

Albania - Thresholds I and II

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Overview

Identification

COUNTRY

Albania

EVALUATION TITLE

Thresholds I and II Performance Evaluation

EVALUATION TYPE

Independent Performance Evaluation

ID NUMBER

DDI-MCC-ALB-SI-THRESHOLDS-2013-v1.1

Version

VERSION DESCRIPTION

Anonymized dataset for public distribution

Overview

ABSTRACT

From 2006 to 2011, the government of Albania (GOA) received two Millennium Challenge Corporation (MCC) Threshold Programs totaling \$29.6 million. Albania received its first Threshold Program (ATP1) in 2006. As a result of the success of ATP1, MCC approved a Stage II Threshold Program (ATP2) in 2008.

The goal of the \$13.9 million ATP1, which lasted from September 2006 to November 2008, was to improve Albania's performance on the control of corruption and business environment indicators by addressing tax administration, public procurement, and business registration legislation and processes. ATP2, a \$15.7 million program in place from January 2009 to May 2011, expanded a similar approach of promoting e-government to business licensing and urban planning. ATP2 also supported reforms in public administration and judicial capacity, with the objective of achieving improvements on the control of corruption and rule of law policy indicators.

Upon completion of ATP2, the MCC commissioned this final independent, ex-post performance evaluation to implement an independent and evidence-based study of both Albania threshold programs, examining program effectiveness, impact and sustainability. The evaluation team was directed to focus its efforts on the extent to which activities were undertaken; activities were fully implemented; implemented activities led to outcomes (or meaningful changes in knowledge, attitudes, and practices); implemented activities and outcomes have been sustained to date; and the likelihood that they will be sustained over the short- and long-term, as well as the cost effectiveness of the program activities, where feasible.

The evaluation team collected and analyzed evidence to assess program effectiveness in achieving both output- and outcome-level impacts. In particular, during the program review and evaluation implementation, the evaluation team explored the extent to which:

- Activities were undertaken
- Implementation progressed as planned
- Activities were fully implemented
- Implemented activities led to outcomes (or meaningful changes in knowledge, attitudes and practices)
- Implemented activities and outcomes have been sustained, to date, and the likelihood that they will be sustained over the short- and long-term

The evaluation team explored the factors (internal, including programmatic design and implementation issues, as well as external forces) that enabled or prevented the achievement of these outputs. In particular, and in line with the TOR, the

evaluation team collected quantitative and qualitative information from different government representatives, business owners, civil society representatives, project implementers, U.S. government partners and others stakeholders regarding the extent to which the timeframe and Compact incentives hindered or accelerated policy improvements and the implementation of activities. For each ATP component, specific evaluation questions are explored in detail, in the appropriate sections of this report.

Data Sources:

- Document review
- Business impact survey
- Reference to ATP-funded surveys
- Focus group discussions
- Open-ended and semi-structured key informant interviews
- GOA data
- Third-party reports and surveys

EVALUATION METHODOLOGY

Ex-Post

UNITS OF ANALYSIS

Individuals, focus groups, businesses, government data, documents

KIND OF DATA

Other

TOPICS

Topic	Vocabulary	URI
Corruption		

KEYWORDS

Corruption, Performance Evaluation

Coverage

GEOGRAPHIC COVERAGE

National coverage

Producers and Sponsors

PRIMARY INVESTIGATOR(S)

Name	Affiliation
Social Impact, Inc.	

FUNDING

Name	Abbreviation	Role
Millennium Challenge Corporation	MCC	

Metadata Production

METADATA PRODUCED BY

Name	Abbreviation	Affiliation	Role
Millennium Challenge Corporation	MCC		Metadata Producer

DATE OF METADATA PRODUCTION

2014-03-27

DDI DOCUMENT VERSION

Version 1.1 (March 2014). The version uses an updated metadata template.

DDI DOCUMENT ID

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MCC Compact and Program

COMPACT OR THRESHOLD

Albania Threshold

PROGRAM

From 2006 to 2011, the government of Albania (GOA) received two Millennium Challenge Corporation (MCC) Threshold Programs totaling \$29.6 million. MCC Threshold Programs, which are bilateral agreements between the United States and an eligible country, provide financial assistance for targeted policy reforms to help the country achieve compact status. Albania received its first Threshold Program (ATP1) in 2006 after failing to qualify for MCC compact status, largely due to scoring below the median on the control of corruption indicator the previous year. As a result of the success of ATP1, MCC approved a Stage II Threshold Program (ATP2) in 2008, building upon the accomplishments of the first. After Albania was moved from low- to middle-income country status by the World Bank in 2010, it was precluded from being a candidate for MCC assistance, due to its income status. The goal of the \$13.9 million ATP1, which lasted from September 2006 to November 2008, was to improve Albania's performance on the control of corruption and business environment indicators by addressing tax administration, public procurement, and business registration legislation and processes. The overall approach centered on developing e-government solutions as a means to achieve time and cost savings to government and private users while increasing transparency, accountability, reliability and access. ATP2, a \$15.7 million program in place from January 2009 to May 2011, expanded a similar approach of promoting e-government to business licensing and urban planning. ATP2 also supported reforms in public administration and judicial capacity, with the objective of achieving improvements on the control of corruption and rule of law policy indicators.

MCC SECTOR

Capacity Building and Institutional Development (Cap Bldg & Inst Dev)

PROGRAM LOGIC

ATP1 activity areas included improvements in tax legislation, introduction of a tax-declarations e-filing system and increased transparency of tax audit processes. The main outputs included a new Tax Procedures Law that stipulated a functional and territorial reorganization of the General Directorate of Taxation (GDT), clearly defined the rights and obligations of taxpayers and the government, and reinforced the role of self-declarations and self-compliance. The project also helped implement a number of technological and organizational improvements to facilitate tax administration, including an online platform to download tax documents and the introduction of a risk-based audit system. The project also aimed at introducing a tax courts system; however, this was delayed, and ultimately not implemented, due to the GOA's failure to reform administrative courts by the end of the project. ATP2 activities focused on reorganization of the GDT along functional and geographic lines, expanding the e-filing systems to all taxpayers and introducing an electronic risk-analysis system of audit targeting. The project implemented most of the planned activities and outputs included the establishment of a new collections department using modern software developed by the project; the introduction of new procedures in the work of the Tax Verification Work Force (TVWF); and the setting up of a taxpayers' advocate office at GDT.

PROGRAM PARTICIPANTS

Focus group with large companies and SMEs, with seven participants in Tirana (August 16, 2012); focus group with small businesses, with eight participants in Tirana (August 16, 2012); and focus group with small businesses, with eight participants in Korça (August 17, 2012).

Sampling

Sampling Procedure

Business Impact Survey (BIS2) sample frame: 486 businesses; 4 partially-overlapping samples from 4 different (though partially overlapping) sampling frames: (1) VAT payers, (2) large (LTO) taxpayers, (3) businesses that obtain licensing and (4) businesses that participate in public procurement.

Focus Group Discussions (Business Registration - VAT Payers) sample: Economic Operators that were registered after 2006 with NRC. Only 1 FG- in Tirana Businesses will vary by size and sector, but we will select only those businesses which have registered by themselves, without hiring an external person. Participants should be the individuals who personally interacted with the NRC to register.

Focus Group Discussions (Small Businesses) sample: small businesses, with an annual turnover of up to 8 million LEK, (proportionately representing ranges: 0-2 million LEK, 2-5 Million LEK, and 2-8 Million LEK, paying local government (simplified tax) recruited through small business association in Korca and RDAs in Korca and Tirana. A mix of those registered before 2006 (with the court system) and after (with NRC). The sample will include representatives of various sectors (retail shops, food outlets, restaurants, service sector, taxi drivers, etc).

Interviews with CSOs sample: Approximately 15 CSOs that were assisted by MCC ATP, but representing a mix: those having been trained/assisted with 1-on-1 capacity building/being part of the Coalition of CSO in support of Administrative Court/being part of the TCC/received monitoring grants (the latter, all 5, will be asked to participate in the interviews). Based on ISC reports we will ensure a mix of CSOs, which had recorded a progress (according to ISC assessment) and have not.

Questionnaires

Overview

Business impact survey (BIS2): The survey covered medium and large businesses (value-added tax [VAT] payers).

Focus group discussions (FGDs): The discussions included small businesses that are exempt from the VAT.

Open-ended and semi-structured key informant interviews (KIIs): KIIs were conducted with government officials, USAID and U.S. Embassy personnel, independent experts, former project staff representatives of consortium members and selected business leaders. Site visits were conducted to project-implementation sites in Tirana and the regions.

GOA data: Data, annual reports, and in-depth interviews were included from GOA agencies working with the ATPs.

Third-party reports and surveys: Findings were used if relevant to assessing project outcomes and impact.

Data Collection

Data Collection Dates

Start	End	Cycle
2008	2008	Business Impact Survey (BIS1)
2012	2012	Business Impact Survey 2 (BIS2)

Questionnaires

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Data Collectors

Name	Abbreviation	Affiliation
Institute for Development Research and Alternatives	IDRA	Subcontractor to Social Impact

Data Processing

No content available

Data Appraisal

No content available