



1. Project Data:		Date Posted : 04/18/2001	
PROJ ID: P008269		Appraisal	Actual
Project Name: School Rehabilitation	Project Costs (US\$M)	11.3	11.2
Country: Albania	Loan/Credit (US\$M)	9.6	9.52
Sector(s): Primary Education	Cofinancing (US\$M)	0	0
L/C Number: C2633; CP874			
	Board Approval (FY)		95
Partners involved :	Closing Date	03/31/1999	03/31/2000

Prepared by :	Reviewed by :	Group Manager :	Group:

2. Project Objectives and Components

a. Objectives

The project was to sustain the delivery of basic education services project during Albania's difficult economic transition and to build institutional capacity for planning, management and quality assurance of education in an increasingly decentralized system. The project will: (a) accelerate rehabilitation of damaged and dilapidated school facilities in Albania's 37 districts; and (b) build capacity of key sector institutions to stimulate efficient use of fiscal resources and assure quality of learning outcomes. At mid-term, objectives were made more specific to include a school mapping data base, training of professional staff and equipment of an examinations center, and privatizing textbook production.

b. Components

(a) School rehabilitation included (i) repairs and basic furniture for 1,630 classrooms in 237 schools of all districts and (ii) replacement of 200 classrooms in 38 schools in specific districts along with equipment and furniture. (b) Capacity building included: (i) planning and management information, (ii) quality assurance, (iii) textbook improvement, and (iv) project coordination.

c. Comments on Project Cost, Financing and Dates

Total project cost was US\$11.3 million and was fully disbursed. The credit closed after a one-year extension.

3. Achievement of Relevant Objectives:

Objective (a): The physical objective was mostly achieved, 60,000 benefited from school rehabilitation and replacement, including those in the poorest and most remote areas. Nevertheless, only 157 schools were rehabilitated compared to a target of 237, partly due to price increases and population movements to urban areas. (The latter required larger and fewer schools.) Objective (b) was not achieved. Activities like a governance study had to be dropped or delayed. Capacity building in key institutions was marginal and was mainly represented by a school-mapping database. An important achievement was the privatization initiative of the textbook improvement subcomponent, i.e. capacity building that will enable two firms to carry out commercial publishing and distribution of books.

4. Significant Outcomes/Impacts:

The project resulted in significantly improved school infrastructure, which the country could not have otherwise afforded, but the quality of civil works was in many respects questionable. Also, maintenance remains a problem. Nevertheless, the basis has been laid for the publication and distribution of textbooks in the future. The school mapping data base is now allowing the rationalization of the school infrastructure, including consolidation, new construction, rehabilitation, and maintenance.

5. Significant Shortcomings (including non-compliance with safeguard policies):

Counterpart staff had never implemented a Bank-financed education project before, and they were also unfamiliar with the concepts of capacity building. Therefore, the latter objective received very little attention, and the project implementation unit was severely understaffed. The government was reluctant to borrow for the international technical assistance needed to reach the capacity building objective and reduced the amount of credit allocated for technical assistance. Given the limited contact with experts, many concepts envisioned by the projects, such as quality assurance, learning assessments, accountability, and efficiency remained alien to Albanian counterparts and did not have their commitment. Although the project was deliberately designed to be quite simple, the Bank

significantly underestimated project risks and overestimated implementation capacity and the impact of subsequent political events such as the 1997 pyramid scheme. The Bank had no prior experience in Albania and very little in the whole ECA region. Although the Bank initiated efforts to coordinate with the donors, donor coordination was suboptimal during most of the implementation period. In line with the Bank's experiences in many other sectors in Albania, efforts in the education sector were minimally successful.

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Moderately Satisfactory	The main objective was achieved with much difficulty, but the secondary one was not.
Institutional Dev .:	Modest	Modest	
Sustainability :	Likely	Likely	
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR :		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

Some of the lessons derived from this project have been repeated very often in the Bank, but continue to be pertinent given Albania's limited borrowing history, long-term isolation, and political instability.

--Project design should be grounded on analytical work, relevant to design decisions, and should include factors that may affect implementation of the project, e.g., the absence of a substantial review of the construction market, capacities, or practices in Albania, underestimated several major risk factors, resulting from project design omissions. The project had to be designed in the absence of sector work. A new borrower and no sector work are a recipe for problems.

- Given a new borrower, a weak state, and a period of extreme isolation, project supervision has to be strong and consistent, but in the case of this project, until 1998 it was neither.

-Broad participation by the Government, and stakeholders, as well as an intense dialogue with international donors, would result in a stronger sense of ownership, and better coordination within the sector to attain collaborative tools. School construction should include community consultations and participation.

-Procurement capacity should be strengthened in countries of limited Bank experience, since it is critical to the quality of civil works. When local staff do not know how to interpret and apply the Bank's procurement guidelines, the result is construction delays, disputes, and consequently poor results.

- Capacity building takes time and does not always produce immediately tangible results. To achieve capacity building objectives, the borrower must have a strong commitment and understanding of long-term benefits for such activities. High turnover of staff erodes investments in capacity building.

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

The ICR was quite clear and comprehensive in its analysis of the outcomes.