



REPUBLIKA E SHQIPËRIË
MINISTËR PËR INOVACIONIN
DHE ADMINISTRATËN
PUBLIKE

United Nations Development Programme



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Project Document

"Support for Innovation against Corruption: Building a Citizen Centric Service Delivery Model in Albania"

Programme of Cooperation

GoA and UN, 2012 - 2016

Outcome 3: Governance and Rule of Law

Output 3.3:

Implementing partner:

Responsible Party:

The Albanian State executes major governance processes following Internationally agreed democratic principles and practices, while upholding the rule of law and eliminating key factors of exclusion of women

State, market, non-state institutions enabled to deliver their statutory mandates, prevent corruption, and enforce the rule of law
Minister of State for Innovation and Public Administration
UNDP Albania

Brief Description

The Government of Albania is reforming its public service delivery through "Innovation against Corruption: Building a Citizen Centric Service Delivery Model in Albania" (ISDA) initiative. The pillars of this reform are Front Office (FO) – Back Office (BO) separation, centralized service delivery and the focus on online services through business process re-engineering, legal reform and digitization efforts. These interventions represent the Government's effort to improve service access and quality for citizens and increase efficiency in the Albanian public administration, as a means to strengthen the rule of law and fight corruption.

The Government's public service delivery reform consists of a customer-oriented approach with different channels of public service delivery taking advantage of ICT solutions. The reform will be implemented in two components (i) the establishment and management of the integrated nationwide model of service delivery where the front office interface with the public is separated from back office processing. This includes also the setup of a Citizen Service Center in Tirana (the Public Service Mall) for centralized delivery of over 300 services by May 2017; and (ii) the standardization, simplification and digitization of the provision of administrative services by central institutions.

The project at hand supports the start-up phase of the reform.

Programme Period:	POC 2012-2016	Total resources required:	USD 1,024,920
Key Result Area (Strategic Plan):	2.3: Support national partners to implement democratic governance practices grounded in human rights, gender equality and anti-corruption	Total allocated resources:	USD 425,000
Atlas Award ID:		Regular (UNDP core) :	USD 50,000
Start date:	August 2014	Other	
End Date:	January 2016	• UN Coherence Fund:	USD 90,000
PAC Meeting Date:		• Italian Government	USD 285,000
Management Arrangements:	(NIM) National Implementation	Unfunded budget:	USD 599,920

Agreed by the State Minister for Innovation and Public Administration:

Milena HARITO
Minister

Agreed by UNDP:

Zineb TOUIMI-BENJELLOUN
Resident Representative



Background

The fight against corruption constitutes one of the five political criteria for Albania's EU membership. It is also a stated objective of the Government of Albania. The Government has identified six national strategic priorities, one of which is Innovative Good Governance. The fight against corruption is contextualized in the efforts to modernize public services delivery through institutionalizing innovations towards good governance.

At the center of this national priority lies "the citizen-centered service delivery" which is the catch-all phrase and approach of the Government towards increasing quality and accountability of public services. The citizen service center model of service delivery has been implemented in a number of countries in Europe and Central Asia. Albanian officials have learned from several of these models (Georgia, Azerbaijan, and Estonia) and will adapt the best practices of those models for modernizing the governance system of Albania.

The Government initiated the design and conceptualization of this citizen-centric service delivery model in 2014 and requested the World Bank to support the overall reform of services delivery. The ISDA Program started with the creation of an inventory of services provided by central government institutions. By July 2014, over 1300 public services delivered by 134 central government institutions were catalogued. A public service under the scope of the Program is defined as a process legally defined that is initiated by a citizen or business and concludes with a delivered answer that may take a variety of forms, ranging from information, to a certificate, license, permit, etc. Based on service demand, the importance ranking by the citizens, level of corruption and researched models, more than 300 services delivered by 21 institutions have been identified as the immediate program scope.

Under MIPA's authority and by Decree no. 693 of the Council of Ministers, dated October 22, 2014, ADISA, the Agency for the Delivery of Integrated Services in Albania, was established with the mandate of managing the citizen service centers. Its mandate is now expanding to the implementation of the separation of the front office from the back office in all central institutions. This process entails the overhaul of public service delivery in Albania with the establishment of service standards for the citizens and performance monitoring for service window clerks, based on a customer-care culture. A snapshot assessment of the current situation in the front offices has now taken place and the next steps include the evaluation of scenarios of public private partnerships for front office management on a pilot basis.

The national reform policy document for the citizen-centric public service delivery reform is not yet fully elaborated, however at the time of drafting of this project, work is underway for the re-engineering of services in the immediate program scope, the planning for the Public Service Mall establishment in Tirana, and to maximize digitalization.

In terms of financing, the World Bank has responded positively. Financing will start with a Project Preparation Facility (PPF). A larger five-year financing is in the works.

The public service reform goals and activities enjoy a high level of political support, yet there is a shared recognition that several design factors will determine the impact, cost effectiveness and sustainability of this reform. The project at hand takes into account and responds to these needs.

I. National reform strategy

Public services innovation and reform will be implemented in three phases: (i) the start-up phase; (ii) consolidation and implementation phase linked to a larger scale World Bank lending operation;

(iii) service expansion and ICT infrastructure improvement. The project at hand supports the start-up phase.

The reform is a multilayered, cross-cutting endeavor, which necessitates a robust implementation structure. This entails both strategic leadership as well as project management.

From the strategic viewpoint, two structures are already in place for the Government Priorities: the Strategic Planning Committee (SPC) for financial decisions and the Inter-ministerial Public Services Committee (IPSC), both chaired by the Prime Minister. The IPSC is organized by the Minister for Innovation and Public Administration (MIPA), approximately every six weeks to coordinate and to ensure support and higher-level coordination for the citizen-centric public service reform process at the political level. A technical PSC with heads of 21 key institutions with the highest service demand from the citizens is now also in place led by MIPA.

In the meantime, policy consultations and decision-making take place in the project's Steering Committee which is chaired by MIPA and brings together the heads of agencies, such as the National Agency for Information Society (AKSHI), ADISA, as well as the heads of key Departments in the Prime Minister's Office.

At the operational level, the program relies on the support of experts to manage given components considering staff limitation at the disposal of MIPA on one hand, and the extent of ISDA project scope and implementation needs, on the other. Currently, the ISDA program is staffed by three consultants provided with UNDP support, while its needs include M&E, communications, linguistic, to mention a few.

The start-up phase consists of three categories of activities: A) Public Service Delivery Policy Document formulation; B) Implementation management plan and institutional strengthening; and C) Piloting.

The subsequent Consolidation and Implementation Phase (under a World Bank disbursement-linked lending instrument) foresees, inter alia, the establishment of the Tirana Public Service Mall capable of delivering over 300 government services fully integrated under the one-stop-shop and in-one-place model.

The third phase is envisaged to focus on identifying opportunities for expanding the level of service provided; enhance accountability by publicizing performance results; and improve and consolidate the ICT infrastructure development.

The Public Service Delivery reform carries also a great potential in reforming and modernizing in the mid-term the way local public services are provided. This would therefore contribute to enhance the efficiency of local administrations as well as strengthen and consolidate the operations of the new local government system resulting from the administrative and territorial reform.

Institutional Arrangements

The Minister for Innovation and PA has the coordinating role in the public services innovation process, and it is supported in this process by the Delivery Unit of the PM Office, which monitors and facilitates intra-institutional collaboration.

The program institutional beneficiary is the newly-established ADISA, an Agency positioned to be the guarantor of the quality of public service delivery in Albania.

Legal Framework and Regulatory Arrangements

Nine Ministerial Working Groups and 20 institutional technical groups serve as the mechanisms to review and approve new rules and work on legislation amendments in the area of public service delivery. These groups are in charge of re-engineering the business processes, by assessing them, then proposing and approving the necessary changes.

Important ongoing Assistance (PPF, World Bank)

The Project at hand is designed to complement the World Bank's PPF assistance through a joint donor response. The World Bank's PPF will mainly prepare for the larger scale operations of the future central citizen service center, the Tirana PSM. At this stage the PPF is with a fund of 2 million USD, which components include:

- Support for business process re-engineering and the related planning for the legal and IT changes;
- Creation of monitoring baselines, and of the citizen feedback mechanism;
- Project Management Unit (PMU);
- Design for the new Public Service Mall;
- Communication campaign.

Project objectives

The overall development objective of this project is to improve efficiency, quality, and access to public services by modernizing public services delivery and eliminating corruption.

The Project will provide support to:

1. The Minister of State for Innovation and Public Administration to ensure effective management of the overall initiative implementation, support the Front Office – Back Office separation and its piloting, and support the elaboration of the larger endeavor for public services delivery (described above)
2. The Minister of State, the Inter-Ministerial Working Group, and other Ministerial Working Groups, the Agency for Delivery of Integrated Services of Albania (ADISA), the Delivery Unit of the PM Office, etc. for planning of service re-engineering.

The Project will have the following results:

Result 1: Public Service Delivery Policy Document for Albania (USD 126,000).

The World Bank has recommended the Government of Albania to prepare a strategic document that covers the whole process of public service delivery reform. This strategy would help Government and other partners in this reform clarify their reform intentions, objectives, expected results, the economic rationale (assessment of costs and benefits), and the policy financing framework.

The Policy Document will have to justify the business case for centralized public service delivery, describing the advantages, which may include: timeliness of processing and reductions in transactions cost of government agencies and citizens, improvement in their access to services, better quality in service delivery, improved information, etc.

Other aspects to be addressed would be the Front Office – Back Office separation and the opportunities for public private partnerships, the reform of back-office service delivery processes, including improvements in business processes, digitalization and interoperability and the regulatory reform, as well as the channels of service delivery, with the focus on online services.

The Policy Document should also take care of any direct or side effect that this reform could bring on the vulnerable groups, women, poor, and rural populations.

The document timeframe is expected to span a decade, and it is anticipated to be endorsed by the IPSC before the end of 2015.

Alongside the Policy Document, the preparation of an operations/management plan would take place. This plan would provide a framework for the programmatic efforts based on the strategic vision, as well as management capabilities. Currently, the ISDA project is staffed by three consultants provided with UNDP support, while its needs span from project top management, to legal skills, M&E and Communications, to mention a few. This is in addition to the team provided for under the World Bank PPF, which will become operational by June 2015.

The Policy Document preparation represents the **Output 1** of the project.

Result 2: Front Office - Back Office separation and piloting model and the establishment of the service delivery standards (USD 250,000) through **Outputs 2 and 3**.

This endeavor will impact all central institutions in Albania and proceed from a strategic approach that relies on separate management of the public interface and the back office, and the closing of opportunities for contact between the authority that processes the service requests as required by law and the citizens that need the service.

While more than 300 services from 21 institutions will be provided under the one-stop-shop and in-one-place model in the future Tirana Public Service Mall, the FO-BO separation will interest every institution and their respective service windows throughout Albania,

The model includes the establishment of unified standards of service, performance monitoring, citizens feedback, staff training and infrastructure design. Given the scope of the intervention, model piloting in one institution is anticipated as a first step.

Front Office – Back Office separation for all central institutions is not foreseen under the World Bank’s PPF given the focus of the latter on the establishment of the Public Service Mall.

Output 2: Feasibility study on Front Office management outsourcing and costing developed. Implementation model and service delivery standards identified.

Output 3: FO-BO piloting and the monitoring mechanism developed and contracting managed.

Result 3: Agency for Delivery of Integrated Services of Albania is supported and operational (USD 337,000) through **Outputs 4 and 5**.

There are two expected outputs under this component.

Output 4: Business processes of the Agency are designed, and relationships established with relevant line ministries and other central government institutions whose functions are to deliver administrative services to the citizens.

Output 5: The Agency is fully staffed and equipped with the necessary infrastructure, operating, and support systems to pilot Front Office – Back Office separation, and manage the delivery of integrated services.

Result 4: Support and Local Technical Assistance extended to MIPA (USD 173,000) through **Output 6**.

Following a request of the Minister for Innovation and PA for support to the government reform of public services in Albania in the first half of 2014, UNDP initiated a preparatory assistance with a budget of USD 100,000, which has been used to prepare the ground for the following steps in this process. This support was recognized by the World Bank missions that visited Tirana in September and November 2014, and has helped the PM Office to design the whole reform process of public services.

The UNDP preparatory assistance consisted on availing professional expertise to the Minister of Innovation and the PM's Delivery Unit in preparing a phased approach of public service integration and delivery for the next 3-5 years, and bridging international assistance until the World Bank has finalized procedures of its project identification phase. UNDP will continue contributing to this preparatory assistance phase in early 2015 until other donors will be able to join in.

Output 6: The pool of local experts who were fielded since the beginning of the preparatory assistance extended until the end of the year, making also room for additional short term local experts if and when needed.

Result 5: Project management (USD 35,000) through **Output 7**.

Output 7: A UNDP Project Coordinator and a Project admin/finance assistant may be hired to be dedicated to the day-to day implementation, dependent on the complexity and the implementation workload required.

Nevertheless, for the time being, UNDP Albania will provide additional administrative support from its country office programme and operations units on project and financial management, monitoring and coordination and quality assurance.

II. Implementation and Management Arrangements

The project will be implemented in accordance with UNDP's National Implementation Modality (NIM)

http://www.undp.org/content/dam/undp/library/corporate/Programme%20and%20Operations%20Policies%20and%20Procedures/NIM_for_Government_english.pdf whereby the Ministry of Innovation and Public Administration is the designated National Implementing Partner, on behalf of the Government of Albania.

UNDP will be responsible for the provision of project inputs upon formal requests from the Minister of Innovation and Public Administration/National Project Director.

Services will be provided according to UNDP rules and procedures, based on a standard letter of agreement with the Ministry for the provision on support services. In addition to the broader stakeholder consultation and advisory fora, the management of the project at hand will entail functions as defined in National Implementation Guidelines:

http://www.undp.org/content/dam/undp/library/corporate/Programme%20and%20Operations%20Policies%20and%20Procedures/NIM_for_Government_english.pdf.

I. ANNEX ANNUAL WORK PLAN BUDGET SHEET
Year: 2014-2015

EXPECTED OUTPUTS	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMING			PLANNED BUDGET			
		Q1	Q2	Q3	Resp'ble Party	Funding Source	Budget Description	Amount in USD
Output 1: Public Service Delivery Policy Document	Activity 1: Recruit one senior international consultant	X	X		UNDP / MIPA		60 working days, plus travel and DSA	72,000
	Recruit one junior international consultant						60 working days, plus travel and DSA	54,000
Output 2: Feasibility study on Front Office management outsourcing and costing developed. Implementation model and service delivery standards identified	Activity 2: Recruit 1 senior international consultant	X	X		UNDP / MIPA		70 working days, plus travel and DSA	84,000
	Recruit 1 junior international consultant						70 working days, plus travel and DSA	63,000
	Recruit national consultants						12 months x USD 3,500 / month	42,000
Output 3: FO-BO piloting and the monitoring mechanism prepared and contracting provided	Activity 3: The international expert hired under Activity 2			X	UNDP / MIPA		45 working days, plus travel and DSA	54,000
	Activity 4: One national consultant hired under Activity 2			X	UNDP / MIPA		2 months x USD 3,500 / month	7,000
Output 4: Business processes of ADISA are designed, and relationship with other institutions established	Activity 5: Recruit 1 international consultant on business processes	X	X	X	UNDP / MIPA		105 working days, plus travel and DSA	126,000
	Recruit 1 international IT consultant						105 working days, plus travel and DSA	126,000
Output 5: ADISA is fully equipped with infrastructure and operating systems	Activity 6: Procurement of hardware for ADISA	X			UNDP / MIPA		Procurement services	50,000
	Activity 7: Procurement of software for ADISA	X			UNDP / MIPA		Procurement services	5,000
	Activity 8: Procurement of furniture for ADISA	X			UNDP / MIPA		Procurement services	30,000
Output 6:	Activity 9:	X	X	X	UNDP / MIPA			

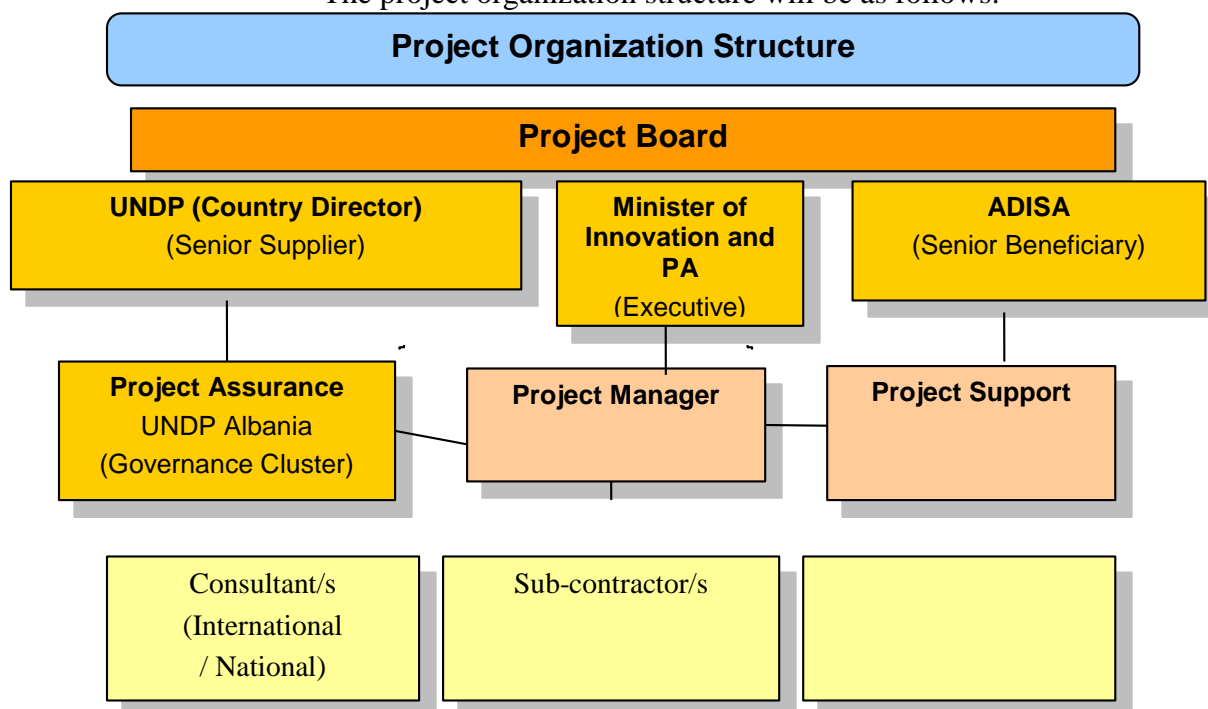
EXPECTED OUTPUTS	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMING			PLANNED BUDGET			
		Q1	Q2	Q3	Resp'ble Party	Funding Source	Budget Description	Amount in USD
Support and Local Technical Assistance extended to MIPA	Project Manager of the local experts pool						12 months x USD 3,000 / month) and related expenses	36,000
	Activity 10: Project Assistant of the local experts pool				UNDP / MIPA		12 months x USD 1,500 / month and related expenses	12,000
	Activity 11: Local experts pool continue to support the Minister of Innovation and IT				UNDP / MIPA		3 national consultants for 1 year	80,000
	Activity 12: National workshops/events		X	X	UNDP / MIPA		Events	10,000
	Activity 13:				UNDP / MIPA			
	Study tour for experience exchange			X			1 Study tour	30,000
	Activity 14:				UNDP / MIPA			
	Sundries	X	X	X			12 Sundries	5,000
Output 7: Project Management at UNDP level	Activity 15: UNDP Project Coordinator	X	X	X	UNDP		12 months x USD 2,500 / month) and related expenses	20,000
	Activity 16: UNDP Project Assistant				UNDP		12 months x USD 1,500 / month and related expenses	12,000
	Activity 17:				UNDP			
	Sundries	X	X	X			12 Sundries	3,000
In country travel								8,000
NIM (National Implementation) audit costs								10,000
Evaluation costs								10,000
Programme costs in total								949,000
UNDP management fee (8 %)								75,920
TOTAL								1,024,920

IV. MANAGEMENT ARRANGEMENTS

The Project will be managed under the National Implementation (NIM) modality with implementation support provided by UNDP:

- (a) Day-to-day project support
- (b) Identifying expertise which is available in the international and domestic market
- (c) Recruiting necessary international or local expertise
- (d) Carrying out tenders for procuring services and/or goods as per the rules and regulations
- (e) Issuing contracts and making payments related to expenses incurred as part of project implementation
- (f) Preparing and distributing periodic reports including financial reports

The project organization structure will be as follows:



A Project Board – aimed to monitor and steer the strategic direction of the programme implementation – will be convened under the chairmanship of the Minister of Innovation and PA as the Executive, the Director of ADISA as Senior Beneficiary, and UNDP Country Director as Senior Supplier. The Senior Supplier's primary function within the Project Board will be to provide guidance regarding the technical feasibility of the project. The Senior Beneficiaries will be representing the interests of those who will ultimately benefit from the project. Their primary function within the board is to ensure the realization of project results. The Project Board will meet at least once in six-months or upon need. The first board meeting will convene following the approval of the Project Document in order to discuss and agree on the following matters:

- How to ensure successful implementation with the cooperation among all the parties involved
- Agree on the following activities
- Adjusting and confirming the work plan and strategy of the project
- Making decisions on the direction of the project if needed
- How to ensure sustainability of the project

Detailed description of various roles within the management of the project:

Project Board:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the project manager;
- Provide guidance on new project risks and agree on possible countermeasures and management actions to address specific risks;
- Review the project progress and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans;
- Review combined delivery reports prior to certification by the implementing partner;
- Appraise the project annual review report, make recommendations for the next annual work plan, and inform the outcome group about the results of the review;
- Provide ad-hoc direction and advice for exception situations when project manager's tolerances are exceeded;
- Assess and decide to proceed on project changes through appropriate revisions;

Project Director/Implementing partner:

- A Project Director is designated by Government, and is given the authority to request advances, payments, contracts, etc.
- The National Project Director (NPD) is responsible for the achievement of project objectives.
- The Project Director is the official liaison between the Minister of Local Affairs and UNDP to ensure proper project execution.
- Approve work plans for planned expenditures;
- Approve and sign the Combined Delivery Report (CDR) at the end of the year;
- Sign the Financial Report or the Funding Authorization and Certificate of Expenditures (FACE).

Senior Beneficiary:

- Group of individuals representing the interests of those who ultimately benefit from the project. The Senior Beneficiary's primary function within the Project Board is to ensure the realization of project results from the perspective of the **Minister of Innovation and Public Administration**.

Development Partners (also called Supplier):

- Individuals or groups representing the interests of the parties concerned which provide funding and/or technical expertise to the project. Senior Suppliers in this specific case are considered all international partners contributing to the project budget represented in the Board. ~~In light of the significance of ongoing programmatic work supported by the international community in Albania, the SWG designates a participant on behalf of the broader "donor" community to participate in the Project Board~~

Project Manager:

- Reports to the National Project Director
- Plan the activities of the project and monitor progress against the approved work-plan;

- Mobilize personnel, goods and services, training and micro-capital grants to initiative activities, including drafting terms of reference and work specifications and overseeing all contractors' work;
- Monitor events as determined in the project monitoring schedule plan, and update the plan as required;
- Manage requests for the provision of financial resources by UNDP, through advance of funds, direct payments, or reimbursement using the FACE (Fund Authorization and Certificate of Expenditures);
- Monitor financial resources and accounting to ensure accuracy and reliability of financial reports;
- Be responsible for preparing and submitting financial reports to UNDP on a quarterly basis;
- Manage and monitor the project risks initially identified and submit new risks to the project board for consideration and decision on possible actions if required; update the status of these risks by maintaining the project risks log;
- Capture lessons learnt during project implementation – a lessons learnt log can be used in this regard (MS Word template)
- Perform regular progress reporting to the project board as agreed to with the board;
- Prepare the annual review report, and submit the report to the project board and the outcome group;
- Prepare the annual work plan for the following year, as well as quarterly plans if required;
- Update the Atlas Project Management module if external access is made available.

UNDP project assurance:

- Ensure that funds are made available to the project;
- Ensure the project is making progress towards intended outputs;
- Perform regular monitoring activities, such as periodic monitoring visits and “spot checks”;
- Ensure that resources entrusted to UNDP are utilized appropriately;
- Ensure that critical project information is monitored and updated in Atlas;
- Ensure that financial reports are submitted to UNDP on time, and that combined delivery reports are prepared and submitted to the project board;
- Ensure that risks are properly managed, and that the risk log in Atlas is regularly updated

UNDP Project Support:

- Set up and maintain project files;
- Collect project related information data;
- Assist the project manager in updating project plans;
- Administer project board meetings;
- Administer project revision control;
- Establish document control procedures;
- Compile, copy and distribute all project reports;
- Assist in the financial management tasks under the responsibility of the project manager;
- Provide support in the use of Atlas for monitoring and reporting;

4.2. Financial Management Arrangements

4.2.1 Pooled Budget Management

UNDP will dedicate a unique and identifiable project code (ATLAS Award ID) for financial management of the project. UNDP will:

- Produce a project budget, unique to this project which is identifiable in all transactions and which will be the budget into which third party and government cost sharing contributions (donor contributions) will be credited (accounts receivable) for carrying out of the project activities
- Ensure physical security of financial contributions, cash and records,
- Disburse funds in a timely, proper and effective manner,
- Ensure financial recording and reporting, and
- Prepare, authorize and adjust commitments and expenses.

Third Party (Donor) Contributions

~~The Minister of Local Issues will source the project from contributions of donor governments solicited through the donor coordination mechanisms active in Albania and co-chaired by the Directorate of the Swiss Development Cooperation (SDC) and the Minister, personally.~~

Upon indication of commitment, the donor governments and other donors will be expected to pool their resources into the Budget of this project which is identifiable in accounting terms by UNDP (unique ATLAS ID). UNDP will contribute its own core resources (TRAC) allocated to Albania for jump starting project activities. Those funds will be co-mingled with funds from UNDP to cover the costs of the project.

A contribution agreement between the Donor and the UNDP will be required because the third-party donor will not be signatory to the Project document at hand ~~which describes the Support to Territorial and Administrative Reform Project of the Government which it wants to finance~~; and because UNDP has legal responsibilities for management of the financial resources. Standard UNDP agreement templates are in place as applicable to all participating donors in Albania. Only standard agreements will be concluded so as to avoid delays in resource mobilization and negotiations.

Recognition of revenue on donor contributions (standard third party cost sharing)

- a) The standard third party cost sharing agreement enters into force upon signature of the donor and UNDP. Therefore, revenue will be recognized only upon signature of agreement by both parties. All instalments will be recognized as revenue based on dates in the schedule of payments of the agreement. Where the agreement's entry into force is upon signature and first deposit (i.e. the first payment from the donor) revenue will only be recognized after signature **and** first deposit
- b) For multi-year contributions, revenue is recognized based on the dates in the schedule of payments in the agreement. The schedule of payments is an indication of the intended period to which the funds relate.
- c) Funds received prior to signature and entry into force of an agreement must be recognized as a liability (deferred income) and recognized as revenue in accordance with the revenue recognition policy when the donor agreement is signed.

All these funds will be recorded in a unique, recognizable ATLAS ID account for the project, according to the established rules for receivables. Following the procedures to record project expenses and reimbursements enables adequate budgetary and financial control, as well as the preparation of financial reports for the implementing partner, the government, and the donors.

Cash Transfers from the Project Budget/Fund

UNDP will conduct expense from requisition through to disbursement with no cash being transferred to **MIPA**. However, **MIPA** has full programmatic control and therefore ultimate control over expenses, exercised through budget approvals; monitoring of expenditures; and quarterly Combined Delivery Report certifications. UNDP rules and regulations for expenditures apply irrespectively of the origin of the funds to implement the project, i.e. UNDP core resources, cost sharing from the government, International Financial Institutions, bilateral donors, etc.

4.2.1 Financial Reporting and Budget Controls

The UNDP will avail of several tools to monitor national execution finances by UNDP. The Combined Delivery Report (CDR) is the only accepted formal financial reporting tool, which much be signed by UNDP and certified by the **MIPA**. The Project Budget Balance Report and the Project Transaction Detail report are generated unilaterally by UNDP for monitoring and budget control purposes and do not constitute official financial statements.

UNDP will prepare a **Combined Delivery Report (CDR)** at the end of each quarter and at the end of the year. The Combined Delivery Report is a mandatory official report which reflects the expenses and funds utilized on a project. The report presents two pages, expense and funds utilization. The expense page reflects the total expenses (recorded in Atlas) of the project during a period. The Funds Utilization page reflects undepreciated assets, prepayments, inventory, and outstanding commitments made by UNDP as direct support to the project. The final Combined Delivery Report at the end of each quarter or the year must be signed by UNDP and certified by the **MIPA** to confirm the validity of the expenses incurred on behalf of the project for the reporting period. The Combined Delivery Report is presented to the donors through the Country Office in Tirana as well as through annual donor reports produced globally for each UNDP donor.

The **Project Budget Balance** report will be used to monitor and manage budgetary availability for the Project. It shows budget balances and budget utilization rate of the project. This report will be made available in summary level (project, output, activity, responsible party) and detail level (project, output, activity, responsible party, budgetary department, fund, donor, account). UNDP will avail updated Project Budget Balances to the Project Board for monitoring purposes. This report is a UNDP report for monitoring the financial movements of all projects and does not constitute a financial statement.

The **Project Transaction Detail** report provides the lowest level of transactional details supporting commitments, expense, and full cost of asset amounts shown on the project budget balance report. The report shows transactions at the project/output/activity/Chart of Accounts level, including voucher/purchase order IDs, vendor ID and name, and line descriptions. The UNDP will avail updated transaction details to the Project Board for monitoring purposes. This report is a UNDP report for monitoring the financial movements of all projects and does not constitute a financial statement.

V. MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Within the annual cycle

- o On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- o An Issue Log will be activated in ATLAS and updated to facilitate tracking and resolution of potential problems or requests for changes.
- o Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in ATLAS and regularly updated by reviewing the external environment that may affect project implementation.
- o Based on the above information recorded in ATLAS, Semi-annual Progress Reports will be submitted to the Project Board, using the standard report format available in the Executive Snapshot.
- o A project Lessons-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project.
- o A Monitoring Schedule Plan shall be activated in ATLAS and updated to track key management actions/events.

Annually

Annual Review Report: An Annual Review Report will be prepared and shared with the Project Board. As a minimum requirement, the Annual Review Report will consist of the ATLAS standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.

Evaluation

A formal UNDP evaluation *may* be conducted at the end of this project.

Quality Management for Project Activity Results

OUTPUTS: Front Office – Back Office separation and FO innovative management model		
Activity Result Atlas Activity ID	Activity Results: FO centralized management feasibility study and related project activities are implemented	Start Date: Aug. 2014 End Date: Jan. 2016
Purpose	The purpose of this activity result is to offer MIPA technical assistance to facilitate the process of preparation and the establishment of customer care public service delivery standards , and manage the related activities	
Description	The activity result will enhance the capacities of GoA to to deliver better services in an integrated and standardized manner to the citizens	
Quality Criteria	Quality method	Date of Assessment
Enhanced formulation and implementation capacities	Assessment of the capacities to manage the required processes	Quarterly

VI. LEGAL CONTEXT

This document will be signed by the Government and UNDP, and it constitutes a Project Document as referred to in the CCPD and SBAA and their provisions apply to this document.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
Assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

UNDP Resident Representative alone can make project revisions with regard to budget and timeframe. On substantive revisions, the approval and signature of Government will be required.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999).

The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

Annex 1

Risk Analysis: An assessment of risks that may affect the project should be conducted during the formulation

RISK LOG

#	Description	Date Identified	Type	Impact & Probability	Counter measures / Mgmt. response	Owner	Submitted update by
1	The project activities may risk to be implemented with different speeds, so creating gaps in the achievement of the expected results Ex. the re-engineering processes	Prior to project beginning	Operational	Probability: 3 Impact: 3	Use all the possible institutional support to ensure the project implementation progresses in all directions	Project Board	Project Assurance