



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 23-Feb-2022 | Report No: PIDC33323

**BASIC INFORMATION****A. Basic Project Data**

Country Albania	Project ID P177845	Parent Project ID (if any)	Project Name Improving Universal Access to High Standard Public Services through GovTech (P177845)
Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date Jun 07, 2022	Estimated Board Date Oct 20, 2022	Practice Area (Lead) Governance
Financing Instrument Investment Project Financing	Borrower(s) Republic of Albania	Implementing Agency National Agency for Information Society, Ministry of Finance and Economy	

Proposed Development Objective(s)

To increase universal access to, quality and accountability of priority services.

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	65.00
Total Financing	65.00
of which IBRD/IDA	65.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Bank for Reconstruction and Development (IBRD)	65.00
--	-------

Environmental and Social Risk Classification
Moderate

Concept Review Decision
Track II-The review did authorize the preparation to continue



B. Introduction and Context

Country Context

- 1. The historic earthquake in November 2019 and the COVID-19 pandemic have stalled economic growth in Albania, but the economy is recovering faster than expected.** In 2020, gross domestic product (GDP) contracted by 4 percent, and the pandemic exacerbated inequalities. In the face of such challenges, Albania's economy appears to be recovering faster than expected, but the recovery remains fragile. Following the 2020 contraction, GDP growth reached 7.2 percent in 2021. Going forward, growth is expected to be moderate at 3.8 percent in 2022 and 3.7 percent in 2023.
- 2. To strengthen its recovery, Albania's development model could focus on delivering more inclusive, climate-sensitive and sustainable growth and on improving public sector efficiency and effectiveness.** As a result of having had to redirect important long-term investments to immediate priorities, the Government of Albania (GoA) is under substantial fiscal pressure to mitigate the negative impacts of COVID-19 and develop new ways of doing business to deliver public services under conditions of lockdown.
- 3. Despite progress, further gains could be made in improving public sector and public service efficiency.** Albania has made strong progress in modernizing and digitalizing public services, in improving service efficiency and in increasing access to public services, including for the poor and vulnerable. However, challenges still remain, and further improvements could be made to strengthen the access to, quality of and accountability of certain services.

Sectoral and Institutional Context

- 4. Albania has made significant progress in digitalization and is recognized internationally as a leader in this field.** The National Agency for Information Society (NAIS) was created in 2008 and has led this agenda. NAIS launched the e-Albania portal in 2012 which now provides access to services for around 1.8 million registered users and more than 1,200 e-services. The World Bank's (WB) GovTech Maturity Index (GTMI) categorizes Albania within Group B (the second most advanced of four groups) and the country's example was highlighted among the 22 good practice cases globally. The Prime Minister's Order No. 158 of November 25, 2019 mandated that, as of January 1, 2020, applications to all services had to be done online via e-Albania. Today, users access digital services in three ways: (i) directly, by themselves, through e-Albania, (ii) in a Citizen Service Centre (CSC), where an employee can assist the application to e-Albania, or (iii) via a third party who accesses e-Albania on their behalf.
- 5. However, challenges remain, and further progress could be made to accelerate the digital transformation and to improve digital services for all citizens.** From the perspective of the users, e-Albania and e-services could be further strengthened in terms of the following dimensions: (i) *usability* – the usability and navigation of e-Albania could be further improved based on international best practices; (ii) *quality* – users still experience delays or complex procedures in certain application processes; (iii) *unequal access* – some users, such as vulnerable groups with limited digital skills or limited access to broadband connectivity, require additional assistance in accessing digital services and improving their digital literacy; and, (iv) *user orientation and accountability* – some users are concerned about data privacy and they are not aware of their digital service rights and entitlements.
- 6. Five root causes contribute to the above-mentioned challenges:**
 - *Root Cause 1: Incomplete Simplification and Digitalization of E-Services.* The efficiency of e-services is hindered by various factors: (i) the highest level of automation (level 4) is not achieved for all services; (ii) all services are not yet provided with the electronic signature or digital seal; (iii) certain archives are still only available in a physical form; and (iv) some sectors and line ministries have outdated and unintegrated ICT infrastructure and need to implement further reforms to improve administrative simplification, process re-engineering and automation.



- *Root Cause 2: Limited “User-Centric” Functionalities of e-Albania.* The e-Albania portal could be upgraded to integrate new “user-centric” functionalities based on international best practices. Areas that may require improvement include: (i) improving site navigability and usability from the user perspective; (ii) simplifying application processes and information provision; (iii) strengthening functionalities for user feedback and two-way communication between service providers and users; (iv) improving data privacy and data protection mechanisms; and (v) integrating new functionalities to monitor usage, service standards, and to produce analytics and dashboards for decision-making.
- *Root Cause 3: A Digital Divide and Unequal Access.* The problem of a digital divide hinders universal accessibility. First, at the level of socio-economic groups, certain groups – such as the poor, women, elderly, disabled and Roma – can lack the skills, capacities and opportunities to easily access digital services. Certain users also prefer to access services physically (such as at a service center) and/or with human assistance (such as via a call center). Second, while CSCs have taken important steps to assist vulnerable groups, the model needs upgrading to address the following problems: CSCs lack an integrated and up-to-date *front-office* digital system for monitoring, customer care and grievance redressal; CSCs are not integrated with the central e-Albania system which means they cannot always immediately solve the user’s request; and, the skills of CSC staff could be further upgraded. Third, at the level of connectivity, certain public sector institutions and certain geographical regions lack affordable access to high-speed connectivity services.
- *Root Cause 4: Weak Public Service Standards and Accountability.* There are weaknesses in the adoption and monitoring of service standards, which hinders the delivery of high-quality digital services. In 2021, to address this challenge, the GoA created the new position of a Minister of State for Standards and Services (MSSS). Specific challenges include: (i) the absence of agreed standards for digital service delivery; (ii) the lack of monitoring tools and capabilities for line ministries to monitor the compliance with standards; (iii) the lack of understanding of citizens’ expectations of service standards and limited mechanisms for citizen feedback on standards to allow for the continuous improvement of e-services; and (iv) limited public transparency of service delivery performance information on standards.
- *Root Cause 5: Deficits in Selected GovTech Enablers on Innovation, Data Governance and Change Management.* Innovation, data governance and change management could be further strengthened to accelerate the digital transformation. First, advanced digital technologies, such as machine learning, could be further harnessed. Second, there is a need to further promote digital innovation and advanced digital skills, especially amongst start-ups and youth groups. Third, data governance could be improved through advances in interoperability, data protection and data transparency (Open Data) for increased innovation and accountability. Fourth, policy reforms will need to be adopted in order to accelerate European Union (EU) accession. Finally, investments are needed to strengthen inter-sectoral coordination and capacities to adopt and implement the latest digital innovations.

Relationship to CPF

7. **The GoA accords a high priority to the digitalization of government, the economy and society.** The new Government Program for 2021-2025 places a special focus on the digitalization and modernization of all sectors and services. The cross-cutting Digital Agenda of Albania 2015–2020 – with an action plan extended until 2022 – provides a comprehensive program of digitalization. The Digital Agenda of Albania 2021+ (under public consultation) proposes to capitalize on the digitalization progress of the past decade by increasing investments in the key areas of advanced computing and data processing, artificial intelligence (AI), cyber security and advanced digital capabilities.
8. **The Project contributes to achieving World Bank priorities in Albania as reflected in the forthcoming Country Partnership Framework (CPF).** The proposed Project will directly contribute to the cross-cutting focus area of the draft CPF for 2022 to 2026 (currently undergoing consultation), entitled: “Digitalization and enhanced effectiveness and efficiency of the public sector”. The Project will also support Albania’s response to and recovery from the COVID-19



pandemic. Public sector digitalization is critical to sustaining service delivery in the face of lockdowns and other shocks. Increased public sector efficiency will also lead to fiscal gains.

C. Proposed Development Objective

The proposed Project Development Objective (PDO) is: *To increase universal access to, quality and accountability of priority services.*

Key Results

The following preliminary results indicators are proposed to measure the achievement of the PDO:

- *Universal access:*
 - Increase in the number of successful transactions/services used on the e-Albania portal.
 - Increase in access to selected e-services – through e-Albania and Helpdesks – by targeted vulnerable groups (number of poor, women, Roma and the disabled).
- *Quality:*
 - Decrease in time taken to obtain selected services.
 - Increased user satisfaction with selected e-Albania services measured against defined Service Standards through post-service exit polls of users/post-service ratings.
- *Accountability:*
 - Percentage of services providing information on their achievement of service standards via a publicly available online dashboard.
 - Percentage of e-Albania grievances resolved within defined Service Standards within an agreed timeframe.

D. Concept Description

Approach

9. **In response to the above-mentioned challenges, the Project will support a “GovTech” approach.** This approach has two core elements. First, it recognizes that investments in digital technologies are necessary but not sufficient for impact. It is necessary to combine public sector reform, the latest digital innovations and change management. Second, it recognizes that the application of digital technologies needs to demonstrate tangible improvements for the service users and must enable universal accessibility. The Project design also builds on the progress, lessons, and gaps of the previous World Bank-financed Project entitled “Citizen-Centric Service Delivery” (CCSD, 2015-2020, P151972). It does so by: (i) making digital service delivery more user-friendly; (ii) further improving universal access by addressing the digital divide and improving the CSC model; (iii) improving digital service quality by mainstreaming service standards and strengthening data systems to monitor such quality; and (iv) strengthening the enabling environment for digital innovation, accountability, and EU accession. The approach also integrates the latest international innovations and lessons in this field.

Components

10. **To address the remaining challenges, the Project is preliminarily organized around four components.** The components and sub-components would be further revised and prioritized in dialogue with the NAIS and GoA counterparts. The proposed budget is US\$65 million. This budget will be adjusted based on further scoping of the activities during



preparation. At this stage, it is anticipated that the lending instrument will be results-based and will be based on one of the following two options: (i) an Investment Project Financing (IPF) with Performance-Based Conditions (PBCs); or (ii) a Program for Results (PforR). The current preliminary components and budgeting are organized as an IPF (approximately 20 percent) with PBCs (approximately 80 percent). A full assessment of the most appropriate lending instrument will be made during preparation.

11. Component 1: Expansion and Enhancement of E-Services: e-Albania 2.0 (approximately US\$26 million). This component would focus on taking e-Albania to the “next level” by increasing the speed, efficiency and quality of e-services while at the same time making the e-Albania platform even more usable and accessible for all citizens, drawing on the latest innovations in e-service and social media platforms. The identified sub-components are as follows:

- **1.1. E-Albania Upgrading.** This sub-component aims at implementing GovTech innovations to improve e-Albania in terms of service usage, usability and accessibility.
- **1.2. E-Service Efficiency and Acceleration.** This sub-component aims at improving the speed and efficiency with which e-Albania services are processed and delivered to the end-user.
- **1.3 Digitalization of Priority Sectoral Delivery Processes.** This sub-component will provide support to selected service delivery processes within selected sectors, including: (i) back-end automation; (ii) front-end reform (iii) accountability and data; and (iv) ICT system upgrading.

12. Component 2: Addressing Digital Divides: Universal Access to Services of High Standards (approximately US\$16 million). This component aims at ensuring universal access, for all citizens and businesses, to high-quality electronic services and digitally enabled services, in line with best practices in digital service delivery.

- **2.1. Helpdesks.** This sub-component will aim at making e-services accessible to all users, including by providing service delivery assistance to those users that would prefer and/or are unable to access e-services via electronic channels. It will do so by transforming CSCs into cutting-edge Helpdesks.
- **2.2. Service Standards.** This sub-component aims at improving the quality of online and digitally enabled services through the establishment and monitoring of service standards according to international good practices. This activity will be implemented in close collaboration with the MSSS and new Authority of Service Standards.
- **2.3. Connectivity: Government Network (GovNet) and Government Gateway.** This sub-component will expand the GovNet to the entire country, strengthen mobile connectivity and expand the Government Gateway to connect additional systems, as needed.

13. Component 3: Catalyzing Innovation: New Technologies and Data-Driven Service Delivery (approximately US\$11 million). This component aims to leverage digital solutions for innovation and accountability as vehicles for improving access to and the quality of public services. It is separated into two interrelated sub-components.

- **3.1. Fostering Digital Skills and Digital Innovation.** This sub-component aims to strengthen digital skills and to catalyze and mainstream digital innovations in both the public and private sectors.
- **3.2. Improved Data and Data Governance.** Robust, simple and usable information and data are critical vehicles for improved digital services, increased innovation, improved user trust and accountability. This sub-component aims to improve the range, quality, accessibility and privacy of public service-related data and related accountability mechanisms.

14. Component 4: Strengthening the GovTech Enabling Environment and Technical Support (approximately US\$12 million). This component would support the necessary reforms to the digitalization enabling environment, while providing technical assistance for the achievement of the above-mentioned results.

- **4.1. Legal and Policy Reforms.** This activity would incentivize the adoption of priority policy reforms that would contribute to the achievement of the PDO and would accelerate EU accession.



- **4.2. Technical Assistance.** This sub-component will build capacity for the achievement of results. It will support: (i) the establishment and strengthening of the Project Implement Unit (PIU); (ii) the financing of selected diagnostics and feasibility studies; and (iii) a program of technical assistance, capacity building and change management.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

15. The Project’s overall Environmental and Social (E&S) risks are assessed to be moderate, with environmental risks considered to be moderate and social risks considered to be low. The project will prioritize engagement with stakeholders under Environment and Social Standard (ESS) 10. There is also a very low risk related to labor and working conditions under ESS2. Therefore, it is considered sufficient for the NAIS to either hire an E&S Specialist or to assign E&S risk management and performance to suitably qualified personnel within the PIU team.

CONTACT POINT

World Bank

Simon Carl O'Meally, Mediha Agar
Senior Public Sector Specialist

Borrower/Client/Recipient

Republic of Albania

Implementing Agencies

National Agency for Information Society
Mirlinda Karcana
Head of NAIS/AKSHI
Mirlinda.Karcana@akshi.gov.al

Ministry of Finance and Economy
Adela Xhemali
Deputy Minister of Finance and Economy



adela.xhemali@financa.go.al

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

APPROVAL

Task Team Leader(s):	Simon Carl O'Meally, Mediha Agar
----------------------	----------------------------------

Approved By

Practice Manager/Manager:		
Country Director:	Emanuel Salinas Munoz	24-Feb-2022