Albania has undergone significant public sector modernization and digital transformation in recent years, which has improved public services and contributed to economic development. However, further progress can be made to reap the full benefits of these innovations. With support from a World Bank Governance and Education program, the government of Albania will harness cutting-edge public sector reforms, combined with digital innovations to improve public service delivery, human capital, and promote more sustainable and inclusive growth.
Although much has been achieved, Albania’s progress could be further enhanced in three ways:

**Public services can be further re-designed to make them even more “user-friendly”**.

Certain services would benefit from another round of administrative simplification and user-centered re-design. Certain digital services could be further improved through the application of new digital service standards. The usability of the e-Albania portal could be further increased through a re-design of the interface, through further customization to the specific preferences of all service users and through upgrading of the e-Albania for mobile application.

**The public sector innovations could become even more inclusive.**

There are still aspects of a “social and digital divide” among some socio-economic groups and in the very rural parts of the country. Some members of society have disabilities, lower levels of digital literacy or limited access to affordable, high-speed internet. This hinders their usage of digital services, and they require dedicated assistance.

**The newest public sector and technological innovations could be further harnessed.**

Digital technologies are constantly evolving. In the future, Albania – with the right investments – could go further, and even surpass, European Union (EU) averages regarding the application of new digital innovations. For example, further progress can be made in harnessing the latest frontier technologies, such as artificial intelligence and voice recognition to improve public service delivery.
The project with the World Bank is an extraordinary opportunity to help us accomplish the next generation of digital transformations in accordance with international standards. We expect this project to have a significant impact in our country by improving service delivery for citizens and businesses, increasing digital literacy, and enhancing data analytics and visualization so that public institutions make better and faster decisions. Thanks to our capabilities, determination, and with the support of the World Bank, we will have a secure path towards further technological advancement and innovation.

Ms. Mirlinda Karçanaj
General Director | National Agency for Information Society

SOLUTION
A New Public Service Innovation Program

To address the challenges, the government of Albania has adopted an ambitious public sector modernization and digital transformation program, which is described in The Albania Digital Agenda Strategy and Action Plan (2022-2026). The implementation of the strategy is expected to cost around US$250 million. The government program is designed to improve the quality of public services and to increase the integration of new technologies into all government functions. The World Bank is contributing to this program through a lending operation, Improving Equitable Access to High Standard Public Services through GovTech, which provides US$60 million through a Program for Results instrument, disbursing against pre-agreed results, plus US$5 million for technical assistance. The operation is a joint Governance and Education project, focusing on a range of priority administrative services alongside the use of digital tools to improve learning in primary schools. The project also benefited from substantial support and guidance from the Quality Infrastructure Investment (QII) Partnership staff who provided technical assistance resources that contributed to the strong design and implementation of the program.

KEY RESULT AREAS

The World Bank’s contribution to Albania’s digital transformation program focuses on improving the equitable access to and the quality of selected digital services and institutional reforms. It also supports measures to address the unique needs of vulnerable groups such as poor people, Roma, women, and the disabled. Three highlights of the World Bank’s contribution are described here.

Ensure that institutional and business process reforms take place alongside digitalization. Learning lessons from the past decade of implementing digital government initiatives, Albania is entering a new phase of modernization—a GovTech paradigm. This paradigm underlines that investments in digital tools are necessary, but far from sufficient, to have sustainable, inclusive results. To be successful, it requires a sustained combination of four key ingredients: public sector reform—to re-engineer and simplify public service administrative processes; digital technologies—to provide automated digital solutions to make government more efficient and accessible; user-
**centric logic**—to make sure that the needs and views of users are at the heart of re-design and implementation; and **change management**—to proactively manage this complex transformation at all levels of government and society.

### Shift the culture from inputs and outputs to results that really matter for users.

The operation will encourage achievement of results by disbursing funds based on results. Results are clustered into three key areas:

- **Enhancing the quality of digital services and user experience:** The e-Albania portal will be enhanced based on extensive user consultation to ensure that the interface is tailored to the needs and preferences of citizens and businesses. In addition, the portal will be reorganized in terms of life events; users will be able to click on the relevant life event (such as opening a business, registering the birth of a child), and all relevant services will automatically appear. The operation will also invest in improving critical services that contribute to climate change mitigation and adaptation.

- **Improving digital skills and digital inclusion:** The lending operation will support the establishment of youth innovation centers and 200 education Smart Labs to improve digital skills and reduce the digital divide. Smart Labs will comprise teaching rooms in primary schools equipped with the latest digital tools and digital content for enhanced learning. The new skills learned will strengthen Albania’s human capital and ensure that all citizens can use digital services. The operation will also establish a new state-of-the-art contact center that will provide customer service and help all citizens—including vulnerable groups in remote areas—apply for digital services.

- **Strengthening GovTech enablers and data governance:** The lending operation will help upgrade existing software and hardware that are the backbone of a digital government. This will improve monitoring of service delivery. In addition, data protection and information security will be strengthened while making more data available for public consumption through a revamped Open Data portal.

### Catalyze behavioral change

The digital transformation is as much about behavioral, and institutional change as it is about technological change. The program will support the design and implementation of a change management strategy to enhance whole-of-government coordination to promote behavior change and address implementation bottlenecks to increase the likelihood of success.

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**THEORY OF CHANGE**

**Expected Impacts of the Program**

<table>
<thead>
<tr>
<th>Problem</th>
<th>Cause</th>
<th>Action</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unequal access</td>
<td>e-Albania has not undergone a User Experience (UX) upgrade.</td>
<td>User Experience (UX) e-Albania online and mobile upgrades.</td>
<td>Increased user satisfaction with digital services.</td>
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<tr>
<td>User orientation</td>
<td>Digital services are not tailored to users’ life events.</td>
<td>Digital services reorganized by life event.</td>
<td>Improved public sector efficiency (time and cost savings).</td>
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<tr>
<td>Limited trust</td>
<td>Some digital infrastructure – the backbone of digital services – is outdated.</td>
<td>e-Albania ICT infrastructure upgraded.</td>
<td>Improved human capital (increase in digital and foundational skills).</td>
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<td></td>
<td>Some people lack the knowledge and digital literacy to use the digital service platforms.</td>
<td>Education SmartLabs established.</td>
<td>Increased access to and usage of digital services, including by vulnerable groups (such as the disabled).</td>
</tr>
<tr>
<td></td>
<td>Vulnerable groups – such as the disabled – do not always get enough assistance when making service applications.</td>
<td>Youth Innovation Centers established.</td>
<td>Increased quality of digital services, new quality standards and reduced waiting time for receiving a service.</td>
</tr>
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</table>
Innovations to Accelerate Inclusive and High Impact Public Services in Albania

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