



THE ALBANIA DELIVERY UNIT

A case study on accountability in action

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Synopsis

In 2013, Edi Rama started his first term as Albanian Prime Minister. His election campaign used the slogan “2013: The Year of Change.” Once elected with an ambitious idea for major reform, he needed a new way of operating in government that would help monitor changes, improve implementation, and keep targeted projects on track. He set up the Albanian Delivery Unit in January 2014 to do just that.

Functionally, the Delivery Unit works with line ministries and departments to identify obstacles to achieving progress within the priority areas. Where issues require executive level decision-making, the Delivery Unit has designed monitoring tools that emphasize critical dimensions and priorities to be tracked. These tools are circulated to stakeholders so that information is shared and preparations can be made to aid the decision-making process for the reforms. Access to the Prime Minister and key decision-makers are a cornerstone to achieving results.

Ministerial silos and fragmentation of programs across agencies are substantive challenges to reform in Albania. Complex programs that involve a broad range of stakeholders require a high-level of technical competence. Where the capacity and skills may not be readily available within the Government of Albania, the introduction of the Delivery Unit has provided the necessary competencies. It offers a means to ensure delivery across agencies, and has consequently become an important tool for the Prime Minister to manage the government’s priority agenda.

While ownership of the Government’s top priorities remains with the respective ministries and agencies, the Delivery Unit provides an intense level of involvement that goes beyond just monitoring. It does not work directly on setting policy and strategy, but instead focuses on delivering better and quicker results on a small number of key areas.

By 2015, the Delivery Unit was working in five of the Prime Minister’s priorities: good governance, energy and electricity, irrigation and drainage, tax and customs, and Foreign Direct Investment.

At the heart of its work is an emphasis on end results and overall impact on citizens. Collaboration with relevant agencies and ministries is essential to set specific and ambitious targets for each national priority. Targets and indicators are used to reflect and measure success of relevant outcomes.

The Delivery Unit has aided the country’s leadership by clearly addressing delays and obstacles to reforms; clarifying and harmonizing institutional procedures; establishing lines of responsibility, reporting across government offices; advising on key policy areas; and monitoring implementation of priority government programs.

Introduction

Edi Rama was first elected Albanian Prime Minister in 2013 with a campaign pledge “to return public order” to the country. With plans to bring Albania into the EU, he knew that extensive and tangible reforms had to be implemented. Dramatic transformation and modernization of the way the government worked would require complex and demanding changes.

With an ambitious agenda for change in mind, he turned to a UK government innovation for inspiration: A Delivery Unit. Originating in the UK under Tony Blair’s Government in 2001, Delivery Units are small teams that help leaders to stay focused on the delivery of key policy priorities. While the units vary from one country to another, they generally track progress of top priorities and report on performance data. They also intervene to solve problems when progress goes off track.

In October 2013, Prime Minister Rama announced that he would set up a Delivery Unit in Albania: “I strongly believe that getting this right means you need a combination of the rational and the inspirational. The rational is making sure you set up an effective delivery system. The inspirational part is making the case of why this is important: doing delivery well means improving education, health care, and all government services for people.”

Following the Prime Minister’s announcement, the first order of business was to decide the government’s priority areas of work for the next four years. The Albanian Cabinet held two strategic retreats and decided on the following initial overarching priorities: improve drainage irrigation and coverage; improve performance of the electricity distributor; create more efficient and transparent government administration; improve the government revenues through reform of tax and customs; advance the level of inward investment by international companies into Albania; improve land registration.

These issues evolved over the following year. Narrowing down the final five priorities, and turning them into actionable plans, with clearly defined results that could be tracked and monitored, was something new to Albania’s administration. The Delivery Unit would prove to be a different entity that would reside outside the entrenched line-management hierarchy to develop systems and an evidence-based approach to policy implementation.

The Delivery Unit was officially instituted in March 2014 within the framework of the Government. A formal Government decision established it, providing the Delivery Unit with the necessary authority.

Prime Minister Rama started by recruiting staff from the business world. Because they would be civil servants, he could only offer them government salaries. He searched for dynamism, private sector experience and innovative public-sector minds.

His first hire as Head of the Prime Minister’s Office Delivery Unit was Anna Sakiqi, who had a decade of study and work experience as a finance analyst, management accountant and auditor in Italy and the UK.

“Recruitment was a challenge,” says Ms. Sakiqi, who was involved in the hiring of her staff in the Delivery Unit. “From the start, we had a reputation for being workaholics. The pay was a civil servant’s salary, so salary would not be an enticement. We ended up finding committed young people who wanted to be part of something big, new, and good for the country. It wasn’t about the money, it was about helping to bring positive change for Albania.”

As head of Delivery Unit, she was adamant that thorough testing was crucial for the selection of the coordinators. Various assessments measured the candidates’ analytical skills, language and computer skills, and a group exercise evaluated their leadership, organizational, negotiating and listening skills. Roughly 100 people applied but failed to make the cut. In the end, many of the chosen candidates came from the private sector with extensive experience in management.

By March 2014, the composition of the Delivery Unit included three coordinators who were each responsible for one priority area, along with two operators who supported the coordinators and Head of the Unit.

Ministries and agencies initially viewed the creation of the Delivery Unit with suspicion. The ability to build relationships was instrumental in breaking down opposition. It was important that the members of the Delivery Unit worked well together as a team. The Prime Minister wanted creative problem solvers who could push for implementation and work independently without bureaucratic baggage.

He wanted to see the larger government aspirations that had been decided at the Cabinet retreats to be transformed into detailed plans, with goals and deliverables. To develop the delivery plans and identify the quick wins to support implementation, the Delivery Unit organized a series of brainstorming sessions from March 2014 - March 2015. Roughly 30 of those gatherings in each priority area brought together hundreds of technocrats and ministry officials to hash out key performance indicators, timelines, and methodologies for achieving results.

The types of data-tracking systems, delivery plans and performance metrics required by the Delivery Unit were resource-intensive and required a distinct culture shift within the government. A great deal of time was spent engaging with teams to get them on board to determine viable outcomes.

There were ministers who regarded their mandate and scope of work as ‘theirs’, and even claimed that the Delivery Unit had no legal authority to oversee and monitor their programs. Government offices viewed the Delivery Unit as a project office, which was bound to fail miserably as others had in the past. The Delivery Unit name was often referred to as the office of ‘living projects’.

“When the idea of the Delivery Unit was first presented to the Ministers, they weren’t worried,” says Ms. Sakiqi. “They thought it would be something that would start and fail fast. They learned over time that it was something here to stay.”

“Ministries and agencies initially viewed the Delivery Unit as something that should be avoided. We had to spend time developing relationships. We found that if we could get consensus with key stakeholders, we could build on that,” adds Ms. Sakiqi.

A multi-donor trust fund was as an important part of the success. Prior to the full operation of the Delivery Unit, none of the government priority areas had sufficient funds to meet targets. With the advent of the Delivery Unit, ministries developed targets and goals and then they could get their allocation of funds according to their plans. The Delivery Unit scrutinized every penny to ensure that citizens would be the beneficiaries of the respective services. In turn, ministries would have adequate resources to deliver on their policies.

“For some of the priorities in the past, the money spent was not necessarily focused on the impact on citizens,” says Ms. Sakiqi. “Now, there is more of a citizen-centric rationale and focus on outcomes for how and where resources are dispersed.”

Previously, decision-makers were not able to detect problems, anticipate choke points or keep projects on track. Furthermore, progress was often based on the percentage of funds disbursed and spent rather than on outcomes delivered. In part due to ineffective monitoring systems and limited capacities for implementation, some government projects moved slowly. No one understood the root causes of this slowdown and were unable to solve implementation issues.

The emphasis in the Delivery Unit was not on telling people what to do, but on working together to solve problems and get results. It could channel energy and resources to develop high-quality personal relationships among a wide range of stakeholders, from ministers, down to field workers who drove land excavators.

The team drafted Delivery Agreements, which were regarded as a powerful means to push implementation. Each priority area had to devise its own Delivery Agreement. These documents were considered compacts that the relevant ministries made with the Prime Minister’s office to ensure focus of all stakeholders. Each Delivery Agreement enumerated such elements as key ambitions, performance indicators, a set of specific activities, and a formula for measuring progress. They represented a kind of “gentleman’s agreement” and served as a moral incentive to compel performance toward agreed-upon targets.

“After determining the list of priority areas, it took a year of talking, meetings, and debating to get the Delivery Agreements signed from the relevant ministries,” says Ms. Sakiqi.

Goals could not be determined without full buy-in from the main stakeholders involved in any priority area. From the start, agreeing on goals was essential before even getting off the starting blocks to affect change.

“At first, ministers were not happy when we introduced action trackers,” says Ms. Sakiqi. “They did not initially like the idea of having their performance monitored and graded. But refusal was not an option.”

The top-level management of the Center of Government – The Prime Minister and his Chief of Staff, the Deputy Prime Minister, and the Secretary General – supported and allowed the Delivery Unit the visibility it needed across the cabinet. Delivery Unit staff were brought in to participate in meetings, even when discussions were outside the scope of its priorities. The purpose of such high-level exposure was to drive home the point that the Delivery Unit was a

team to be heeded. It had the support and direct access to the Prime Minister, and could therefore influence change.

Behind-the-scenes approach

The Prime Minister established a communications strategy that would keep the Delivery Unit behind-the-scenes. It would have a low public profile but high internal influence. This plan would shield the Delivery Unit from public pressure and allow it to keep its focus on pushing the priorities forward.

Progress on delivery and performance data would be made transparent to the public through speeches and press conferences. Credit would be given to ministries and agencies that were implementing the reforms.

In addition, the Delivery Unit established a structured set of processes and routines that were crucial for it to set a framework, maintain a sense of urgency, push follow-up actions, and stay on track with the Prime Minister’s agenda. It developed tools and techniques that would allow it to keep momentum, track progress, learn from mistakes, and boost delivery.

Delivery Tool/Routine	Role in improving delivery
Delivery Chain Assessment	<ul style="list-style-type: none"> ☒ Identifies key stakeholders and perspectives ☒ Maps delivery system – who does what ☒ Identifies strong and weak spots and ‘pain -points’ for users of the system ☒ Enables view of delivery problem to change from ‘3000’ feet to 3 feet
Delivery Challenge Sessions (Labs)	<ul style="list-style-type: none"> ☒ Enables all key stakeholders to engage in identifying solutions ☒ Creates energy and new ideas ☒ Enables focused period for solving problems ☒ Leads to highly specific action plans and commitments
Target & Trajectories	<ul style="list-style-type: none"> ☒ Clarifies the end point aim for delivery on a priority ☒ Identifies the path delivery improvement should follow ☒ Enables clear management of progress
Delivery Plans	<ul style="list-style-type: none"> ☒ Explains ‘how’ delivery will improve ☒ Sets out plausible plans to deliver the targets and to trajectories
Delivery Agreements	<ul style="list-style-type: none"> ☒ Internal written agreement that sets vision, norms, performance expectations and metrics ☒ Assigns accountability by identifying the responsible parties, deadlines, roles and potential risks ☒ Sets working and monitoring routines e.g. working group meetings, data requirements
Delivery Dashboard	<ul style="list-style-type: none"> ☒ Summary of progress on key performance measures ☒ User friendly, high impact tool
Delivery update meetings to the Prime Minister	<ul style="list-style-type: none"> ☒ Monthly reviews of progress on delivery ☒ Whole team review with PM and Lead Ministers, getting close to front line of delivery ☒ Agrees corrective actions to get on course

Source: Albanian Delivery Unit Operations Manual, 2015

A set of targeted and routinized meetings has served as practical means for monitoring, problem-solving and stocktaking. Technical working group meetings with relevant stakeholders continue to resolve bottlenecks in action plans and coordinate initiatives across various ministries and agencies.

“In the beginning, we had technical meetings on a weekly basis to get everyone working on the same page,” says Ms. Sakiqi. “Sometimes we even held them daily. These were set up on an as-needed basis according to the intuition of the members of the Delivery Unit.”

Ministerial meetings with lead ministers and other relevant ministers continue to focus on the progress of the action plans, and identify any problems prior to the monthly meetings with the

Prime Minister. Just ahead of these ministerial meetings, the Delivery Unit prepares a monthly “dashboard” which objectively shows whether delivery is on track in real time. The dashboard tracks progress, captures critical issues and risks that will block delivery and are used as a problem-solving instrument.

The ministerial meetings and dashboards help prepare and alert the ministers of the progress and critical issues that will be shared with the Prime Minister during the monthly meeting with him.

“Sometimes, the ministers would disagree with the monthly dashboard appraisals,” says Ms. Sakiqi, “They would try to change our evaluation. But the dashboards reflected agreed targets and planned trajectories, based on data and performance indicators, and established milestones to be met. They were not assessments that could be negotiated,” she adds. The monthly reports are sent to the Prime Minister and circulated amongst all the ministries.

Finally, the delivery meetings with the Prime Minister continue to be attended by the lead Ministers and the Delivery Unit. “That way, all the ministers are scrutinized amongst their peers. Such pressure encourages them to maintain performance. No one wants to be embarrassed in front of their colleagues.”

“At first, we thought that one-on-one meetings with the Prime Minister would be the way to go. But then we learned that using a group or classroom approach would motivate Ministers to do well and get praise from the Prime Minister, with their peers as witnesses.

“The aim was to present progress and setbacks based on clearly-defined indicators. The meetings also helped to bring up problems and call for solutions. At times, they were extremely tense,” says Ms. Sakiqi.

One example of a particularly heated meeting, resulted in an innovative solution that resolved a prickly issue. A routine field visit had revealed personal use of a canal and irrigation excavating vehicle. It was spotted in the parking lot of a restaurant. This use of public funds was discussed at the monthly meeting with the Prime Minister. Immediately after the meeting, a GPS system was put in place to track use of government agricultural equipment.

“Not all issues are handled in front of the group,” explains Ms. Sakiqi. “If a serious problem comes up, it is sometimes best to handle it behind closed doors, one-on-one with the Prime Minister.”

Over time, senior officials and ministers have come to view the process as a chance to discuss specific issues and delivery challenges directly with the Prime Minister. Many also appreciate the chance to see progress against the targets as an opportunity to strengthen their personal credibility with the Prime Minister. The Prime Minister’s leadership and involvement in the process has been vital to giving formal accountability arrangements traction, and providing incentive for people to care about delivery.

The Delivery Unit in action

Irrigation and drainage

Improving irrigation and drainage systems represented an important part of the Government's commitment to strengthening the productivity and competitiveness of the agricultural sector. The aim was to provide better economic and social opportunities to rural areas.

“Of the five priority areas of the Delivery Unit, we thought we'd start with drainage and irrigation because it seemed that sector would be easiest. The general aim to increase the area of irrigated land was easily quantifiable,” says Mr. Oljan Kanushi, Delivery Unit water coordinator since 2014.

“However, our first brainstorming session with about 80 people, was a failure,” he says. “We set out to come up with a three-year plan. That was not the right approach. We needed to start with the basics like baselines for number of hectares of land that could be irrigated or accurate inventories of canals,” he adds.

In a one-month intensive period in September 2014, The Delivery Unit facilitated the creation of a national database that included all aspects of irrigation and drainage in the country. “A technical team of water and agricultural experts sat in a room and inventoried everything, including number of canals, amount of land that was irrigated, the condition of reservoirs, dams, canals and other water resources,” says Mr. Kanushi. Such information had not been gathered and used for at least two decades.

Mr. Kanushi also wanted to understand the basics of the water and irrigation system of the country. Throughout 2014, he tracked down retired engineers and professors, whom he calls the “fathers of the system”, because they were the experts who had designed and built Albania's irrigation and water schemes from 1950-1990. “I was fortunate that they were still alive, and I could tap their vision and expertise,” he says. “Most of them hadn't lost their idealism of working to improve the national economy. They warned that the system was failing, and offered valuable insights on what had to change.”

With the new data and dozens of field inspections, the Delivery Unit discovered that only one-quarter of the land that was under irrigation in 1992 was still under irrigation in 2013. The drastic decline was largely due to lack of investment, and problems with management and maintenance of important infrastructure like dams and canals.

“We spent at least half of 2014 in more than 180 meetings to gather and share information from different stakeholders like farmers, water boards, experts in the Ministry of Agriculture, and other partners. The meetings and brainstorming sessions involved a diversity of views from civil servants and technical experts to debate all aspects of how to improve the faltering water and irrigation sector. We had to find a way to work from the same page,” says Mr. Kanushi.

Through those gatherings, stakeholders labored to move from “3,000 feet to three feet” -- a phrase used by the Delivery Unit to mean starting with the big picture of a single key priority and zeroing in on smaller, actionable activities and goals. In each case, the central guidepost for prioritizing specific targets was to maximize positive impact on citizens.

A shift in mindset was needed. “We would ask the experts in the Ministry of Agriculture, for example, ‘If you had a magic wand, how many hectares of irrigated land could you increase next year? They would respond, ‘Tell me how much money we would get to do it,’” explains Mr. Kanushi.

“Their answers were not based on evidence or data that could drive their results. They did not have farmers’ needs in mind, or data on where the most number of farmers lived, or information like soil quality that could inform their decisions.

“Initially, agricultural experts with 20 or 30 years of experience in the field didn’t want to hear from us. They had no interest in anyone from the Delivery Unit telling them how to improve efficiency of water irrigation. We were not experts. To them, we were just reporting to the Prime Minister.

“We had to show a value-added to them,” he says. “The ministers too were skeptical. “They would tell the Delivery Unit, ‘I am not reporting to you. Who are you? The law gives me the right to be Minister, not you.’ They’d try to undercut the chain and go directly to the Prime Minister,” he explains.

The Delivery Unit also faced a disconnect between local drainage boards and the central coordinating team over which geographic areas would be earmarked for infrastructure works. The local drainage boards followed their own set of priorities. Delays in procurement of equipment ensued.

A Delivery Agreement was finally signed at the start of 2015. Its aims included increasing the amount of irrigated lands from 120,000 hectares to 210,000 hectares by 2017, and improving the drainage system on 270,000 hectares. More than 170 meetings and 30 field inspections took place that year to ensure that the Delivery Agreement would kick into action.

“We only reached 10 percent of our overall target that year,” says Mr. Kanushi. “But for the first time, we were seeing some real impact and had reversed the trend of declining irrigated land.”

Also in 2015, The Delivery Unit had an unexpected opportunity to solidify and demonstrate its mandate. “The huge floods that year used all of the emergency budget overnight,” says Mr. Kanushi. The Delivery Unit broke through the problem by working with the Prime Minister and the Ministry of Agriculture to secure separate funding for flood relief and drainage works. “The offices involved in water and irrigation realized that the Delivery Unit could be a carrot for them. We were there to help.

“We negotiated and ensured that considerable increase in funding was allocated to the drainage and irrigation systems from the donor community and internal state budget, from \$5 million a year to \$70 million in two years,” says Mr. Kanushi.

Tapping those resources was an important breakthrough. It showed how the Delivery Unit could bring tangible results. The agriculture and water experts now had a voice that was heard by the Prime Minister, largely due to the influence of the Delivery Unit.

By 2016, the government invested more funds into water and irrigation. In addition, the Delivery Unit provided advice on a new government reform that diversified the number of offices involved in the sector. Four regional drainage boards and 61 municipalities were added to the existing 13 drainage boards. This meant that more technical directors at local levels could add their energy and expertise to improving the sector. To monitor and track progress on the new infrastructure investment projects, the Delivery Unit conducted more than 140 field inspections during 2016 and 2017.

The results to date are resounding. By 2017, the revitalization of the water irrigation schemes improved farmer productivity, increased produce exports by 40 per cent, and doubled water coverage areas. The amount of irrigated lands has increased by 225,000 hectares, exceeding the initial target of 210,000 hectares. Drainage has improved in 270,000 hectares. More than 400,000 citizens have benefited from those advances.

Energy and electricity

The power sector is a central component of the economic and social infrastructure of Albania. A reliable and efficient power distribution system is a fundamental prerequisite for economic growth.

In 2013, Albania had the highest level of technical and non-technical losses in the energy sector in the region, due to obsolete infrastructure and theft from illegal power connections. The state-owned electricity distribution company (OSHEE) was plagued with low collection rates for payments for electricity that was consumed. More than 1 percent of GDP was spent annually to subsidize OSHEE operations, which took valuable resources away from other national development priorities.

For these reasons, the Government made a committed in 2014 to improve the power sector's financial performance by bringing it to a break-even level by 2018, and making major investments to upgrade power design and administration. The Prime Minister asked the Delivery Unit in 2014 to engage in implementing reforms to accelerate these goals.

As with all the priority areas, moving from large aims to specific actions was the first challenge. The Delivery Unit worked assiduously with the Ministry of Energy and OSHEE to design a set of interventions that would improve financial performance of the sector, reduce technical losses in energy distribution, cut illegal consumption, and enhance collection of unpaid energy bills.

“First, we had to build trust with our stakeholders – the Ministry of Energy and OSHEE,” says Ermira Gjeci Rusi, Delivery Unit Coordinator for Energy. “They initially misunderstood the nature of the Delivery Unit. Before its existence, the ministers reported directly and only to the Prime Minister. They viewed the creation of the Delivery Unit as a decrease in their authority.”

Furthermore, the Ministry of Energy was under pressure to perform quickly. The Prime Minister personally launched an energy reform campaign on television. Electricity is an important income earner but was losing money. He announced that theft of electricity was a crime that could be prosecuted.

“We had to move fast,” says Ms. Rusi. “The reputation of the department heads was on the line if they couldn’t come up with key performance indicators and then deliver on them, in light of the very visible TV campaign.”

The Delivery Unit first facilitated the creation of a technical working group, chaired by the Deputy Minister of Energy. It then supported the group in identifying feasible targets and KPIs for the next four years that would guide the energy sector work.

There was no conflict between the Delivery Unit and the Ministry of Energy and OSHEE, “just a fear of failure,” explains Ms. Rusi. “No one wanted to deal with aggressive targets, and then later find themselves in a mess and look bad.”

Through a series of extensive brainstorming sessions and workshops, the Delivery Unit began to make inroads. “We started by asking simple questions like: What is the mission of OSHEE? What is the plan to accomplish that mission? What are the goals to support your strategy? Who are your key stakeholders and what are they trying to do? How can the Delivery Unit help?” explains Ms. Rusi

Over time, the Delivery Unit built a sense of team work with the technical working group. “We put ourselves in their shoes,” she says. “Only then could we work together towards common goals to get the job done.”

But even when the Ministry of Energy and OSHEE were engaged and fully committed to the success of the reform, major gaps in data collection, analysis and reporting had to be addressed. The Delivery Unit stepped in to help establish basic indicators in areas like improving current bill collection, reducing illegal electricity connections, and collecting on past due invoices. Next, each broad problem had to be broken down into constituent parts to generate a clear view of the specific delivery challenges and their causes.

One of the Delivery Unit’s core operating principles is to be ‘citizen-focused’, ensuring that individuals have a positive experience and fully benefit from public service delivery. To that end, The Delivery Unit invested significant time on improving customer metering of energy usage, carrying out a public program to remove illegal connections, updating the customer data base, introducing new means of payment and invoice alerts, along with development of a repayment plan for debtor customers.

Additionally, the Delivery Unit pushed pilot project in 65 feeder stations to technically improve, clean-up, and set up an inventory of all the feeders and meters connected to the substations. The substations selected had the biggest losses, including from obsolete technical infrastructure and vandalized feeders. The Delivery Unit further discovered through its assessment that a considerable portion of public administration employees were debtors to OSHEE.

To help resolve some of these issues, the Delivery Unit supported the approval process of a World Bank loan. The funds financed modern infrastructure and better metering. Meanwhile, the Delivery Unit supported the implementation of a Human Resources system within OSHEE to root out poor performance and reduce corruption, and as a problem solver, to set up a communication system within the Government of Albania to increase collection of unpaid bills from public administration employees.

“Every day we worked with stakeholders – including the technical working group, project managers, external consultants, the Deputy Minister of Energy, USAID, and the World Bank — to provide assistance and advice on issues they encountered,” says Ms. Rusi.

One of those challenges that needed resolution involved OSHEE customers who complained about overbilled invoices. The Delivery Unit organized a brainstorming session with all relevant employees and managers. The aim was to help them identify ways to rectify the billing errors. They identified lack of coordination between the center and field offices as one culprit. To resolve this gap, the group came up with a new set of operating procedures and more clearly defined job descriptions. The Delivery Unit also facilitated the provision of meters for all customers.

The Delivery Unit continues to maintain daily communications with team members. Monthly, it meets with the technical working group to discuss details and progress of the action plans. It also leads the monthly ministerial meetings with the lead minister to discuss progress and identify obstacles or setbacks prior to the dashboard meeting with the Prime Minister.

The results are clear. The electricity distribution system has had a major recovery. The fiscal support to the energy sector has been reduced from 0.9 per cent of GDP in 2014 to a projected 0.1 per cent by the end of 2017.

In 2014, Albania had 38 per cent losses from technical problems and theft in the energy distribution system, while in 2016, those losses fell to 28 per cent.

The collection rate of monthly invoices increased from 83.6 per cent in 2014 to 90.4 per cent by the end of 2016.

Collection of old debt, dating from 2007-2014, increased by 35 per cent between 2014 - 2017. In addition, the number of public administration employee debtors to OSHEE dropped from 19,300 in 2014, to below 1,900 by 2017. Meanwhile more than 4,000 public administration employees are paying their past due bills in monthly installments.

In general, the Delivery Unit collaboration with the relevant stakeholders has ensured a sustainable energy system that is guaranteed by continuous infrastructure investment. The result is better quality service across the country. The energy reform has brought fairness to all users. Moreover, consumer behavior has changed and customers now understand that service requires payments.

Good Governance

The Good Governance priority for the Government aimed to improve the delivery of public services by lowering the administrative burden, reducing processing time, and easing access to public services for citizens, especially those from underprivileged backgrounds. The overall goals were clear, but figuring out how to get there was another matter.

The barriers for citizens to get their public services – long queues, multiple visits, difficult-to-find offices without signs or service windows, delays, unjustified denial of services, and requests for bribes – resulted in loss of time and resources that contributed to a faltering trust in government institutions.

Narrowing the focus of the larger goals for the Good Governance priority was “a never-ending battle,” says Ms. Sakiqi. “No one could clearly define what the priority meant. Everyone had different ways of how policies for good governance could be delivered. Some thought it meant putting public services online. Others saw it as organizing one-stop shops where citizens could get all their public services in one place. It was a one-year debate,” she says.

The challenges faced in this priority were in part due to the absence of a formal long-term government policy on service delivery, and a lack of capacity in the ministries and agencies responsible for implementation.

Moreover, public services encompassed a wide-ranging arena. To everyone’s surprise, there was no inventory of public services. There was no official registry of what type of services government offices provided to citizens, how many documents were needed for each service, or even what services were most requested by the public.

“We first had to understand the basic foundations upon which the government was providing services to its citizens,” says lead governance coordinator Elora Kokalari. “We had to gather information from multiple ministries and agencies, and put that information in a form that would allow us to define the scope of work for the priority. Content of the program was everything, and without it, the team could not define a way forward,” she adds.

The Delivery Unit’s capabilities proved its worth at the stock-taking stage. It led the task of putting together the inventory of all public services, counting over 1,400 provided by 202 government agencies. It had the requisite knowledge in building, analyzing, and working with large databases. The lead coordinator had previous experience in customer-care and in business process re-engineering. Both were guiding pillars of the reform.

That alone was not the ticket to success. The Delivery Unit still had to collaborate and transfer those skills to nine ministries and 21 related agencies to get the job done. The authority that came directly from the Prime Minister gave the Delivery Unit its strength to coordinate so many offices and people, and resolve conflicts and eliminate resistance.

That power was put to good use by the business process re-engineering (BPR) team which worked closely with Delivery Unit and 10 government agencies that handled the most number of requested public services, some of which dealt with corrupt service providers.

One large department refused to provide the Delivery Unit with basic information on its services, and resisted taking part in any BRP workshops. Requests for information went unanswered even from the highest levels within the department. The Delivery Unit elicited the support of the Prime Minister and soon after a meeting with him, the recalcitrant department agreed to come on board with the reform efforts.

Monitoring progress was another task of the Delivery Unit. Initially, no one knew or had even heard of a Delivery Unit. Collaboration with offices in the beginning consisted of inquiries coming in from the authority at the center of Government. Once it became clear that the Delivery Unit was going to monitor performance, and present those findings directly to the Prime Minister, the quality of progress reports improved. Ministries and agencies became more careful and precise with the data they were providing.

They quickly realized that the Delivery Unit would be reporting on non-performing agencies, as well as those which took measures to improve their work. “The Delivery Unit served as a recognition board to showcase the best practices, but also point out the stragglers,” says Ms. Kokalari. “The technique sparked a bit of competition, and from an agency’s point of view, gave them access to showcase their results to the Prime Minister,” she says.

Furthermore, ministerial silos and the fragmentation of programs across agencies challenged reform in Albania. Complex programs like good governance required a high level of technical competence in business processes, IT, law, and quality management. Where the capacity and skills were not readily available within the Government, the introduction of the Delivery Unit has provided some of the necessary competence. It has helped to coordinate and connect authoritatively across agencies and technical areas with high-level decision-makers. This has consequently become an important tool for the Prime Minister to manage the Government’s priority agenda.

The service delivery reform has brought a new citizen-centric model to public service. Citizens are now treated with respect and dignity when visiting a government office. Through automation and re-engineering of processes, access to services has improved and the amount of time needed for citizens to obtain services has been reduced. Citizens have multiple means of obtaining public service information without wasting time in long queues.

The Delivery Unit has worked closely with the relevant ministries and agencies to support a stronger policy framework and a reinvigorated institutional structure that has become an effective decision-making body. This has taken the burden for many decisions off the Prime Minister.

To measure the impact on such a national reform agenda, the Delivery Unit has established a “Citizen Feedback Mechanism”, that has allowed citizens a chance to evaluate their experience. The customer care evaluations are sent to the relevant general director, responsible minister, the minister leading the overall reform, and even the Prime Minister.

The results are clear. In 2014, there was no data on the number of administrative public services provided by government agencies. Today, there is an official database containing more than 1400 codified services. Also in 2014, Albania ranked 186 in the world in Doing Business Index, because it had no data available on construction permit procedures. By 2016, Albania increased by 80 points, to 106th in the world. The improvement came after a re-engineering process, designed by the Delivery Unit, and implemented by the responsible ministries and agencies, to centralize procedures and make them available exclusively online.

The past two and a half years have shown a 150 per cent increase in the number of services that can be transacted online. Upgraded IT systems, digitized archives, and more customer-oriented approaches to public service delivery have improved service efficiency, and enhanced transparency and accountability.

Tax and Customs

The Prime Minister made tax and customs a priority in his first term in 2014 because Albania lagged far behind its European neighbors in terms of tax revenues. Due to administrative inefficiencies, corruption and political graft, many entrepreneurs running small-and medium-sized companies, as well as individual taxpayers, chose not to pay their share of taxes.

The Delivery Unit started official work in the tax sector in September 2015. It set out to help increase the efficiency of tax collection, improve the business environment, and promote greater transparency and effectiveness.

To support this, the Prime Minister launched an “Anti Informality Campaign” and put the Delivery Unit in charge of reporting on its results on a weekly basis.

The Delivery Unit faced an initial false start in its overall work. During the Anti Informality Campaign, some key government stakeholders wanted to merge tax and customs. That aim was doomed. Other internal stakeholders and international institutions, including the IMF, opposed such a merger.

“We tried to push as much as we could for this goal, but when the Prime Minister and his cabinet decided to postpone such a move, we had to agree on other aims,” says Ms. Sakiqi.

The Delivery Unit needed to work with the tax department and the Ministry of Finance to determine a clearer, and more likely-to-succeed focus for the reform. Choosing the appropriate emphasis, and even the basic meaning of the tax priority was a fundamental stepping stone to reaching any success.

While reporting for the Anti Informality Campaign, the Delivery Unit set up a better reporting framework, capturing key indicator important for decision making. Those reports included tax authority qualitative indicators.

The Delivery Unit started with extrapolating information from the immense pool of available data. By burrowing down and establishing sub-indicators, including those that showed where

different tax income was coming from, and from which regions, a clearer overview of the tax system evolved.

“We also worked hard to build motivation within the staff of the GDT. We focused more on the implementing agencies and worked directly with the tax office. That gave tax office staff more prominence and encouraged them to be on board with the reform process,” says Mr. Arban Morina, Delivery Unit Coordinator for tax reform.

“In the past, the tax office had been somewhat underestimated. Now, they received training and guidance on how to make good use of their own data,” adds. Mr. Morina.

The Delivery Unit understood the low reporting and analytical capacities in the Tax Authority and decided to support and build a better reporting system, which Tax Authority staff learned on the job.

Moreover, the Delivery Unit created simple analytical tools that helped assess the revenues in a more sophisticated manner. For the first time, tax managers could respond more quickly, in a targeted way, to under-performance in any category of tax revenue.

Specifically, the Delivery Unit produced separate analytical models for VAT performance, aggregate revenues, corporate income, debt management, VAT refunds, and taxpayer services. When combined in a single integrated visual report, those models demonstrated an easy-to-understand overall performance picture.

The new management performance framework now produces a high-level targeted and logical road map for the performance of GDT, which is benchmarked, with international best practices in tax administration. The GDT functions in a delivery-oriented manner and is capable of self-assessment, based on empirical evidence.

The Delivery Unit now has models in place that can create new, standardized data-driven reports on a range of revenues, reimbursements, and even customer care in the tax system. It can see the holes where training and other interventions are still needed to produce the monthly report that are used during the monthly meeting with the Prime Minister.

The new analytical tools have helped clarify the assessment of the tax situation in the country. Throughout 2016, the Delivery Unit monitored monthly performance of the tax directorate. Oversight progressed beyond examining revenue, to include areas like tax reimbursements, debt collection, and customer care. “We moved from old general data to strategic data based on business intelligence. We could also monitor other key functions like tax appeals and audits to improve their performance that directly affects the way citizen interact with the tax authority,” says Mr. Morina.

“We also made recommendations to improve the revenues forecasting process for 2017. We based our decision on international research which suggests a process in which tax and custom agencies have an active role alongside the Ministry of Finance,” he says.

From September 2015 - April 2016, The Delivery Unit was on hand to track empirical results of the Prime Minister’s public campaigns to encourage citizens and businesses to pay their share of

taxes, and report those businesses that have not. He has periodically taken to the airwaves to explain to citizens the importance of paying their taxes because of the advantages they bring to improving public services.

The Delivery Unit estimated that such campaigns, along with other reforms to counter the informal sector, have helped to increase the number of registered employees by almost 40 percent in the past four years. More than 40,000 businesses and 80,000 individuals registered with the tax authorities during the first five months of the informality campaign in 2015.

Better data analytics is just one of the results of the Delivery Unit work. It also made some strategic recommendations that have changed the structure of the GTD. By shifting certain tasks to newly-created offices outside the purview of the GTD, the tax office can now focus on its primary function to collect revenues.

In addition, the Delivery Unit supported and pushed for more customer assistance services to be accelerated to improve compliance through better communications and transparency of the Tax Authority. Roughly 35,000 inbound and outbound taxpayer calls are now handled each year. Through face-to-face meetings, the taxpayer services network directly assists more than 300,000 taxpayers annually.

“The expansion of taxpayer services has contributed to building taxpayer confidence in the system,” says Mr. Morina.

The Delivery Unit also made valuable recommendations to Albania’s new tax amnesty law, which includes removal of certain tax and customs liabilities that have helped to make the law fairer to those who currently pay their taxes.

In future, the Delivery Unit intends to bolster communications with taxpayers so they continue to understand the importance of paying their taxes. “We want to implement a taxpayer feedback system through SMS to shorten the link between the head office and the taxpayer,” says Mr. Morina. “A major part of encouraging voluntary compliance with tax laws is educating, not penalizing taxpayers,” he says.

Foreign Direct Investment

Private sector development and increased levels of foreign investment are critical to increase opportunity and boost employment in Albania. To attract Foreign Direct Investment, the Government approved a new Law on Strategic Investments in 2015. The law outlines investment incentives and offers fast-track administrative procedures to strategic foreign investors, depending on the size of the investment and the number of jobs created.

The law also stipulates that the Albania Investment Development Agency (AIDA) is in charge of promoting foreign investments in Albania. It also specifies that AIDA serves as a one-stop-window for foreign investors, from filing of the application form to granting the status of strategic investments.

In 2015, the Delivery Unit was tasked with following up and monitoring the progress of 20 priority investment projects from a list of countries that had shown interest in investing. However, the selection criteria for those projects was unclear and not necessarily aligned with the government's priorities for investment, either in terms of the investment sectors or the investment goals. Moreover, the stage of development of each project varied significantly, with some at the expression of interest stage, and others further along in negotiations.

“Unfortunately, the Delivery Unit didn't have the right mandate and focus from the start,” says Ms. Sakiqi. “There were too many stakeholders dealing with the same objectives and no one ministry was made accountable,” she says. “While AIDA should have supported investors, they had big capacity challenges in trying to deal with strategic investors in different sectors.”

Larger issues loomed. Even though Albania climbed in the World Bank's 2017 Doing Business report, ranking 58th out of 190 countries, up from 90th in 2016, the investment climate remained problematic. The country was perceived as a difficult place to do business. Among global rankings, Albania still scores poorly for enforcing contracts and registering property. Changing investor perceptions is a long-term goal that requires other systemic reforms around fighting corruption, reinforcing rule of law, and ensuring freedom of the judiciary.

In short, the Delivery Unit work in the FDI priority underperformed because it never matured to a clear scope of action. Relevant stakeholders never came to an agreement on what direction to take. With no single ministry designated as the lead for the priority, no office was held accountable nor assigned to devise a clear action plan with deliverables. The idea of the Delivery Unit helping to define lines of responsibility and harmonize institutional procedures were hampered from the start with an ill-defined mandate and lack of capacities amongst too many stakeholders.

This priority remains an important one for the Government. Its current efforts to reform the justice system may help to boost investor perceptions and foster FDI.

Lesson learned

The progress made in the Albania Delivery Unit was a result of some important parameters:

High-level political support

- The personal role and support of the Prime Minister has been central to accelerating delivery efforts on key priorities, removing blockages to delivery, and resolving challenges, particularly ones that involve cooperation across government agencies and ministries.
- The Head of the Unit has had strong direct access to the Prime Minister. This show of support has illustrated to all ministries that the Delivery Unit is a vital part of the center of Government and operates as extensions of the Prime Minister's own authority and mandate.

- Delivery update meetings with the Prime Minister have been scheduled each month and are not pre-empted by other meetings. They remain on the set schedule as part of the routine of the Prime Minister and the lead ministers attending.

Scope of work

- The Delivery Unit has had a clearly defined mandate and has been responsible for tracking a delineated set of priorities. It has had no competing responsibilities.
- Emphasis has been placed on end results and the impact on citizens. This has meant that the Delivery Unit works with specific tangible targets and indicators for each priority.

Staffing

- While the Delivery Unit staff have not been technical experts in the fields they were tracking, they have had international experience relevant to the management and analytical skills required.
- The Delivery Unit has had no top-heavy organizational structure that constrained day-to-day operations or created a bureaucracy of its own.
- For the first three years of operation, there was little turnover among staff members which meant that essential relationships and trust with departments was built over time through consistent interactions.

Engagement

- Engagement with key stakeholders required constant communication with them, building relationships and investing in their skills. The sooner the Delivery Unit connected with key partners, the stronger the collaboration developed.
- The Delivery Unit has served as the facilitator, problem-solver, and conduit of information for leaders to make informed decisions. It relied on implementing partners for technical skills but unless the Delivery Unit had a solid understanding of the reform, it could not perform its job effectively.

Strong Policy

- Success has depended on a comprehensive and well-designed policy and strategy approved to work on the priority program. Without such a foundation and clear framework, the implementation phase would drive the program off course.

Constant review

- A critical factor for the Delivery Unit has been its ability to review its own effectiveness of its operations on a regular basis and adapt to changing circumstances. It has needed to constantly review its work to ensure it was meeting the needs of Albanians and was consistent with Government goals.

Investments in people

- The delivery partners, ministries, and agencies who were responsible for the technical design and implementation of the reforms needed sufficient skills to reach their goals. If they had a skills shortage or lack of capacity or resources, delivery would suffer, even with sound strategies in place, and good collaboration with the Delivery Unit. Investing in building capacities of the delivery partners has been a continuous effort and requires time and resources to close gaps.

Accountability

- Accountability has been enhanced by developing a set of tools that are used to update decision makers on a regular basis. These tools include Delivery Agreements, scorecards, and monthly dashboards.

Since its inception in early 2014, the Delivery Unit has worked with a wide range of stakeholders to achieve targets in the Government's key priorities.

The Delivery Unit offers a foundation for setting long-term priorities and aligning governmental resources behind them. The Government officials care about their respective issues, which means that even as ministers come and go, the relevant departments can continue to focus attention and resources in more a strategic and performance-driven manner.

More profoundly, the approach has helped to make civil servants and ministers feel directly accountable for delivery. Ministers accept that delivery is a major part of their job, and not just an add-on to policy formulation and legislation. It has also gotten the Government to become increasingly serious about evaluation, transparency, and measurement.

The whole process of working in collaboration with the Delivery Unit has imbued a set of new routines. Departments can target delivery of specific outcomes regardless of political changes and day-to-day demands. It gives them a long-term focus.