

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED  
SAFEGUARDS DATA SHEET (PID/ISDS)**

**Additional Financing**

Report No.: PIDISDSA23293

**Date Prepared/Updated:** 17-Jan-2018

**I. BASIC INFORMATION**

**A. Basic Project Data**

<b>Country:</b>	Albania	<b>Project ID:</b>	P162079
		<b>Parent Project ID (if any):</b>	P122233
<b>Project Name:</b>	Additional Financing Social Assistance Modernization project (P162079)		
<b>Parent Project Name:</b>	Social Assistance Modernization Project (P122233)		
<b>Region:</b>	EUROPE AND CENTRAL ASIA		
<b>Estimated Appraisal Date:</b>	20-Dec-2017	<b>Estimated Board Date:</b>	28-Mar-2018
<b>Practice Area (Lead):</b>	Social Protection & Labor	<b>Financing Instrument:</b>	Investment Project Financing
<b>Borrower(s)</b>	Ministry of Finance, Economy and Labor		
<b>Implementing Agency</b>	Ministry of Health and Social Protection (MHSP)		
<b>Financing (in USD Million)</b>			
<b>Financing Source</b>			<b>Amount</b>
International Bank for Reconstruction and Development			11.00
Financing Gap			0.00
Total Project Cost			11.00
<b>Environmental Category:</b>	B-Partial Assessment		
<b>Appraisal Review Decision (from Decision Note):</b>	The review did authorize the team to appraise and negotiate		
<b>Other Decision:</b>			
<b>Is this a Repeater project?</b>	No		

**B. Introduction and Context**

**Country Context**

Albania maintains a strong reform focus, with notable achievements in macro-fiscal and financial sector stability, and positive, albeit slower, results in improving the business environment and the

quality of institutions for service delivery. GDP growth gradually recovered to 3.4 percent in 2016 from 1 percent after the global financial crisis. Growth shows signs of rebalancing from consumption and public spending to investment-led growth. Investment and household consumption were the main drivers of growth in 2016, contributing by 1.8 and 2.1 percentage points, respectively. Economic growth is reflected also in the higher labor force participation as jobs have opened up. Recent data suggests that growth continued to firm up in the first half of 2017, with strong business confidence in all non-agriculture sectors and especially optimistic views in services. However, external imbalances remain a source of vulnerability. The external deficit expanded after the global financial crisis, exacerbated by Albania's close links to Greece and Italy. The current account deficit (CAD) narrowed from 10.8 percent in 2015 to 9.6 percent in 2016. Nevertheless, Albania's export concentration makes the country extremely vulnerable to external shocks. Fiscal consolidation efforts, including the clearance of central government arrears amounting to almost 5 percent of GDP in 2014 and 2015, are bearing fruit. The fiscal deficit declined to 1.8 in 2016 from 4.9 percent in 2015, leading to a decline in the overall public debt for the first time since the crisis to 72.4 percent of GDP in 2016. Revenues and expenditures remained within the budgeted targets in the first half of 2017.

The proposed AF is aligned with the World Bank Group's Country Partnership Framework (CPF) for Albania FY15-FY19 (report number 94636-AL, link CPS FY15-FY19) and its focus area 3 “Strengthening public sector management and service delivery”. This focus area includes the CPF objective related to increased efficiency of public service delivery and improved equity and access to basic social services. In addition, the proposed AF supports the Government National Strategy for Social Protection 2015–2020 and its related action plan, approved by the Council of Ministers on January 7, 2016. The Strategy reiterates the importance of modernizing the social assistance schemes, aiming at improving efficiency and transparency of the Ndihma Ekonomike (NE) system, and including also introduction of the active employment package policies for NE beneficiaries. The strategy also emphasizes the need to further improve the lives of people with disability, through implementing the newly introduced “social model” and establishing an integrated system of services to this vulnerable group.

### **Sectoral and Institutional Context**

There is a continued strong government commitment to the social assistance reforms. As confirmed at the mid-term review, Albania’s implementation of social assistance reforms to support the objective of the parent project, which is “to support the Government’s implementation of reforms to improve the equity and efficiency of its social assistance programs”, remains fully relevant for the country and sector context. The objectives of the parent project will stay the same with the additional financing and are aligned with the Government’s mandate of reducing extreme poverty. The main social assistance programs are the NE cash transfers program and the (non-contributory) disability allowance (DA). The Government of Albania has initiated an ambitious social assistance reform program to strengthen the design, administration and governance of these transfers, partially with the support of SAMP. The government’s strong commitment to improve the equity and efficiency of its social assistance programs was further demonstrated by actions taken beyond the scope of SAMP. For example, while preparing for the NE and DA reforms, the Government put a lot of efforts into strengthening the oversight and control of NE and DA benefits through inspections.

## **C. Proposed Development Objective(s)**

### **Original Project Development Objective(s) - Parent**

The project would support the Albania's implementation of reforms to improve the equity and efficiency of its social assistance programs.

## Key Results

Strong results have been achieved so far to improve the equity and efficiency of NE reforms. The activities implemented so far related to the NE reforms (including the enforcement of error and fraud controls, the communication campaign and the piloting of the new scoring formula in three regions of the country, and accounting for half of the total population) show promising results. In terms of equity, there has been an improvement in the targeting of the program: the share of NE benefits accruing to the poorest decile increased from 34 percent in 2009 (baseline) to 45 percent in 2015, based on national household survey data. The improvement of the poverty targeting is also evident by the increased program impact on poverty reduction: without NE transfers, the poverty gap would have been 0.5 percentage points higher in 2015 compared to 0.3 in 2009. The overall NE coverage decreased from 12.7 percent of the population in 2009 to 10.4 percent in 2015 – the coverage of the extreme poor remained unchanged so far, while the coverage of the richest decile decreased. This suggests that the equity improvements are derived from the suspensions of benefits from “rich” beneficiaries due to tighter controls and inspections. In terms of efficiency, the NE MIS has been developed and is operational nation-wide, and applicants’ intake data are cross-checked with seven external databases. The increased (administrative) efficiency is measured also by the reduced time to determine eligibility (currently five days compared to 25 at baseline). The national roll-out of the NE reforms is expected to further improve outcomes. Reforms related to the DA have been piloted in two administrative areas in Tirana and although the pilots were too small to have detectable impacts at the country level, they are considered successful, and an important testing and entry point for country-wide implementation.

There are also positive indirect effects from the project activities. The establishment and use of the NE MIS under SAMP also pushed other agencies to update and modernize their data system to enable cross-checks and verification of applicants’ information. The development and piloting of the unified scoring formula - based on a consumption regression model (PMT) – to identify the poor is currently being used to determine eligibility to NE benefit in the three pilot region, and it is being used as a mechanism to target other assistance benefits, such as the energy cash benefits to mitigate the impact of the electricity tariff increase, hence contributing to improve the targeting of the energy benefits (not just the NE).

## D. Project Description

The PDO will remain unchanged under the AF.

The AF includes the following changes: (i) scale up the geographical scope of the existing DA reform activities; (ii) fund new activities under component 1 (9 million Euros for additional 4 DLIs) and component 2 (0.7 million Euros); (iii) adapt the Results Framework to the new activities (PDO indicators will remain unchanged, but targets will be changed); and (iv) extend the project closing date to June 30, 2021 to implement the additional activities.

The AF project components will remain unchanged from the parent project but it will finance new activities with the additional funds of 9 million Euros for Component 1 and 0.7 million Euros for Component 2.

Component 1: “Strengthening the Implementation and Performance of Social Assistance Programs” (9 million Euros)

i. Gradually scale up of the disability reform to all 24 administrative units in Tirana, Elbasan and Durres regions. The selection of the three regions is based on the presence of trained SSS staff and medical experts needed in order to secure a successful implementation of the reform roll-out.

- DLI: "a) 90 percent of all administrative units in Tirana, Elbasan and Durres: (i) use the automated DA MIS to process new DA applicants' registration and program enrollment; (ii) record recertification decisions of existing beneficiaries and (iii) issue payment orders for new and existing beneficiaries; b) the DA MIS is expanded to cover second-stage functions, including integrating data from the revised eligibility assessment based on the Social Model" (Amount: 3 million Euros).

ii. Improve the accessibility of SSS ROs to people with disability via rehabilitation works of existing regional offices.

- DLI: "Three SSS Regional Offices in Tirana, Elbasan and Durres are rehabilitated according to quality standards provided in the verification protocol" (Amount: 2 million Euros).

iii. Develop an exit strategy and an action plan to support NE beneficiaries exit the NE program after 5 years (including tailoring solutions to beneficiaries' needs and profile).

- DLI: "An Exit Strategy and Action Plan for NE beneficiaries are developed, consulted, approved and disseminated" (Amount: 2 million Euros).

iv. Improve oversight and controls for disability benefits. This will require to linking the DA MIS with the migrant database to detect beneficiaries living abroad. People living abroad are estimated to be around 20 percent of DA beneficiaries.

- DLI: "At least 55 percent of suspected fraud and error cases in the DA program are investigated by social inspectors in accordance with revised sanctions policy and legislation" (Amount: 2 million Euros).

Component 2: "Technical Assistance (TA) and Investment Activities to Strengthen the Implementation Capacity for Social Assistance Programs" (0.7 million Euros). This component will finance selected technical activities to strengthen the Government's capacity for implementing equity and efficiency improvements and thereby achieving the results under component 1. TA consultancies (local and international) will be selected to ensure the smooth achievement of the above areas, once those are firmed up. Proposed activities include: (i) supporting the development of an exit strategy for NE beneficiaries based on an innovative model and international evidence on what works best for different types of individual profiles; (ii) strengthening the MHSP M&E capacity for data analysis to manage and update the scoring formula (not publicly disclosed); (iii) strengthening the implementation capacity of municipalities, regional directorates, and central SSS for the coordination of social services (case management) for people with disabilities; (iv) supporting the design of alternative assistance strategies for people with disability over 65 years old who do not meet the criteria for commissioning and benefiting from the new disability assistance scheme; (v) hiring audit expert consultancy to ensure quality of rehabilitation works of regional offices; and (vi) conducting a Poverty and Social Impact Analysis (PSIA) follow up survey to measure and track the inclusion and exclusion errors of the DA reform once it is rolled out to at least half of the country's population; (vii) supporting the implementation and effective use of the NE and DA MIS, risk profiling and grievance systems; (viii) public communication campaigns

The results framework has been revised correspondingly to reflect the proposed changes and the revised implementation schedule.

Extension of the closing date. It has been agreed, as part of the pre-appraisal mission, that in order to

implement all the activities defined above, two years and a half will be needed. It is therefore proposed to extend the closing date of the project until June 30, 2021.

**Citizen Engagement.** Citizen engagement and accountability measures used under NE and DA, such as the free hotline and locked complaints boxes, will continue to be used under the AF. A beneficiary assessment survey will also be carried out for the DA beneficiaries to evaluate their level of satisfaction with the DA reform.

**Gender.** The AF will continue to address the gap between men and women's participation in social assistance programs through social mobilization activities under Component 2. The project will continue recording gender-disaggregated beneficiary numbers and will also record female participation in NE and DA benefit programs. Strategies adopted under the original project to include women as NE cash benefit-recipient (now by law) will be continued under AF. During implementation, the project will carry out further gender analysis and monitor gender-sensitive indicators.

The proposed changes are in line with the objectives of the original project. Specifically, the goal is to promote the equity and efficiency of the social assistance system. Based on the assessments of the proposed changes, the team concluded that the changes will make the meeting the PDO and achieving all the project indicators more attainable both institutionally and technically.

**Component Name:**

Component 1: “Strengthening the Implementation and Performance of Social Assistance Programs”

**Comments ( optional)**

This is a Results Based Financing (RBF) component supporting the implementation of reforms of the eligibility criteria for both the NE program and the Disability Assistance (DA) benefit and to modernize the administration, monitoring, evaluation, oversight and control of the two programs. There are 16 Disbursement Linked Indicators (DLIs) under the Original Project, measuring and marking progress toward achieving the project objectives. The AF includes four additional DLIs for new activities.

**Component Name:**

Component 2: “Technical Assistance (TA) and Investment Activities to Strengthen the Implementation Capacity for Social Assistance Programs”

**Comments ( optional)**

This would finance select technical activities to strengthen the Government’s capacity for implementing equity and efficiency improvements and thereby achieving the results under component 1.

**E. Project location and Salient physical characteristics (if known) relevant to the safeguard analysis**

The AF will support the roll out of the Disability Reform and one part of the financing will be used to ensure access to disabled population within the regional offices of the SSS in Tirana, Elbasan and Durrës.

**F. Environmental and Social Safeguards Specialists**

Bekim Imeri, Social Safeguards Specialist

Esma Kreso Beslagic, Environmental Safeguards Specialist

**II. IMPLEMENTATION**

The implementation arrangements for the proposed AF will build on the existing government structure and will be in continuation of the arrangements established for the original project.

However, institutional arrangements changed as the recent restructuring of the Government cabinet after the general elections led to the dissolution of MSWY and the merger of the Social Services and Social Protection Departments with the previously-existing Ministry of Health, resulting in the new MHSP. The Ministry of Health and Social Protection (MHSP) will be the implementing agency of the AF. Fiduciary tasks, particularly financial management, will be managed by MHSP. The Department of Health and Social Protection Development Programs (DHSPDP) within MHSP is responsible for all the activities related to the implementation of reforms for NE and DA. A new Project Operational Manual (POM) will be prepared to provide MHSP and other stakeholders with a clear overview of roles and responsibilities to ensure coordination and the effective execution of the proposed activities under the AF.

A fully staffed Project Implementation Unit (PIU) within MHSP will be established to strengthen the capacity of MHSP to implement the project. The PIU will be responsible for regular project management, including procurement and financial management of component 2, as well as the coordination with the World Bank. The PIU staff is expected to include three full time consultants (PIU manager, procurement and FM experts) and one part time consultant (M&E expert). The PIU staff will be hired as project consultants.

Given the multi-sectoral nature of the disability reform and based on the lessons learned from the pilot, the need to enhance the collaboration between medical and social personnel by creating the right incentives for family doctors and specialists to fully participate in the new disability assessment model has been discussed. A high-level inter-ministerial Coordination Working Group will be established to oversee the inter-ministerial coordination for disability reform. The Coordination Working Group would be led by MHSP and would include the Office of the Prime Minister, representatives from the Ministry of Finance and Economy (MoFE) and other relevant ministries and government agencies.

The AF will also support the institutional and operational linkages between the Social Security Services regional offices (SSS ROs) and the National Employment Service branches, the Regional Education Directorate, and organizations that provide psycho-social services, as well as social services at the local level. At the heart of the disability reform is the holistic idea that people may not just require cash benefits but also services (physiotherapy, psycho-social, day care and residential care services for both adults and children). The referral to social services is crucial for people above 65 years old, since they are excluded by the disability reform eligibility criteria. However, the provision of such complementary social services is very limited, if not lacking in certain rural areas. The local government units' role will be to ensure investment in social services that are most in need by the population. Only 11 out of the 61 municipalities have developed and costed "social plans" which identify the needs of the population and the services to be provided. The model of the "social pact" was presented to municipalities in March 2017.

### III. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Due to the limited civil works and interventions on the buildings that would help

		<p>improve access to the people with disabilities, as requested by the Client, the Additional Financing has been categorized as a Category B, triggering OP 4.01 on Environmental Assessment. The Client has disclosed a blank Checklist Environmental Management Plan (EMP) and is currently preparing preparing all three site-specific Checklist EMPs (Tirana, Elbasan and Durres) along with their disclosure and public consultations. These Checklists will also be integrated into the bidding documents for the actual works and for the supervision activities and will be mandatory for both the contractor and the supervision.</p> <p>The associated impacts include dust and noise, vibrations, generation of construction waste and temporary access and safety issues. The works will also be executed in a manner that would ensure that works are consistent with good practice standards of fire and life safety/means of egress, internationally recognized building codes (or locally regulated building codes consistent with international standards) and use licensed engineers and/or architects. The General Environment, Health and Safety Guidelines (EHS) guidelines of the World Bank Group will also apply.</p>
Natural Habitats OP/BP 4.04	No	All works are to be carried out on existing buildings in urban areas.
Forests OP/BP 4.36	No	All works are to be carried out on existing buildings in urban areas.
Pest Management OP 4.09	No	No pest management implications.
Physical Cultural Resources OP/BP 4.11	No	There are no cultural heritage buildings identified at this moment. In the event of historic buildings the Checklist EMP includes adequate provisions.
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	Limited intervention in the already existing buildings to improve the access of people with disabilities. There will be no impacts that trigger social safeguards OP.
Safety of Dams OP/BP 4.37	No	The scope of works does not include potential impacts on or of dams.
Projects on International Waterways	No	The limited interventions on already existing

OP/BP 7.50		buildings will have no impacts on water bodies, including international waterways and tributaries thereof.
Projects in Disputed Areas OP/BP 7.60	No	

#### IV. Key Safeguard Policy Issues and Their Management

##### A. Summary of Key Safeguard Issues

###### 1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

Due to the limited civil works and interventions on the buildings that would help improve access to the people with disabilities, as requested by the Client, the Additional Financing has been categorized as a Category B, triggering OP 4.01 on Environmental Assessment. Since the selected locations of the works were not finalized by Appraisal, the Client has disclosed a blank Checklist Environmental Management Plan (EMP). Following Appraisal, the sites for the said interventions are identified in Tirana, Elbasan and Durrës, and the Client is currently preparing the site-specific Checklist EMPs along with their disclosure and public consultations. These Checklists will also be integrated into the bidding documents for the actual works and for the supervision activities and will be mandatory for both the contractor and the supervision.

The associated impacts include dust and noise, vibrations, generation of construction waste and temporary access and safety issues. The works will also be executed in a manner that would ensure that works are consistent with good practice standards of fire and life safety/means of egress, internationally recognized building codes (or locally regulated building codes consistent with international standards) and use licensed engineers and/or architects. The General Environment, Health and Safety Guidelines (EHS) guidelines of the World Bank Group will also apply.

Social safeguards will not be triggered for the additional finance because the infrastructure works will be mostly in the regional offices (public institutions). The project will establish mechanism for beneficiary feedback to be taken within the regional offices and this would serve as resource for further improvement of services from the beneficiary point of view. The beneficiary assessment mechanism will be set in addition to GRM which function will be to receive and response to any project related complains.

###### 2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

There are no potential indirect or long term impacts anticipated.

###### 3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

No alternatives are considered due to the small scale nature of the temporary impacts.

###### 4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.



The borrower does not have substantial experience in implementing safeguards policies and requirements since the original project was a Category C, but will be able to handle the requirements with appropriate assistance from the Bank. Due to the level of risk related to the small-scale works, the Client will ensure that the Contractor prepares a Checklist EMP and adheres to it through making the EMP an integrated part of the contract for works. The supervisor will provide regular reports on the EMP implementation, and the Client will be assisted by the World Bank's Environmental Specialist in reviewing safeguards compliance.

**5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.**

The key stakeholders would be the users of the building (workers of the SSS RO, daily visitors, users of services provided), possibly other agencies or departments that are housed within the building that might be impacted by the dust and noise and finally the disabled population that would be using the access facilities. The disclosure of the Checklist EMP will be carried out on relevant websites and on site of the works, while targeted invitations will be made for the consultations and a GRM/complaints mechanism will be in place for the duration of works.

**B. Disclosure Requirements**

<b>Environmental Assessment/Audit/Management Plan/Other</b>	
Date of receipt by the Bank	08-Dec-2017
Date of submission to InfoShop	20-Dec-2017
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Albania	07-Dec-2017
<i>Comments:</i> <a href="http://www.shendetesia.gov.al/al/projekte/modernizimi-i-asistences-sociale-samp/2-fushat-e-impaktit-te-projektit-fields-of-project-i-mpact">http://www.shendetesia.gov.al/al/projekte/modernizimi-i-asistences-sociale-samp/2-fushat-e-impaktit-te-projektit-fields-of-project-i-mpact</a>	
Albania	
<i>Comments:</i>	
Albania	
<i>Comments:</i>	
Albania	
<i>Comments:</i>	
<b>If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.</b>	
<b>If in-country disclosure of any of the above documents is not expected, please explain why::</b>	

**C. Compliance Monitoring Indicators at the Corporate Level**

<b>OP/BP/GP 4.01 - Environment Assessment</b>						
Does the project require a stand-alone EA (including EMP) report?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
<b>The World Bank Policy on Disclosure of Information</b>						
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
<b>All Safeguard Policies</b>						
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have costs related to safeguard policy measures been included in the project cost?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>

## V. Contact point

### World Bank

Contact: Maddalena Honorati  
Title: Senior Economist

Contact: Lorena Kostallari  
Title: Senior Operations Officer

### Borrower/Client/Recipient

Name: Ministry of Finance, Economy and Labor  
Contact: Arben Ahmetaj

Title:Minister  
Email:info@financa.gov.al

### Implementing Agencies

Name:Ministry of Health and Social Protection (MHSP)  
Contact:Ms. Suzana Papadhopulli  
Title:SAMP PMU Director  
Email:spapadhopulli@hotmail.com

### VI. 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>

### VII. Approval

Task Team Leader(s):	Name:Maddalena Honorati,Lorena Kostallari	
<i>Approved By:</i>		
Safeguards Advisor:	Name: Nina Chee (SA)	Date: 19-Jan-2018
Practice Manager/Manager:	Name: Briana N. Wilson (PMGR)	Date: 19-Jan-2018
Country Director:	Name:Maryam Salim (CD)	Date:23-Jan-2018