

Document of  
The World Bank

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Report No: 47491-AL

PROJECT PAPER  
ON A PROPOSED  
ADDITIONAL FINANCING LOAN  
IN THE AMOUNT OF US\$ 5.0 MILLION  
TO ALBANIA  
FOR THE  
SOCIAL SERVICES DELIVERY PROJECT

February 23, 2009

Human Development Sector Unit  
South Caucasus Country Department  
Europe and Central Asia Region

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**CURRENCY EQUIVALENTS**  
(Exchange Rate Effective 31 January 2009)

Currency Unit = ALL (Albanian Lek)  
US\$1.00 = ALL 94.85

**FISCAL YEAR**  
January 1 – December 31

**ABBREVIATIONS AND ACRONYMS**

CAS	Country Assistance Strategy
DFID	Department for International Development
EA	Environmental Assessment
ECA	Europe and Central Asia
EMP	Environmental Management Plan
FMR	Financial Monitoring Report
GDP	Gross Domestic Product
IBRD	International Bank for Reconstruction and Development
IDA	International Development Agency
ISDS	Integrated Safeguards Data Sheet
LSMS	Living Standards Measures Survey
PAYG	Pay-as-you-go
PDO	Project Development Objectives
PIU	Project Internal Unit
SII	Social Insurance Institute
SSDP	Social Services Delivery Project

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**ALBANIA  
Social Services Delivery Project - Additional Financing Loan**

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### PROJECT PAPER DATA SHEET

Date: February 23, 2009 Country: Albania Project Name: Additional Financing for Social Services Delivery Project Project ID: P107382		Team Leader: Lorena Kostallari Sector Manager: Kathy A. Lindert Sector Director: Tamar Manuelyan Atinc Country Director: Jane Armitage Environmental Category: C			
Borrower: Albania Responsible Agency: Ministry of Finance/Social Insurance Institute					
Revised estimated disbursements (Bank FY/US\$m)					
<b>FY</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Annual		2.0	1.5	1.5	2.0
Cumulative	10.0	12.0	13.5	15.0	17.0
Current closing date: September 30, 2009 Revised closing date: September 30, 2012					
Does the restructured or scaled-up project require any exceptions from Bank policies?				<input type="radio"/> Yes <input checked="" type="radio"/> No	
Have these been approved by Bank management?				<input type="radio"/> Yes <input checked="" type="radio"/> No	
Is approval for any policy exception sought from the Board?				<input type="radio"/> Yes <input checked="" type="radio"/> No	
Revised project development objectives/outcomes The original project development objective (PDO) remains valid for the ongoing activities. However, the proposed additional financing will expand the PDO, to encompass the scaled-up activities. The PDO for the whole project, including portions to be supported with this additional financing, is: to improve the standards of living of poor and vulnerable population groups in Albania by: (a) increasing their access to effective social care services; (b) assisting the Government to develop effective social care policy and improve its capacity for delivery and monitoring of social care services; and (c) improving the efficiency and effectiveness of the pension system in Albania through (i) improving pension system administration; (ii) institutional strengthening including improved capacity for pension policy development; and (iii) improving public understanding of the pension system.  Improved administration will be based on the database of individual records of contributors and beneficiaries, which should simplify the contribution collection process by reducing number of forms required, allow for better control of compliance by ensuring accurate and timely data on contributions, and facilitate and expedite the process of obtaining pension benefit by consolidating work history data of each individual in her/his account. In addition, training of SII staff in undertaking actuarial projections would improve the SII's capacity to analyze pension system, while the public education campaign aims at enhancing public understanding of the pension system.					
Does the scaled-up or restructured project trigger any new safeguard policies? No					
For Additional Financing					
[X] Loan   [ ] Credit   [ ] Grant For Loans/Credits/Grants: Total Bank financing (US\$m.): 5.0 Proposed terms: Standard IBRD Terms - Flexible Loan at 6 months Libor for US dollar, plus the Variable Spread. Payable over 25 years, with a grace period of 10 years, with level payment pattern of the principal amount.					
Financing Plan (US\$m.)					
Source	Local	Foreign	Total		
Borrower	1.0				
IBRD		5.0	5.0		
Others					
Total	1.0	5.0	6.0		



## **I. Introduction**

1. This Project Paper seeks the approval of the Executive Directors to provide an additional loan in an amount of US\$ 5.0 million to Albania Social Services Delivery project – P107382, credit number 3513-ALB.

2. The proposed additional financing to the Social Services Delivery Project (SSDP) would support scaling up of current project activities related to the administrative reform of the Albanian pension system.

3. The Government of Albania has prioritized improvements in the effectiveness, governance and transparency of the pension system, as well as improvements in cost efficiency from accelerated reforms of pension administration, in its National Strategy for Development and Integration. In support of this strategy and in response to a Government request, the World Bank has already allocated some funds from the existing SSDP project to support initial pension system improvements. This support was provided as part of a formal project restructuring in March 2008, which involved reallocating some funds generated from exchange-rate cost savings under the original project. Specifically, the SSDP project was formally restructured to support the urgent rehabilitation and modernization of the building that houses the pension archives; and design of a framework and roadmap for administrative reforms of the overall Albanian pension system.

4. Further support for improvements in the pension administration system is needed, however, to attain the Government's goals of improved efficiency and effectiveness. The funds available from the original restructured project (cost savings) are sufficient only for some limited activities, and as such, the Government of Albania has requested further Bank support through additional financing. The activities supported by additional financing would build on the activities envisaged under the SSDP restructuring. Specifically, the key proposed activities would support:

- (a) undertaking administrative reforms of the Albanian pension system;
- (b) developing the Central Registry of contributors and beneficiaries;
- (c) building capacity for pension policy development; and
- (d) efforts to promote public education on the pension system.

5. The proposed additional financing is expected to improve the efficiency and effectiveness of the Albanian pension system by improving pension system administration; supporting institutional strengthening, including improved capacity for pension policy development; and improving public understanding of the pension system.

## **II. Background and Rationale for Additional Financing**

6. The Albania Social Services Delivery project was approved on June 7, 2001 and became effective on December 28, 2001. The total financing of the project is US\$15.0 million, out of which US\$10.0 million was drawn from IDA and the remainder from DFID and government co-financing. The original project development objectives were to improve the standards of living of poor and vulnerable population groups in Albania by: (a) increasing their access to effective social care services, and (b) assisting the Government to develop effective social care policy and improve its capacity for delivery and monitoring of social care services. Social care services targeted vulnerable groups, such as the elderly, women and children without

support, and disabled. To date, the project development objectives have not been changed, as the original project design did include a specific sub-component 1.3 with the objective of strengthening the development and implementation of pension policy.

7. The original project development objective (PDO) remains valid for the ongoing activities. However, the proposed additional financing will expand the PDO, to encompass the scaled-up activities. The PDO for the whole project, including portions to be supported with this additional financing, is: to improve the standards of living of poor and vulnerable population groups in Albania by:

- (a) increasing their access to effective social care services;
- (b) assisting the Government to develop effective social care policy and improve its capacity for delivery and monitoring of social care services; and
- (c) improving the efficiency and effectiveness of the pension system in Albania through:
  - i. improving pension system administration;
  - ii. institutional strengthening including improved capacity for pension policy development; and
  - iii. improving public understanding of the pension system.

8. Overall, the SSDP project is rated Satisfactory on implementation performance and achievement of development objectives. As of January 10, 2009, total disbursements are US\$9.4 million.

### **Sectoral Background**

9. Pensions in Albania are administered by the Social Insurance Institute (SII) and financed on a pay-as-you-go (PAYG) basis. Subsidies from the central budget have been increasing over time due to declining labor-force participation, demographic shifts, and a highly informal economy. These fiscal pressures are likely to be exacerbated in the context of the current global economic and financial crisis. Total public spending on social insurance programs (pensions and short-term benefits) amounts to about 5 percent of GDP, of which 28 percent (1.4 percent of GDP) is covered by subsidies from the central budget or transfers from other social insurance schemes (deficit).

10. A Social Insurance Review prepared by the World Bank in 2006 showed that the Albanian pension system was providing pension benefits to recipients that totaled 140 percent of the population above the age of 65. While numbers slightly above 100 percent might be plausible due to an out-migration of elderly Albanians with rights in the pension system or because of early retirement, the high level of overpayments spurred Albanian authorities to begin a thorough investigation of pension records.

11. Initial preliminary findings suggest that as many as 30 percent of the old age pensions being paid are fraudulent. Three sources of fraud appear to be the most common: (a) payments made to beneficiaries who are not eligible for pensions on the basis of age or employment history; (b) beneficiaries receiving duplicate pension payments in more than one location; and (c) a continuation of pension payments long after the beneficiary died (“ghost beneficiaries”). Such high degree of fraud not only substantially increases the cost of the pension system, but it also undermines incentives for workers to contribute to a system where fraud is rampant.

12. Given this dire situation, the SII with the support of the Ministry of Finance has initiated measures to improve pension system administration. Some key measures have included:

- (a) establishing an automatic notification system that informs the SII of all the deaths recorded by the civil registry, in order to minimize future ghosts beneficiaries;
- (b) initiating the generation of unique social security numbers for all contributors and beneficiaries, and
- (c) setting up an electronic contribution registry for all rural contributors made in 2007.

However, due to the limited resources in the SII for such a comprehensive effort, the process in implementing these measures has been slow.

13. In addition, the SII is trying to improve oversight and controls for existing pension benefit awards to detect and eliminate fraudulent cases. Progress in this direction, however, has been hampered by weaknesses in the existing administration of benefits and records. The work histories of Albanian contributors are decentralized based on the location of the work. All records are hand-written. Standards for storage of documentation are also very poor, lacking proper protection against humidity, pests and other damage, with very low security against tampering with the data. Under the existing system SII can monitor up to 3000 records per month, out of more than 400,000 old-age pension beneficiaries. Without improvements, it will take more than ten years to complete processing just for this category of beneficiaries. Even then, this would only improve records regarding the *eligibility* of existing beneficiaries, but not the calculation of appropriate *benefit levels*, since pension benefits calculations are not yet adequately controlled. The prevention of fraud, of course, would require that both the eligibility and the benefit level be checked.

14. The scope and significance of weaknesses in the pension system have convinced Albanian authorities to prioritize reforms of the pension administration system on top of their agenda. Pension policy reforms also remain important for the sustainability of the scheme, but without improved administration, it is impossible to establish a reasonable baseline to serve as the foundations for policy reforms.

15. Given these challenges, the Albanian Government has approached the World Bank for support in the area of pension administration systems reforms. The Government's first request for support came in June 2007. In response to that request, the World Bank provided financing through a restructuring of the SSDP project, which reallocated US\$2.5 million in cost savings under the original project to support initial pension administration improvements. However, this amount fell far short of the resources needed complete the administrative reforms. As such, the Government has extended a request for additional financing to further implement the proposed improvements.

### **III. Proposed Changes**

#### **Project Development Objectives**

16. The original project development objective (PDO) remains valid for the ongoing activities. However, the proposed additional financing will expand the PDO, to encompass the scaled-up activities. The PDO for the whole project, including portions to be supported with this additional financing, is: to improve the standards of living of poor and vulnerable population groups in Albania by:

- (a) increasing their access to effective social care services;
- (b) assisting the Government to develop effective social care policy and improve its capacity for delivery and monitoring of social care services; and
- (c) improving the efficiency and effectiveness of the pension system in Albania through:

- i. improving pension system administration;
- ii. institutional strengthening including improved capacity for pension policy development; and
- iii. improving public understanding of the pension system.

**Description of Activities**

17. The original project included the following components:
- (a) social policy development, including strengthening the development and implementation of pension policy;
  - (b) monitoring and administration of social services; and
  - (c) community-based social services.

Project restructuring and reallocation of cost savings in March 2008 provided resources to expand project support to the following activities:

- (a) an urgent rehabilitation and modernization of the building used to house pension archives,
- (b) the design of a framework and road map to reform and strengthen of the overall pension administration system, and
- (c) support for the design and implementation of the Living Standards Measures Survey (LSMS) 2008.

18. To address the problems in the system and improve overall effectiveness and efficiency of the pension system, the Government plans to undertake a thorough administrative reform of the SII; develop an integrated and centralized system for data management and monitoring of employer and employee contributions; create a centralized, structured digital document archive with flexible searching capabilities; enable quick and reliable calculation of pension benefits based on the past work history data of the beneficiaries; and track payment of pension benefits. To support these developments and ensure that the results are sustainable, there will be a need for financing of consultant services, goods (including IT hardware and software), and works, which would consist of rehabilitation works in selected central and regional offices of the SII to ensure that the new equipment is guaranteed an appropriate environment in which it will be housed and used. The additional financing would support civil works for the rehabilitation of selected offices, following the detailed requirements described in chapter V (safeguards policy). Also, some additional financing would be used for strengthening the policy development capacities in the Albanian pension system as well as for the public education efforts. New activities under the Project would build on the activities that were envisaged in the restructuring of the Project.

19. Specifically, new sub-components that would be supported by the proposed Additional Financing under the Project include:

***A. Administrative Reform of the Pension System (US\$ 2.4 million).*** The Project would finance goods, works and consultant services needed to improve the administration of the Albanian pension system, including:

- (a) revising the SII's strategic plan and supporting the development of a business plan to accomplish the strategy;
- (b) reviewing existing business processes and designing new business processes to be implemented in the SII;

- (c) developing and preparing software to support new business processes and supporting training of SII staff in new software, processes and technologies;
- (d) developing and implementing an overall financial management system that includes:
  - i. introducing a transparent accounting system in accordance with international accounting standards;
  - ii. improving budgeting processes, and
  - iii. setting up an overall internal control program to detect and reduce irregularities and recuperate losses;
- (e) training SII management in new management practices, planning, communication and process analysis;
- (f) identifying and implementing data protection and security systems in the SII, and
- (g) carrying out physical rehabilitation of selected SII central and regional offices, only for existing SII central and regional offices, the land of which is duly registered with the Immoveable Property Registration Office and the public ownership of which is certified and also do not entail land acquisition or any associated involuntary resettlement.

***B. Development of the Central Registry of Contributors and Beneficiaries (US\$ 2.2 million).*** This sub-component would finance consultant services and goods needed for the finalization of the central registry of contributors and pension beneficiaries, including:

- (a) conducting full digitalization of records of past work histories;
- (b) setting up an archive of contributions and benefits history to facilitate benefit awards;
- (c) developing a new system of reporting on pension contributions;
- (d) developing an integrated software solution for the management of the Central Registry of contributors and beneficiaries;
- (e) identifying the development of the IT network among the SII branch offices, SII headquarters, and other key institutions; and
- (f) providing additional furniture for the Central Registry building.

***C. Capacity Building for Pension Policy Development (US\$ 100,000).*** This sub-component would finance consultant services and goods needed to establish the Pension Policy Analysis and Identification Unit at the SII. In particular, this component would provide support for:

- (a) analyzing parametric and systemic pension system reform options; and
- (b) developing the legal and regulatory framework for the selected reform options.

***D. Public Education on Pension System (US\$ 100,000).*** This sub-component would finance consultant services and goods needed for raising awareness among the Albanian public of the pension system requirements and benefits. In particular, the sub-component would support:

- (a) preparing and carrying out public opinion surveys;
- (b) developing an internal and external communication strategy to improve the exchange of information in relation to the pension system;
- (c) developing a public education campaign to improve public knowledge of the pension system; and
- (d) organizing different public education events (workshops for journalists, unions, etc.).

**E. Project Management (US\$ 200,000).** This sub-component will aim to ensure an efficient and effective implementation of project activities and monitoring, through financing consultant services and incremental operating costs for the project management unit.

20. **Conditions of Effectiveness consist of the following:**

- (a) A Project manager has been hired by the PIU, with terms of reference and qualifications satisfactory to the Bank; and
- (b) The Operations Manual has been updated by the Borrower, in form and substance satisfactory to the Bank.

21. **Institutional Arrangements.** Project implementation is currently under the responsibility of the Social Insurance Institute (which is under direct supervision of the Ministry of Finance). The overall project coordination is directly supervised by the Deputy Director of the SII. Project implementation under these arrangements is Satisfactory, but there is room to strengthen project management arrangements under the Additional Financing by appointing a full-time project manager who will be responsible for the overall project implementation process. All fiduciary arrangements (financial management and procurement) will remain the same as under the original project.

22. **Project Cost and Financing Plan.** The overall cost of the proposed additional financing activities is US\$5.0 million. The breakdown of the cost per each new activity is presented in the Table 1 below:

**Table 1:**

<b>Description</b>	<b>Estimated Cost (US\$ Million)</b>
<b>(A) Administrative Reform of the Albanian Pension System</b>	<b>2.4</b>
<b>(B) Development of the Central Registry of Contributors and Beneficiaries</b>	<b>2.2</b>
<b>(C) Capacity Building for Pension Policy Development</b>	<b>0.1</b>
<b>(D) Public Education on Pension System</b>	<b>0.1</b>
<b>(E) Project Management</b>	<b>0.2</b>

#### **IV. Consistency with CAS**

23. Reforming the pension administration system is a priority for the Albanian Government. While simultaneously continuing to engage in discussions on the policy front, the Government has signaled its full commitment to reforming the pension administration system, in order to increase system transparency, efficiency and effectiveness, as well as to strengthen the capacity for pension policy developments and improve public understanding of the system.

24. The proposed changes are consistent with the CAS, where the improvement of public service delivery is one of the core pillars. Also, the CAS Progress Report (2007) specifically

indicates supporting of the Albanian pension system as one of the main priorities of the FY09 program.

25. In addition, the proposed Additional Financing supports the Governance Filter of the CAS. Specifically, the results of the proposed activities are expected to (a) improve transparency in the system via ensuring better access to information for all involved stakeholders; (b) improve the efficiency and efficacy of the Social Insurance Institute as a whole; and (c) raise awareness among Albanian public and increase citizens' involvement towards an improved performance of public service delivery.

## V. Appraisal of Restructured or Scaled-up Project Activities

*Overall, the restructuring/scaling up of project activities does not involve any exceptions to Bank policies.*

26. **Safeguards Policy.** The Additional Financing for the Social Services Delivery Project has been categorized as Environmental Assessment (EA) Category C, as was the case for the original project. While the EA category remained the same during the formal project restructuring of the SSDP in March 2008; the project included some rehabilitation works for the SII archive building, which required a higher level of environmental screening. As a result, an Environmental Management Plan (EMP) was agreed with the government and will be closely monitored during implementation of the civil works. In addition, the original ISDS of the SSD project is being revised, to reflect the agreement with the government on the revised EMP.

27. The Additional Financing supports only minor renovation and rehabilitation of existing government offices, involving no excavation or new construction. The environmental mitigation measures required are limited to basic good construction practices including management of the construction site (noise, dust, access) and construction wastes (possibly including asbestos waste material and other hazardous materials common to such works), ensuring the health and safety of the construction workers and the public. The ECA Region's Environmental Management Plan (EMP) Checklist will be used to cover these aspects (see Annex 3). The main purpose of this checklist is to be directly usable and applicable in bidding documents by designers and as an integral part of contract documents for civil works to be financed under the Project. The EMP Checklist also facilitates monitoring of environmental compliance, which will be checked on site alongside other quality criteria by the SII or PIU experts.

28. The project will not support land acquisition or any associated involuntary resettlement. All rehabilitation civil works planned will be executed only on existing SII central and regional offices, the land of which is duly registered with the Immoveable Property Registration Office and the public ownership of which is certified and also do not entail land acquisition or any associated involuntary resettlement. The screening and approval of the proposed rehabilitation sites will be done by the Bank team. No civil works shall be carried out under the project if the SII will not: (i) ensure that the EMP checklist applies to each bidding document and constitutes an integral part of each contract in relation to said work, and (ii) seek the Bank's prior approval for each site proposed for said works.

29. **Financial Management.** As is the case under the original project, the financial management functions of the proposed Additional Financing will be handled by the project implementation unit within the Social Insurance Institute (which is under direct supervision of the Ministry of Finance) which will be responsible for the flow of funds, accounting, reporting, and

auditing. There would be no changes in financial management and disbursement arrangements. The financial management arrangements of the Project have been reviewed periodically as part of project supervision and have been found Satisfactory.

30. The financial management arrangements of the original project are acceptable to the Bank. The overall FM risk for the project is moderate. Similar audit arrangements will be adopted for the additional financing, which will be included in the overall project audit. The audit of the project will be conducted by independent private auditors acceptable to the Bank and on terms of reference(s) acceptable to the Bank.

31. Project management-oriented Interim Un-audited Financial Reports (IFRs) – previously known as Financial Monitoring Reports (FMRs) - will be used for the additional financing monitoring and supervision. The existing formats of the IFRs will be used and the PIU will produce a full set of IFRs/FMRs every quarter throughout the life of the project and will submit them to the Bank no later than 45 days after the end of the quarter.

32. **Procurement:** Procurement arrangements and related risks are discussed in Annex 4 to this document.

## **VI. Expected Outcomes:**

33. The original project development objective (PDO) remains valid for the ongoing activities. However, the proposed additional financing will expand the PDO, to encompass the scaled-up activities. The PDO for the whole project, including portions to be supported with this additional financing, is: to improve the standards of living of poor and vulnerable population groups in Albania by:

- (a) increasing their access to effective social care services;
- (b) assisting the Government to develop effective social care policy and improve its capacity for delivery and monitoring of social care services; and
- (c) improving the efficiency and effectiveness of the pension system in Albania through:
  - i. improving pension system administration;
  - ii. institutional strengthening including improved capacity for pension policy development; and
  - iii. improving public understanding of the pension system.

34. Pension system administration will be improved through the development of new business processes in the SII, the establishment of a client database of individualized records necessary for a modern public pension system and establishment of automated systems for efficient delivery of services to the beneficiaries. Client services of Social Insurance Institution (SII) will be improved making inquiries easier and services faster. The institution of individualized records and an automated system for beneficiaries will support the assessment of possible pension reform options and informed policy making through improved accuracy and availability of pension system data. Improvements will provide for a more efficient monitoring and contribute to the efforts of the SII in identifying fraudulent claims. The project will also support the institutional strengthening of the SII in pension policy analysis and development, the design and implementation of public opinion surveys, and an educational campaign to promote public awareness about the new set of practices in the pension administration system.

35. The additional outcome indicators will track improved client services in pension administration, the creation and operation of a central registry of contributors and beneficiaries,

the establishment of an actuarial unit in the Social Insurance Institute, and drafting of actuarial projections.

36. The following indicators will be added and monitored to evaluate project performance (details in Annex 1):

- Improved client services in the pension administration system, as measured by:
  - Reduced number of documents required for applying for the pension benefit;
  - Number of days for providing formal response to pension applications (positive or negative) less than 30 days, on average.
- Establishment and maintenance of individual records of contributors and beneficiaries, as measured by:
  - Increased number of contributors with individual records;
  - Increased number of beneficiaries with eligibility and benefit levels checked;
- Improved capacity of the SII in pension policy analysis, as measured by:
  - Increased number of SII staff trained in undertaking actuarial projections.
- Improved transparency and public understanding of the pension system, as measured by surveys indicating:
  - Increased number of individuals who know their pension rights;
  - Increased number of individuals/companies who indicate they have improved access to information about their benefits and contributions.

## VII. Benefits and Risks

<b>Risk</b>	<b>Original Risk Rating</b>	<b>Mitigation Measure</b>	<b>Risk Rating after Mitigation</b>
Unavailability of timely data from the Tax Department on contributions may hinder the development of individual contribution records	S	Formal agreement is being prepared between SII and the Tax Department on a timetable and a protocol for the provision by the Tax Department of data on contributions in electronic form	M
Staff turnover may reduce the effectiveness of technical assistance and training.	M	Establishment of an actuarial department in the SII and commitment to maintain at least three staff within the Department, that were trained through the project. Training materials and manuals will also support capacity building of SII staff in other departments.	L
Unavailability of Borrower counterpart financing contributions may affect project progress	M	Commitment by the Borrower to secure an allocation in the annual SII budget for the borrower contribution; explicit prioritization of these reforms in the National Strategy for Development and Integration also signals such commitment	L
Difficulties in implementing new business practices due to possible resistance from SII staff who are	M	Training of staff on the advantages of the new business processes; motivating through improved work environment;	L

Risk	Original Risk Rating	Mitigation Measure	Risk Rating after Mitigation
more comfortable working with existing systems and processes		demonstration of efficiency improvements.	
Following Parliament elections in mid 2009, the newly-elected Government may be reluctant to continue the work with the multipartisan working group on pension policy reform	M	The project is focused on fairly non-controversial measures to improve pensions administration and does not entail enactment of actual pension policy reforms. There are strong indications that these administrative reforms have support across the political spectrum. Further public support will be obtained through a successful public information campaign on the benefits of improved pension administration.	L
Risks of fraud and errors continuing under Albanian pension system.	M	All pension systems (and all types of public transfers) do incur some errors and risks of fraud. However, the activities supported by the proposed AF will specifically seek to help reduce these errors over time.	L

**Risk Rating – S (Substantial Risk), M (Moderate Risk), L (Low Risk)**

#### **VIII. Financial Terms and Conditions for The Additional Financing**

37. The Additional Financing is under IBRD terms, flexible Loan at 6 months Libor for US dollar, plus the Variable Spread. Payable over 25 years, with a grace period of 10 years, with level repayment pattern of the principal amount. Front-end Fee is 0.25 percent of the Loan amount.

**Annex 1: Results Framework and Monitoring  
ALBANIA: Social Services Delivery Project Additional Financing**

*Table 1: Results Framework*

<i>Development Objective</i>	<i>Outcome/Impact Indicator</i>	<i>Project reports</i>
The PDO for the whole project, including portions to be supported with this additional financing, is: to improve the standards of living of poor and vulnerable population groups in Albania by: (a) increasing their access to effective social care services; (b) assisting the Government to develop effective social care policy and improve its capacity for delivery and monitoring of social care services; and (c) improving the efficiency and effectiveness of the pension system in Albania through (i) improving pension system administration; (ii) institutional strengthening including improved capacity for pension policy development; and (iii) improving public understanding of the pension system.	(1) improved client services in pension administration; (2) central registry of contributors and beneficiaries introduced and operating; (3) improved capacity in the SII for pension policy development with actuarial projections and impact of reform options undertaken by SII; (4) improved transparency and public understanding of the pension system	(1) MoF/SII reports (2) Public opinion surveys (3) MoF/SII periodical reports and other participants' information.
<b><i>Output from each Component</i></b> <b><i>A. Administrative reform of the Albanian Pension System</i></b> (a) Improved client services in the pension administration system	<b><i>Output Indicators</i></b> (5) Reduced number of documents required for applying for the pension benefit; (6) Number of days for providing formal response to pension applications (positive or negative) less than 30 days on average.	<b><i>Project reports</i></b> (1) MoF/SII records (2) Project reports (3) Public opinion surveys
<b><i>B. Development of the Central Registry of Contributors and Beneficiaries</i></b> (a) Establishment and maintenance of individual records of contributors and beneficiaries	(7) Increased number of contributors with individual records. (8) Increased number of beneficiaries with eligibility and benefit levels checked.	(1) Project reports (2) MoF/SII formal databases

<i>Development Objective</i>	<i>Outcome/Impact Indicator</i>	<i>Project reports</i>
<b><i>C. Capacity Building for Pension Policy development</i></b> (a) Improved capacity of the SII in pension policy analysis	(9) Increased number of SII staff trained in undertaking actuarial projections.	(1) Project reports
<b><i>D. Public education on Pension System</i></b> (a) Improved transparency and public understanding of the pension system	(10) Increased number of individuals who know their pension rights; (11) Increased number of individuals/companies who indicate they have improved access to information about their benefits and contributions.	(1) Public opinion surveys

**Table 2: Arrangements for Results Monitoring**

<i>Monitoring Indicators</i>	<i>Baseline Value</i>	<i>Target Value</i>
(1) Improved client services in pension administration; (2) Central registry of contributors and beneficiaries introduced and operating; (3) Improved capacity in the SII for pension policy development with actuarial projections and impact of reform options undertaken by SII.	N/A (to be defined, following the first survey) None None	N/A (to be defined, following the first survey) Center Registry established and operating Actuarial Unit in SII established, projections drafted
(4) Reduced number of documents required for applying for the pension benefit; (5) Number of days for providing formal response to pension applications (positive or negative) less than 30 days on average.	8 on average 60 days	3 documents less than 30 days
(6) Increased number of contributors with accessible electronic individual records. (7) Increased number of beneficiaries with eligibility and benefit levels checked.	0 40,000	400,000 (rural + urban) 120,000
(8) Increased number of SII staff trained in undertaking actuarial projections.	1	10
(9) Increased number of individuals who know their pension rights; (10) Increased number of individuals/companies who indicate they have improved access to information about their benefits and contributions.	N/A (to be defined, following the first survey) N/A (to be defined, following the first survey)	N/A (to be defined, following the first survey) N/A (to be defined, following the first survey)

**Annex 2: Detailed Explanation on the Support for SII-IT System  
ALBANIA: Social Services Delivery Project Additional Financing**

38. The main activity under the additional financing will be the development and implementation of an integrated system for the centralized management of social benefits (calculation of benefits and automatic accounting of contributions). It is envisaged that the new system will be a completely centralized system following and including internationally acknowledged standards for system back-up and disaster recovery and will also comprise a centralized digitalized archive of the existing paper documentation. The system will be based on a personal (individual) account for each contributor with automatic calculation of and management of benefit payments.

39. Although the system will be managed centrally, all regional and local offices will have access the system, it is also envisaged that all stakeholders (contributors, pensioner, employers, tax department, banks of second level, Albanian post, etc) will have on-line (read only) access. It is planned to ensure a connection with the Tax Department and payment agent systems for the control of contributions and checking that contributions payments are received and pensions are paid. A formal agreement between the SII and the Tax Department on the timetable and a protocol for the provision by the Tax Department of contribution data in electronic form is being drafted and is expected to be finalized by the start-up of project implementation.

40. The system would comprise the following modules:

- (i) Individual accounts (register of all actual and potential beneficiaries);
- (ii) Registration and Contributions Payment (employers, employees, migrant workers);
- (iii) Qualification rules (existence of identification number [individual account], statutory retirement age and minimum contribution period compliance, duplicate check);
- (iv) Eligibility criteria (applying business rules in accordance with legislation provisions that have impact on benefit calculation: benefit types, gender, calculation rules, and other conditions. Benefits calculation algorithms introduced in software design);
- (v) Pension Claim (Qualification, Legislation Rules, Calculation);
- (vi) Payment: Pensions /Benefits payment and accounting, expenditures execution;
- (vii) Debt management (managing of all contributions and benefits debt);
- (viii) Qualitative and quantitative system monitoring and control;
- (ix) Reports & Statistics.

41. Central to the developed application will be creation and management of individual accounts for all current and potential beneficiaries. All the data provided by employers through in payroll lists will go automatically in each individual accounts. The application will be supported by an accounting system and will be integrated with the Treasury system which will make payment control and management of cash flow more efficient.

42. An important aspect of the system will be the completion of the electronic archive where it is aimed to digitize the paper based document archives located at the different directorates and agencies and to create a centralized, structured digital document archive, with flexible searching capabilities. The aim is to scan, index and digitize all existing paper

documents. This will be complemented by the creation of a 'smart indexing structure' to allow easy search and retrieval if required.

43. The implementation of such an archive at the Social Insurance Institute will have the following benefits:
- It will be possible to access the document archive from every location;
  - It will be possible to search for an individuals contribution records based on different criteria, relate these contribution records to a person;
  - Easier and more systematic access to the necessary documents will reduce the time needed to gather a persons data needed for entitlement decisions;
  - The creation of a systematized and comprehensive archive will also help the Institute to detect possible missing data and frauds.

#### **Development Plan**

44. The implementation of the system is foreseen in three phases:
1. Preparatory phase which would include:
    - verification and revision of all SII Business processes;
    - study of possible connectivity between offices;
    - hardware assessment;
    - review and development of disaster recovery options;
    - study of existing paper documents, leading to the development of a plan for the development of the archive.
  2. Design and development phase
    - design and development of the archive;
    - design and development of the main integrated system.
  3. Implementation and roll-out phase
    - archive system;
    - central level and regional levels;
    - local level.

**Annex 3: EMP Checklist**  
**ALBANIA: Social Services Delivery Project Additional Financing**

<b>PART 1: INSTITUTIONAL &amp; ADMINISTRATIVE</b>				
Country				
Project title				
Scope of project and activity				
Institutional arrangements (Name and contacts)	WB (Project Team Leader)	Project Management	Local Counterpart and/or Recipient	
Implementation arrangements (Name and contacts)	Safeguard Supervision	Local Counterpart Supervision	Local Inspectorate Supervision	Contactors
<b>SITE DESCRIPTION</b>				
Name of site				
Describe site location	Attachment 1: Site Map Y [ ]N [ ]			
Identify national & local legislation & permits that apply to project activity				
<b>PUBLIC CONSULTATION</b>				
Identify when / where the public consultation process took place				
<b>INSTITUTIONAL CAPACITY BUILDING</b>				
Will there be any capacity building?	[ ] N or [ ] Y if Yes, Attachment 2 includes the capacity building program			

**PART 2: ENVIRONMENTAL /SOCIAL SCREENING**

Activity	Status	Additional references
A. Building rehabilitation	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section B below
B. New construction	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section B below
C. Individual wastewater treatment system	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section C below
D. Historic building(s) and districts	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section D below
E. Hazardous or toxic materials	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section F below
F. Impacts on forests and/or protected areas	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section G below
G. Handling / management of medical waste	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section H below
H. Traffic and Pedestrian Safety	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section I below

ACTIVITY	PARAMETER	MITIGATION MEASURES CHECKLIST
A. General Conditions	Notification and Worker Safety	<p>(a) The local construction and environment inspectorates and communities have been notified of upcoming activities</p> <p>(b) The public has been notified of the works through appropriate notification in the media and/or at publicly accessible sites (including the site of the works)</p> <p>(c) All legally required permits have been acquired for construction and/or rehabilitation</p> <p>(d) All work will be carried out in a safe and disciplined manner designed to minimize impacts on neighboring residents and environment.</p> <p>(e) Workers will comply with international good practice (always hardhats, as needed masks and safety glasses, harnesses and safety boots)</p> <p>(f) Appropriate signposting of the sites will inform workers of key rules and regulations to follow.</p>
B. General Rehabilitation and /or Construction Activities	Air Quality	<p>(a) During interior demolition use debris-chutes above the first floor</p> <p>(b) Keep demolition debris in controlled area and spray with water mist to reduce debris dust</p> <p>(c) Suppress dust during pneumatic drilling/wall destruction by ongoing water spraying and/or installing dust screen enclosures at site</p> <p>(d) Keep surrounding environment (side walks, roads) free of debris to minimize dust</p> <p>(e) There will be no open burning of construction / waste material at the site</p> <p>(f) There will be no excessive idling of construction vehicles at sites</p>
	Noise	<p>(a) Construction noise will be limited to restricted times agreed to in the permit</p> <p>(b) During operations the engine covers of generators, air compressors and other powered mechanical equipment should be closed, and equipment placed as far away from residential areas as possible</p>
	Water Quality	<p>(a) The site will establish appropriate erosion and sediment control measures such as e.g. hay bales and / or silt fences to prevent sediment from moving off site and causing excessive turbidity in nearby streams and rivers.</p>
	Waste management	<p>(a) Waste collection and disposal pathways and sites will be identified for all major waste types expected from demolition and construction activities.</p> <p>(b) Mineral construction and demolition wastes will be separated from general refuse, organic, liquid and chemical wastes by on-site sorting and stored in appropriate containers.</p> <p>(c) Construction waste will be collected and disposed properly by licensed collectors</p> <p>(d) The records of waste disposal will be maintained as proof for proper management as designed.</p> <p>(e) Whenever feasible the contractor will reuse and recycle appropriate and viable materials (except asbestos)</p>

<sup>1</sup> Toxic / hazardous material includes and is not limited to asbestos, toxic paints, removal of lead paint, etc.

ACTIVITY	PARAMETER	MITIGATION MEASURES CHECKLIST
C. Individual wastewater treatment system	Water Quality	<p>(a) The approach to handling sanitary wastes and wastewater from building sites (installation or reconstruction) must be approved by the local authorities</p> <p>(b) Before being discharged into receiving waters, effluents from individual wastewater systems must be treated in order to meet the minimal quality criteria set out by national guidelines on effluent quality and wastewater treatment</p> <p>(c) Monitoring of new wastewater systems (before/after) will be carried out</p>
D. Historic building(s)	Cultural Heritage	<p>(a) If the building is a designated historic structure, very close to such a structure, or located in a designated historic district, notify and obtain approval/permits from local authorities and address all construction activities in line with local and national legislation</p> <p>(b) Ensure that provisions are put in place so that artifacts or other possible "chance finds" encountered in excavation or construction are noted, officials contacted, and works activities delayed or modified to account for such finds.</p>
E. Acquisition of land	Land Acquisition Plan/Framework	<p>(a) If expropriation of land was not expected and is required, or if loss of access to income of legal or illegal users of land was not expected but may occur, that the bank task Team Leader is consulted.</p> <p>(b) The approved Land Acquisition Plan/Framework (if required by the project) will be implemented</p>
F. Toxic Materials	Asbestos management	<p>(a) If asbestos is located on the project site, mark clearly as hazardous material</p> <p>(b) When possible the asbestos will be appropriately contained and sealed to minimize exposure</p> <p>(c) The asbestos prior to removal (if removal is necessary) will be treated with a wetting agent to minimize asbestos dust</p> <p>(d) Asbestos will be handled and disposed by skilled &amp; experienced professionals</p> <p>(e) If asbestos material is to be stored temporarily, the wastes should be securely enclosed inside closed containments and marked appropriately</p> <p>(f) The removed asbestos will not be reused</p>
	Toxic / hazardous waste management	<p>(a) Temporary storage on site of all hazardous or toxic substances will be in safe containers labeled with details of composition, properties and handling information</p> <p>(b) The containers of hazardous substances should be placed in an leak-proof container to prevent spillage and leaching</p> <p>(c) The wastes are transported by specially licensed carriers and disposed in a licensed facility.</p> <p>(d) Paints with toxic ingredients or solvents or lead-based paints will not be used</p>
G. Affects forests and/or protected areas	Protection	<p>(a) All recognized natural habitats and protected areas in the immediate vicinity of the activity will not be damaged or exploited, all staff will be strictly prohibited from hunting, foraging, logging or other damaging activities.</p> <p>(b) For large trees in the vicinity of the activity, mark and cordon off with a fence large trees and protect root system and avoid any damage to the trees</p> <p>(c) Adjacent wetlands and streams will be protected, from construction site run-off, with appropriate erosion and sediment control feature to include by not limited to hay bales, silt fences</p> <p>(d) There will be no unlicensed borrow pits, quarries or waste dumps in adjacent areas, especially not in protected areas.</p>
H. Disposal of medical waste	Infrastructure for medical waste management	<p>(a) In compliance with national regulations the contractor will insure that newly constructed and/or rehabilitated health care facilities include sufficient infrastructure for medical waste handling and disposal; this includes and not limited to:</p> <ul style="list-style-type: none"> <li>▪ Special facilities for segregated healthcare waste (including soiled instruments "sharps", and human tissue or fluids) from other waste disposal; and</li> <li>▪ Appropriate storage facilities for medical waste are in place; and</li> <li>▪ If the activity includes facility-based treatment, appropriate disposal options are in place and operational</li> </ul>

<b>ACTIVITY</b>	<b>PARAMETER</b>	<b>MITIGATION MEASURES CHECKLIST</b>
I Traffic and Pedestrian Safety	Direct or indirect hazards to public traffic and pedestrians by construction activities	<p>(b) In compliance with national regulations the contractor will insure that the construction site is properly secured and construction related traffic regulated. This includes but is not limited to</p> <ul style="list-style-type: none"> <li>▪ Signposting, warning signs, barriers and traffic diversions: site will be clearly visible and the public warned of all potential hazards</li> <li>▪ Traffic management system and staff training, especially for site access and near-site heavy traffic. Provision of safe passages and crossings for pedestrians where construction traffic interferes.</li> <li>▪ Adjustment of working hours to local traffic patterns, e.g. avoiding major transport activities during rush hours or times of livestock movement</li> <li>▪ Active traffic management by trained and visible staff at the site, if required for safe and convenient passage for the public.</li> <li>▪ Ensuring safe and continuous access to office facilities, shops and residences during renovation activities, if the buildings stay open for the public.</li> </ul>

**Annex 4: Procurement Arrangements**  
**ALBANIA: Social Services Delivery Project Additional Financing**

45. Currently project implementation is the responsibility of the Project Implementation unit (PIU) within the Social Insurance Institute (SII), which is under direct supervision of the Ministry of Finance. The SII is carrying out the procurement function so far, supported by a part-time procurement consultant. Although the Project was rated so far "Satisfactory" on procurement, given the number of activities/contracts involved in this additional financing, a full time procurement officer should be recruited, replacing the existing part time position. The procurement capacity assessment of the PIU was monitored during procurement supervision missions and also based on the prior review contracts. Given the country/environment risk, and also some delays on implementation of the current project, the procurement risk is recommended to be kept at the same level "High". On these bases, respective prior review thresholds are listed in the procurement plan attached to this Annex.

46. 2. While the on-going Project is governed by the procurement and consultants guidelines of January 1999, procurement under this additional financing will be governed by current World Bank's guidelines: "Guidelines: Procurement under IBRD Loans and IDA Credits" dated May 2004 revised October 2006 and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004 revised October 2006 and the provisions stipulated in the Loan Agreement.

47. **Procurement of Works:** The Project will finance civil works contracts for rehabilitation of SII Regional offices. The civil works will be packaged to the extent possible for tendering under NCB or ICB procedures to increase competition. The following procurement methods will be used:

- (a) *International Competitive Bidding (ICB)* for civil works contracts US\$2,000,000 and over;
- (b) *National Competitive Bidding (NCB)* for contracts more than US\$100,000 equivalent and less than US\$2,000,000. The ECA regional sample bidding documents for NCB works contracts will be used. Any other bidding documents for NCB will follow the conditions applicable for the NCB procedures established in the Loan Agreements and shall be acceptable to the Bank; and
- (c) *Shopping (minor works)* procedures for civil works contracts less than US\$100,000 equivalent on the basis of three written quotations obtained from qualified contractors.

48. **Procurement of Goods:** Goods procured under this Project include information technology (IT) systems, office furniture, etc. The PIU will use the Bank's Standard Bidding Documents (SBDs) for all ICB. Contracts for goods will be grouped in bid packages as much as feasible to increase competition.

- (a) *International Competitive Bidding (ICB):* Goods packages estimated to cost US\$100,000 and above per contract will be procured through ICB. IT equipment and software would be procured as separate packages and using a single-stage procurement procedure;
- (b) *Shopping:* Goods packages estimated to cost less than US\$100,000 per contract may be procured through shopping procedures on the basis of at least three quotations. The PIU would solicit quotations from at least three (normally 5-6) suppliers from eligible source countries; and

(c) *Direct Contracting*: Where certain goods are available from one supplier or in cases where compatibility with existing equipment requires that goods must be procured under Direct Contracting (single-source) and having obtained prior approval from the Bank (in accordance with paragraphs 3.6 and 3.7 of the Procurement Guidelines).

49. **Selection of Consultants:** Consulting services under this project would include technical assistance for review of the SII strategic and business plan, public education campaign, capacity building; etc. The project will also finance training and any study tour. Short lists of consultants for services estimated to cost less than US\$100,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines. Selection methods will be as follows: Consulting services estimated to cost normally US\$200,000 or more per consultant contract will be procured through *Quality and Cost-Based Selection (QCBS)* method; this method also would be used for smaller contract amounts of a complex nature. Consulting services costing each less than US\$200,000 equivalent may be procured through *Consultants Qualifications (CQ)* method. The *Fixed Budget (FB)* method of selection may be used for simple assignments when the contract amount should not exceed the allocated budget. The consulting contract for project audit may be selected through *Least Cost Selection (LCS)* method. Individual consultants will be selected in accordance with Section V of the Consultants Guidelines. *Single source (SS)* method may be used for consulting assignments with prior Bank approval in accordance with parag.3.9 through 3.13 of the Consultants Guidelines.

50. **Training:** Training will include study tours connected with project component activities and reflected in the Annual Training and Study Tour plans, to be approved by the Bank and after that changes and additions would be reviewed separately as they occur and would cover participants, agenda for training events, and budget estimate. Consultants required to prepare, facilitate, or conduct training activities shall be selected under Consultants Guidelines described above, and shall be included in the Procurement Plan.

51. **Operating Costs:** The Project would finance operating expenditures incurred by PIU such as office supplies, utilities and communication.

### **C. Procurement Plan**

52. A procurement plan is prepared and agreed during Negotiations on February 10-12, 2009. This procurement plan will be available in the project database and on the Bank external website, and will be updated annually or as required in agreement with the World Bank Project Team to reflect project implementation needs and improvements in institutional capacity.

### **D. Frequency of Procurement Supervision**

53. In addition to the prior review supervision carried out from World Bank, as part of the post review missions, the procurement capacity assessment of the SII's PIU will be updated. Procurement post-review missions will take place minimum once a year.

### **E. Details of the Procurement Arrangements Involving International Competition**

#### **1. Goods and civil works**

(a) List of contract packages to be procured following ICB, direct contracting, and other methods: See Procurement Plan (below); and

**2. Consulting Services**

(a) List of consulting assignments with short-list of international and local firms and individual consultants are indicated below.

**Procurement Plan**

*I General*

**Agreed date of procurement Plan**

Original: February 10, 2009

**Date of General Procurement Notice:** estimated February 2009

*II. Goods and Works and non-consulting services.*

**Prior Review Threshold:** Procurement Decisions subject to Prior Review by the Bank as stated in Appendix 1 to the Guidelines for Procurement:

	<b>Procurement Method</b>	<b>Method Threshold</b>	<b>Prior Review Threshold /Comments</b>
1.	ICB for Goods	> \$100,000	All subject to prior review
2.	ICB for Civil Works	> \$2,000,000	All subject to prior review
3.	NCB for Civil Works	< \$2,000,000	First two contracts and all contracts more than \$200,000 subject to prior review
4.	Shopping for Goods, Civil Works	< \$100,000	First two contracts subject to prior review
5.	Direct Contracting *	-	All subject to prior review

Note: \* All contracts subject of justification

Detailed procurement contracts for goods and works are enclosed in the table below.

*III. Selection of Consultants*

1. **Prior Review Threshold:** Selection decisions subject to Prior Review by Bank as stated in Appendix 1 to the Guidelines Selection and Employment of Consultants:

	<b>Selection Method</b>	<b>Applicable Method Threshold</b>	<b>Prior Review Threshold /Comments</b>
1.	Competitive Methods (Firms) QCBS	>\$200,000	All prior review
2.	Competitive Methods (Firms) LCS	Any amount	All contracts more than \$100,000 each
3.	Competitive Methods (Firms) FB	Any amount	All contracts more than \$100,000 each
4.	Competitive Methods (Firms) CQ	<\$ 200,000	First two contracts and all more than \$100,000 subject to prior review
5.	Individual consultants (Individual)	-	First two contracts and all more than \$50,000 subject to prior review
6.	Single Source (Firms and individual) *	-	All subject to prior review
7.	TOR for consulting contracts	All methods/values	All subject to prior review

\*) All contracts subject to justification

2. **Short list comprising entirely of national consultants:** Short list of consultants for services, estimated to cost less than \$100,000 equivalent per contract, may comprise entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

3. **Consulting Services assignments and contracts for goods and works with selection methods and time schedule:**

Description	Type	Number of slices/items/sub-packages	Procurement Method	Preparation of TORs/invitation	Selection	Contract Signing	Contract Completion	Prior Review
<b>Component A - Administrative Reform of the Albania Pension System</b>								
(1) TA on revision of SII strategic plan and business processes and designing new business processes (international and local consultants)	CS	2	Ind	15-May-09	15-Jun-09	15-Jul-09	30-Oct-09	No
(2) Development of software for new business process including training of SII staff in new software	G	1	ICB	15-Mar-09	15-May-09	01-Jul-09	30-Nov-09	Yes
(3) Hard/software for Development and implementation of finance management system	G	1	ICB	15-Sep-09	15-Nov-09	01-Jan-10	30-Apr-10	Yes
(4) Training of SII management in new management practices	Training	Multiple	-	-	-	-	-	Annual Plan
(5) Expertise on identification and implementation of data protection system	CS	1	CQ	15-Mar-09	15-April-09	15-May-09	30-Aug-09	No
(6) Hard and software for identification and implementation of data protection system	G	1	SH	1-Sep-09	1-Oct-09	1-Nov-09	30-Dec-09	Yes
(7) Rehabilitation of SII regional offices (*)	CW	multiple	NCB/SH	1-Aug-09	30-Sep-09	15-Oct-09	1-Jan-10	Yes/No
<b>Component B - Development of Central Registry of Contributors and Beneficiaries</b>								
(8) Equipment for digitalization of records of past work histories	G	1	ICB	1-May-09	1-July-09	1-Oct-09	1-Jan-10	Yes
(9) Setting up an archive for contributions and benefits history to facilitate benefit awards	G	1	ICB	1-Jul-09	1-Sep-09	1-Dec-09	1-May-10	Yes
(10) Software for new	G	1	ICB	1-Jun-09	1-Aug-09	1-Nov-09	1-Feb-10	Yes

Description	Type	Number of slices/items/sub-packages	Procurement Method	Preparation of TORs/invitation	Selection	Contract Signing	Contract Completion	Prior Review
system of reporting on pension contributions								
(11) Development of Integrated software solution for management of Central Registry	G	1	ICB	15-Jul-09	15-Sep-09	15-Dec-09	1-Apr-10	Yes
(12) Identification for IT network among SII regional offices, headquarters, and other key institutions	CS	1	CQ	1-Apr-09	1-May-09	1-Jun-09	1-Sep-09	No
(13) Furniture/IT equipment for central Registry	G	2	ICB	1-Aug-09	1-Oct-09	1-Jan-10	1-Apr-10	Yes
<b>Component C – Capacity Building for Pension Policy Development</b>								
(14) Support for reform options of paramedic and systematic system	CS	1	Ind	1-Apr-09	1-May-09	1-Jun-09	1-Sep-09	No
(15) Support in development of legal framework	CS	1	Ind	1-Sep-09	1-Oct-09	1-Nov-09	1-Feb-09	No
<b>Component D – Public Education on Pension Reform</b>								
(16) Public opinion surveys	CS	2	CQ	1-Aug-09	1-Sep-09	1-Oct-09	1-Jan-10	No
(17) Internal/external communication strategy (international expertise)	CS	1	CQ	1-Apr-10	1-May-10	1-Jun-10	1-Nov-10	No
(18) Public education campaign to improve public knowledge on pension system	CS	1	CQ	1-Nov-09	1-Dec-09	1-Jan-10	1-Apr-10	No
(19) Organization of public events (workshops, etc)	CS	3	CQ	1-Nov-09	1-Dec-09	1-Jan-10	1-Feb-10	No
<b>Component E – Project management</b>								
(25) Project Manager	CS	1	Ind	1-Mar-09	1-Apr-09	1-May-09	1-Jun-12	Yes
(26) Procurement consultant	CS	1	Ind	1-Mar-09	1-Apr-09	1-May-09	1-Jun-12	Yes
(27) Financial officer	CS	1	Ind	1-Mar-09	1-Apr-09	1-May-09	1-Jun-12	Yes
(28) Project audit	CS	1	CQ/LC S	1-Mar-09	1-Apr-09	1-Jan-10	1-Jun-12	Yes
(29) Operating cost for PIU	OC	-	-	-	-	-	-	-
<b>TOTAL: US \$5,000,000</b>								

Note: (\*) The civil works will be packaged to the extent possible for tendering under NCB to increase competition



***IV. Ex-Post review:***

Contracts for goods, works and consulting services below prior review thresholds are subject of Bank's selective ex-post review. Periodic ex-post review by the Bank will be undertaken during regular supervision missions. Procurement documents, such as bidding documents, bids, bid evaluation reports and correspondence related to bids and contracts will be kept readily available for the Bank's ex-post review during supervision mission or at any other point of time. Bank's mission will review at least one out of every five contracts which are subject of ex-post review.

***Record Keeping:*** The PIU of SII will maintain complete procurement files which will be reviewed by supervision missions. All procurement related documents that requires prior review will be cleared by the World Bank's Procurement Accredited Staff (PAS) and related technical staff. Procurement information will be recorded by the PIU and submitted to the Bank as part of quarterly (FMRs) and annual progress reports.



