



**FINAL MDG-F JOINT PROGRAMME  
NARRATIVE REPORT**

<b>Participating UN Organization(s)</b>
UNDP- Lead agency World Bank

<b>Sector(s)/Area(s)/Theme(s)</b>
<b>Albania – Democratic Economic Governance</b>

<b>Joint Programme Title</b>
Economic Governance, Regulatory Reform and Pro-Poor Development in Albania

<b>Joint Programme Number</b>
Project ID: 00072331

<b>Joint Programme Cost [Sharing - if applicable]</b>	
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<b>Govt. Contribution:</b>	USD
<b>Agency Core Contribution:</b>	
<b>Other:</b>	
<b>TOTAL:</b>	USD 2,097,200

<b>Joint Programme [Location]</b>
<b>Region(s): Albania</b>
<b>Governorate(s):</b>
<b>District(s)</b>

<b>Final Joint Programme Evaluation</b>

<b>Joint Programme Timeline</b>
<b>Original start date</b>

**Final Evaluation Done**  Yes  No  
**Evaluation Report Attached**  Yes  No  
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September 2009  
**Final end date**  
31 December 2012

### Participating Implementing Line Ministries and/or other organisations (CSO, etc)

1. Ministry of Economy, Trade and Energy (METE)
2. Ministry of Public Works and Transport (MPWT)
3. Ministry of Labor, Social Affairs and Equal Opportunities (MLSAEO)
4. Albanian Water Regulatory Entity (ERRU)
5. Albanian Energy Regulatory Entity (ERE)
6. Albanian Consumer Association (ACA)
7. Office for Consumer Protection (ZMK)
8. Albanian Foundation for Conflict Resolution Organisation (AFCR)
9. Albanian TV Channels (Klan TV, TVSH, Ora News, ABC News, News 24)
10. UN media group (composed of Albanian journalists)
11. Institute of Contemporary Studies (ISB), Albania
12. Urban Research Institute (URI), Albania
13. INET Albania
14. NET VISION, Albania
15. IKEJ Albania
16. Italian Competition Authority
17. Bank of Italy
18. Zimmon Consuting, Greece

#### Report Formatting Instructions:

- Number all sections and paragraphs as indicated below.
- Format the entire document using the following font: 12point \_ Times New Roman.

## **I. PURPOSE**

### **a. Provide a brief introduction on the socio economical context and the development problems addressed by the programme.**

In 2006 Albania signed the Stabilization and Association Agreement (SAA) with the European Union. Albania's reform agenda under the SAA is impressive, covering areas ranging from political dialogue and regional cooperation to free movement of goods and services as well as gradual harmonization with EU structures and directives in the areas of energy, water, consumer protection etc.

In the energy sector the Albanian Government, as a member of the Energy Community, has adopted a new market model for the power sector in conformity with its commitments. It separated the retail distribution system operator from the production and making it a new joint stock company (OSSh). In parallel, the Electricity Regulatory Entity (ERE) prepared new regulations, licenses and tariff methodologies for the various participants in the reformed power sector.

Even though Albania has abundant water resources, water supply in almost all urban areas is irregular because of obsolete water supply infrastructure. The average continuity of supply is still far from 24 hours, and significant differences between rural and urban areas are clearly observed. In addition, drinking water quality is still far from the standard due to the lack of proper treatment and/or disinfection facilities and chemicals.

Reforms in consumer protection and market surveillance are among the key requirements of the Stabilization and Association Agreement (Article 76) and one of the priorities of the National Strategy for Development and Integration. The specific policy framework for consumer protection is reflected in the Strategy on Consumer Protection and Market Surveillance 2007-2013 the elements of which are most relevant to the Economic Governance Programme. While considerable progress has been made in reforming the legislative framework and a number of enforcement measures envisaged by the Strategy have been implemented, such as the establishment of a Consumer Protection Commission (CPC) under the Ministry of Economy Trade and Energy (METE), some key components of the Albanian consumer protection system are still missing and Albania has still some way to go to establish a consumer protection system that is in line with EU practices.

Albania face considerable challenges in terms of employment and education, having still a high level of unemployment and less children enrolled in basic education especially in the remote and rural areas, but not only. Considerable disparities between urban and rural areas, among regions and for certain disadvantaged groups are also present and affect the development of the country.

Against this background, EGJP started its operation aiming to contribute: in enhancing the effective management, regulation and monitoring of key public utility sectors such as electricity and water; in strengthening of consumers voice to promote and protect their rights and in designing of pro poor utility policies in the favour of vulnerable groups and people in need living in the informal area.

**b. List joint programme outcomes and associated outputs as per the final approved version of the joint programme Document or last agreed revision.**

1. *Capacities of regulatory bodies to better monitor the provision and efficiency of service delivery enhanced*
  - 1.1. Key capacity constraints limiting efficiency in the provision of energy and monitoring water services identified
  - 1.2. Remedies to address capacity constraints designed and implemented
  - 1.3. Citizens perception on the quality of electricity and water services mapped
  - 1.4. Awareness about public utility issues raised and dialog between utility providers and customers established
2. *Consumer associations and state bodies strengthened to provide a strong national voice of consumers*
  - 2.1. The capacity of state bodies to protect and promote consumer rights enhanced
  - 2.2. Consumer protection capacities of the consumer associations developed and awareness about consumer rights raised in all regions of Albania
3. *Vulnerable groups, people in need, and those living in informal areas benefit from pro-poor utility policies*
  - 3.1. Adequate mechanisms in place to facilitate effective tariff reform
  - 3.2. Dialog between regulatory entities, public utility providers and residents/business in informal areas on the legalisation of utilities connections established

**c. Explain the overall contribution of the joint programme to National Plan and Priorities**

From the very beginning EGJP was designed in close cooperation with the Ministry of Economy, Trade and Energy, taking stock of national priorities of Albania which were in consistency with the Millennium Development Goal and the One UN programme approved by the Albanian Government in October 2007. Considering the vision Albania has towards EU accession, this joint programme was shaped to support this vision particularly when tackled the consumers' issues and strengthening of their national voice, the capacities enhancement of regulatory bodies to better provide service delivery and the design of pro-poor policy for the vulnerable groups and people in need. The outcomes of this joint programme provided its own contribution to the implementation of Albanian Government NSDI and achieving its objectives particularly in the water, energy and consumer protection sectors. For instance, almost all the measures taken under Outcome 2 were envisaged in the Cross-Cutting Strategy for Consumer Protection and Market Surveillance. In the energy sector EGJP devoted resources to address new priorities of the sector such as the new requirements in terms of improving the efficiency of KESH and OST by translating the spirit of the reforms in new ways for these companies to operate, and by strengthening ERE's ability to monitor the Power Market Model. Considerable support was provided by EGJP in the water sector as it is the preparation of the Water Supply and Sanitation Sector Strategy, prioritization of investment in the rural areas etc. Moreover, the EGJP has assisted the national counterparts to review their policies and strategies through its outputs named national studies, reports and recommendations compiled in the above mentioned sectors.

**d. Describe and assess how the programme development partners have jointly contributed to achieve development results**

The EGJP had two main national counterparts: the Ministry of Economy, Trade & Energy (METE) for both the energy and consumer protection components and the Ministry of Public Works and Transport (MPWT) for the water component. In addition, EGJP was partnered also with the Ministry of Labour, Social Affairs and Equal Opportunities (MLSAEO) for the social component and with other relevant institutions such as the Water Regulatory Entity (WRE) and General Department of Water and Supply (GDWS) for the water sector, and Energy Regulatory Entity (ERE) for the energy sector which have been active during the programme implementation. The EGJP was monitored by the PMC on a regular basis; annual work plans were approved by the PMC and endorsed by the NSC. The fact that two Deputy Ministers have been active members of the PMC indicates the strong interest of national partners in the joint programme. Hence, it can be said that EGJP had a pronounced country ownership which started from the design till the end of its implementation.

The joint work of UNDP and WB led was characterized by a synergetic approach in tackling some important reform issues in the water and energy sector. While the WB looked at the capacities and provided support to the capacities of institutions above, UNDP complemented that approach with technical assistance, research and consumer protection tools. This was appreciated in various occasions from the government members of the steering committee.

## **II. ASSESSMENT OF JOINT PROGRAMME RESULTS**

**a. Report on the key outcomes achieved and explain any variance in achieved versus planned results. The narrative should be results oriented to present results and illustrate impacts of the pilot at policy level**

As described above, there are three main outcomes of this Joint programme and below comes a narrative on the achievement

Outcome 1: Capacities of regulatory bodies to better monitor the provision and efficiency of service delivery enhanced

The EGJP has provided to METE, MPWT, regulatory bodies and other stakeholders with a series of studies, researches and recommendations. They include an assessment of the current power market model in Albania with a set of recommendations for ERE to better monitor this market. The power producer (KESH) and the power transmitter (OST), both have now business plans which will help them to improve their performance. A capacity diagnosis report for the General Department for Water and Sanitation (GDWS) regarding the assessment of national water institutions was prepared, discussed and endorsed by the Albanian authorities. A survey on consumers which provided to the relevant ministries and regulatory bodies with knowledge on citizen's perceptions about the quality of electricity and water services in Albania was prepared, launched and presented in front of all interested stakeholders. The data produced from this survey will be used as an input in the dialogue between utility providers and customers, with a view to improve the quality of services. They will also be used as a tool particularly for regulators to obtain hard data on the current situation and monitor the impact of reforms on the quality of this public service. A national report on customer service of Albanian water utility companies was prepared and launched in

a national conference where more than 100 people from the sector participated. The report provided advice and recommendations to the water regulatory, water utilities and other stakeholders on the issues that need to be addressed and actions to be taken for improving this service in the water utilities. A report on improving the monitoring and benchmarking function in the water sector was prepared and delivered to the GDWS. On that base relevant training to GDWS staff was provided. Findings and recommendations of the report together with suggested measures to be taken in overcoming the challenges of this sector were shared and discussed with the GDWS and other interested stakeholders. Being aware that the current challenge for the rural water sector is to increase and improve the access and the quality of water and sanitation services to the general public and the private sector, and considering the fact that the largest percentage of the Albanian poor live in rural areas, this challenge needs to be addressed in a holistic manner from the Albanian authorities. In this context, EGJP supported a study which provided the methodology for prioritizing the investment in the rural areas and the recommendations on how to tackle both the efficient measures and the required investments in a technically and financially feasible manner while ensuring effective management at the local level of government. All these contributions supported by EGJP provided to the relevant ministries, regulatory bodies and other stakeholders with valuable information and instruments; hence due to this assistance we believe they are better equipped to monitor the provision and efficiency of water and electricity service delivery. Particular mention can be credited to the new contract of water utilities that takes into account the consumer protection angle or the consumer protection complaints management system installed at the Ministry of Economy.

In an additional dimension, following a request from the Ministry of Economy, EGJP supported the inspection reform for a better business climate facilitated by enhanced regulatory work. The Regulatory Task Force, under the leadership of the Prime Minister, is guiding and monitoring this reform. It has started 18 months ago and it is by far the most complex one. EGJP support is contributing to the legal framework as well the strengthening of the capacities of the new inspection infrastructure directly related to the support provided within the Economic Governance to regulatory entities and consumer protection policies in Albania.

#### Outcome 2: Consumer associations and state bodies strengthened to provide a strong national voice of consumers

EGJP supported the development and finalization of a “water model contract” which was followed by an intensive consultation process with all stakeholders. It was approved by the National Water Commission of the Water Regulatory Authority (WRA) on 4 February 2011 and shortly was implemented throughout Albania, impacting the life of a major part of Albanian families. The model contract aimed to regulate key aspects of the relationship between the water companies and consumers, to educate the parties on their rights and obligations and to encourage better service by water operators, thus providing a better consumer protection and increase awareness of the role of providers and users. With this intervention EGJP contributed in promoting the Albanian consumers rights and dignity in relationship with service providers. Also with the support of the EGJP a Consumer Complaints Management System (CCMS) has been finalized and tested; it was launched on the International Consumers’ Day on March 15<sup>th</sup>, 2011 and is fully operational. Thanks to this support, consumers can directly on line address their complaints to the relevant governmental body as it is the Consumer Protection Commission (CPC). A public web site for CPC has been developed, launched and is operational. While accessing this website,

consumers can be informed on the cases handled and the decisions taken by the CPC; with this access is ensures not only a better information flow to consumers, but also a transparency on the decisions taken by CPC. Two study visits in Italy and Romania, several trainings and workshops in and outside the country for the CPC members and its Technical Secretariat organized by EGJP contributed in strengthening the partner's capacities in better performing their job, in extending their network and communications with their partners in and outside the country. The knowledge and experience received from these activities was implemented in Albania as it was the case of post office boxes serving as information points of consumers, established in Tirana by the Office for Consumer Protection, or identification of misleading and unfair advertisements, unfair commercial practices or unfair terms of contract in different aspects of Albanian life. For the whole process, EGJP mobilized local and international resources named Italian Competition Authority, Bank of Italy, German Consumer Association, Zimmon Company (Greece) etc. Significant supports provided EGJP in reviewing the state of implementation of the Albanian Strategy on Consumer Protection and Market Surveillance in order to obtain a clear picture of where Albania stands in building up its consumer protection system and identify the actions to be taken until the end of the Strategy implementation period. This review was an opportunity to identify additional actions and measures that need to be taken by the national authorities to bring the Albanian consumer protection system closer to EU member state practices. A capacity needs assessment of the two existing consumer protection associations was initially conducted, but following the discussions at the PMC level and its recommendations, it was decided not to pursue in this direction. In this respect EGJP impact on providing a strong national voice for consumers was limited. However, through the formulation and implementation of an intensive national consumer awareness campaign as were five TV spots produced and aired in the national tv channels, informative leaflets, two talk shows, different articles written on consumers rights and related matters, EGJP endeavored to enter in each Albanian family, inform and raise the awareness on their rights and how/ where to claim them. Considering media as a good ally of consumers, EGJP supported the development and implementation of a training programme for 230 Albanian journalists throughout the country with the intention of enhancing their knowledge on the consumer protection legislation, the UN guidelines on consumer protection and Albania's consumer protection institutions. With this venture EGJP believed to have more and better quality coverage of consumer rights issues, thus ultimately contributing to rising of population's awareness about their rights as consumers, and make private operators better aware of their responsibilities towards the consumers. An early result on this can be the fact the capacities for consumer protection are included in the water master-plan that was presented by the Ministry of Public Works and Transport while the new water contract is being pursued actively by the government to achieve full coverage in the country. Being aware on the importance that protection of consumers granted under the legislation does not remain simply illusory or on paper, but to them are offered the adequate means for bringing their complaints to a forum, handle them and eventually solved, EGJP supported the enhancing of capacities of the Albanian Foundation for Conflict Resolution (AFCR). In this context, for the first time, about 64 AFCR mediators from different cities of Albania were trained to handle consumer-business disputes and were ready to treat the cases especially in Durrës, Tirana and Korça where AFCR organizational structure was in place. With this step EGJP supported the existing organization which owns all the capacities, has the serious commitment and structures and make those available and valuable for consumers.

Outcome 3: Vulnerable groups, people in need, and those living in informal areas benefit from pro-poor utility policies

EGJP supported critical data collection exercises. A stocktaking exercise took place to collect micro-economic data on electricity and water in Albania including the identification of data gaps. In this respect a “national study on the effectiveness of support to the poor and the coordination of state agencies” and a “survey on water practices and willingness to pay for improved water services in the district of Durres” are prepared and shared with the partners and national stakeholders. All the data provided from the studies are analyzed with the aim to assess the potential social impact – including on poverty – of tariff reforms in the electricity and water sectors, and to identify potential mechanisms for the protection of the poor and vulnerable groups from tariff increases. Another study targeting the “access to water and sewerage in the informal urban settlements and rural areas in the selected Albanian districts” evaluates the access to water and sewerage services in 29 communes and 5 cities outside the service coverage areas of the water companies. The study provides a good data base for the selected cities and rural areas, it comes with recommendations for strengthening the role of Water Regulatory Entity, capacity development and knowledge sharing, infrastructure development and inter-municipal cooperation. While improving the information base of the water regulatory, the data of the study provide a scientific support to the central and local governments in the decision making process. The findings and recommendations of this study were presented in a national workshop held on 18 October 2012 in Tirana with a large audience from the water sector. All these studies and surveys, with their significant data, findings and recommendations will certainly have an impact on promoting pro-poor utility policies to benefit vulnerable groups, people in need and those living in informal areas. While, the consumer protection angle has already been endorsed in the water sector, tackling water access issues in informal areas is yet to be actively pursued.

**b. In what way do you feel that the capacities developed during the implementation of the joint programme have contributed to the achievement of the outcomes?**

The capacity development of partners and relevant institutions has been an important aspect of EGJP which was clearly stated in the outcome 1 and was also important part of two other outcomes. The capacity development was occurred partly on the job during the programme implementation, as it is the case of capacity assessment for the water sector institutions, improving the monitoring and benchmarking functions in the water sector institutions, preparation of business plan for OST and KESH, training workshops held on water investments in the rural areas, other trainings and workshops held in and outside the country, study visits, implementation of complaint management systems, implementation of two mid-term reviews of non-food and food products as components of the Strategy for Consumer Protection and Market Surveillance. We believe that these measures have enabled the water, energy and consumer protection professionals to better execute their professional and management’s tasks and have well prepared them to face the new challenges ahead. On the other side EGJP has benefited from the trained professionals in the all mentioned sectors, who we believe are ready to undertake important steps towards accomplishment of these sectors’ vision. However, as the programme was only two and a half years, it was difficult to establish a long-term sustainable capacity development and to measure the immediate impact versus the long-term result to the national partners and relevant institutions.

**c. Report on how outputs have contributed to the achievement of the outcomes based on performance indicators and explain any variance in actual versus planned contributions of these outputs. Highlight any institutional and/ or behavioural changes, including capacity development, amongst beneficiaries/right holders.**

Output 1: Shortcomings of the Power Market Model and capacity constraints of GDWS (including for monitoring and benchmarking) and GDPWWSW identified

*Indicator 1.1: % of the recommendations of the assessment of the Power Market Model and capacity diagnosis reports approved by the respective institutions*

EGJP supported the assessment of the Power Market Model which helped clarifying the situation in the energy sector of the different market players and brought into focus the key areas which needed policy attention. The findings of the assessment report were presented at a successful workshop held in Tirana on March 15<sup>th</sup> 2012, which provided a valuable crossing point between different stakeholders and the various market players. Approx 80% of the report recommendations were approved by METE and ERE. Also a capacity diagnosis report for GDWS and GDPWWSW was prepared and handed over to them. Approx. 80% of the report recommendations were considered and approved by GDWS and GDPWWSW.

*Indicator 1.2: Assessment of monitoring and benchmarking practices and recommendations for improved monitoring of water utilities performance approved*

With the aim of improving the water and sanitation service quality monitoring data and expand performance monitoring to the sector level, an assessment of the monitoring and benchmarking practices together with the recommendations for a new methodology were prepared and delivered to GDWS. The report was disseminated and training activities were conducted at a workshop held on June 21<sup>st</sup>, 2012. The report, together with the recommendations for a new methodology, was approved by GDWS.

Output 2: Remedies to address capacity constraints affecting the effectiveness of GDWS, KESH and OST designed/implemented over monitoring of water utilities performance approved

*Indicator 2.1 Business plans adopted by the respective institutions*

EGJP provided its support in preparation of two business plans for KESH and OST aiming to improve their performance. These business plans together with a harmonized set of financial projections support KESH and OST contribute to improve their strategic financial planning skills and submit to ERE better prepared tariff applications. Once prepared, discussed and finalized, they were adopted by the respective institutions.

*Indicator 2.2 GDWS relevant staff trained in applying the new monitoring and benchmarking methodology*

Initial training of GDWS relevant staff started as part of water/sanitation strategy preparation and implementation in 2011. The other training was conducted during the June 21<sup>st</sup>, 2012 workshop on the "Gap Analysis and Capacity Building Report." More than 10 GDWS staffs were trained in each mentioned workshops.

*Indicator 2.3 Criteria and prioritization methodology adopted and introduced at GDWS*

To support GDWS in defining the criteria and prioritization methodology for prioritizing the investment in rural areas, EGJP contributed with the preparation of the report on "Prioritizing water investments in rural areas" which was shared and discussed with the Albanian

authorities. The findings and recommendations were introduced and disseminated at the workshop held on June 21st 2012 in the presence of different representatives from the water sector. More than 10 GDWS staffs were trained in this workshop.

Output 3: National representative data on citizens' perceptions of the quality of electricity and water services generated and analyzed for policy making purposes

*Indicator 3.1 National survey conducted*

With the aim of producing data and use them as: an input in the dialogue between utility providers and customers with a view to improve the quality of service, as a tool for the stakeholders and in particular for the regulatory to obtain hard data on the current situation and monitor the impact of reforms on the quality of this public service, a national survey on citizens' perception on the services provided by water and electrical energy operators was conducted. The latter also developed and provided a methodology for conducting surveys of this type and data that utility providers can further adopt, set targets and monitor their customers' perception on the quality of the services they provide. The methodology was accepted and approved by the national partners.

The methodology for these studies has followed the Citizen Report Card methodology, which is a simple but efficient tool to provide utilities and regulators with feedback from service users and identify strengths and weaknesses in their service. It was based on the result of a randomized sample survey of the users of the public services, carefully designed based on detailed specifications on the sector and geographic area to be included in the survey; as well as size, location and composition of sample.

Some of the key findings of both studies are outlined below:

**Water survey**

The rapid development and uncontrolled urban growth in the last two decades has put increased pressure on utilities for expanded services. This, together with poor governance, management inefficiencies as well as lack of a clear institutional division of responsibilities has led to poor service levels and the need for comprehensive reform. Public service consumers in Albania have not traditionally engaged with service providers on management of services, and increased engagement would be important in order to improve public services. Hence the Water Regulatory Authority supported the preparation of a large scale study to gather citizen's perceptions on the quality of water supply and sewerage services and provide a set of evidence based policy recommendations.

Data indicates that approximately 94% of citizens have access to the water supply system. Connectivity level to the main public water supply network is on average quite good, but there are significant variations in access to the system by area and type of customer. Rural and suburban area customers as well as poor households have lower rates of access to the system. The lack of consistency and reliability in water supply has prompted citizens to make use of alternative solutions, such as use water tanks and pumps. More than 60% of respondents use water tanks, but the percentage is lower in rural areas and for poor families. The high incidence of pump and water tank installation suggests that households and businesses alike have incurred significant costs to ensure uninterrupted water supply.

The connectivity of customers to the sewerage system is at an average of 84% for the overall

sample across all utilities. However there are significant variations by area: only 35% of respondents in rural and suburban areas have access to the sewerage system. The study investigated also the perceptions of citizens on the quality of water supply service by further exploring their experiences related to issues of continuity in water supply, any disruptions faced, characteristics of water supplied and information of shared with customers.

Less than 20% of customers across all utilities receive continuous running water supply and significant variations in the patterns on interruptions in water supply are observed for each of the ten utilities. Furthermore, the majority of respondents do not use tap water for drinking purposes. The most common substitute for tap water is bottled water or water from unprotected and uncontrolled sources such as wells for drinking. The perceived quality and safety of the water supplied is highly variable across utilities. Urban area and non-poor households are more likely to use bottled water for drinking. The average monthly cost of purchasing bottled water is 1,013 ALL (app 10 USD), a cost generally twice the average value of the water invoice. Those boiling the water for drinking also incur further costs for being supplied with drinkable water.

### **Electricity**

The situation of electricity supply has improved dramatically during the past years. The supply is considered stabilized and with a normal voltage. There are cases when the voltage is lower and this affects the proper functioning of household appliances, but this usually happens in peak periods when the network is overloaded. Long term disruptions are no longer an issue and furthermore technical issues have been minimized and do not represent a problem. In cases of planned interruptions for maintenance, the respective authorities have informed the consumers through the media outlets. However, power cuts are still a feature of electricity distribution in Albania. During the period under observation, the three target groups have reported to have experienced irregular power cuts.

Data shows that less than 80 percent of the customers receive an electricity bill regularly every month: this figure is lower for household customers, only three quarters (75.6%) of who report receiving a monthly bill on their electricity consumption. An additional 14.6% of households report receiving electricity bills, but not every month. Compliance with the obligation to issue a regular monthly bill seems to be more satisfactory in the case of private businesses, with more than 92% receiving a monthly bill. Customers do not have problems understanding electricity bills as they seem to be sufficiently clear for over 90% of the customers.

Households and non-household customers were asked what their opinion on electricity prices was, as well as how much they spent on electricity each month. Not surprisingly, the overwhelming majority of customers – 87% feel that electricity prices are high. Consumers consider that improved transparency and technical capacities of the personnel working at the electricity supply company together with the specialized units for customer care are the top most important features that will have a positive impact in the quality of customer services in the field of electricity. Indeed, this because consumers appear to be not satisfied with the outcomes of the current complaints management. Bribes to electricity distribution employees are reported with a higher incidence in the households (37%) and businesses (22%).

In addition, the distributing company appears to engage in little interaction with consumers. Any communication has been limited to public information around issues of tariffs, meters and billing, the rights and obligations of customers, services offered and interruption

schedules and their causes as well as information on penalties. There has been limited public information around issues of investment plans and customers have not been contacted to give their feedback on the satisfaction level with the services provided, nor have they received an invitation to discuss their problems and needs. All these findings suggest that the provider should pay more efforts to proactive information for customers around all aspects of electricity provision; as well as improve their customer service.

The study suggests that consumer relations angle can be included in the performance evaluation of the private distributor in order to instil a culture of transparency and information sharing that consumers perceive as missing.

### *Indicator 3.2 National report with regional sections prepared*

Based on the data received from the survey, two regional and national reports respectively for the water and energy sector, were prepared, shared with stakeholders and endorsed by the main EGJP partners. The reports provided advice and recommendations to the regulatory and other stakeholders on the issues that need to be addressed and actions to be taken to order to improve customer services in the water utilities of Albania. The reports can be reviewed upon partners' need for updated information. With this support, EGJP partners have already installed the data base, acquired the methodology, and developed their capacities becoming thus capable to undertake similar actions in the future. The Water Regulatory Entity has expressed its commitment to update the survey in the next 3-5 years in order to start building a trending picture of improvements and challenges in the water sector from the regulatory point of view.

### Output 4: Evidence based dialogue on citizens' perception of the quality of electricity and water services as well as reforms in the two sectors established

#### *Indicator 4.1 Number of articles presented by the media*

The national workshop on presentation of the survey's results was presented in two electronic media in ABC News and Klan. They reported on the workshop and referred the speech of the Vice Minister of Public Works and Transport. Also a written article on the event was posted in the UNDP website.

#### *Indicator 4.2 Number of people attending the national round table*

The results, findings and recommendations of the surveys were presented in a national workshop where more than 80 representatives from line ministries, regulatory, water operators, young professionals, donors and other actors of the sector were invited and participated. The national workshop was greeted by the Vice Minister of Public Works and Transport and the head of Water Regulatory Authority, who both highly appreciated the support provided by EGJP as well as the content and quality of the studies.

#### *Indicator 4.3 Number of people attending the regional public hearings*

As indicated above, EGJP could not work with the consumers associations in the regions as per recommendations of PMC and particularly of METE. Therefore, the regional public hearing activity was dropped.

Output 5: The capacity of the state bodies to protect and promote consumer rights enhanced

*Indicator 5.1 Number of government and consumer protection NGO staff trained*

EGJP organized training and capacity development activities for the main partners namely study visits (in Italy and Romania) in the favor of 5 IMD (Internal Market Department in METE) staff, 5 CPC members and 1 journalist; trainings in topics as unfair commercial practices, misleading advertisements, unfair terms of contracts in the favor of 6 METE representatives, 4 CPC representatives and 4 consumer associations representatives. Other trainings on the enforcement of EU consumer credit directive; enforcement of EU distance marketing of consumer financial services directive on financial services and consumers credit in the favor of 9 IMD staff, 5 CPC members, 2 representatives from Bank of Albania, 2 representatives of Albanian Financial Supervisory Authority and 3 representatives from consumer associations. The process of reviewing the Albanian Strategy on Consumer Protection and Market Surveillance and its Action Plan with the assistance of experts from German Association for Consumer Protection can be considered on the job training for 12 representatives of IMD in METE who actively participated in the process.

*Indicator 5.2 Number of staff from the new Market Surveillance Body and the CPS/CPC trained*

As during the implementation period of the new Market Surveillance Body was not in place, the EGJP offered training only for the CPC members as mentioned in the indicator 5.1

*Indicator 5.3 Web-based National Consumer Complaints Management System established and operational*

Based on the technical characteristics, developed initially by EU financed project on market surveillance, EGJP supported the implementation of the Consumer Complaint Management System. Using the local expertise combined with the international one, the system was developed, finalized and tested; it was launched and is fully operational since the second half of 2011. On the job training was offered to IMD staffs that operate the system. To support the IMD in the process of receiving and elaborating the complaints (on line and other forms of complaints) 4 computers and 1 printer have been procured and handed over to METE. Also a web site for the Consumer Protection Commission has been developed and is publicly accessible.

*Indicator 5.4 Number of lawyers and mediators trained in consumer legislation*

EGJP organized a series of trainings with the mediators on consumer legislation, consumer rights, relationship between consumers and business etc. Using the AFCR existing expertise and structure, regional trainings to the benefit of the mediators were organized in Korca with the participation 25 AFCR mediators and 3 IMD staff and in Tirana with the participation of 43 AFCR mediators (from Tirana and Durres) and 7 IMD staff. Also a national training with the mobilization of expertise and participation of 68 AFCR mediators from Korca, Durres and Tirana and 7 IMD staff was held in Tirana on 24 November 2011. Out of all trained mediators, 15 were layers and advocates.

*Indicator 5.5 Study on the customer services of the water utilities*

The study on the “customer services of the water utilities” was completed in September 2011. The findings and recommendations of the report were found to be extremely interesting and relevant to the current Albanian context. In particular, it was considered that the international good practice baseline prepared under the study which gathered the practices of 7 water utility companies from different countries would constitute an excellent transfer of global knowledge and practices to Albania. A national workshop where were presented the findings and recommendations was held on 15 December 2011. The study was further used by GIZ to prepare customer service guidelines.

*Indicator 5.6 Recommendation to improve compliance with consumer protection legislation of energy and water contracts followed up*

The EGJP successfully completed the work on preparing a “model water contract” for the water utility companies which clarifies the roles and responsibilities of the parties and protects better the rights of the customers. The latest information on the status of contract introduction revealed that the contract is already used by 35 out of 56 water utility companies. The target of Water Regulatory Entity is that by 2013 all Albanian water utility companies will use the “model” contract developed with the support of the EGJP.

In terms of drafting the energy model contract which protects better the rights of the customers, it was observed that EGJP support was not needed. After discussing with ERRE, it was found out that ERE was preparing its own version of the model contract and was about to approve it. Therefore EGJP did not continue to support this activity.

*Indicator 5.7 Mid-term review (MTR) of Strategy on CP and MS plus Action Plan approved by METE*

EGJP supported the midterm review of the Strategy on Market Surveillance and Consumer Protection for the Food and Non Food Products. The output of this support were two reports on the reviewed strategy and the action plan which were prepared, discussed and delivered to the relevant ministries METE and Ministry of Agriculture, Food and Consumer Protection (MAFCP) respectively for non-food and food sector. Both ministries endorsed the reviewed Strategy and its Action Plan.

Output 6: Consumer protection capacities and structures of the consumer associations developed and awareness about consumer rights rose in all regions of Albania

*Indicator 6.1 Capacity assessment of consumer protection associations and recommendations for training prepared and followed up*

In order to extent a substantial cooperation with the existing consumer protection associations, EGJP initially conducted a capacity development needs assessment of the two associations. As the capacity assessment reports recommended, a need for training the association’s staffs was immediate. On that base EGJP supported the development of training programmes and provided that to METE as the main project partner.

*Indicator 6.2 Number of staff/regional focal points from the associations trained*

As PMC and particularly METE partner recommended not working with the consumer associations, this activity was dropped.

*Indicator 6.3 Number of consumer advisory centers established*

The activity was dropped for the same reason as mentioned on Indicator 6.2

*Indicator 6.4 Number of consumers, businesses and pupils in schools benefiting from the awareness raising programme on the provisions of the new consumer protection law*

5 TV spots on consumer rights in Albania have been prepared and aired between 30 November-20 December 2011 and between 14 March - 4 April 2012 in three national tv channels. Also two talk shows in Klan TV (tv channel with high audience in Albania) on consumer legislation/rights and on the implementation of the water contract were organized and implemented. Requesting by METE, EGJP organized and financed the national distribution of 400,000 consumer protection leaflets targeted at consumers and 100,000 brochures targeted at businesses. These leaflets had been prepared under an EU Cards programme, but never distributed due to lack of funding. The EGJP cooperated successfully with the Albanian Post Office for the distribution of the 500,000 materials. The latter was contracted early November 2011 and the distribution of the materials in the 20 biggest Albanian cities was completed by end of December 2011. With such intensive information camping EGJP believes to have contributed to the awareness rising on consumer rights in Albania. In the political campaign for the first time was tackled the issue of “consumer protection” by the current Mayor of Tirana, who since the second day of his mandate established the Board for Consumer Protection in the Municipality of Tirana. This action taken by the newly elected Mayor is with no doubt also the impact of EGJP lobbying and actions.

*Indicator 6.5 Number of journalists benefitting from the awareness raising programme on the provisions of the new consumer protection law*

An intensive campaign on raising awareness among the journalists on the provisions of consumer protection legislation was undertaken by EGJP. Nine training sessions targeting 230 journalists from nine regions of Albania were organized and took place from October 2010-July 2011. As an impact of these trainings and awareness raising campaign among the journalists for the first time in one Albanian TV (NTV) the show “Consumers complain” was aired twice a week where an expert on consumers’ rights communicated directly with the consumers and replied on their concerns. Also the consumer issues were taken up by the public television (TVSH) and by the Albanian Screen where the representatives of state institutions and consumer associations were face to face and debate for various issues.

Output 7: Adequate mechanisms to facilitate tariff reform by mitigating its impact on the poor established

*Indicator 7.1 Stocktaking report used to identify knowledge and data gaps*

The stocktaking report provided a review of available micro-economic data that can be employed to analyze electricity and water consumption in the population, and particularly by vulnerable groups, to assess the distributional impacts of tariff reforms in the electricity and water sectors, and to assess the effectiveness of support mechanisms that are in place to ensure service affordability for vulnerable groups. In the light of this data available review, a two pronged strategy for data analysis in this area is suggested to the Albanian authorities. This would imply first a solid assessment of the distributional impacts of price increases based on the LSMS data, and then a subsequent custom designed survey on energy

consumption and willingness to pay for improved services that will try to shed more light on these additional issues.

*Indicator 7.2 Study on the effectiveness of support to the poor reviewed by government*

The study provides an analyze on the effectiveness of support to the poor looked at different aspects as the existing mechanisms of support to the poor (social assistance of last resort), the existence of specific mechanisms of support related to making water or energy affordable, the performance of these various instruments as assessed through both qualitative and quantitative analysis. The study is not yet being shared with the Albanian authority and is in the draft form. The World Bank will ensure its dissemination and advocacy following its completion after the closure of the joint programme.

*Indicator 7.3 Willingness to pay survey used to anchor price increases on revealed preferences of households*

The survey has been completed with a clear focus on water. The survey sample consisted of 1300 household's representative from the District of Durres, in Albania. The survey area has been stratified prior to the selection of the sampling units, based on two criteria: urban (Durres/other urban areas/rural areas) and formal (formal/ mostly formal/mostly informal).

*Indicator 7.4 Enhanced mechanisms for the protection of the poor from the impact of tariff reforms integrated into the government's policy options*

The report examines the electricity consumption patterns of different groups of households to identify the degree of vulnerability to future tariff increases in the population. It looks at groups who are currently spending the most on electricity, groups consume the most electricity in terms of quantities and can therefore be expected to suffer the most from a price increases; and groups that need to be prioritized in designing a protection scheme in order to minimize the poverty impact of the reforms. The report revealed that electricity is the main and increasingly more important energy source, and poor households devote a larger share of their household budget to electricity bills. The consumption of electricity depends heavily on its use and alternative energy sources, however focus group discussions with poor households confirm that electricity is not affordable, even when used very sparsely. The report will be shared and discussed with the Albanian authorities.

Output 8: The process of legalization of utility connections in illegal settlements supported

*Indicator 8.1 Number of participants in workshops*

The study covered the access to water in the informal urban settlements and rural areas of 5 Albanian districts (Saranda, Vlora, Lezha, Pogradeci and Gjirokastra) was finalized and handed over to Water Regulatory Authority. This study, together with the one on citizens' perception on the services provided in the water sector was launched in a national workshop held on 18 October 2012 in Tirana. Around 80 people, representatives of national and international organizations, water utilities etc. participated in the event.

In terms of population, the communes in the study include about 192 472 inhabitants making 31% of the total population of the five districts which number a total population of about 628

099 inhabitants. The population in the area accounts for about 64% as compared to the rural population of these districts, thus constituting a very good sample to generalize the results to all rural areas of these districts, but also for the whole country.

The study analyzed the access to water and wastewater services in all communes and the comparison among themselves and in the framework of the district where they are located, is made.

For the first time, this study has made an inventory of standing alone water supply systems found in rural areas. The consultant has identified the existence of 128 standing alone water supply systems or approximately 1 system for every 2 villages, of which approximately 57% operate by gravity, while the rest or 43% are operated mechanically. This information allows us to generalize about the total number of separate water supply systems that can be found in rural areas throughout the country, information that previously did not exist.

Efforts of central institutions are limited mainly on building capacities and the regulation of the activity of registered water and /or wastewater companies and less attention is paid to the service which is managed as their own functions by LGUs.

The analysis of the data shows that there is a discrepancy between the number of population reported by water companies and the data obtained from the National Registry of Civil Status in the Ministry of Interior. If this discrepancy is taken into account, it would change the service coverage reports and other indicators of performance of water and wastewater companies in general.

The study found out that access in the wastewater service is very low. In the majority of the villages wastewater is discharged mostly through sanitary holes which dominate or partly the discharge of wastewater is made directly to the superficial water streams. Sanitary holes are primitive and are not building according to a technical standard which means that they are a problem for the environment generally and especially to the hygiene and health conditions of the inhabitants of the villages. This phenomenon is particularly noticeable and problematic in rural coastal and lake shore areas with a priority in tourism development

#### *Indicator 8.2 Number of residents who pay their utility bills*

Studies from the EGJP report a non-payment rate of around 30% for electricity among households for 2011. In terms of water bills, the survey shows that around 12.4% of the overall sample report they do not pay water bills, with public institutions having the highest frequency of nonpayment (35%). Nonpayment is higher at rural areas for households and businesses, for poor households the non-payment rate is twice higher than the overall sample frequency. This data – that will be updated periodically in the future will enable the regulatory entities to measure the impact of reforms and actions in the water and energy sectors.

**Who are and how have the primary beneficiaries/right holders been engaged in the joint programme implementation? Please disaggregate by relevant category as appropriate for your specific joint programme (e.g. gender, age, etc)**

Below is the disaggregated table as per categories that have benefited directly from the EG joint programme.

Indicate Beneficiary type	Expected number of Institutions	Number of Institutions to date	Expected Number of Women	Number of Women To date	Expected number of Men	Number of men to date	Expected number of individuals from Ethnic Groups	Number of individuals from Ethnic Groups to date
National Institutions	11	14					No info	No info
Local Institutions		56		57		87	No info	No info
Urban	11	13	334	124	693	294	No info.	No info.
Rural							No info.	No info.
<b>Total</b>	11	70	334	181	693	381	No info.	No info.

Various representatives and staff from the national state institutions, local institutions, civil society, national media and journalists have directly benefited from the interventions of EGJP. They participated in several training activities, seminars, workshops, conferences and study tours organized in and outside the country. However, besides the trainings and information received, often they have contributed to these events with new ideas and presentations on how to further develop the energy, water and consumer protection sectors. This is the case of different studies or other interventions supported by EGJP where the national partners have been involved since the drafting of TORs until the preparation of the final reports. In this process they have been grown and developed, thus being better prepared for facing the challenges in their respective sectors.

**e. Describe and assess how the joint programme and its development partners have addressed issues of social, cultural, political and economic inequalities during the implementation phase of the programme:**

**a. To what extent and in which capacities have socially excluded populations been involved throughout this programme?**

The socially excluded populations have been tackled in terms of measuring their access to electricity and water and defining their challenges in the informal areas of the country from the water viewpoint. This study on water supply and sewerage services, prepared in accordance with the Citizen Report Card methodology, was undertaken in the context of ongoing reforms in the water sector, with special support by the Water Regulatory Authority. The rapid development and uncontrolled urban growth in the last two decades has put increased pressure on utilities for expanded services. This, together with poor governance, management inefficiencies as well as lack of a clear institutional division of responsibilities has led to poor service levels and the need for comprehensive reform.

- b. Has the programme contributed to increasing the decision making power of excluded groups vis-a-vis policies that affect their lives? Has there been an increase in dialogue and participation of these groups with local and national governments in relation to these policies?**

Although no direct decision making leverage was provided to the poor, the studies – specifically the survey together with the focus groups discussions – that paid particular attention to sampling the poor, provide some important data and qualitative insights about issues of water and electricity.

- c. Has the programme and its development partners strengthened the organization of citizen and civil society groups so that they are better placed to advocate for their rights? If so how? Please give concrete examples.**

Initially, the programme intended to support consumer protection groups. Unfortunately, due to complications of various dimensions but specifically related to their capacities and sustainability discussed at length in the PMC, this support was not provided. Their representatives were trained however in a series of training and also took part in two study tours that were facilitated by EGJP in Italy and Romania.

**To what extent has the programme (whether through local or national level interventions) contributed to improving the lives of socially excluded groups?**

EGJP and its development partners did not particularly address the issue of inequalities; this approach was not designated and neither implemented as such. The whole activities and interventions of EGJP were open to all individuals from any ethnicity, religion, race, political orientation and economic situation; hence looking from this prospective all individuals have directly and/or indirectly benefited from the programme.

- f. Describe the extent of the contribution of the joint programme to the following categories of results:**

**a. Paris Declaration Principles**

- **Leadership of national and local governmental institutions**
  - **Involvement of CSO and citizens**
  - **Alignment and harmonization**
  - **Innovative elements in mutual accountability (justify why these elements are innovative)**
- The governmental institutions, as the main national counterparts, were clearly the EGJP driving force and fully owned it from the programme design till its final implementation. This is also reflected in the alignment of the EGJP to One UN Programme, Albanian NSDI and cross cutting strategies (as it is the Strategy for Consumer Protection and Market Surveillance which a referent point for the consumer protection component of the programme).

- Civil society organisations have been instrumented in performing several programme activities as for instance is the implementation of the consumer complaints management system, implementation of different studies, reports, trainings as well as organisation of in-country events.
- The EGJP was fully aligned and in harmonisation with the government development strategies. EGJP has addressed the strategic priorities and ensured national and local ownership of the supported activities; it has been aligned with national policies and procedures and performed in well coordination with other donors.
- Main national partners, who are also members of PMC, are mutually accountable in implementing activities. As the PMC was the decision making bodies and strived to ensure a smooth implementation, this makes them also accountable to the project implementation. Considering the media as an indispensable ally of the EGJP in the process of awareness rising, it was significantly involved in the training programmes on consumer protection matters (series of training have been provided to 230 journalists on CP law and other consumer issues all over Albania). This was an innovative action (it happened for the first time is such programmes and with that dimension and intensity) with the aim of training the journalists today in order to professionally address the consumers issues tomorrow. Also thanks to EGJP approach to instrument the existing civil society organisation, to attract their attention and direct their capacities to the consumer issue, AFCR for the first time devoted its structure, expertise and capacity towards handling the consumer business disputes, showing thus another “door” where consumers could knock and get support for their complaints.

#### **b. Delivering as One**

- **Role of Resident Coordinator Office and synergies with other MDG-F joint programmes**
- **Innovative elements in harmonization of procedures and managerial practices (justify why these elements are innovative)**
- **Joint United Nations formulation, planning and management**
- The role of UN Resident Coordinator and her office was important starting from the designing and formulation phase until the final implementation of the EGJP. As the responsibilities of the programme were divided between the two main implementing partners UNDP and World Bank, the implementation of the UNDP components (consumer protection activities and expertise in the programme’s civil-society) and the overall programme were oversight by the UN Resident Coordinator. The latter co-chaired the PMC and chaired the NSC. The International Chief Technical Advisor (CTA), through UNDP, reported to the UN Resident Coordinator. The programme had obvious synergies with the investment project of World Bank in Durres; it was also closely aligned with the World Bank Social Assistance Reform Sector Loan, which is in preparation; the discussions on the power market model supported by the programme are part of ongoing discussions on reforms of the power sector, with implications for future lending. A close cooperation with GIZ that supports the Albanian Water Regulatory Entity has been evident.
- EGJP was part of One UN Programme in Albania and was structured under the

Governance pillar. The whole programme implementation followed the standard rules, procedures, planning and reporting cycle as advised by One UN Programme, as the other joint programme implemented in Albania. Time after time exchange of information and considerations has been made /expressed with other joint programmes in Albania, not only for the rules, procedures and reporting but also for the local and international expertise used in the frame of programme implementation.

- EGJP outcomes and outputs have been formulated in such a way that they complement each other. For instance as World Bank was supporting the Ministry of Public Works and Transport and its GDWS on raising capacities in dealing with water reform, UNDP supported the consultations in 12 regions of Albania covering/inviting all water operators to launch the water model contract, a good tool towards institutionalisation of relationship between consumers and water operators. The EGJP was designed on the basis of existing knowledge and experiences accumulated from previous projects and programmes. Additionally, the skills from both agencies – UNDP and World Bank – provided the right mix of competencies for the implementation of the EGJP.
- Even though UNDP and World Bank were two agencies with different management modalities and decision making procedures, due to the flexibility and willingness of both sides, it was found a contractual mechanism to govern the resources. Therefore a the sub-contractual agreement between UNDP and World Bank, where the latter was subcontractor of UNDP was concluded. This was the first time that under the “hat” of One UN model the UNDP and World Bank implements jointly a programme. From this point of view this cooperation on such terms with World Bank can be considered as a case study and is worth referring if another one will be planned or implemented.

### III. GOOD PRACTICES AND LESSONS LEARNED

#### a. Report key lessons learned and good practices that would facilitate future joint programme design and implementation

EGJP was one of the first joint programmes that was designed and implemented in Albanian, hence lessons were drawn and good practices were identified as below:

In terms of **design**: it was formulated in relatively short period of time based on the existing knowledge accumulated by previous projects and programmes and in close cooperation with METE; thus UNDP, World Bank and METE developed a concept note and sent that to MDGF Secretariat to be reviewed. Reflecting the comments of MDGF Secretariat, the final version of the project document was developed and was sent back to MDGF Secretariat for the approval. The latter approved it on April 2008, while the EGJP implementation started late January 2010. This long delay was due to some difficulties in finalizing the cooperation agreement between UNDP and the World Bank. These two agencies with a different management procedures and decision making process had to find ways and compromises in order to co-implement this programme. However, as it was also identified by the EGJP evaluation, these types of agencies cannot provide high efficiency in such kind of cooperation without harmonise their systems. This lesson should be considered in the future when elaborating similar cooperation. A “good practice” in this case is the fact that METE was involved since the very beginning of the project and the whole intervention was tailored as per needs of METE and other national partners. With such design the EGJP became a part of

larger initiatives in response to the national strategies and priorities of Albania. Also the programme was designed in such a way that very well combined the capacities and competences of both agencies UNDP and World Bank, which should be considered also in the future when design similar cooperation.

In terms of **start up phase**: EGJP started almost 2 years after the formulation phase. Once in place, the project document was reviewed, several meetings with the main stakeholders of energy, water and consumer protection sectors were held and the initially planned two-year annual plan was updated. As a result, a report titled “Updated Activities, Work Plan and Budget” documented these revisions and was used thereafter throughout the implementation of the joint programme. Nevertheless, the overall set of expected outcomes and outputs remained unchanged; it consists of 3 expected outcomes and 8 outputs. What mentioned above was happened in the first three months of the EGJP life, and it can be considered as inception phase. However, the lesson learnt, as also was identified in the final evaluation report, is that this kind of project/programme needs an explicit inception phase with clear guidelines to review the design and update the programme as per new realities. During such phase a reviewed project document should be produced and agreed with all stakeholders in order to have it as a new proposal for the implementation of the joint programme.

In terms of **implementation**: the “good practice” was the flexibility of the EGJP which in fact is also one of the main factors of the programme success. Once the outcomes of the joint programme were approved, the planning of activities has been kept flexible in order to adapt to the national priorities and partners needs, certainly within the scope of outcomes. During the implementation, EGJP presented to each PMC meeting the achievements of the previous time and made suggestions on how to proceed in the future. These suggestions often reflected the requests of the partners on allocating resources to the new evolving needs of the country. This way, even though some of the activities may have been changed, the results achieved were the same. Thus EGJP accommodating these requests made itself useful and valuable for the national partners.

In terms of **monitoring and reporting**: the establishment of two structures as it was the Project Management Committee, meeting quarterly and the National Steering Committee, meeting biannually, which ensured the full alignment of the activities with the principles and quality/quantity objectives set forth, was observed as a “good practice”. Co-chaired by the representatives of the national counterparts, participation of the two vice ministers in the PMC and the Head of Donors Coordination Department in the CM Office assured a complete national ownership of the decisions taken and the activities implemented. As mentioned also in the Final Evaluation Report of EGJP, this approach represents one of the best practices of this joint programme. EGJP passed through an external evaluation process, which was also a very constructive exercise building in all the national counterparts. The Sustainability Strategy enabled the follow up activities and future priorities to be jointly set where all the key players took their respective responsibilities and commitments for future endeavours.

#### **b. Report on any innovative development approaches as a result of joint programme implementation**

As this joint programme was the first ever one where UNDP and World Bank jointly implemented a programme, the programme office was placed in UNDP CO Albania and was serving as a liaison office between WB Tirana, WB Washington, UNDP CO Albania, national partners and MDG\_F New York. Even though the coordination of the main actors was difficult considering the time constrain for implementing the project (2,5 years), EGJP

was able to manage all actors and its outputs (different studies, researches, reports etc.) were all recognized as the joint contribution of the involved parties.

**c. Indicate key constraints including delays (if any) during programme implementation**

**a. Internal to the joint programme.**

Although the official start date of the EGJP is September 2009, in fact it was fully staffed and operational only early March 2010. The International CTA was hired end of January 2010, while the national staff early March 2010; this delay was due to the recruitment and contracting procedures. Initially WB Office Tirana was kept as contact for the WB component, while shortly a task manager in WB Washington responsible for the activities under WB components, was appointed.

**b. External to the joint programme**

The EGJP has to closely cooperate with two ministries (METE and MPWT), General Department of Water and Sanitation and two regulatory entities (water and energy) apart from other national and international partners and the civil society. During the implementation phase there were changes in the leadership of the national partners which resulted in changes of priorities and work approaches within the institution. These changes impacted the decision making process for certain measures, they required extra efforts, time and energy from the part of EGJP to update the newly-arrived partners and to accommodate their requirement and follow their approaches on programme implementation.

A number of EGJP activities required highly specialized skills and capacities which were not always available in the Albania. This is the case of implementation of the “on line consumers complain management system” that EGJP has to hire an international expertise to supervise the local company in designing and implementation of the system. The hiring of local company, international expertise and the implementation of the system was time consuming and kept on longer than expected. However, once things were in place, the implementation of this measure was a very good learning opportunity for the local company (part of civil society) and also for METE staff.

EGJP could not finalize all the planned activities within the planned time frame. Due to that with the approval of PMC and MDGF Secretariat its implementation was no- cost extended initially for 5 months and latter for another 6 months and then in the end until December 31<sup>st</sup>. Considering that a number of activities were not fulfilled during the planned time frame of the project, the grant of no cost extension to EGJP was indispensable; in fact it provided the necessary time to EGJP to complete and delivered all the planned outputs, to complete the reporting and the financial closure.

**c. Main mitigation actions implemented to overcome these constraints**

EGJP has kept intensive communication with national counterparts throughout the entire project cycle, from the design to the final implementation and closure procedures. This approach helped avoiding further delays, since the main partners have always been informed, through formal and informal channels, to speed up the implementation process.

Often EGJP team assembled and discussed with the technical staff of the relevant institutions to transfer the programme know-how and to ensure the smooth and timely implementation of activities. Also the open and thorough discussion/communication at the PMC meetings has resulted quite useful for the running of the activities. PMC meetings proved to be quite a useful forum from both management and monitoring point of view. where issues were tackled from various viewpoints by the members and other participants.

**d. Describe and assess how the monitoring and evaluation function has contributed**

The MDG-F Joint Programme on Economic Governance followed all the instructions set forth in the project document and MDG-F Secretariat Guidelines in regards to monitoring and evaluation. The EGJP management team along with the WB task manager prepared the PMC reports and the semi and annual reports which were submitted to the MGD-F Secretariat as required. Upon their request, the main national partners have been updated on the implementation and financial status of EGJP. At the end of the programme, even though the reports some times were felt to be time consuming, it is to be pronounced that they were a good tool which helped to inform the implementing partners on further progress and potential delays that could be mitigated. Initially it was envisaged that EGJP would undergo through two evaluations as midterm and final. Considering the relatively short period of the programme (2 years programme) and the short time between two evaluations, it was agreed with MDG\_F that EGJP would undergo only through an external final evaluation which happened mid of November 2011. The evaluation generated substantive evidence based knowledge by identifying lessons learned that could be useful to other development interventions at national and international level.

**e. Improvement in programme management and the attainment of development results**

Programme management and the coordination between the implementing agencies (UNDP and WB) and the national counterparts showed progress as time passed and programme was implemented. In different reports prepared for partners or MDG \_ F Secretariat were revealed the progress and bottlenecks encountered during the implementation phase which in fact enabled the implementers to better plan and distribute the human and financial resources accordingly. Considering the reporting as a useful monitoring tool which enabled the PMC as well as the EGJP leadership to provide appropriate advice, it can be pronounced that this was an effective approach in solving various problems of both technical or administrative nature.

**f. Improvement in transparency and mutual accountability**

The improvement of the transparency and mutual accountability was well supported by the preparation of monitoring reports by two implementing UN agencies (UNDP and WB). Initially each UN agency prepared its own report and shares it with the other; based on the comments and suggestions a consolidated report for the EGJP was finalised. The report was presented and discussed during the PMC meetings with the national counterparts. The latter being well informed on the programme developments provided their contribution in the problem-solving process and became advocates of the EGJP.

**g. Increasing national capacities and procedures in M&E and data**

Once the EGJP started, the programme team revisited the M & E framework of the MDG-F JP. The input from national counterparts was received through the different contacts, meetings and discussions organized by EGJP team. The contribution received from the national counterparts was the foundation of the inception report which was prepared and presented in the first PMC meeting. Once the latter endorsed the inception report, the programme started the implementation. In fact the national counterparts are adopting similar procedures when they implement projects with other donors as it is the case of Water Regulatory Authority, METE, MPWT, Energy Regulatory Authority etc, that before start an intervention they revisit the M & E and update all the referring data.

**h. To what extent was the mid-term evaluation process useful to the joint programme?**

Originally was planned that the duration of EGJP would be only 2 years, thus it did not go through a mid-term evaluation process; only the final evaluation was performed by mid November 2011.

**d) Describe and assess how the communication and advocacy functions have contributed to**

In order to advance its policy objectives and development outcomes, to insure that national partner, beneficiaries, other stakeholders and all Albanian consumers were adequately informed about the progress of EGJP and consumer rights, an integrated advocacy and communication strategy focused on internal and external communication was developed in close cooperation with the UN Communications Team. While internal communication managed to attract the attention and the support of the line ministers (two deputy ministers were participating in the PMC as they were aware enough on the importance and the usefulness of the joint programme), the external communication was addressed to the rest of Albanian consumers. Intensive campaign on consumer rights and other related matters were undertaken by the EGJP through airing of tv spots and organization of talk shows in national televisions, intensive training of journalists from different media all over Albania, distribution of leaflets addressed to consumers and business, as well as training for the mediators on consumer business issues.

As EGJP did not have a dedicated communication officer in the programme structure, both UNDP and WB disseminated and made available their promotional materials using all possible events organized by them in the frame of programme implementation (seminars, conferences, joint meetings with other stakeholders etc.). Consumer protection became an important topic when the JP started and increase its “share” in the media as the time passed.

**a. Improve the sustainability of the joint programme**

The sustainability of EGJP is ensured when its results are part of larger strategies and programmes and when most of its deliverables will be followed up by other national and international funded programmes. Over the last almost 2 years, the EGJP has implemented a large number of activities and its efforts to deliver quality outputs in a timely way have been coupled with a constant endeavor to make a difference by achieving outcomes. The EGJP focused essentially on strengthening institutional capacity and the interaction between institutions and citizens. Therefore its outcomes take the form of changes in the way

institutions work and perform. For instance in the water sector the intervention of the EGJP have sought to improve policy making capacity, investment prioritization and performance monitoring of the water utility companies at the level of the MPWT. It is worth mentioning that the programme's activities in the water sector have been implemented in parallel with the formulation of a new Water and Sanitation Sector Strategy (WSSS) which was formally approved by the Council of Ministers, providing thus an important enabling environment and strategic framework to sustain the impact of the EGJP support. In the energy sector, the focus has been on developing a common set of analytical tools and indicators, including financial models, that would allow the regulator and power companies to measure the impact of proposed tariff adjustments on consumers; and the assess of power market model in order to strengthen the capacity of the Energy Regulatory Entity (ERE) to address the any existing bottlenecks and monitor the electricity market. In both sectors the EGJP has supported interventions consisting of data collection, analytical work and policy advice aimed at alleviating the impact of tariff increases on the poor. In the consumer protection sector, the EGJP provided support to METE to establish the building blocks of a coherent consumer protection system. Assistance was provided at the policy level and particularly to strengthen the institutional capacity of the Internal Market Department (IMD) of METE and the Consumer Protection Commission. A comprehensive programme of awareness-raising on consumer rights targeted at the general public was also implemented.

As these activities were undertaken with the clear guidance of the national partners and their extensive engagement, the sustainability of the programme is built on solid grounds. On the top, the tools that were articulated and established with the assistance of the programme benefited from the committed responsibility of government partners. This is an indication that for instance, the water contract and the studies of consumer perceptions on water utilities were promoted by the Water Regulatory Entity and are part of the government's water master plan. In addition, the complaints management system is up and running at the Ministry of Economy and is serving as a platform for consumer complaints.

### **Improve the opportunities for scaling up or replication of the joint programme or any of its components**

All activities implemented by the EGJP were not isolated; there were part of larger strategies and programmes that are coordinated by national partners with support from other donors. Results were almost "automatically" feeding the next phase of the particular process such as drafting an amendment to a law, establishing a training programme, or identifying a strategy or programme, implementation of the water model contract all over the country, or follow up activities by other donors (as it is that case of GIZ which has followed up results of EGJP in the water sector). Looking from this view point, EGJP with its interventions and measures taken prepared the foundation for further development and improvement of the above mentioned matters.

#### **b. Providing information to beneficiaries/right holders**

Supporting three important sectors of the Albanian economy, EGJP resulted to have a wide audience and beneficiaries starting from state institutions', to NGOs, and to all Albanian consumers. Different communication tools have been used in order to reach directly and indirectly the beneficiaries namely as: tv spots, talk shows, fact sheet and leaflets, media advisory, press releases, workshops, national conferences, studies, reports etc. Also the

implementation of national surveys on citizen's perception on supply of energy and water from the utilities provided to the Albanian Government and relevant regulatory bodies a set of information which can be used as a tool in drafting their policies and strategies in respective sectors.

Results of the EGJP have contributed to the implementation of these strategies and programmes. Often EGJP has been provided resources to fill some gaps, complement larger programmes with specific activities that are needed to move reform processes forward. In some cases, the EGJP has served as a catalyst for establishing reform agendas in Albania (the case of reviewing the Consumer Protection Strategy in the Food and Non food Sector, or law amendment on product safety). At the end of the programme, it can be said EGJP had a positive impact on the three sectors of intervention namely water, energy and consumer protection sectors.

**e) Please report on scalability of the joint programme and/or any of its components**

**a. To what extent has the joint programme assessed and systematized development results with the intention to use as evidence for replication or scaling up the joint programme or any of its components?**

The drafting of Sustainability Strategy and endorsed by PMC formalized the process of reaching the agreement over the priority activities. It contained activities which directly or indirectly contribute to the achievement of the development results as stated by the Albanian Government. In general, the incorporation of EGJP results into Government's agenda has been a key factor since designing the project. Also during the implementation phase, all the updated activities were planned to fit into the government's agenda and assists its implementation; this is why the focus of the EGJP was at the national level (in order to support the Albanian Government to fulfill its obligations that fell under the conventions, new sector strategy, etc).

**b. Describe example, if any, of replication or scaling up that are being undertaken**

Many interventions of EGJP were focused on collecting information (implementation of different surveys, reports, data base, recommendations etc.) and supporting specific initiatives that were part of larger programmes and strategies of Albanian Government. The outcomes of this joint programme have contributed effectively to move the implementation of these larger programmes.

For instance, EGJP supported the establishment of the Albanian consumer complaints management system CCMS (the system was previously design by an EU supported project) through the development of the required software, its installation and testing on the platform of METE and the training of people in charge of maintaining the system. Once finalized, the CCMS was online and available to be used by citizens to file a complaint; thus it can be replicated for other matters as well.

Another example is the "water model contract" for the Albanian consumers where EGJP supported the development of a model contact to ultimately replace more than 30 existing type of contracts used by the 56 water utilities. This model contract is now being implemented throughout Albania by water utilities with the support of the water regulatory body (GDWS) and it will be scaled-up throughout the country by 2013.

Another example is the mid-term reviewing of the “Albanian Strategy on Consumer Protection and Market Surveillance 2007-2013” and the updating of the Action Plan on what remain to be done till end of 2013. EGJP also provided an important support in drafting of an amendment of the Law on Market Surveillance. This amendment was approved by METE and the Council of Ministers and was submitted to the Parliament for its final approval. The JP also supported the drafting of complaints procedures. These procedures were approved by METE and an Order of Minister of METE was issued. What was achieved can be further replicated by Albanian authorities or other donors in further developing of a consumer protection system, including a clear process for consumers to file claims and defend their rights.

Also the implementation of the survey on service provided by operators in the water and energy sector provided hard data on citizens’ perceptions of the quality of water supply and energy. These data provide an input into a dialogue between utility providers and customers with a view to improve the quality of services; they constitute a tool for the stakeholders and in particular for the Regulatory Authorities to obtain hard data on the current situation, monitor the impact of reforms and taking the necessary steps for protecting consumers. The data base and methodology offered to the national partners make possible that this type of survey/study to be replicated after a certain period of time and to be nationally extended (up to the national regulatory authorities to define).

The elaboration of a comprehensive training manual on consumer protection topics which can be used by consumer protection associations or other NGO-s all over the country not only in the formal training sessions, but also in the simple awareness meeting, discussions etc is another example of replication and scale up of this activity . This is a good training tool which, as time passed can be updated, saving and protecting the main technical information that contains.

**c. Describe the joint programme exit strategy and asses how it has improved the sustainability of the joint program**

EGJP developed an exit strategy in cooperation with the national stakeholders, in order to make the closure of EGJP activities as a smooth process as possible and further ensured for the national ownership of the outputs and results produced during the joint programme lifetime. All the technical support/equipment (computers, software (CCMS) and other office equipment) provided to METE have supported the latter to upgrade the staff performance and their effectiveness in accomplishing their tasks and missions.

All the reports, studies and recommendations produced with the assistance of international and national technical expertise through the EGJP will be posted on the UN Albania, UNDP Albania, WB Albania and partner’s websites. All the printed copies of the reports have been handed over to the relevant institutions.

The EGJP has enabled the development and upgrade of the necessary skills and qualifications of the national partners for a better and up to the standard management in the consumer protection area in general and particularly in the water sector. This was implemented through exposing them to a number of trainings developed in Albania and in relevant institutions in the European countries. Thus EGJP has ensured that the institutional cooperation established will be maintained after the lifetime of the Joint Programme. The visit of the Consumer Protection Commission in Italy and Romania to the relevant authorities, the visit of Deputy

Minister of MPWT and the Chair of Water regulatory Authority in the Water Week in Sweden are example of this.

#### **IV. FINANCIAL STATUS OF THE JOINT PROGRAMME**

a. Provide a final financial status of the joint programme in the following categories:

1. Total Approved Budget 2,097,200
2. Total Budget Transferred 2,097,200
3. Total Budget Committed 2,097,200

b. Explain any outstanding balance or variances with the original budget

N/A

#### **V. OTHER COMMENTS AND/OR ADDITIONAL INFORMATION**

**VI. CERTIFICATION ON OPERATIONAL CLOSURE OF THE PROJECT**

By signing, Participating United Nations Organizations (PUNO) certifies that the project has been operationally completed.

<b>PUNO</b>	<b>NAME</b>	<b>TITLE</b>	<b>SIGNATURE</b>	<b>DATE</b>

## **VII. ANNEXES**

### **○ List of all document/studies produced by the joint programme**

1. Study: The access in water supply and sewerage in the informal urban settlements and rural areas in five districts of Albania
2. Study: Citizen's Perceptions of the Quality of Water and Sewerage Services
3. Commentary of Consumer Protection Law No.1044
4. Model Water Contract
5. National Study on the Customer Services of the Albanian Water Utility Companies
6. Report of Citizen's Perceptions on the Quality of Electricity Services
7. Awareness Toolkit: Consumer Protection in Albania
8. Training Materials: Consumer Protection in Albania
9. Training Manual: Consumer Protection in Albania
10. Instruction Procedures of Consumers Complaints
11. Midterm review of the Albanian Strategy on Consumer Protection and Market Surveillance 2007-2013 – non food products
12. Midterm review of the Albanian Strategy on Consumer Protection and Market Surveillance 2007-2013 – food products
13. Training materials: Unfair contract practices
14. Consumer disputes and mediation
15. Presentation Unfair Contract Terms in Water and Energy

### **○ List all communication products created by the joint programme**

1. Leaflet – Water Contract
2. Know your rights and obligations under the new contract for water and sewerage services
3. Know your rights – consumer credit
4. Know your rights – holiday packages
5. Know your rights – distance contracting
6. Know your rights – immovable properties

○ Minutes of the final review meeting of the Programme Management Committee and National Steering Committee

○ Final Evaluation Report

○ M&E framework with update final values of indicators