the most severely disabled: preliminary analysis of survey data suggest that 14 percent of total disability benefits are received by those who report no functional disability, and another 15 percent of benefits go to those with only mild disabilities.⁵

Benefits administration for both NE and disability assistance programs is also inefficient, due to limited capacity, complex application processes and inadequate systems for managing information. Albania currently lacks an automated national registry of applicants and beneficiaries (for both programs), and benefit management is largely paper-based at the local level. This lack of an effective management information system (MIS) leads to inefficiencies in applying for and awarding benefits. The transaction costs for applicants are inflated by numerous documentation requirements, and administrators are slowed down by verification and cross-check requirements with multiple agencies at different levels of public administration. The potential for duplications in benefits is also high. Without an effective MIS, officials at all levels also lack reporting tools for tracking key indicators to monitor performance of both programs (e.g., approved/rejected applicants, coverage, payments, error rates, and so forth – nationally or by locality).

² Based on LSMS data using SP ADePT software.

³ These two social assistance programs (NE and Disability Assistance) are budget items within MoSW's program budget and fall under the Social Protection program (6061003 – Ndihma Ekonomike; 6061004 – Disability Payments).

⁴ The eligibility criteria mostly consist of a series of "filters" or binary variables that are applied to exclude households from the benefit. Analysis shows that a significant number of the poorest individuals are excluded from the program when the filters are applied in a strict manner.

⁵ Data on benefits by functional classification of disabilities from nationally-representative Poverty and Social Impact Assessment survey undertaken by the World Bank (October 2011) .

Moreover, imprecise “rules, roles and controls” hamper governance and transparency for both programs. Eligibility rules for both programs lack transparency, with discretionary application of “one-off” filters for the NE program and the use of medical criteria for disability benefits which is somewhat outdated. Institutional roles are also flawed, with insufficient central oversight due to overly decentralized responsibilities in the NE program, and multiple medical commissions and potential conflicts of interest for disability assistance benefits.

Paper-based information management and other inefficiencies in benefits administration also hamper oversight and controls mechanisms, limiting the potential for effective use of cross-checks (with internal and external sources of information), systematic operational audits (random-sample quality reviews), profiling tools for risk management (flags and case follow up), and case investigations.

The Government of Albania is committed to improving the effectiveness of social assistance benefits. It has initiated an **ambitious reform program** to strengthen the design, administration and governance of these transfers with support from the World Bank. The objectives of this reform program focus on improving the equity and efficiency of the NE program and disability assistance benefits, in support of the Government’s mandate of reducing extreme poverty.

The **Social Sector Reform Development Policy Loan (DPL)**, which was endorsed by the **World Bank’s** Board in April 2011, helped to create the enabling environment for implementation of social assistance reforms. The aim of this WB project was to support policy changes to improve the effectiveness of social safety nets⁶.

Based on the support provided by the DPL, this process is proceeding with the agreed **Social Assistance Modernization Project** supported by WB and for which part of its activities are proposed to be funded by IPA 2013. It will support implementation of both the NE program and disability assistance benefits in the main areas identified in the Government reform: (a) program parameters (eligibility criteria and intake processes); (b) benefits administration (management of information, business processes, management of information, and payments mechanisms, and reporting and monitoring); and (c) oversight and controls

The implementation of the above reforms is impossible without strengthening the capacities of local, regional and central authorities to revise and update NE scoring formula using household survey data and to prevent and detect fraud, error and minimize corruption in NE.

The Albanian Government has opted to finance some of the required inputs for these reforms with its own State Budget most important of which is the development of Management Information System (MIS) for social assistance programs.

The principle of transparency would be promoted to support the achievement of these objectives, via outreach, communications, improved oversight and information systems, monitoring and evaluation and the second part of Communications Campaign for NE and for Disability Assistance reforms.

2.5 LINKED ACTIVITIES AND DONOR COORDINATION

⁶ To improve the effectiveness of social safety nets, the DPL supported policies that (a) strengthen the mechanisms to allocate funds and select beneficiaries in the main social assistance program (b) initiate the process to create a unified registry of beneficiaries of social assistance programs; and (c) change the indexation formula of the disability benefits program, to control the disproportionate growing share of resources allocated to this program;

The **partnership between the World Bank and the Government** in supporting the social assistance sector has evolved between 2008 and 2012 in three main phases, from identifying challenges over addressing immediate concerns to the development of a comprehensive roadmap for reform.

- ***Identifying Challenges and Opportunities***

Between 2008 and 2010, Albania and the World Bank jointly assessed the strengths and weaknesses of the country's social assistance programs. The assessment pointed to three main challenges in the design and implementation of Albania's two main social assistance programs, Ndihma Ekonomike (NE), and disability assistance program.

- ***Addressing Immediate Concerns and Establishing an Enabling Environment for Deeper Reforms***

In 2010 and 2011, Albania and the World Bank developed a program of regulatory changes to address pressing issues facing the social assistance programs and to create an environment that will enable deeper reforms.

- ***Establishing a Comprehensive Roadmap for Reform and Ensuring its Implementation***

In 2011 and 2012, Albania and the World Bank developed a comprehensive roadmap for reform. This roadmap lays out steps to enhance the efficiency and the equity impact of the NE and disability assistance programs, including the full implementation of the regulatory changes supported by the development policy loan. The roadmap also defines indicators to monitor reform impact against pre-defined targets. It foresees the completion of the reform process by 2017. The Bank will support the implementation of the roadmap through the Social Assistance Modernization Project.

The World Bank has supported the "Social Service Delivery" project with a budget of 20 million US\$, from which Albanian Government Contribution was 2.5 million US\$. The project's objective is to improve the **standards of living for the poor and vulnerable population groups in Albania**, through: i) increasing their access to better targeted and efficient social care services; ii) Government assistance for the development of effective policies to social care and improving its capabilities to provide and monitor social care services; and iii) improving the effectiveness and efficiency of the Albanian pension system by i) improving the management of the pension system, ii) institutional strengthening including improved capacity for pensions policy development and iii) improving public understanding on pension system.

The UN is implementing a **Child and Family Protection Project** financed by a pool fund (Euro 2, 35 Million) involving other donors' support such as Norway and Austria.

The Organisation for Security and Cooperation in Europe (OSCE) in Albania and the German GIZ are supporting a project **strengthening state-civil society cooperation in decision-making in social protection**.

A range of complementary projects is being implemented by several bilateral other donors – including Italy, Netherlands and Austria – in areas such as **endangered children and youth**.

Additionally in 2010 the Institute for Democracy and Mediation, with the support of UNDP Albania, conducted a **CIVICUS Civil Society Index for Albania**, which charts civil society development and assesses the capacity of the sector to meet Albania's development challenges and societal expectations from this sector.

Under **IPA 2010** Annual Programme assistance is being provided to improve the capacity of labour market institutions, mainly the State Labour Inspectorate (SLI) and the National Employment Service (NES) and promote employment by enhancing the employability of Albanian workforce. This project will improve the absorption capacity of Albania in the perspective of access to ESF by developing the administrative and technical capacity of the involved institutions.

In the framework of social inclusion, **IPA 2011** assistance will be delivered to support Social Inclusion of Roma and Egyptian communities. This project will include : (1) Participatory local planning; (2) Strengthening civil society capacity to combat discrimination; (3) Promote entrepreneurship for Roma/Egyptian communities; (4) Support for the implementation of Roma Strategy and Decade Action Plan.

2.6 LESSONS LEARNED

Issues that have impacted the effectiveness of previous initiatives include:

Clear communications and outreach about the reforms are important for building awareness, ownership, and understanding. Social assistance reforms are usually politically sensitive, affect individuals and families personally and may confront organized interest groups. Clear and comprehensive communications are key to ensure that the public understands and supports the rationale for the reforms, and that those directly affected understand the changes in the rules and organizational changes and how they will be affected. In addition ownership of reforms at different levels of Government involved in administering these programs is crucial. The World Bank team has already started involving local governments in the NE reform process, for example in testing the NE questionnaire, and will continue to do so through the pilot of the new system.

Capacity for robust monitoring and evaluation underpins the core of Results-Based Financing. Under Results-Based Financing (the type of the current World Bank supported project) the Government must provide the proof that the disbursement linked indicators, which mark progress in the implementation of reforms, has been met. It is therefore critical that the Government has a robust M&E system that either already produces the kind of information needed to provide verification of results achieved, or can be easily strengthened/adapted to do so.

3 DESCRIPTION

3.1 OVERALL OBJECTIVE OF THE PROJECT

The overall objective of this project is to contribute to reducing poverty and vulnerability through more effective social assistance services in accordance with EU standards.

3.2 SPECIFIC OBJECTIVE(S) OF THE PROJECT

The specific objective is to improve implementation of social assistance programs in Albania.

3.3. RESULTS

The main expected results of the part of the project funded by IPA funds are:

Result 1: Ndihma Ekonomike scoring formula revised/updated, using household survey data after implementation of pilot phase.

Result 2: Recommendations of the Feasibility Study and Local Capacity Assessment utilized as an input to implement Ndihma Ekonomike and Disability MIS.

Result 3: Social administrators and staff at regional and central levels (State Social Service and Ministry of Social Welfare staff) trained in use of Ndihma Ekonomike and Disability Assistance MIS, to administer the social assistance programs effectively.

Result 4: Improved transparency in Ndihma Ekonomike and disability assistance system.

Result 5: Impact of NE and Disability reforms evaluated and closely monitored.

Result 6: Nationwide raised awareness on the implementation of Ndihma Ekonomike and disability assistance reforms.

3.4 MAIN ACTIVITIES

Activity related to result 1

- 1.1. Capacity building actions to Governmental Institutions (Ministry of Welfare and INSTAT) with workshops, and roundtables, by analysing the new household survey data to revise/improve eligibility criteria for NE.

Activity related to result 2

- 2.1 Preparation of Feasibility Study and Local Capacity Assessment for NE Registry/MIS and Disability Assistance MIS.

Activity related to result 3

- 3.1 Design and delivery of training for social administrators, regional State Social Service offices and Ministry of Social Welfare staff on NE MIS and medical expert commission on Disability Assistance MIS.

Activities related to result 4

Support to prevention and detection of fraud, error and corruption in NE and disability assistance through:

- 4.1 Designing of the framework and procedures to minimize the level of error, fraud in the system, including training of social inspectors;
- 4.2 Design of methodologies for building, maintaining and updating a risk profile (including cross-checking procedures) and training of relevant staff.

Activities related to result 5

Designs of methodologies to evaluate and monitor the system through:

- 5.1 Impact evaluation follow-up survey (data collection) for pilot phase of NE reforms for short-term impacts of NE reforms in eligibility criteria;
- 5.2 Study/report analyzing the impact evaluation follow-up survey estimating short and medium term impacts of NE reforms;
- 5.3 Follow-up Disability Survey and Analysis to monitor the impact of Disability reforms (in eligibility).

Activities related to result 6

6.1 Implementation of 2nd phase Communications Campaign for NE and Disability Assistance reforms and implementation of specific communications tools tailored to specific themes and target groups.

3.5 ASSESSMENT OF PROJECT IMPACT, CATALYTIC EFFECT AND CROSS BORDER IMPACT (WHERE APPLICABLE)

Foreseen benefits of the proposed changes in the scheme are manifold:

- ***Institutional benefits***: raising capacities will lead to better service delivery; ***systemic*** as it will reduce leakage, provide transparency and accountability and benefits will go to those that have validated need;
- ***Benefits to the policy making process***: better quality of data available to policy makers, which they can use for making further improvements in the social assistance schemes in the future;
- Lastly, potential applicants will benefit from an ***improved service*** in terms of both time and quality, so that their faith in a *system of integrity* is regained. Simplified and standardized procedures will facilitate applications and case review. Reductions in delays from sourcing supportive evidence electronically (i.e. from the business registry, land registry, social insurance registry etc.) and the automated determination of eligibility and entitlement will enable awards to be made sooner and at the appropriate level, reducing the risks of subjectivity bias, fraud, human error among others.

3.6 SUSTAINABILITY

Political and Social Sustainability: strong commitment to reform of the social assistance system comes from the highest level of Government. This strong commitment, particularly for NE reforms, derives from the NDSI and Social Inclusion Strategy and the Government's mandate to eradicate extreme poverty. The Government is also committed to reforming disability benefits – with fiscal motivation as driver, as well as concerns about equity, efficiency, and fraud and errors. It has formally endorsed the principles behind disability reforms by adopting the UN Convention on the Rights of People with Disabilities.

Fiscal Sustainability: The implementation of planned social assistance reforms would be fiscally neutral over the medium term. The Government's reform program seeks to improve the equity and efficiency of social assistance benefits in Albania in a fiscally neutral environment. Although the reforms of the NE program may generate a temporary increase in the budget during the pilot phase, (estimated at eight percent of spending on the NE program; or about 0.03 percent of GDP), their fiscal impact is expected to be budget-neutral over the long-term as they are implemented on a nationwide basis in both pilot and non-pilot regions

In addition, the Government of Albania is committed to a programme of e-government to establish best practice throughout state institutions and for the direct benefit of citizens as the use public services. Current electronic systems are in place for the registration and licensing of businesses, the performance of public procurement, paying taxes, civil registry, and these successful programs have opened access, eased use, created greater transparency and reduced the costs of obtaining these services for citizens. For the identification and assessment of individuals or families who need to benefit from social programs, the Government has undertaken the establishment of the National Electronic Register, which is in the process of procurement in cooperation with the NAIS.

Beyond IPA funding 2013 this process will be financed by state budget funds, provided in the Medium Term Budget (MTB) 2013-2015, subject to the progress of the on-line data system and the training of administrators in all local units.

3.7 ASSUMPTIONS AND PRE-CONDITIONS

- Continued commitment from central and local governments for the implementation of the project;
- The Operational Structures in the Ministry of Welfare continuously support the Project Team Leader and its staff in the implementation of the project activities;
- Access to the data of other relevant institutions to ensure a true and real-time assessment of families/individuals in need, and deliver to the end user a transparent process that is easily monitored;
- Law No.10 399, dated 17.3.2011, "On some amendments to Law no. 9355 dated 10.03.2005 "On social assistance and services", envisages the establishment and functioning of the National Electronic Registry. The NAIS has drafted the DCM and procedures for approval will be followed;
- The development of the MIS (and the procurement of a software development firm by the Government) for Ndihma Ekonomike as a first step and then for disability assistance is a crucial step for starting the implementation of the social assistance reforms supported by World Bank's SAMP, and should be continued in parallel, and without delays;
- Willingness of local government to sustain initiatives and work in partnership.

4. IMPLEMENTATION ISSUES

The project will be implemented via a **Trust Fund administrative agreement** with the World Bank. The agreement will comply (i) with the provisions laid down in the Framework Agreement signed on 20 March 2009 between EC and WB, which governs WB-EU partnership arrangements, and (ii) with Article 53 (d) of the Financial Regulation and the corresponding provisions of the Implementing Rules.

4.1 INDICATIVE BUDGET

The budget of the project is 2.6 million EURO and the IPA 2013 contribution is 1.5 million EURO.

PROJECT TITLE:			SOURCES OF FUNDING									
<i>Modernization of social assistance through improving the equity and efficiency of the existing Albanian Government's programs</i>			TOTAL EXPENDITURE	IPA CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	% (2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Activities 1,2,3,4,5,6												
contract 1.1 Trust fund administrative agreement with WB	X		2.600.000	1.500.000		1.100.000				1.100.000 (World Bank funds)		–
TOTAL IB			2.600.000	1.500.000		1.100.000				1.100.000		
TOTAL INV												
TOTAL PROJECT			2.600.000	1.500.000	57%	1.100.000	43%			1.100.000		

NOTE: DO NOT MIX IB AND INV IN THE SAME ACTIVITY ROW. USE SEPARATE ROW

Amounts net of VAT

- (1) In the Activity row, use "X" to identify whether IB or INV
- (2) Expressed in % of the **Total** Expenditure - column (a)

4.2 INDICATIVE IMPLEMENTATION SCHEDULE (PERIODS BROKEN DOWN BY QUARTER)

Contracts 1.1	Start of Tendering/ Call for proposals	Signature of contract	Project Completion
Trust Fund Administrative Agreement with the World Bank	N/A	Q4 2013	Q4 2016

4.3 CROSS CUTTING ISSUES

4.3.1 *Equal Opportunities and non discrimination*

Among vulnerable groups women and girls are in the focus for providing equal and non discriminatory treatment for women and men through a combination of targeted and well oriented measures, such as economic stability growth, aiming at improving the current status of women and promote gender equality.

4.3.3 *Minorities and vulnerable groups*

Social protection program includes the social assistance and services for families/individuals and social groups in need (Roma people, people with disabilities, victims of trafficking, victimsdomestic violence, elder, orphans, youth, women in need), who are unable to provide for their basic life necessities, develop their personal skills and abilities, and preserve their integrity, due to limited economic, physical, psychological and social circumstances. This project aims to facilitate the identification and the evaluation of families/individuals in need and the efficiency of budget funds for the social protection funds. mitigate poverty and social exclusion for individuals and families.

4.3.4 *Civil Society/Stakeholders involvement*

During the drafting process, this project was consulted with different stakeholders/ civil society in small round tables and their feedback was taken into consideration. Also it will draw upon the resources and cooperates with the following stakeholders: Social Security Institution, the Real Estate Registration Agency, General Directorate of Transport Services, National Registration Center, Office of Tax, Labor and Social Services State Inspectorate, National Agency for Information Society (NAIS), Faculty of Social Sciences University of Tirana, UNICEF, UNDP, Albanian Disability Rights Foundation (ADRF), and Municipality Association. In addition, *low-income households and vulnerable groups are expected to be the main beneficiaries of the reforms supported by the SAMP.*

ANNEXES

1. Log frame
2. Description of Institutional Framework
3. Reference list of relevant laws and regulations only where relevant
4. Data on road accidents
5. Details per EU funded contract (*) where applicable
6. Project visibility activities

ANNEX 1: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche		Project title and number		
		Contracting period expires no later than two years from the date of conclusion of Financial Agreement		Execution period expires within a maximum of two years from the end date of contracting
		Total budget	2,600,000 EUR	
		IPA budget:	1,500,000 EUR	
Overall objective	Objectively verifiable indicators (OVI)	Sources of Verification		
To reduce poverty and vulnerability through more effective social assistance services in accordance with EU standards.				
Specific objective	Objectively verifiable indicators (OVI)	Sources of Verification		Assumptions
To improve the social assistance system in Albania	<p>Increased Ndihma Ekonomike coverage of extreme poor (percentage of extreme poor households that are covered by NE program increases from 25% to 30%)</p> <p>Increased NE targeting accuracy for the extreme poor. (Percentage of benefits received by the extreme poor increase from 15% to 25%)</p> <p>Reduced share of disability benefits that are functionally able (from 14% to 10%)</p>	<p>LSMS or other nationally representative household survey</p> <p>Disability Reform Monitoring Survey</p>		<ul style="list-style-type: none"> Continued commitment from central and local governments for the implementation of the project
Results	Objectively verifiable indicators (OVI)	Sources of Verification		Assumptions
<p>Result 1: Ndihma Ekonomike scoring formula revised/updated, using household survey data after implementation of pilot phase.</p> <p>Result 2: Recommendations of the Feasibility Study and Local Capacity Assessment utilized as an input to implement Ndihma Ekonomike and Disability MIS.</p>	<p>1.1 The Unified scoring formula for NE updated</p> <p>1.2 Workshop/training on update of unified scoring formula held in MoSW.</p> <p>2.1 Report on capacity assessment for computer and communications infrastructure shared with MoSW</p> <p>2.2 Results of this assessment</p>	<p>EC Regular Reports – progress reports</p> <p>Ministry of Social Welfare internal evaluation;</p>		<ul style="list-style-type: none"> The Operational Structures in the Ministry of Welfare continuously support the Project Team Leader and its staff in the implementation of the project activities. Access to the data of other relevant institutions will be granted to ensure a true and real-time assessment of families/individuals in need, and deliver to the end user a transparent process that is easily monitored. Law No.10 399, dated 17.3.2011, "On some amendments to Law no. 9355 dated 10.03.2005 "On social assistance and services", envisages the establishment and functioning of the National Electronic Registry. The NAIS has drafted the DCM and procedures for approval will be followed. Willingness of local government to sustain initiatives and work in partnership.

<p>Result 3: Social administrators and staff at regional and central levels (SSS and MoSW staff) trained in use of Ndihma Ekonomike and Disability Assistance MIS, to administer the social assistance programs effectively.</p> <p>Result 4: Improved transparency in Ndihma Ekonomike and disability assistance system.</p> <p>Result 5: Impact of NE and Disability reforms evaluated and closely monitored.</p> <p>Result 6 Nationwide raised awareness on the implementation of Ndihma Ekonomike and disability assistance reforms</p>	<p>utilized in the design of training program</p> <p>3.1. 90% percent of social administrators trained in using NE MIS for implementing NE program and Disability Assistance</p> <p>4.1. Social Inspectors record data on fraud and error characteristics and use it to perform a risk analysis 4.2. Operational guidelines for risk-based inspections are developed and adopted 4.3 Risk-based profiling to detect error and fraud in social assistance programs implemented 4.4 Sanctions policy revised and endorsed. 4.5 90% Social Inspectors trained to exercise new investigation/sanctions powers</p> <p>5.1 Process Evaluation for disability reforms implemented. 5.2 Impact Evaluation follow-up surveys implemented and impacts of NE reforms on household welfare are estimated. 5.3 The follow-up disability survey implemented 5.4 The share of disability beneficiaries who are functionally able calculated to estimate the impact of reform</p> <p>6.1 Communication campaign for NE and disability assistance program implemented 6.2 70% NE and disability assistance beneficiaries aware of the NE reforms</p>		
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	6.3 Number of visits to MoSW website on NE and disability assistance program eligibility requirements		
Activities to achieve results	Means / contracts	Costs	Assumptions
<ol style="list-style-type: none"> 1. Strengthening the capacities of Governmental Institutions (Ministry of Welfare and INSTAT) with workshops, and roundtables, by analysing the new household survey data to revise/improve eligibility criteria for NE 2. Preparation of Feasibility Study and Local Capacity Assessment for NE Registry/MIS and Disability Assistance MIS 3. Design and delivery of training for social administrators, regional SSS offices and MoSW staff on NE MIS and medical expert commission on Disability Assistance MIS 4. Support to prevention and detection of fraud, error and corruption in NE and disability assistance 5. Designs of methodologies to evaluate and monitor the system 6. Implementation of Communications Campaign for 2 nd phase NE and Disability Assistance reforms and implementation of specific communications tools tailored to specific themes and target groups, 	Trust fund Agreement	1.500,000 EUR	<ul style="list-style-type: none"> • The development of the MIS (and the procurement of a software development firm by the Government) for Ndihma Ekonomike as a first step and then for disability assistance is a crucial step for starting the implementation of the social assistance reforms supported by World Bank's SAMP, and should be continued in parallel, and without delays

Annex 2: Description of Institutional Framework

The Ministry of Social Welfare and Youth is the responsible institution for economic aid and social services. It drafts policies and legislation, supervises programming of economic aid funds, payments for people with disabilities and social services, establishes norms and standards for social services, and regulates their implementation at all levels in the public and private sector.

The State Social Service (SSS) is the executive institution for social assistance programs and social services. SSS will establish and administer the National Electronic Registry, which is the authoritative data store concerning applicants and recipients of NE, the payment of disability and social care services.

The Regional Offices of State Social Service coordinate and regulate the implementation of legislation on social assistance programs and services in 64 municipalities, 11 municipal units (the capital) and the country's 308 municipalities.

The Local Government Unit's role in social assistance program delivery is to i) identify families who need economic aid, disability, individuals who need social care services; ii) respond to the use of conditional funds of the state budget and implement national standards of social services. iii) plan needs of vulnerable groups and design the demand for funds; iv) establishes new kinds of social services in accordance with community needs; v) formulates and sends the statistics in the structures of the SSS.

Annex 3: Reference list of relevant laws and regulations only where relevant

- Multi-Annual Indicative Planning Document (MIPD) 2011 – 2013;
- Stabilization and Association Agreement (SAA);
- National Strategy for Development and Integration 2007 - 2013 (NSDI);
- National strategy for youth 2007-2013;
- Decade of Roma Inclusion 2009;
- The National Strategy on Social Protection 2007-2013;
- The National Strategy on People with Disabilities 2005-2015;
- National Strategy to Combat Trafficking of Persons and Children and Action Plan 2011-2013;
- National Strategy on Gender Equality and Domestic Violence and Action Plan 2010-2013;
- Action Plan for Protection of Child Rights 2012;
- Law no. 9355, dated 10.03.2005 “On Social Assistance and Services” as ammended;

- Law no. 7889, dated 14.12.1994 “On the Work Invalid Status”, as ammended;
- Law no. 8626, dated 22.06.2000 “On the Paraplegic and Quadriplegic Status”, as ammended;
- Law no. 8153, dated 31.10.1996 “On the Orphan Status”, as ammended;
- DCM no. 1201, dated 03.12.2009 “On the approval in principle of the UN Convention on the Rights of People with Disabilities”; DCM no. 542, dated 27.07.2005 “On the adoption of the Statute of State Social Service” as ammended.

Annex 4 Details per EU funded contract (*) where applicable:

The project will be implemented through an administrative agreement with WB, which will cover the following contracts with the IPA contribution.

<i>Contract/s for each activity</i>			<i>IPA Contribution (EURO)</i>	<i>% over the total per activity</i>
Activity 1 - Design/update of eligibility criteria for NE and disability assistance program to strengthen equity of social assistance programs. (NOTE THAT there are 3 other sub-contracts complementary to this activity totalling 319200 euros to be completely funded by World Bank SAMP, and not included in this table)			76000	19%
Contract 1.1 - Update of NE scoring formula using new household data (statistical analysis). Strengthening the capacity in Government Institutions (MoSW and INSTAT) to revise NE scoring formula starting at the completion of the pilot			76000	
Activity 2 - Feasibility Study and Local Capacity Assessment for NE Registry/MIS and Disability Assistance MIS (NOTE THAT there are 3 other sub-contracts complementary to this activity totalling 250800 euros to be completely funded by World Bank SAMP, and not included in this table)			47000	16%
Contract 2.1 - Assessment of existing computer, communications infrastructure, and technical staffing at different levels and recommendations for necessary upgrades for operating NE MIS			47000	
Activity 3 - Development and Delivery of Training Modules for NE MIS and Disability Assistance MIS			252000	100%
Contract 3.1 - Design of training module for social administrators, regional SSS offices and MoSW staff, on NE MIS			50000	

Contract 3.2 - Delivery of Training module for social administrators, regional SSS offices and MoSW staff, on NE MIS			91200	
Contract 3.3 - Design of training module for social administrators, regional SSS offices, MoSW staff, and medical expert commission on Disability Assistance MIS			50000	
Contract 3.4 - Delivery of Training module for social administrators, regional SSS offices, MoSW staff, and medical expert commission on Disability Assistance MIS			60800	
Activity 4 - Improved prevention and detection of fraud, error and corruption in NE and disability assistance			342000	100%
Contract 4.1 - Design of improved error, fraud, and framework and implementation procedures for both NE and disability assistance			76000	
Contract 4.2 - Training of social inspectors on improved inspection, sanction and remedy/recovery policy			76000	
Contract 4.3 - Design of methodologies for building, maintaining and updating a risk profile (including cross-checking procedures)			114000	
Contract 4.4 - Delivery of Training on methodologies for building, maintaining and updating a risk profile			76000	
<i>Activity 5- Monitoring and Evaluation for Social Assistance Reforms</i> (NOTE THAT there are 3 other sub-contracts complementary to this activity totalling 258400 euros to be completely funded by World Bank SAMP, and not included in this table)			511400	66%
Contract 5.1 - Design and implementation of process evaluation for Pilot Phase for Disability assistance reforms to identify bottlenecks and recommend improvements			114000	
Contract 5.2 - Impact evaluation follow-up survey (data collection) for pilot phase of NE reforms for short-term impacts of NE reforms in eligibility criteria (NOTE that baseline impact evaluation survey and to be funded under World Bank SAMP)			106000	
Contract 5.3 - Study/report analyzing the impact evaluation follow-up survey estimating short-term impacts of NE reforms in the pilot phase			41400	
Contract 5.4 - Second Impact evaluation follow-up survey (data collection) for medium-term impacts of NE reforms (nationwide)			104000	
Contract 5.5 - Study/report to estimate short and medium term impacts of NE reforms (nationwide) analyzing the data from follow-up impact evaluation surveys			70000	
Contract 5.6 - Follow-up Disability Survey and Analysis to monitor the impact of Disability reforms (in eligibility)			76000	
<i>Activity 6 - Communications/Outreach Campaign</i> (NOTE THAT there are 2 other sub-contracts complementary to this activity)			304400	73%

totalling 111600 euros to be completely funded by World Bank SAMP, and not included in this table)				
Contract 6.1 - Implementation of Communications Campaign for NE reforms- 2nd phase			134400	
Contract 6.2 - Implementation of Communications Campaign for Disability Assistance reforms 2nd phase			170000	

5 Project visibility activities

The project shall follow EU projects visibility guidelines in each of the documents, events, products or any output planned under the project.

The activities of the IPA 2013 Project “Modernization of Social Assistance through improving the equity and efficiency of social assistance programs in Albania” will be also published on the official web page of the Ministry of Welfare (www.mpcs.gov.al).