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EXTERNAL, END-OF-PROJECT EVALUATION OF THE MUNICIPAL INFRASTRUCTURE PROGRAMME (MIP) III/IV IN ALBANIA

FINAL REPORT

18 June 2025

External, End-of-Project Evaluation of the Municipal Infrastructure Programme (MIP) III/IV in Albania

Final Report

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GLOSSARY OF ACRONYMS

AKUK	National Agency for Water Supply and Sewerage
ALL	Albanian Lek
BWM	Bulk water meter
CA	Contribution Analysis
CEWAS	Swiss NGO for integrity and sustainability in water and sanitation sector
CR	Customer Relations
DMA	District Metering/Metered Area
DOC	Direct Operational Cost
DOC-Coll.	Direct Operational Cost covered by Collections
EFM	Electronic Flow Meter/ Electro-magnetic Flow Meter
EM	Evaluation Matrix
EQ	Evaluation Question
ERRU	Albanian Water Regulatory (Enti Rregullator i Ujit)
ESIA	Environmental & Social Impact Assessment
EUR	Euro
FGD	Focus Group Discussions
GIS	Geographical Information System
IC	Implementation Consultant
IM	Integrity Measures
IR	Inception Report
ITM	Institutional Training Measure (consultancy)
IWA	International Water Association
KfW	Kreditanstalt für Wiederaufbau, KfW Development Bank, Germany
KPI	Key Performance Indicator
LFM	Logical Framework Matrix
Logframe	Logical Framework Matrix
M€	Million Euro
MIP	Municipal Infrastructure Programme
MOIE	Ministry of Infrastructure and Energy
MoF	Ministry of Finance
NGO	Non-Governmental Organization
NRW	Non-revenue water

- O&M Operation & maintenance
- PCU Project Coordination Unit
- PEA Project Executing Agency
- PHI Public Health Institute (Regional & National)
- PR Public Relations
- SECO State Secretariat for Economic Affairs (Switzerland)
- SEECON NGO for integrity and sustainability in water and sanitation sector
- TOC Total Operational Cost
- ToC Theory of Change
- ToR Terms of Reference
- VAT Value Added Tax (Albanian: TVSH)
- WIN Water Integrity Network (NGO)
- WPIP Water Sector Performance Improvement Programme ('MIP-V')
- WTP Water treatment plant
- WW Wastewater
- WWTP Wastewater treatment plant

EXECUTIVE SUMMARY

This end-of-project evaluation assessed the Municipal Infrastructure Programme (MIP) III/IV in Albania, financed by SECO and KfW with a combined budget of EUR 52 million. Implemented from 2014 to 2024, the programme targeted improved access to water and sanitation services in six municipalities—Berat-Kuçova, Delvina, Gjirokastra, Kamza, Librazhd-Prrenjas, and Lushnja—through a blend of infrastructure investments and institutional support, including a performance-based approach and an integrity management pilot.

The external evaluation, conducted in early 2025, followed OECD-DAC criteria—relevance, effectiveness, efficiency, impact, and sustainability—and combined desk review, field visits, interviews, and focus group discussions. The aim was twofold: to assess the programme's performance and to derive lessons for future water sector programming.

Key Findings by Evaluation Dimension:

(Overall Score: 2 – Satisfactory, based on OECD-DAC Criteria)

Relevance – Rating: 2 (Satisfactory):

The programme addressed acute infrastructure needs in all municipalities. They were all suffering from short water supply hours and aging networks. Kamza was also facing an important population growth and service coverage of only 10% before the intervention. The programme's alignment with national water sector policies and its response to local priorities were consistently validated across sites.

In contributing to improved access to safe and reliable water services, the programme supported the achievement of **SDG 6 – Clean Water and Sanitation** by expanding supply hours, enhancing network efficiency, and promoting metering. Moreover, by upgrading essential urban services and improving living conditions in growing cities like Kamza and touristic hubs like Berat and Gjirokastra, it also advanced **SDG 11 – Sustainable Cities and Communities**, fostering more resilient and inclusive urban environments.

However, the programme also revealed areas for improvement in planning communication. In Delvina, in particular, expectations regarding wastewater investments were not fully aligned between stakeholders, highlighting the need for clearer and more consistent engagement during the project preparation phase .

Effectiveness:– Rating: 2 (Satisfactory):

Infrastructure outcomes were largely achieved. Continuous 24/7 water supply was secured in Berat, Kuçova, Delvina, Gjirokastra, Librazhd, and Lushnja. Gjirokastra exceeded its targets for water connections and saw a remarkable reduction in illegal connections. Delvina and Berat

also reached near-universal household metering. In Kamza, however, service reliability remained low due to inadequate infrastructure capacity and high level of illegal connections.

An estimated 310,000 people benefitted from improved water supply and sewerage services across the six municipalities. Based on overall programme costs, the average investment per beneficiary household is approximately €400, which reflects a reasonable cost-benefit ratio when compared to regional benchmarks. In addition to service improvements, the programme contributed to the gradual alignment with EU environmental and service delivery standards, particularly in tourist cities like Berat and Gjirokastra, which experienced enhanced water reliability supporting tourism growth.

Institutional outcomes were mixed: some utilities like Berat, Gjirokastra, and Delvina continued to use business plans, financial tools, and management practices introduced under the programme. However, the adoption of key systems like SCADA and DMA remained underutilized in some cases.

The institutional consultant provided extensive support for utility strengthening, and while this delivered clear operational improvements in selected cases, the value-for-money of this component varied depending on the level of engagement and ownership by each utility.

Overall, the programme contributed to strengthening utility governance and enhancing service delivery frameworks. However, it did not succeed in generating fully transformative or systemic change. The adoption of reforms was uneven across municipalities, and the absence of consistent follow-up mechanisms and institutional anchoring limited the consolidation of these improvements.

Efficiency – Rating: 2 (Satisfactory):

Most investments were delivered efficiently and within budget. The use of variation orders—such as for spring catchment works in Delvina or reservoir reconstruction in Gjirokastra—allowed adaptive responses to field conditions without excessive delay or cost. In Librazhd and Prrenjas, infrastructure works were effective, but incomplete metering and delayed DMA implementation hampered operational efficiency. Kamza saw delays due to procurement and design mismatches, while in Lushnja, underperforming flow meters and SCADA systems impaired monitoring. Technical assistance was well appreciated where consultants were active on-site (e.g., Berat, Gjirokastra), but limited where follow-up was weak (Kamza, Librazhd).

Impact – Rating: 2 (Satisfactory):

The programme generated tangible improvements in service continuity, water quality, and billing fairness, which positively influenced the quality of life in all targeted municipalities. In cities like Berat and Gjirokastra—both important touristic and UNESCO heritage sites—the transition to 24/7 water supply presents a potential for significant improvement of local economic development. In 2024 alone, Berat hosted approximately 800,000 tourists and Gjirokastra 600,000, with the enhanced reliability of water services playing a key role in sustaining this growth by improving hospitality standards and public hygiene.

In Berat-Kuçova and Gjirokastra, improved service reliability helped reduce health risks and strengthened customer trust, leading to better payment discipline. In Delvina, the introduction of household metering improved perceptions of fairness, despite initial concerns about higher billing. Vulnerable populations benefited from targeted AKUK subsidies in some locations (notably Gjirokastra and Lushnja), though this social support was not consistently available across all municipalities.

The programme also contributed to strengthening environmental protection through improved management of water resources, reduction of illegal connections, and greater awareness of non-revenue water issues. Moreover, it promoted social inclusion and good governance through the piloting of Integrity Management tools, community engagement, and enhanced transparency in utility operations. However, in Kamza, despite major infrastructure investments, the persistently low service hours and high share of unbilled water continue to limit the realisation of public benefits.

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Sustainability – Rating: 3 (Unsatisfactory):

The sustainability of the programme's outcomes shows significant variation across the six municipalities and remains a major concern.

From a **financial** perspective, only a few utilities—particularly in Berat-Kuçova and Gjirokastra—demonstrated potential for cost recovery through improved billing practices and customer payment behaviour. In contrast, persistent non-revenue water (NRW) issues and low billing ratios in Kamza and other municipalities continue to compromise financial viability.

Technical and operational sustainability is undermined by insufficient use of key systems such as SCADA and DMA. Despite investments in automation and metering, many municipalities failed to fully operationalise these tools. Preventive maintenance practices were not institutionalised, and maintenance capacity remains weak, especially in Lushnja and Delvina, where infrastructure deterioration risks are already emerging.

On the **institutional** side, the transition to regionalised utilities disrupted continuity. In Delvina, Librazhd, and Prrenjas, the newly created regional operators assumed responsibility for infrastructure but lacked the institutional knowledge, tools, and trained personnel developed during the programme. Limited engagement from AKUK during this phase further weakened strategic oversight and capacity building efforts.

Regarding **environmental protection**, the absence of sustained monitoring and maintenance of environmental safeguards (e.g. water source protection, leakage control, efficient system operations) jeopardises long-term environmental performance, particularly in sensitive or high-risk zones.

Finally, the **sustainability of the programme's results** is weakened by the lack of post-construction support mechanisms and follow-up strategies to consolidate utility strengthening and governance reforms. Without dedicated structures to reinforce the reforms initiated under the programme, the risk of regression is significant, especially where local ownership and institutional anchoring remain limited.

Cross-Cutting Issues:

- **Performance-Based Approach:** The model helped align investments with early institutional progress, but lost its relevance post-construction due to a lack of enforcement mechanisms and clarity on side condition monitoring.
- **Integrity Management:** The integrity pilot was weakly integrated, poorly understood by utility staff, and produced no lasting impact. Activities often overlapped with broader institutional support and lacked follow-up.
- **Non-Revenue Water (NRW):** Major reductions were achieved in Berat (from 84% to 37%), Gjirokastra (68% to 35%), and Delvina (71% to 39%). Kamza saw no improvement (remaining at 67%) due apparently mainly to unbilled water. In Librazhd and Lushnja, gains were partial and data reliability remains a challenge.
- **AKUK's Role:** AKUK's mandate was clear but its post-project engagement was mixed. The institutionalization of monitoring systems and ongoing support for the use of tools proved difficult, and further efforts may be needed to help the newly created regional utilities ensure continuity of knowledge and effective planning.

Conclusions and Recommendations:

The evaluation of the MIP III/IV programme highlights both significant achievements and critical limitations across infrastructure delivery and institutional reform. While the programme delivered strong physical results, it fell short of achieving transformative, systemic change, particularly in institutional strengthening and long-term sustainability.

Nine key conclusions were drawn:

1. Strong results in water infrastructure delivery

The programme succeeded in delivering critical water supply infrastructure across all participating municipalities. Continuous 24/7 water supply was achieved in cities such as Berat, Gjirokastra, and Lushnja, while connection rates and metering coverage improved substantially. The performance-based approach used during implementation played a key role in motivating timely progress and maintaining focus on results. However, once construction was completed, this momentum weakened. The absence of post-construction performance incentives meant that many utilities did not sustain the same level of engagement or accountability.

Recommendation – Consolidate Infrastructure Gains:

Future programmes should include structured post-construction operation and maintenance (O&M) planning and provide utilities with targeted capacity support. Performance-based mechanisms should be extended beyond construction, integrating operational benchmarks and incentives to reinforce long-term utility commitment.

2. Variable outcomes in institutional support

Institutional strengthening support was relevant to programme objectives, yet the effectiveness varied considerably across municipalities. A uniform approach failed to account for differing levels of utility capacity, staff availability, and turnover. In municipalities with more motivated or stable teams, results were more visible; elsewhere, uptake was weak and short-lived.

Recommendation – Tailor Institutional Support:

Institutional support should be based on utility-specific capacity assessments and include tailored technical assistance. Training-of-trainers models, retention strategies, and periodic follow-up support will be necessary to reinforce institutional gains over time.

3. Integrity management largely ineffective

Despite its conceptual value, the integrity management component was poorly integrated into utility operations. Many staff perceived it as abstract or duplicative of existing responsibilities, and the initiative lacked visibility and continuity. The component did not result in meaningful improvements in governance or transparency.

Recommendation – Rethinking Integrity Management:

Integrity support must be redefined to target real governance risks—such as fraud, corruption, and nepotism—and integrated into utility structures through internal audit or compliance functions. AKUK should play a lead role in facilitating this integration and providing national-level oversight and support.

4. Lack of staff engagement and motivation

The limited uptake of institutional tools and reforms was often linked to weak staff motivation and ownership. Staff were not consistently involved in the design or adaptation of the support tools, and high turnover diluted knowledge and institutional memory.

Recommendation – Strengthen Staff Motivation and Ownership:

Incentives for staff engagement should be built into utility performance frameworks. Co-designing tools with utility staff and facilitating peer-learning exchanges between utilities can foster long-term use and better institutionalisation.

5. Weak continuity in learning and adaptation

The absence of structured mechanisms for learning, feedback, and adaptation hampered the sustainability of reforms. Utilities lacked systems for tracking progress, evaluating effectiveness, and modifying practices over time.

Recommendation – Enhance Monitoring and Learning:

Annual self-assessments, facilitated learning platforms (led by AKUK), and a defined monitoring framework should be introduced to promote accountability, enable peer exchange, and ensure that institutional progress is measured and maintained.

6. Persistent challenges in Non-Revenue Water (NRW)

Although infrastructure investments helped reduce technical losses in targeted areas, overall NRW levels remained high across many utilities. This is due to unaddressed network segments (often rural), limited operational use of DMA and SCADA systems, and weak monitoring of commercial losses and fraud. Where progress was reported, data reliability was sometimes questionable, and sustained reductions were rare.

Recommendation – Improve Non-Revenue Water Management:

Utilities must be supported to fully operationalise SCADA and DMA systems. Utility-specific NRW strategies with an action plan should be developed and implemented, tackling both technical and commercial losses. Performance-based incentives should be tied to independently verified reductions in NRW.

7. Uncertain impact of Regionalisation and limited operational role of AKUK

The recent regionalisation reform introduced changes in utility governance. However, its impact on utility performance, accountability, and long-term service sustainability remains uncertain.

AKUK's coordination and oversight role has been limited in practice, with variable support to utilities and lack of follow-up on institutional and performance-based components of the programme.

Recommendation – Reinforce AKUK's Role in Post-Project Oversight and Regional Utility Governance:

AKUK's mandate should be reinforced to enable it to provide active support and monitoring after project completion. This includes establishing a formal mechanism through which AKUK can assist regional utilities in managing inherited assets, meeting performance targets, and fulfilling institutional obligations. In parallel, AKUK should take the lead in promoting a national agenda for learning, knowledge sharing, and capacity building among regional utilities.

8. Weaknesses in financial planning and debt repayment capacity

Most utilities, despite receiving support to prepare Business and Tariff Adjustment Plans, lack regularly updated long-term financial plans and a clear long-term tariff strategy. This raises concerns about their capacity to meet loan repayment obligations.

Recommendation – Strengthen Financial Planning and Debt Repayment Capacity:

Utilities should regularly update multi-year financial plans under AKUK oversight, building on existing tools. A clear distinction should be made between short-term tariff adjustments and long-term tariff strategies, with ERRU providing guidance. Finally, KfW and ERRU should jointly verify whether utilities are on track with their loan repayment obligations based on initial financial forecasts.

9. Lack of measures for climate resilience and energy efficiency

The programme lacked explicit measures for climate resilience and energy efficiency, missing an opportunity to strengthen sustainability amid rising energy costs and climate risks.

Recommendation - Integrate climate resilience and energy efficiency in Programme Design for future programmes

Future programmes should treat climate resilience and energy efficiency as cross-cutting priorities, integrating them at every stage of the project cycle. Infrastructure should be designed to withstand climate risks like flooding and drought, and energy-efficient technologies should be prioritized in equipment selection.

Additionally, utilities should receive targeted support to conduct energy audits and develop localised climate adaptation plans. This proactive approach will help reduce energy costs, lower environmental impact, and enhance the long-term reliability and sustainability of water services.

Lessons Learned:

1. **Enhance strategic capacity building through needs analysis**.

   Capacity building for future projects should be guided by a structured needs analysis. Such an assessment would help identify specific gaps in knowledge and skills, inform the design of tailored capacity-building activities, and provide a baseline for tracking progress and evaluating the effectiveness of these efforts over time. For future programmes, capacity building inputs should be guided by a structured need analysis separately for each utility involved.

2. **Performance-based approaches can work—if sustained.**
   Conditioning investments on institutional milestones helped align short-term goals with long-term results. However, lack of post-construction enforcement mechanisms diminished impact. Future programmes must link continued support to sustained compliance with agreed conditions.

3. **Institutional support must be tailored, not uniform.**
   A one-size-fits-all approach overlooked the different capacities and maturity levels of the utilities. Customised support based on baseline capacity assessments would yield more resilient outcomes.

4. **Integrity management must be embedded, not parallel.**
   When separated from operational reforms, integrity management risks becoming symbolic. It should be integrated with internal audit, compliance, and staff accountability structures.
5. **AKUK's institutional role needs reinforcement.**
   As the sector coordinator and regulator, AKUK must be empowered—both technically and politically—to monitor, support, and enforce performance standards in utilities, especially during post-project transitions.
6. **Sustainability depends on institutional memory.**
   High staff turnover, regionalisation, and lack of continuity mechanisms diluted project impacts. Knowledge retention systems and formal transition plans must be embedded in future programme design.

1 INTRODUCTION

1.1 SCOPE

The evaluation has looked at the relevance, effectiveness, efficiency, impact and sustainability of the Municipal Infrastructure Programme (MIP) III/IV in Albania. MIP III/IV entails investments in water supply and wastewater systems, including accompanying technical assistance measures at six locations, namely Berat-Kuçova, Delvina, Gjirokastra, Kamza, Librazhd-Prrenjas, and Lushnja. The overall budget for the programme amounted to some EUR 52 million (EUR 40 million, financed by two loans and one grant from KfW, supplemented by a EUR 12 million grant from SECO). The programme was formally launched in 2013 with the conclusion of financing agreements between KfW and SECO on the one hand, and the Albanian authorities on the other. It was completed by the end of 2024.

During the past four years, the administrative organisation of water supply and wastewater systems was changed in the sense that regional utilities were established, incorporating formerly municipal-level utilities. All the utilities, that are the object of this evaluation, were affected at different level by this operation: Librazhd, that became an administrative sub-unit of the greater Elbasan utility, Delvina, now a sub-unit of the greater Saranda utility, Prrenjas, now a unit of the Pogradec utility, Kamza which was transferred from a municipal department into a limited liability company and Gjirokastra and Lushnja utilities which are now regional utilities.

Figure 1. Location of the municipalities involved in the MIP III/IV program

1.2 OBJECTIVES AND METHOD

The primary purpose of the current evaluation is the identification of lessons learned and based on that, the development of recommendations to inform the design of future water sector programmes, with a particular focus on the effectiveness and suitability of performance-based approaches.

The secondary purpose of the evaluation is to contribute to accountability through the provision of an external assessment of the relevance, effectiveness, efficiency, impact and sustainability of achieved results, with a particular focus on utility performance.

Three main tools for gathering and processing information have been used during this evaluation:

- Desk Research / Content Analysis,
- Site Visits / Interviews and
- Focus Group Discussions.

The current report is the Draft Final Report for the evaluation assignment. It presents the findings of the evaluation, based on document research, interviews and group sessions with relevant parties. It is meant for discussion with SECO, KfW and AKUK whose comments will result in a final report.

The evaluation was carried out by WSP in association with EkoCentric and Plan-Consult, under contract with SECO. The evaluation team included senior experts in water and sanitation, institutional development, and programme evaluation, supported by local consultants for data collection and translation.

Coordination with key stakeholders, including SECO, KfW, AKUK, and the involved utilities, was essential throughout the evaluation process. An initial inception phase helped to refine the methodology and prepare the field mission. The field mission itself included interviews with utility managers and staff, municipal representatives and local stakeholders.

Particular attention was given to capturing the perspectives of utilities that had experienced the MIP III/IV interventions directly, despite the challenges posed by utility mergers and staff turnover. The evaluation also sought to include voices from municipalities, regulatory authorities, and other sector actors where relevant.

The evaluation approach is based on the assumption that assessing the programme's performance against a set of predefined Evaluation Questions (EQs), combined with the triangulation of evidence from various sources, would enable the evaluators to draw well-founded conclusions and recommendations regarding the programme's effectiveness, efficiency, relevance, impact and sustainability.

A Contribution Analysis approach was also considered, particularly to explore the extent to which programme interventions contributed to observed changes at utility level. However, the

feasibility of this approach was somewhat limited due to data constraints and changes in institutional structures.

Note on assessment scores

In line with the OECD Development Assistance Committee evaluation criteria and guidance, scores are given to each evaluation question with the aim to help make evaluation results more transparent by transforming the qualitative information in the evaluation report into quantitative scores. As agreed with SECO, this evaluation report does not contain a complete assessment grid. Instead, ratings are attributed in the text, under each evaluation question and consolidated for each DAC criterion. For the sake of completeness, they are included in the attached evaluation matrix.

The OECD DAC guidance is meticulously followed, by using the following rating methodology.

Score/rating	Relevance; efficiency	Effectiveness	Impact	Sustainability
1 = highly satisfactory	There were no shortcomings in relation to the intervention's relevance/ efficiency	Objectives at outcome level were (or are likely to be) fully achieved or exceeded.	The intervention had (or is likely to have) a significant positive impact	All of the intervention's benefits (will) last.
2 = Satisfactory	There were moderate shortcomings in relation to the intervention's relevance/ efficiency	Objectives at outcome level were (or are likely to be) largely achieved	The intervention had (or is likely to have) an overall positive impact	A majority of the intervention's benefits (will) last
3 = Unsatisfactory	There were important shortcomings in relation to the intervention's relevance/efficiency.	Objectives at outcome level were (or are likely to be) only partially achieved (at a rather low level).	The intervention had (or is likely to have) no impact.	A minority of the intervention's benefits (will) last
4 = Highly unsatisfactory	There were very severe shortcomings in relation to the intervention's relevance/efficiency	Objectives at outcome level were not achieved (or are unlikely to be achieved)	The intervention had (or is likely to have) an unexpected negative impact	None of the intervention's benefits (will) last
0 = Not assessed	The criteria statement cannot be assessed.			

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1.3 SUMMARY OF ACTIVITIES

The evaluation started off with an on-line kick-off meeting held on 5 December 2024, with representatives of SECO, KfW and the Swiss Embassy in Tirana. This was followed by an initial review of available documents and an inventory of documents still to be provided by SECO and KfW. Following the stipulations of the ToR, a Theory of Change (ToC) was developed which, with explicit approval from SECO, focuses on the non-investment parts of the programme. A first analysis was made of the possibility to include a Contribution Analysis (CA) in the assignment and an initial Evaluation Matrix was proposed. In a follow-up meeting with SECO and KFW, the proposed refined methodology was approved.

Given the large quantity of programme and project documents, relatively much time and effort were spent on their detailed study. It became immediately clear that quantitative data on the performance of the individual utilities was readily available only for the period until mid-2021, which confronted the evaluators with the challenge to update this information for the 2021-2024 period. Field visits were meticulously planned and with the indispensable assistance of the Swiss Embassy, the utilities were informed on the dates and contents of interviews and group sessions. At the same time, they were requested to send recent operational and financial reports, which unfortunately none of the utilities followed up on.

Each of the six utilities were paid a one-day visit by teams of two experts, in the week from 31 March to 4 April 2025.

Directly following the field visits, document study was resumed and data analysis and interpretation completed. The results of the above-mentioned activities are laid down in this draft final report.

2 DESCRIPTION OF THE INTERVENTION

2.1 CONTEXT OF THE INTERVENTION

The MIP III/IV was designed and implemented within a dynamic period of reform in Albania's water sector. Over the past decade, Albania has undertaken significant efforts to improve its water supply and sanitation services, driven by both national policy reforms and alignment with European Union standards.

There are several overarching documents describing Albania's strategy for the water sector. *Albania's National Strategy of Water Supply and Sewerage 2011-2017* defines the mission for the sector as "to develop proper policies and commit sufficient resources to improve the provision of water supply and sewerage services, and to consistently move toward compliance with EU standards and the Millennium Development Goal of environmental sustainability". Its direct objectives are to (1) expand and improve the quality of water supply and sewerage services; (2) orient the water utilities toward principles of cost control and full cost recovery; (3) improve governance and regulation in the sector; (4) invest in enhancing the capacities of the sector workforce; and (5) move toward convergence of Albanian law with EU Water Directives. The *National Strategy for Development and Integration (NSDI) 2014-2020* formulates priorities for the sector, which are (1) 100% coverage of urban water supply and 89% coverage of urban sewerage network, (2) 22 hours per day continuity of water supply service in the entire country, (3) full cost recovery of maintenance and operation costs and reduction of non-revenue water from 63.5% to 30%; (4) inclusion of utilities in the regionalization reform process through reduction of their total number to 26 from 57 utilities and (5) convergence of Albanian law with EU Water Directives.

Institutionally, the water sector in Albania is shaped by several key actors. The National Agency for Water Supply and Sewerage (AKUK) holds responsibility for sector oversight and coordination. The Water Regulatory Authority (ERRU) ensures compliance with regulatory frameworks, particularly with regard to tariffs and service standards. Municipal utilities are responsible for providing water and sanitation services. However, many utilities faced considerable challenges, including operational inefficiencies, financial deficits, high levels of Non-Revenue Water (NRW), and weak governance structures. It is within this context that SECO and KfW designed and financed MIP III/IV, building on the achievements and lessons from earlier programme MIP I/II.

As part of the Territorial and Administrative Reform, 14 new regional utilities were established during 2023 and 2024. AKUK assumes the role of majority shareholder in these newly formed regional utilities. However, these regionalisation measures were effectuated in the period since the MIP III/IV programme was finished.

This evolving institutional context presented both challenges and opportunities for the evaluation. On one hand, it complicated direct access to past utility staff or project records; on the other hand, it allowed the evaluation to reflect on how MIP III/IV outcomes have been integrated — or potentially diluted — within the new regional structures.

2.2 DESCRIPTION OF THE INTERVENTION

The MIP III/IV programme, implemented between 2014 and 2023, aimed to improve access to safe drinking water, ensure adequate sanitation, and strengthen the operational and financial performance of municipal utilities in Albania. The programme focused on six municipalities: Berat-Kuçova, Delvina, Gjirokastra, Kamza, Librazhd-Prrenjas, and Lushnja. It has to be noted that all utilities except Delvina and Librazhd-Prrenjas had already benefited from earlier MIP I/II interventions.

With a total budget of approximately EUR 52 million (EUR 40 million provided through KfW loans of EUR 38 million and EUR 2 million grants, and an additional EUR 12 million grant from SECO), the programme combined infrastructure investments with institutional and operational support. Investments included the construction and rehabilitation of water supply and wastewater systems, targeting both urban and peri-urban populations.

A distinctive feature of the intervention was the introduction of performance-based elements. These were intended to link part of the institutional support and capacity building activities to measurable improvements in utility performance. This began in an early phase of the project, with the setting of targets to be achieved: target T1 corresponded to the cost coverage target that each utility had to meet through income from sales to begin tendering works. Target T2 was the approval of a tariff increase proposal by the municipality and its submission to ERRU (Albanian Water Regulatory Entity), required before actual contracting of works and supplies would take place. Side conditions were then applied during the implementation phase and following the project, such as reductions in NRW, increases in billing efficiency, and improvements in customer service. The programme also piloted Integrity Management (IM) systems in selected utilities, promoting transparency, risk mitigation, and good governance practices within utility operations.

The programme logic assumed that a combination of financial investments in infrastructure and technical assistance to utilities would lead to improved service delivery, operational efficiency, and governance. Infrastructure investments were expected to directly improve access to drinking water and sanitation, while the institutional support was designed to strengthen the internal capacities of utilities, improve their financial viability, and foster more customer-oriented services.

The objectives of the programme were the delivery of more reliable and sustainable water and sanitation services, improved operational and financial performance of utilities, and strengthened integrity and accountability mechanisms. Ultimately, the programme aimed to

contribute to Albania's national development objectives in the water sector and to improve the quality of life for citizens in the participating municipalities.

The implementation arrangements of MIP III/IV were multi-layered, reflecting the complexity of the intervention and the diverse range of stakeholders involved. At the local level, the Project Executing Agencies were the municipal utilities, which were responsible for operating and maintaining the infrastructure investments. However, during the course of the programme, the sector underwent significant restructuring, and some utilities were merged into larger regional entities as part of Albania's Territorial and Administrative Reform. This restructuring, while aimed at improving efficiency, also introduced challenges in terms of institutional memory and continuity of knowledge about the MIP III/IV projects.

At the national level, AKUK was assigned with the tasks of providing coordination and oversight, facilitating the alignment of programme activities with national sector policies. SECO and KfW, as the main financing partners, were closely involved in programme supervision and provided strategic guidance throughout implementation.

Technical assistance was provided by various consultants: implementation consultants (Dahlem, SETEC, 2pm) supported the design and supervision of infrastructure works, while the institutional consultant (CES) focused on strengthening the managerial, financial, and operational capacities of utilities. The Integrity Management component was implemented with dedicated IM consultants supporting the development of integrity risk assessments, action plans, and the establishment of Integrity Focal Points within the utilities.

3 FINDINGS

3.1 RELEVANCE

EQ01 - To which extent was the MIP III/IV programme relevant to the water sector in Albanian municipalities?

Berat-Kuçova

At the time of design of the MIP III/IV intervention, both Berat and Kuçova faced significant deficiencies in water supply and sewerage services. In Berat, only 15 hours of daily water supply were available prior to the intervention, while Kuçova faced similar constraints. The MIP III/IV programme was designed to extend this coverage to 24 hours per day in both cities. Stakeholders confirmed that the programme, as designed, addressed key infrastructure gaps, including technical water losses and an outdated sewerage system. The plans included the much needed extension of a large part of the water network in Berat and even 100% in Kuçova, as well as the construction of a 12 km sewage pipeline, thereby directly responding to the municipalities' priorities.

Delvina

The municipality of Delvina had to cope with a water supply of just a few hours a day and very large volumes of unbilled water. The MIP III/IV intervention in Delvina aimed to tackle these problems by technical measures that would significantly reduce losses and unbilled volumes and enable a stable 24-hour water supply. Thus, the program was strongly responding to local needs regarding water supply.

At the time of project preparation, it was clear that the sewer network was in very poor condition and that at least 40% of the population had septic tanks with permeable bottoms. There seems to have been some confusion about the wastewater works possibly included in the programme. The confusion stems from the fact that the utility was consulted about their wastewater infrastructure needs, and it would seem that their expectations, or rather rumours of the programme, suggested that part of the investment would go towards upgrading the wastewater infrastructure. In the end, this was not included in the project design.

Gjirokastra

In Gjirokastra, one of the major issues was the very low number of daily water supply hours, a problem amplified by the wide variations in demand linked to tourism. The utility suffered in addition from important water loss through illegal connections. The MIP III/IV design for Gjirokastra has adequately taken these issues into consideration: repairs to reservoirs, pumping stations and water sources have enabled a 24-hour water supply to be achieved and

maintained. In addition, the number of illegal connections was greatly reduced by the deployment of 32 km of new water network and a vast rollout of flow meters to private customers.

With regard to wastewater, the need for network upgrades and treatment infrastructure was obvious at the time of project design. The rehabilitation of a significant part of the network was therefore planned in the initial programme. But in view of the additional work required on the water supply (see section Efficiency), the scope of the wastewater-related work had to be reduced and concentrated on critical areas of the city. Given that most of the additional work was requested by the utility, and were in response to critical water supply needs, it was clear that this adaptation of the work was nonetheless entirely relevant.

Kamza

Kamza has experienced an exponential population growth (from 5,000 in 1990 to over 150,000 in 2025). This trend was already visible at the time of defining the MIP III/IV intervention for the water sector. At that time, the existing infrastructure was severely inadequate, covering just 10% of daily demand. Kamza received first financial support from a World Bank project in 1999-2000, but this was limited in size. Between 2000 and 2014, additional small-sized investments took place with national and local finances. After repeated requests to AKUK to assist with the system's improvements, Kamza was included in the MIP programme, starting with MIP I/II. The intervention aimed to upgrade water sources (Valias Wellfield, Old Bovilla Spring), introduce SCADA and DMA systems, construct water distribution networks in areas previously not supplied with drinking water, and reduce high NRW. These efforts responded directly to the city's core priorities, though some gaps in project design (e.g., low water reservoir capacity) seem to limit full alignment with Kamza's needs.

Librazhd & Prrenjas

The MIP III/IV programme responded to critical needs in both municipalities: both were suffering from obsolete infrastructure and unreliable water supply, but there were also clear needs to prepare for future demand growth. By targeting obsolete systems and unreliable water supply, it responded directly to pressing local needs. Its design also reflected a strong understanding of the utilities' operational context, including technical losses, low staff capacity, and the absence of monitoring systems, ensuring alignment with the specific challenges faced by the sector.

Lushnja

At the time of designing the MIP III/IV programme, Lushnja utility faced a short daily water supply due to ageing pumping stations, a lack of metering of water consumed and a limited water network in poor condition. The refurbishment of pumping stations and the extension of the network have enabled a major part of the city to be supplied with water 24 hours a day.

Consideration of existing defective but repairable infrastructure and equipment appears to have been somewhat deficient (DMA flowmeters dating from MIPI/II programme and reservoirs in particular). It should be noted that coordination and communication between the municipality, the utility and the various ongoing or successive projects appears to have been a challenge, impacting on the development of the utility's capacities and services (see the NRW chapter for more technical details), which made identifying needs related to existing infrastructures difficult.

Consolidated findings

Under EQ01, the evaluation focused on the judgment of the overall strategic fit of the programme. In addition, the strength of the design, based on real needs of the general population and the vulnerable groups among them, was judged. The Swiss programming documents for MIP III/IV -such as the *Concept Note MIP III/IV Water Supply Albania of October 2013*, the *MIP III/IV Credit Proposal BRSA* and the *Programme Agreement between the Republic of Albania and Swiss Confederation* are fully in line with the Albanian strategies mentioned in section 2.1 above. Their stated objectives (see table below) cater for many of the needs of the Albanian water and wastewater sector and through that, those of the affected population.

MIP III/IV objectives
➢ To increase coverage of quality water supply and sewerage services in the municipalities; ➢ To rehabilitate, improve and extend the water supply and/or sewerage infrastructure in the municipalities; ➢ To strengthen the performance of the utilities including the operation and maintenance of the infrastructure; ➢ To provide targeted utility management coaching; ➢ To develop or update utility business and long-term tariff adjustment plans; ➢ To improve customer relations and customers' awareness with regard to the scarcity and careful use of water resources; ➢ To assess and improve the situation of the protected drinking water resources in the service areas of the utilities.

As far as the individual utilities are concerned, there is clear evidence that by the time of design of the project, the water supply and wastewater hardware was obsolete and strongly dilapidated. The need for investments in system improvements was extensive. Given the lack of appropriate expertise within the utilities (and also the lack of financial funds to hire such expertise), the engagement of an implementation consultant was a logical accompanying measure.

Rating EQ01	**1 = highly satisfactory**

EQ02 - To which extent were the scope and implementation modalities of institutional support appropriate considering the needs of partner utilities?

Consolidated findings

In its endeavours to answer EQ02, the evaluation has focused -among others- on the existence of a needs assessment for institutional support and its appropriate delivery mechanisms, including allowing active participation of the client utilities and its focus on both short-term and long-term results.

The design of the scope and implementation modalities of institutional consultancy was the same for all utilities, although the relevant Terms of Reference correctly point out that *"the consultant must be aware that the utilities have different capacities and, therefore, will require different service types and intensities".* Hence, no separate descriptions are given here for each individual utility. Insofar the implementation of institutional support has shown variations in terms of efficiency and effectiveness for individual utilities, these are described in the relevant chapters.

No real analysis of the needs of these six utilities, individually or collectively, was found. However, KfW has built up extensive experience with the water sector in Albania, which would suggest that ample knowledge of the operational and organisational needs and shortcomings of Albanian water utilities existed at the time of design of the institutional support programme. In addition, the MIP I and II programmes have worked with the utilities Berat-Kuçova, Gjirokastra, Kamza, and Lushnja, so it may be assumed that at least for these utilities, detailed information was available on the needs for further support. There is, in addition, an evaluation report for MIP I/II, but this was completed only in 2022, so could not be used for a needs analysis.

Although the institutional support was not meant to directly facilitate the investments, it was designed to strongly assist the utilities with the implementation of the new assets in terms of organisation, management, financial management, operation and maintenance.

Rating EQ02	**2 = Satisfactory**

Berat-Kuçova

This utility took part in the second phase of the integrity management activity only. Workshops have led to the identification of priority integrity risks (a) non-cooperative customers, (b) theft and vandalism by external people and (c) water losses due to leakages. The corresponding priority integrity tools consisted of communication with debtors, field inspections and lobbying. The latter focused on formalising the utilisation of private wells. Some activities were indeed undertaken, with mixed results. One staff member was appointed "integrity focal point" and a coach was engaged for support. The interviews with staff members in the framework of the current evaluation showed that integrity management is currently not actively pursued.

Delvina

For unknown reasons, Delvina utility has not participated in the integrity management activity.

Gjirokastra

This utility has, as all others, gone through the process of identifying integrity risks and defining tools to mitigate them. The risks that were attributed priority are (1) water losses due to leakages and operational practices; (2) confusing regulatory framework and (3) non-cooperative customers. The related priority tools were (1) citizen and customer participation; (2) field inspections and (3) staff supervision and inspection. From the reports available, it has not become clear how the tools should be used to mitigate the risks, while in general the evaluators are not convinced that these risks and tools relate to integrity management. Perhaps the closest relationship is with the staff supervision and inspection, a procedure in which staff from different departments monitor and inspect their colleagues from other departments.

Staff members involved in integrity management activities were interviewed. The result was a sense of satisfaction that the activities had been useful in identifying risks. However, these activities were carried out during the initial part of the project, before all the new infrastructures, training and tools were in place. For utility staff, it would seem useful for these integrity management activities to be repeated at the end of the project, to better take into account the staff's new working context and any new challenges and risks they are likely to encounter.

Kamza

At the time of implementation of the Integrity Management Activity (Kamza participated in Phase 2), the utility was still a municipal department, preparing itself for transformation into a limited liability company. Although most of the current staff are former municipality employees, they have no recollection of the integrity management activities. The final report on Integrity Management Phase 2 describes the priority integrity risks that were selected as (1) improper reporting; (2) low staff motivation; (3) over-extraction and pollution of water sources and (4) water losses due to inadequate technology. Priority integrity tools to mitigate these risks were selected. They are (1) computerised accounting; (2) job skill training; (3) water safety plan and (4) illegal connection control. Most probably due to the focus on transformation to a limited liability company, it was reported that Kamza has made little progress with the implementation of the tools.

Librazhd-Prrenjas

In Librazhd-Prrenjas, perceived priority risks (as stated in the reports of consultants) were (1) bribery for illegal (re-)connections; (2) non cooperative customers and (3) water losses due to inadequate technology. The related priority tools selected were (1) staff supervision and inspection; (2) public hearings and (3) whistle-blower protection & incentives.

In preparation of the evaluators' mission to Albania, both Librazhd and Prrenjas were asked to gather for a group meeting those staff members that have been working with the NGOs delivering integrity management support. This was not successful; none of the people interviewed in both utilities could reproduce any experiences with the integrity management activity.

Lushnja

Lushnja utility participated in both phases of the Integrity Management activity. During workshops with staff members, three priority integrity risks were identified, namely (1) weak financial management systems; (2) manipulation of meters & meter readings and (3) water losses due to inadequate technology. The chosen priority tools to mitigate these risks were (1) complaints management; (2) illegal connection control and (3) leak detection. The latter can hardly be understood as an integrity-related tool. The first two tools have -according to the reports from the NGOs delivering integrity management support- resulted in some improvements, especially in the field of customer relations.

The staff members who took part in integrity management activities were no longer employed, so they could not be interviewed as part of this evaluation.

Consolidated findings

The approach of the integrity management consultants has been to, jointly, with the staff of the utility,

(a) define the business model of the utility,

(b) identify the risks affecting the success of the business model,

(c) select the most outstanding risks and define the most urgent actions for mitigating them and

(d) produce a road map for these actions.

In theory and if properly executed, this would end up in addressing the most urgent needs of each individual utility. However, in the view of the evaluators, the integrity management pilot has gone off on the wrong footing. By the time the activities started, there was ample information available on the needs of the utilities as perceived by the ToR for the institutional consultant and as tested in the field by this consultant, during his inception phase. Both first phases of the assignments have run in parallel, in the period April - November 2016. Defining a business model from scratch has probably been counter-productive, given the fact that utility staff was at the same time engaged in producing business plans. There is no convincing evidence of coordination with the institutional consultant with the aim to limit the activities to real integrity issues (fraud, theft, nepotism, accountability, etc) instead of on regular operational issues that were already part of the assignment of the institutional consultant.

It is significant that current staff of the utilities has no active memory of integrity management as a separate contributing activity under the MIP III/IV programme.

Rating EQ03	**3 = Unsatisfactory**

EQ04 - To which extent was the design of the performance-based approach (incl. level of ambition in setting targets) adequate considering capacities of the partner utilities and the support provided under MIP III/IV?

Berat-Kuçova

The performance-based approach was well aligned with the capacities of the utilities in Berat and Kuçova, though ambitious in terms of target setting (cost coverage T1 and T2 at 100% including debt). Indicators for Berat were set at a relatively high level, which was justified by the municipality's relatively better institutional maturity and consultant support. The utilities demonstrated strong operational follow-through, particularly in increasing collection efficiency to 93% of billed amounts in 2024 (well above the initial target of 80%) and achieving 98% of current expenditure coverage in 2024. These results indicate that the level of ambition, while high, was realistic and provided the necessary push for utility improvement.

Delvina

Delvina utility had the lowest T1 (55%) and T2 (70%) targets of the 6 cities. This utility did not benefit from the MIP I/II programme and based on the Inception report ITM Phase 2 (CES, 2017), it can be noted that the utility faced significant financial challenges, with routine expenses exceeding customer revenue mainly due to high energy costs from its pumped system, outdated network and pumps, and its small size, which limits efficiency gains.

According to the interviews, following the regionalisation (utility now attached to Saranda regional utility) and since the end of the project, the utility has had very little interaction with AKUK, to whom it simply reports its data. Coupled with maintenance failures (SCADA transmission problems) and the staff's lack of interest in using this type of tool, it appears that the utility has little incentive to maintain or even improve its operating performance. Thus, the level of ambition of the targets was right as an initial push to improve the utility performances, even if the utility is having difficulty maintaining them (see EQ09).

Gjirokastra

Gjirokstra already benefited from the MIP I/II programme. The performance-based approach was well suited to the capacities of the utilities, despite setting ambitious targets. Indicators were intentionally high, reflecting the utility's stronger institutional capacity. The utilities responded effectively, notably surpassing the initial percentage of cost coverage, reaching 107% for T1 and 103% (2018) for T2 (ITM Phase 2 Final Report, CES, 2021). Fluctuations in the cost coverage fraction were observed between 2018 and 2021, mainly due to technical variations in the operation (Inception report ITM Phase 2, CES, 2017) but these values remain within the high range and show a certain resilience in the utility, showing that, while challenging, the targets were achievable and aimed at improving performances.

Kamza

Kamza's performance targets were ambitious given its starting point. Despite moderate financial improvements and increased metering, water losses (64% NRW in 2020) and technical inefficiencies undermined performance indicators. Delays in infrastructure activation (SCADA, DMAs, bulk metering) meant performance-based incentives had little practical traction. Limited utility control over key decisions further reduced the model's effectiveness in this context.

Librazhd & Prrenjas

The performance-based model faced structural obstacles in both municipalities. Librazhd reached high invoice payment rates (98% according to the management), yet still faced rejection of tariff increases due to perceived infrastructure gaps. In Prrenjas, although customer growth and network upgrades were visible, weak financial autonomy prevented full

accountability for performance metrics. In both cases, the lack of penalties or incentives post-T2 target limited sustained institutional motivation.

Lushnja

The setting of T1 and T2 percentages for this utility seemed aligned with their initial capabilities and served as an initial push to improve their operation. The deteriorating performance of UK Lushnja regarding cost coverage between 2018 and 2021 (T2) shows a less resilient utility with still space for improvement. The decreasing performance was mainly due to rising energy costs—driven by increased operations at the Konjati and Çerma wellfields—and to a lesser extent, rising staffing expenses. Additional factors include delayed and lower-than-requested tariff approvals, as well as inefficiencies in revenue collection from expanded service areas (Inception report ITM Phase 2, CES, 2017).

Consolidated findings

The strongest element of the performance based approach is that it sets conditions for the actual funding of investments and investment-related implementation support. Mobilisation of the implementation consultant was made conditional upon the production and internal approval of a business plan and a tariff adjustment plan. It must be noted that few of the six utilities would have reached even this moderate condition if it were not for the extensive support received from the institutional consultant. For each utility, a target (identified as Target T1) was set by the MIP III/IV programme for the percentage of cost coverage (mostly DOC, in rare cases TOC) by income from sales. Attaining this target T1 triggered the start of tendering of works and supplies. The actual contracting of works and supplies was conditional upon target T2, which is approval of a tariff increase proposal by the relevant Municipality and its submission to ERRU, the Albanian Water Regulatory Entity. Target T2 has some inherent weaknesses, e.g. the fact that upon the regionalisation of utilities, municipalities were no longer the authorities in charge and the stipulation that tariff adjustment plans merely had to be submitted to ERRU. Validation or approval of the plan by ERRU was not required.

According to the project design, the start of the works did not mark the end of the performance based approach. A series of side conditions were formulated, two of which were “hard” or “mandatory” criteria (24 hours water supply; regular water quality monitoring) and 7 were “soft” criteria. During the period 2015-2020, the institutional consultant has developed the systems for monitoring these criteria. Currently, it is AKUK who formulates the criteria and runs the monitoring system, with the utilities’ task limited to delivery of data.

A main flaw of the performance based approach once targets T1 and T2 are achieved is the fact that there are no consequences for the utilities when side conditions -even mandatory ones- are not met.

The ITM Phase 2 final report (CES, 2021) already highlighted the nuances and challenges in applying certain side conditions. Specifically, the unexpected Territorial Administrative Reforms rendered some conditions outdated. For example, the integration of rural water systems increased staffing needs due to expanded service areas, which conflicted with the goal of reducing staff numbers. Additionally, the condition on "Expenditures for maintenance and repairs per connection" proved to be difficult to determine accurately.

The programme evaluation suggests reframing some side conditions such as incentive-based measures like performance grants, key areas include improving collection efficiency, with clarity on debt inclusion, and setting precise NRW benchmarks. This should in the ideal situation be part of the bilateral (financing) agreements between Albania and SECO, and between Albania and KfW. Monitoring would then take place by (consultants of) the funding agencies during project implementation, and afterwards for a considerable number of years by the Albanian authorities (AKUK).Administrative councils must be active, not just nominal. Municipal bill payment indicators should go beyond a binary assessment. Tariff hikes need accompanying social measures, and staff reductions should be tied to productivity ratios to safeguard service quality, as reflected in AKUK's 2024 reporting.

Rating EQ04	**2 = Satisfactory**

3.2 EFFECTIVENESS

EQ05 - To which extent were MIP III/IV planned outcomes achieved?

For measuring the achievement of the (adapted) outcomes, the evaluators have used the progress reports of KfW, the reports of the institutional and implementation consultants, and monitoring data obtained from the utility and from AKUK.

Berat-Kuçova

The planned outcomes for Berat-Kucova, to be achieved 3 years after completion, are depicted in Annex 4. Unfortunately, the final report of the implementation consultant does not contain reliable information on planned household connections, while other sources, such as feasibility studies and/or designs, were not available to the evaluators. The investments were completed on 28 February 2022 so the outcomes should have been achieved by March 2025. Since the design of the project, several changes in the investment plans have been introduced, which has affected the outcomes of the project.

The planned outcomes of the MIP III/IV programme were largely achieved. Infrastructural improvements led to 24-hour water supply, reduced technical water losses from 75% to 37% in 2024. Additionally, the installation of measuring systems expanded metering coverage from 66% to near-universal levels. These outputs translated into improved customer trust and financial recovery. The sewerage connection rate in Berat rose to 74% of the urban population. Financial and operational targets, including payment collections and cost recovery, were surpassed, confirming that project objectives were effectively met.

Stakeholder discussions, including feedback from customer groups, confirmed that the project met its service delivery objectives. In particular, the perception of improved water quality and constant availability was cited as a major shift from past conditions. Although some isolated sewage issues remain, the overall effectiveness of the investment was acknowledged. The two-year project duration, delayed slightly due to the pandemic, was still seen as acceptable given the scale of improvements.

The institutional support provided was significantly appropriate for the operational and management needs of the partner utilities. The introduction of new measuring systems, integrity management workshops, and the promotion of performance-based targets were aligned with the utilities' capacity-building requirements. In Berat, 300 clients signed debt repayment agreements following improved customer outreach and the installation of household water meters. The programme also helped introduce structured tariff adjustment procedures through engagement with the Municipal Council and regulatory authorities, even though no tariff increases have been set. These activities reflect a tailored approach to the specific administrative and technical circumstances of both utilities.

Delvina

Outcomes planned for Delvina, to be achieved 3 years after completion, are described in Annex 4. The investments were completed on 25 June 2021, so the outcomes should be achieved by June 2024.

According to the 2024 financial reports shared by the utility during the field visit, several key performance targets were either fully achieved or partially met. The cost coverage reached 94% (including debts repaid by customers), exceeding the target of over 90%, indicating improved financial sustainability. Collection efficiency stood at 66% excluding debt, and 108% including client's debt repayments. While the result with debt exceeds the 85% target, the performance without debt falls short, suggesting room for improvement in revenue collection. NRW dropped significantly from 71% in 2016 to 39% in 2024, meeting the general sector benchmark of staying below 40%. Since the end of the program, the water supply has remained stable at 24 hours a day, in line with the final target of 20 to 24 hours. Regarding infrastructure outcomes, 1 006 new water supply connections were recorded, which is below the final design target of 1 600. However, it is important to note that the entire local population is now served, which suggests the lower number reflects revised needs rather than underperformance.

UK Delvina reported good follow-up by the consultant and good communication throughout the programme. The training on financial aspects was found to be very useful and the tools are still being applied to this day. With regard to technical training, the utility staff was very satisfied. SCADA training appears to have been satisfactory from the staff's point of view. However, this tool is currently not being used to its full potential, due in part to a lack of maintenance on certain data communication installations, and to still underdeveloped staff capacities.

Gjirokastra

Outcomes planned for Gjirokastra, to be achieved 3 years after completion, are described in Annex 4. The investments were completed on 30 June 2022, so the outcomes should be achieved by June 2025. Since the conception of the project, several changes in the investment plans have been introduced, largely with a positive impact on the project outcomes.

Based on the 2024 financial reports shared by the utility during the field visit, several targets were met while others fell short. In terms of cost coverage, the utility achieved 107% (including debts repaid by customers) in the city area, just below the target of 110%, while the regional cost coverage remained lower at 86%, indicating ongoing financial challenges outside the urban area which is coherent with the concerns expressed about the utility staff concerning the challenges met following the regionalisation. Collection efficiency without debts reached 81%, falling short of the >90% target, whereas the figure including debt repayments was 113%, reflecting progress in reducing arrears. Non-revenue water (NRW) was reduced significantly from 68% in 2016 to 35% in 2024, meeting sector benchmarks and showing a marked improvement in operational efficiency. Water supply is now continuous at 24 hours per day, fully aligning with the final design target of 20–24 hours. In terms of infrastructure outcomes, the number of additional water supply connections reached 1 930, surpassing the final design

target of 1 890, leading to full coverage and additional demand fulfilment. However, only 167 additional wastewater connections were achieved, significantly below the target of 410, due to the transfer of work to the water supply infrastructure, in accordance with the utility demands.

These improvements contributed to enhanced customer trust and strengthened the utility's financial position. Improvement in water quality and reliability of the supply were mentioned as significant changes from previous conditions. Despite minor delays linked to the COVID-19 pandemic and the reduction of the scope allocated to wastewater, the investment was broadly recognised as effective.

UK Gjirokastra reported good follow-up by the consultant throughout the programme. The training on financial aspects was found to be very useful and the tools are still being applied to this day. SCADA training was comprehensive and useful. With regard to technical training, the utility would have liked to see a more hands-on approach. But overall, the utility is very satisfied with the support received, including also activities related to integrity management.

Kamza

Outcomes planned for Kamza, to be achieved 3 years after completion, are described in Annex 4. The investments were completed on 17 January 2022, so the outcomes should have been achieved by January 2025. Since the design of the project, several changes in the investment plans have been introduced, the most important being a shift of focus to water supply. Water supply remains low in Kamza with 4 to 6h/day mainly due to inadequate infrastructure (lack of storage reservoir). The components for wastewater treatment and sludge disposal were abandoned. This is justified by the findings in the Feasibility Study. Unfortunately, new outcome targets were not available to the evaluators.

The programme delivered infrastructure upgrades (new transmission lines, Valias Spring rehab, SCADA integration), increased metering (75% by 2020), and constructed a new utility HQ. However, service reliability and self-sufficiency remain low. Kamza still purchases most of its water to Tirana UK, technical losses are high (estimated at 67%), and only 3.6 million m^3 out of 11 million are billed. Institutional metering reforms were initiated in 2025, but the overall system impact remains modest relative to needs.

Institutional support partially addressed utility needs. The ITM component supported data collection, NRW training, and preliminary business planning. However, UK Kamza reported weak follow-up from consultants (e.g., SEC), insufficient staff training, and centralized decision-making that excluded local actors. Institutional progress was limited by missing infrastructure (bulk meters, operational DMAs) and underutilized digital tools. Staff capacity remains underdeveloped, particularly in NRW management.

Librazhd & Prrenjas

Outcomes planned for Librazhd, to be achieved 3 years after completion, are described in Annex 4. The investments were completed on 5 September 2021, so the outcomes should have been achieved by September 2024. Unfortunately, the final report of the implementation

consultant does not contain reliable information on planned household connections for both water supply and sewerage, while other sources, such as feasibility studies and/or designs, were not available to the evaluators According to the final report of the implementation consultant, the foreseen water supply project in Prrenjas was cancelled in favour of the other projects. This information is at odds with the findings during the visit to Prrenjas, where investments in water supply were confirmed by the management of Prrenjas utility. The evaluators assume that the current management of the Prrenjas unit have actually referred to investments under earlier MIP projects. Since the conception of the project, several changes in the investment outputs to be delivered have been introduced, which has impacted the outcomes of the project. They concern mainly additional sewage works in Librazhd.

Librazhd achieved major objectives: full urban network rehabilitation, reduction of service interruptions to once a month, and doubling of subscribers. Technical losses reportedly dropped below 20% with SCADA. Prrenjas completed infrastructure upgrades and extended services to three villages, while maintaining a growing customer base. Again, this most probably pertains to the results of an earlier MIP investment. However, both municipalities still face issues: underutilized SCADA, limited rural coverage, and incomplete DMA monitoring reduce long-term effectiveness.

Institutional support focused on integrity training, NRW reduction planning, and customer metering, all of which were highly needed. However, both utilities reported limited impact due to challenges in staff training, turnover, and unclear responsibilities. In Librazhd, despite integrity training and SCADA implementation, staff confusion and stagnant training levels limited outcomes. In Prrenjas, the lack of financial autonomy and dependency on regional directorates for salaries and maintenance hindered effective use of institutional tools.

Lushnja

Outcomes planned for Lushnja, to be achieved 3 years after completion, are described in Annex 4. The investments were completed on 25 May 2021, so the outcomes should have been achieved by May 2024. Since the conception of the project, several relatively small changes in the investment plans were introduced, which has helped achieve the project outcomes.

According to AKUK 2024 reporting, several targets were only partially met, while others remain significantly below expectations. Direct cost coverage reached just 40% (probably without debts repaid by customers), well below the target of over 90%, highlighting serious financial sustainability concerns. Collection efficiency without debts repayment figures reached 71% in 2024, below the target of over 80%. On a more positive note, water supply is now continuous at 24 hours per day, fully meeting the final design target and representing a significant achievement in service delivery. Non-revenue water (NRW) was reduced from 78% in 2016 to 54% in 2024, marking notable improvement, though the level remains high by sector standards and continues to indicate substantial water losses. Regarding infrastructure outcomes, 1 700 additional water supply connections were installed—falling short of the final design target of 2 428. However, the entire population covered by the programme is now served, which suggests

the lower number reflects revised needs rather than underperformance. Overall, while operational improvements are evident, financial goals remain unmet. Note: The 2024 reports shared by the utility during the field visit showed values significantly different from those of AKUK's reporting for the year 2024. The latter was chosen as the source of values for the city of Lushnja.

Consolidated findings

Under EQ05 (achievement of outcomes), the evaluation focused on ascertaining the technical investments in water and wastewater infrastructure, against the background of the original plans. A similar exercise took place with regard to the changes, positive or negative, in the operational, managerial and organisational quality of the utilities as a result of the technical assistance provided under the MIP III/IV programme.
Nevertheless, the main yardstick for the evaluation has been the comparison of realised outcomes with those that were planned at the beginning. Annex 4 provides a comprehensive overview of the planned outcomes. For the purpose of the evaluation, the November 2013 logical framework matrices of KfW were used, in some cases supplemented with data from the feasibility studies and/or technical designs. The latter was necessary since at the time of producing the LFMs, it was not yet possible to define the target values.

The item „water supply hours“ is deemed by the evaluators an outcome rather than an output of the project, since its achievement depends on the delivery of other outputs.

In order to ascertain whether expected outcomes were changed in the course of the project, the January 2014 KfW logical framework matrices were studied. No changes were found, while other data (reports, field visits) point at sometimes drastic adaptations, for instance shifts from water supply investments to wastewater investments, or vice versa. In the opinion of the evaluators, in line with general theory, the LFM should be a “living” document, continuously taking adaptations in the project content and environment into account.

Note: the NRW values were calculated as 100% minus the division of the total volume billed by the total volume of water produced.

Rating EQ05	**2 = Satisfactory**

3.3 EFFICIENCY

EQ06 - To which extent were technical outputs satisfactory considering the size of MIP III/IV budgets?

Berat-Kuçova

Technical outputs in Berat and Kuçova were satisfactory and aligned with the scale of investments made in the amount of €10.65 million. With €4.58 million directed toward sanitation in Berat alone, the construction of a new network, improved water meters, and widespread rehabilitation of existing infrastructure were completed efficiently. Field visits and stakeholder validation confirmed the visible and measurable outputs achieved within the allocated budgets. Both municipalities demonstrated effective use of funds to address critical service gaps in water and wastewater infrastructure.

Delvina

The technical outputs in Delvina were satisfactory and aligned with the scale of the €2.015 million investment (including variation orders). The investment supported the efficient implementation of key works, including the extension and renewal of the water supply network, installation of advanced water meters, construction of a new pumping station and reservoirs and new spring catchment.

Riser replacements in multi-floor buildings were added as variation order works due to the poor condition of existing installations, and it was deemed effective to include this within the project scope. Additional works were also necessary for the new Vriz Spring, where geotechnical challenges at the catchment area required extra piling and foundation works to ensure structural stability. These changes and the COVID period have caused some delays, but the utility agreed to a mutual settlement with the contractor, with no claims or financial obligations from either party.

Gjirokastra

The technical outputs in Gjirokastra were satisfactory and proportional to the investment level. With €8 million allocated (including variation orders), it covered the extension/renewal of the water supply network and a small part of the wastewater network, installation of improved water meters, new pumping station and wells, new utility building and extensive rehabilitation of existing reservoirs, were carried out efficiently. Field visits and the utility staff's feedback confirmed that the results were both visible and measurable, demonstrating the utility's effective use of funds to address key gaps in water supply and improve the wastewater network.

Additional works were added to the contract through variation orders, including upgrades to pipelines, reservoirs, and power supply systems, as well as structural improvements like riser columns and road crossings. Two key components—the administrative building and two reservoirs—required full reconstruction instead of initially planned minor works, following issues discovered during pre-construction assessments. This has led to a reduction in the amount of work initially dedicated to the upgrade of the wastewater network. This modification was made in consultation with the utility and with their agreement concerning these crucial elements of improvement for the water supply service. These changes and the COVID period have caused some delays, but the utility agreed to a mutual settlement with the contractor, with no claims or financial obligations from either party.

Kamza

Infrastructure investments totalling over €9.5 million modernized key assets, but technical efficiency gains are mixed. SCADA and DMA systems were deployed but remained partially non-operational as of 2021. Water losses stayed high (64% in 2020), indicating delayed impact. Procurement delays (e.g., pumps at Valias) and weak preventive maintenance further affected operational outcomes. During the interviews, Kamza management expressed their dissatisfaction with the fact that Kamza utility was not given the opportunity to decide on the selection of what to include in the design.

Librazhd & Prrenjas

Investments delivered strong visible outputs for the resources deployed. Librazhd's infrastructure overhaul, combined with SCADA and DMA construction (albeit underutilized), was effective. With €6.5 million allocated (including variation orders) for both cities, the initial budget was slightly exceeded due mainly to amendments for the construction of new sewerage network. However, the delay in DMA operationalization in Librazhd and continued manual metering in Prrenjas reduce overall efficiency gains.

The interview with Librazhd management showed that the incorporation of the utility as a sub-unit into the greater Elbasan utility has brought about several changes, which are not always perceived as positive. It was mentioned that after the merger with Elbasan, no new investments in the Librazhd territory were initiated. The MIP III/IV intervention is regarded as very positive, and was executed efficiently. Water quality has increased, water losses drastically reduced and there are practically no remaining illegal connections. The 45 staff of Librazhd provide water and wastewater services to a population of 38.000 souls. Ostensibly, their salaries were reduced after the merger. Considerable additional investment in water distribution and wastewater networks are still required, in order to connect customers in the periphery of Librazhd town and those in outlying villages. Additional investment is required in a wastewater treatment plant.

The interview with Prrenjas management shows satisfaction with the new infrastructure. An earlier MIP programme funded a main pipeline from the spring Kurzela, which has replaced an

energy-consuming pumping station by gravity. The utility is now a subunit of the greater Pogradec utility. Before the merger -and before the extension of the network through MIP III/IV investments- Prrenjas had 7 staff; now, the number is 50 which is mainly caused by the growth in their distribution network. Surprisingly and contrary to the Librazhd experience, the salaries of Prrenjas staff were raised after the merger. According to management, Prrenjas is profitable.

Both Librazhd and Prrenjas confirm that in administrative terms, they have merely a monitoring function and deliver their monthly data to the regional utility company.

Lushnja

Infrastructure investments of €4.23 million (including variation orders) upgraded key assets, yet technical efficiency improvements were inconsistent. While SCADA systems were installed, it remained partly non-functional as noted during the spring 2025 field visit (SCADA includes non-working equipment, and can't be edited to add new equipment). Water losses remained high at 69% in 2021, with questionable means of measurement, given that none of the DMA flow meters are working properly. Additional works were added to the contract through variation orders, to address specific additional requests from UK Lushnja, including bridge crossings, pump installation at Virova, and minor infrastructure improvements and the upgrading of the outdated equipment at Konjati Pump Station (pumps and electrical panels) to enhance supply security. These changes and the COVID period have caused some delays, but the utility agreed to a mutual settlement with the contractor, with no claims or financial obligations from either party.

In addition, the tools provided did not enable the SCADA system to be updated, leading to disparities in information gathering and operation (one part in manual operation and the other in automatic).

Consolidated findings

The evaluation finds that, overall, the MIP III/IV programme delivered technically satisfactory outputs that were broadly aligned with the scale of investments. Most infrastructure components—including water supply extensions, network rehabilitations, metering systems, and ancillary facilities—were completed as planned and within budget envelopes, with additional works handled efficiently through variation orders when needed.

Timeliness was generally acceptable, with most delays linked to external factors such as longer than expected approval processes at the national level, COVID-19 or unforeseen technical issues. Importantly, these were often resolved through mutual settlements between utilities and contractors, avoiding additional financial claims or disputes.

Efficiency was strongest where technical planning was matched by effective project execution and adaptation to local conditions. However, some systemic challenges—such as the partial functionality of SCADA and DMA systems, persistently high non-revenue water levels, and

shortcomings in preventive maintenance—limited the long-term operational gains of the infrastructure investments.

While infrastructure outputs were mostly visible and measurable, post-construction performance was variable, underlining the importance of integrating technical solutions with optimal preparation and institutional capacity. The efficiency of implementation was also greater in areas where utilities were more involved in project planning and where investments addressed clearly prioritized needs.

Overall, the MIP III/IV programme demonstrated good technical efficiency relative to its budgetary scope, though sustainability of these gains will depend on ongoing efforts to strengthen system operations, monitoring, and maintenance practices.

Rating EQ06	**2 = Satisfactory**

EQ07 - To which extent were the outputs of institutional support and implementation assistance satisfactory considering the size of MIP III/IV budgets?

Berat-Kuçova

Where institutional support is concerned, both utilities confirm that they have benefited from workshops, tariff planning, business planning, construction of a performance monitoring system and client engagement strategies. Representatives of the municipalities present during the interviews were actively engaged in the work with the consultants. In Berat, the utility's ability to cover operational costs and meet its debt obligations — including those to KfW — signifies enhanced institutional capacity. Institutional assistance also supported regional integration of the utilities and enabled better internal coordination. These results point to a strong cost-benefit balance in institutional capacity-building activities.

Implementation support was highly valued by the utilities. Experts were almost daily available during preparation and implementation of the investments. Both utilities are of the opinion that without the hands-on support from implementation experts, the project would have taken much more time to be realised.

Delvina

The staff utility expressed their satisfaction about the support they have received regarding financial control, construction supervision, and capacity-building through practical oversight. Key performance indicators now include revenue collection, operational efficiency, and NRW reduction, with monthly reports used to monitor leaks and support financial oversight. On the

financial management aspect of the project, one noted gap was the lack of a dedicated investment specialist to help the utility to monitor project expenses and improvements throughout implementation; external financial oversight began only after project completion, which was seen as too late. The utility staff found the technical and SCADA-related training to be comprehensive and satisfactory. However, in view of the operating mode observed during the visits, it seems that understanding and use of SCADA is low, mainly due to a lack of interest in the tool and knowledge of the benefits it can provide, particularly for performance reporting. At present, all flow-type readings are still only taken manually, and some SCADA communication elements are faulty and repairing them does not seem to be a priority.

Gjirokastra

The institutional support provided during the project was considered comprehensive and effective by the utility staff. Technical training was delivered in key areas such as SCADA and technical systems including pressure, valves, and pumps. Over the project duration, the institutional support included financial experts supporting the utility, with monthly on-site visits and continuous remote contact leading to the introduction of Excel-based business planning and financial analysis tools, which were co-developed with the utility and are still in use. Adjustments were later made based on input from AKUK and ERRU. Overall, the technical training and financial reporting tools and methodology have significantly improved staff efficiency and management capacity, resulting in a better-qualified team and streamlined internal processes.

Kamza

The efficiency of institutional support was limited by structural issues. Business planning and reporting systems lacked consultant follow-through. No major staff training occurred post-implementation, and knowledge retention was poor. While metering and digital infrastructure improved technical monitoring, the absence of systematic training or decentralized capacity prevented full institutional benefits.

Interviews show that implementation support, on the contrary, was highly valued, although the utility would have preferred a greater influence on the design process. Their argument is that they are best informed on the needs of their municipality and therefore, can better define design priorities. Yet, Kamza management praises the quality and clarity of the design documents.

Librazhd & Prrenjas

The management and staff members who participated in the interviews have only joined the utilities after the MIP III/IV project was completed. They have very little knowledge of the details of the institutional and implementation consultancy and expressed the opinion that they could have managed the investment projects just as well without external support. For any know-

how and system development, as well as financial management, the managers of both utilities heavily rely on the regional utilities Elbasan resp. Pogradec. It is assumed by the evaluators that most outputs of institutional and implementation consultancy have ended up with these regional utilities.

Lushnja

The staff members present at the start of the MIP III/IV programme are no longer with the utility. Only two members of the current staff joined the utility during the course of the programme. It appears that training for SCADA implementation was inadequate, and did not provide sufficient understanding of the system for employees to be fully autonomous. Technical training for daily operation has met employees' needs and helped them develop their capabilities.

Institutional progress, particularly in NRW management, was limited by non-functional infrastructures (flow meters of the new distribution line and DMA flowmeters), underutilized digital tools, and underdeveloped staff capacity. Institutional support has enabled the utility to improve the organization and performance of their billing process.

Consolidated findings

Under EQ07, the evaluation focused on the judgment of the completeness, quality and timeliness of the institutional and implementation consultancy, including the satisfaction of the utilities with the services delivered. The evaluators have also tried to establish whether the technical assistance succeeded in involving adequate numbers of management and staff members, and whether any lasting effects are likely.

The November 2013 LFMs of KfW list the desired outputs, but lack specifics. Some details can be found in other documents, among which notably the ToR for and the reports delivered by the Institutional Consultant. As far as the Implementation Consultancy is concerned, the evaluators are only in the possession of the final (project completion) reports.

The institutional consultant CES has produced almost all deliverables requested by the ToR, and some additional ones. Some activities earmarked by the ToR for the second phase were already started in Phase 1. One service requested by the ToR cannot be traced back in the CES reports, namely the coordination of activities with the integrity management pilot. In addition, there is no firm evidence that training needs analysis and especially the implementation of training for AKUK has taken place. The documents leave some uncertainty about training for utility staff: it is not clearly defined as a requested deliverable and there is insufficient evidence of training sessions actually carried out.

There is limited information available on the originally planned timelines for the MIP III/IV. The “Minutes of meeting on the overall programme structure” of November 2013 give some indications, namely that production of feasibility studies and activities of the institutional

consultant (Phase 1 of the programme) would have to start in the fourth quarter of 2013 and be completed by the first quarter of 2016. The actual start was in April 2016 for institutional consultancy (delay of around 2,5 years), and June/July 2016 for implementation consultancy (delay of almost three years). Subsequent contracts with both consultants were also postponed as a result of this late start. The main cause of these delays seems to be lengthy formalities at the Albanian side leading up to the signing of the loan and financing agreements with KfW and SECO, which was foreseen to take place before the end of 2014. Timelines were slightly adapted in the course of the project, as a result of requested adaptations in designs requested by some of the utilities, and due to constraints caused by the COVID pandemic. By and large, once these delays were processed, the institutional consultant as well as the implementation consultants delivered their outputs on time.

Overall, the outputs of implementation and institutional consultants are positively valued by the utilities, while AKUK has not provided any judgment. The activities have been executed with sufficient flexibility, adequately reacting to developments in the field. Both the institutional consultant and the implementation consultants have invested sufficient time and quality given the complexity of their assignments. For the utilities, it was a challenge to pair the external experts with sufficient personnel of adequate experience and quality, but overall they have succeeded. The evaluators did not obtain information on collaboration of AKUK staff with the consultants.

Rating EQ07	**2 = Satisfactory**

3.4 IMPACT

EQ08 - How did water supply and wastewater infrastructure improvements benefit citizens living in cities served by partner utilities, including businesses and vulnerable groups, if at all?

Berat-Kuçova

The intervention significantly improved quality of life and service reliability for citizens in Berat and Kuçova. Continuous 24-hour water supply and modernized sewage systems reduced public health risks and service interruptions. Clean water availability prompted improved payment behaviour, suggesting customer satisfaction and trust. Vulnerable groups benefited from more equitable access to essential services, and local businesses gained from

uninterrupted supply and improved sanitation. The visible infrastructure changes also instilled civic pride and highlighted the value of public investment.

The intervention also sparked social benefits, including reduced neighbourhood tensions previously caused by sewage issues dating back to the 1950s. Some residents noted improved harmony in local communities as a result of cleaner environments. The promise of future recreational use of the Osum River, contingent on further wastewater treatment, was viewed as a transformative potential of the intervention, increasing both livability and economic opportunity.

Delvina

Water supply is reliable and continuous, with 24/7 service, since the completion of the MIP III/IV project. 100% of the population within the MIP III/IV area is equipped with individual flow meters.

The utility maintains a clear overview of its client base. However, there is currently no special tariff in place for low-income families. The idea is under consideration. Some households expressed dissatisfaction with the introduction of flow meters and the associated financial implications. However, residents generally viewed the change positively, as it improved billing fairness and water quality and service, which led to acceptance of the increased rates for users. Customer satisfaction is monitored through a long-standing complaint tracking system in place for over 20 years. Currently, the utility receives 3 to 4 complaints per month related to the MIP III/IV project area, reflecting a clear improvement from the high number of complaints before the project.

Water quality monitoring is conducted regularly and thoroughly. The new concrete reservoir and the protected spring area have eliminated past quality issues. Bacteriological tests and physico-chemical analyses are carried out by institutional bodies, as the municipality does not have its own laboratory. Chlorine levels are checked daily in several points to ensure correct dosing.

Gjirokastra

Thanks to the MIP III/IV programme, 100% of the municipal population is equipped with flow meters and has 24h water supply. Residents can contact the utility 24/7 by phone, submit requests online, or visit one of the three customer service offices. After the project, the number of complaints significantly decreased.

Water quality is regularly monitored: the utility performs frequent water analyses at multiple points across both the production sites and the network. The Hos spring shows no issues, while the Tranoshisht karstic spring occasionally presents turbidity. As a result, the utility is trying to rely more on the Hos spring.

Regarding affordability, there is a dedicated programme for low-income families, initiated by the government through AKUK. Since March 2024, a subsidy covering 5 m³/month has been provided for low income families. The programme lasted until December 2024. Continuation beyond that will depend on AKUK. Approximately 500 families across the Gjirokastër district benefit from this program, including 138 families within Gjirokastër city.

Kamza

Despite improved infrastructure, citizens experience limited benefits. Only 33% of produced water reaches consumers. Service hours are inconsistent, and water quality concerns persist due to filtration gaps. Vulnerable populations and institutions (e.g., religious bodies) often fail to pay or are not metered. Kamza management reports positive reactions from the population on (the quality of) water supply. Ironically, they claim that vulnerable groups are well off since they have the opportunity to utilise drinking water illegally. Efforts in 2025 to meter 60 institutions are expected to boost equity and revenue, but gaps in enforcement and reliability affect public satisfaction. The efforts announced by the management in 2025 should be closely monitored to assess whether they have led to tangible improvements in metering and billing performance.

Librazhd & Prrenjas

Citizens in both areas experienced improved access and reliability. In Librazhd, service quality has improved substantially for 20,000 people. In Prrenjas, consistent water supply to growing populations in remote villages was achieved. However, lack of sewage coverage, weak water quality monitoring, and manual metering remain. Additional investments are needed in wastewater infrastructure and rural areas.

Lushnja

Billing was very poor before the project but has improved significantly, just like the water supply which has also improved and is now 24 hours a day. Customer satisfaction can be expressed either through the utility's website or in person at their office. Since the project was completed, the number of complaints has decreased noticeably.

Concerning tariffs, under a government program managed by AKUK, a subsidy covering 5 m³ per month for low-income households was introduced last year and is still ongoing. The number of families benefiting from this support varies monthly but remains below 1% of the municipality's population.

Water quality is closely monitored. The utility conducts daily physico-chemical analyses and monthly bacteriological tests in their own laboratory, while the public health institution performs similar testing at the same frequency, allowing results to be compared. Daily samples are taken from wells, reservoirs, and various points in the distribution network for chlorine measurement. No major water quality issues have been reported. However, from the interview, it was

mentioned by the utility staff that some red deposits have been observed in areas with MIP III/IV-installed HDPE pipes (eastern part of the city), subject of some complaints from residents. These deposits are not present in water from the wells or reservoirs. While the overall water quality is acceptable, there are challenges related to lack of preventive maintenance and high hardness and ammonia levels in well water. Six wells are located in an area used for livestock farming, and despite repeated requests from the utility to relocate the farms in order to protect water quality, no action has been taken by the municipality.

Consolidated findings

The MIP III/IV programme significantly enhanced access to reliable and safe water supply across most partner cities, with broad benefits for citizens, including vulnerable groups and businesses. In cities like Berat, Kuçova, Delvina, Gjirokastra, Librazhd, and Lushnja, 24/7 water supply became a reality, complemented by improved service quality, reduced complaints, and heightened customer satisfaction. The introduction of individual metering fostered billing fairness and improved utility oversight, though affordability concerns persist, especially where subsidy schemes are absent or temporary. Vulnerable groups gained more equitable access in locations where social support mechanisms, such as AKUK subsidies, were introduced. Local businesses benefited from reliable supply and improved sanitation, supporting economic activity. However, some weaknesses remain in places like Kamza and Prrenjas, where low coverage, and poor metering practices limit impact. Despite these gaps, the programme catalyzed civic pride, cleaner environments, and, in some areas, improved social cohesion, reflecting substantial social and environmental gains beyond infrastructure alone.

It should be noted that in all locations where 24/7 supply has not been achieved, the risk of water quality deterioration within the network is increased. Discontinuous supply leads to water stagnation in the pipes, increasing the potential for contamination and compromising the safety and reliability of service.

Rating EQ08	**2 = Satisfactory**

3.5 SUSTAINABILITY

EQ09 - To which extent was the design of the performance-based approach suitable to foster sustainable improvements in the quality of water supply and wastewater management services? And how were aspects of energy efficiency / climate mitigation and climate resilience taken into consideration in the planning and realization of infrastructure investments, if at all?

Berat-Kuçova

The performance-based approach in Berat and Kuçova appears sustainable. It encouraged utility accountability and motivated service improvements that now enable the Berat utility to cover operational expenses and repay its KfW-related loans. Zero outstanding debts and continued client engagement activities (e.g., repayment agreements) suggest that the institutional and financial reforms introduced under the programme are likely to be sustained. The presence of a risk management plan developed during integrity workshops also supports long-term operational resilience.

While energy efficiency and climate resilience were not the central focus of the intervention, some aspects were indirectly addressed. The reduction of technical water losses from 75% to 47% in Berat contributes to energy savings in water pumping and distribution. The modernization of network infrastructure may offer long-term climate benefits through more technical staff, the lack of interest in digitizing certain monitoring processes due to sub-optimal use of SCADA and a lack of maintenance, the apparent lack of exchanges and efficient service delivery. However, explicit climate-focused measures such as solar integration, or green infrastructure were not reported during the evaluation. Efforts to enhance solar water heating, supported by subsidies, showed alignment with national sustainability goals.

Delvina

The sustainability of the technical and institutional assets inherited from the MIP III/IV programme remains fragile due to several factors: the lack of redundancy of skills for the solicitations/incentives from AKUK since the end of the programme and following regionalization under Saranda's utility.

The project has not significantly changed Delvina Utility's approach to climate change or disaster preparedness. Until now no major variation in water production has been observed at the springs even during the dry season, and these issues are not currently seen as pressing concerns. The utility currently doesn't use the full volume from the source, even during summer months.

The project led to substantial improvements in efficiency, with network water losses reduced from 71% before the intervention to 39% after completion. Currently, 100% of the population is equipped with individual flow meters.

Gjirokastra

The Gjirokastra utility staff demonstrate solid technical and institutional skills, which are reassuring in terms of the sustainability of the programme's achievements. Staff turnover is apparently low, even if salaries are not attractive, which makes it difficult to recruit new qualified staff to meet the growing needs arising from regionalization. As far as technical skills are concerned, staff and management are showing a real interest in digital tools and performance monitoring and maintenance: namely, the use of autocad by 5 technical staff to monitor and maintain the network and performance control via SCADA. Note the lack of redundancy in SCADA management, for which only one person has the operational skills, should this person be unavailable, there is no back-up option to ensure responsiveness via SCADA in the event of problems.

In the context of the recent regionalization of utilities, the significant improvement in the situation in the city of Gjirokastra enables the utility to devote more time and resources to the villages now included in this regional utility.

The investments led to energy savings for Gjirokastra Utility, particularly at the Buduk pumping station, where new pumps and better water management—enabled by flow meters—helped reduce consumption. In the past, especially during summer, water consumption was excessively high, but this has now been brought under control thanks to flow metering.

While climate resilience was not the central focus of the intervention, some aspects were indirectly addressed, noting that the intervention did strengthen water security. Pumping stations are not used at full capacity, allowing some operational flexibility. Last year, Buduk wells were used only a few times, during the summer, highlighting their role as backup systems that provide a good margin of water capacity. While the Hos spring's full capacity is not used in winter, in summer, demand increases while the capacity of the source can reach a decrease of 30% in very dry periods, this is where the backup of the Buduk wells comes into play.

Kamza

Sustainability is uncertain, although Kamza's management maintains that the utility registers positive financial results for two years in a row, despite the fact that water supply is markedly below 24 hours a day. The SCADA system, if fully activated, offers long-term efficiency potential. However, the primary bulk meter remains out of order, DMAs were not operational as of 2023, and NRW tracking lacks institutional commitment. The apparent increase in NRW post-2017 reflects improved data accuracy rather than worsening performance, but actual loss reduction remains elusive. Sustainability requires institutional reforms, preventive maintenance, and cultural shifts around accountability.

Energy efficiency was not a project focus, though SCADA integration offers potential in leak detection and pumping optimization. Climate resilience remains weak due to overreliance on purchased water, lack of local reservoir storage, and unmonitored spring abstraction. No adaptation or sustainability measures were included in infrastructure design or monitoring. It was mentioned during the interviews that in 2021 Kamza started the (preparations for) procurement of a major investment in a sewerage plan, ostensibly to be funded under MIP V. This effort failed when planning authorities rejected the location for the wastewater treatment plant near the airport. As an alternative, Kamza requested for funding of the -in their opinion- dysfunctional main pipeline to the water source Bovilla. This would have made the utility independent of supply from the Tirana utility. This funding request was rejected, too, since according to AKUK, the relevant investment had already been financed nationally.

Librazhd & Prrenjas

Sustainability is threatened by limited institutional capacity and financial control. Librazhd's NRW decreased from 77% (2016) to 52% (2020), but unreliable data, staff turnover, and incomplete DMA use raise concerns. Prrenjas has low reported technical losses (under 5%), but figures are disputed and manually recorded. Neither system has fully integrated NRW reduction into long-term management. Sustainability hinges on finalizing DMA implementation, training, and improving monitoring.

Energy and climate elements were not a central focus. However, the gravity-fed systems in both cities reduce energy dependency. SCADA, where used, could support future efficiency but is currently underutilized. No explicit climate adaptation strategies were noted in design or monitoring processes.

Lushnja

Sustainability is at risk due to limited institutional capacity and weak financial oversight. Although Lushnja's NRW dropped from 78% in 2016 to 54% in 2024, persistent issues such as unreliable data, high staff turnover, and incomplete implementation of DMAs meters remain cause for concern.

The investments led to energy savings for Lushnja Utility, particularly at the Konjati pumping station, where new pumps and better water management—enabled by flow meters—helped reduce consumption.

The project has contributed to improving Lushnja Utility's preparedness for climate-related challenges, though significant concerns remain. The water level in the six wells has decreased by about 10 meters since 2007. This indicates that water consumption exceeds the natural recharge rate of the wells, raising concerns about the long-term sustainability of this water source. The upgrade of the pumps at the Konjati station has improved energy efficiency. However, the management and protection of water sources remain a concern. As previously mentioned, ammonia contamination from nearby livestock farms poses a serious risk to the long-term viability of these wells, which in turn threatens the security of water supply for the population.

Consolidated findings

The sustainability of benefits from the MIP III/IV programme is mixed and varies across utilities. Where infrastructure interventions were substantial (e.g., Berat-Kuçova, Gjirokastra), the operational and financial gains are likely to last, particularly where utilities reached operational cost recovery and implemented business plans. However, staff turnover, insufficient institutional memory, underutilization of SCADA and DMA systems, and gaps in preventive maintenance planning compromise long-term sustainability.

A critical shortfall in the programme's sustainability design was the weak enforcement and follow-up of side conditions post-construction. The absence of structured incentives or penalties for maintaining key performance indicators resulted in a loss of momentum. Additionally, climate resilience and energy efficiency were not systematically addressed during the planning or implementation phases, although some energy-saving outcomes (e.g., reductions in technical losses) were achieved indirectly.

The regionalisation process further complicated sustainability. In many cases, new regional utilities lacked clear ownership of the MIP legacy, and AKUK's role in facilitating the transition and continuity of benefits remained passive.

Furthermore, the lack of preventive maintenance plans across all UK represents a critical weakness for long-term sustainability. No such plans were delivered by contractors, nor were they subsequently developed by utility staff. This gap leaves infrastructure vulnerable to accelerated wear and reduces the effectiveness of the investments made under the programme.

Rating EQ09	**3 = Unsatisfactory**

4 SPECIFIC ISSUES

4.1 NON-REVENUE WATER

Berat-Kuçova

Non-revenue water (NRW) was a major issue prior to the MIP III/IV intervention, with technical losses as high as 84% in Berat in 2016. Through network rehabilitation, new household connections, and widespread installation of water meters, losses were reduced to 37% in 2024, showing substantial progress. The implementation of district metering and improved monitoring contributed to more accurate water accounting and service provision. These results reflect a significant step toward utility financial viability and operational efficiency.

Delvina

A significant reduction in non-revenue water (NRW) was achieved, decreasing from 71% in 2016 to 39% in 2024, largely due to the construction of a new network and the removal of illegal connections. District Metered Areas (DMA) 1 and 2 were included in the project and benefited from substantial investment, while DMA 3—being more rural—received limited network renewal, which may explain persistent water losses in that area. Additionally, NRW figures have become more accurate thanks to the implementation and ongoing use of financial and monitoring tools introduced during the programme.

Gjirokastra

Between 2016 and 2024, non-revenue water (NRW) was significantly reduced from 68% to 35%, reflecting substantial improvements in network control and management. A key factor in this reduction was the elimination of illegal connections, particularly prevalent during the summer months. The utility also focused on repairing leakages and ensuring proper meter checks, both of which contributed to improved accuracy and reduced losses. Although DMA flowmeters are integrated into the SCADA system, issues persist at the boundaries where customers are shared between DMAs, complicating precise analysis. Furthermore, while historical data from before 2023 (pre-regionalisation) is available, the current workload has increased substantially, and an additional engineer is needed to properly process and analyse NRW based on DMA's measurements. Overall, progress is clear, though some technical and staffing challenges remain.

Kamza

In Kamza, the issue of Non-Revenue Water (NRW) remains a significant challenge despite substantial infrastructure investments under the MIP III/IV programme. Between 2017 and 2020, reported NRW levels increased from 48% to 64%. However, this rise is not solely indicative of worsening network performance; rather, it reflects the shift from flat-rate billing to more accurate customer metering, which exposed previously unaccounted-for losses. In 2024, only 3.6 million cubic meters out of 11 million produced were billed, leaving approximately 8

million cubic meters as unaccounted-for losses. NRW remains at a high level of 67%. Real losses constituted the majority—around two-thirds—primarily due to leaks and outdated infrastructure, while the remainder was attributed to apparent losses, including underreported illegal connections and unmetered use. A significant contributor to the ongoing challenge is the lack of functional bulk water meters at critical production sources, which has led to reliance on estimations rather than verified supply data. Although SCADA and District Metering Areas (DMAs) were installed, they were not fully operational by 2024, limiting the utility's ability to monitor and localize losses effectively. The absence of comprehensive monitoring systems, combined with institutional gaps in enforcement, training, and accountability, continues to undermine progress. By 2025, Kamza had begun installing meters in institutional users and making partial use of SCADA, but a coordinated strategy and enhanced technical and managerial capacity remain essential to achieving meaningful and sustained NRW reduction.

Librazhd & Prrenjas

Librazhd's NRW reduced from 77% (2016) to 52% (2020), but monitoring issues (no BWMs, DMA delays) cast doubt on data reliability. In 2020, Librazhd City alone had 62% NRW, with a high Infrastructure Leakage Index (ILI = 5). Prrenjas reports losses below 5%, but lacks bulk metering, and readings are manual. Both cities need operational DMA systems, functional BWMs, improved metering practices, and institutional focus to manage NRW sustainably.

Lushnja

Between 2016 and 2024, NRW was reduced from 78% to 54%, indicating some progress, though the level remains high and highlights persistent inefficiencies. Leakage detection is more manageable in urban areas, but remains a challenge in villages (Dushk, Golem and Plug villages) connected to the main transmission line where water losses are expected to be significant. According to the utility staff, a major contributor to ongoing losses is the new main transmission line built under MIP (to connect reservoir T1), where illegal connections have probably occurred, leading to significant volumes of unbilled water. Flow meters at the outflows of reservoirs are functional and support comparison between billed and calculated volumes, contributing to the utility's yearly reporting to AKUK. However, several critical measurement systems are either malfunctioning or non-operational. Flow meters on DMAs were installed under the MIP I/II programme (around 25 meters) but have not worked since installation due to transmission failures and solar-powering issues. In the meantime, part of the network has been renovated in connection with another project. The relocation of the flowmeters was not included in this renovation project, which means that a dozen of these flowmeters are now on old pipes through which no water is passing.

Similarly, three flow meters on the main line between the Konjati and Virova pumping stations were originally planned under the MIP III/IV programme. However, their installation was eventually transferred to a separate project for the renewal of the transmission line. Although the flow meters were physically installed, they were never connected to a power source and therefore remain non-operational. The only ultrasonic flow meter at Virova pumping station also performs poorly, suffering from repeated failures and requiring replacement. Furthermore, the Virova pumping station doesn't operate automatically due to unstable pressure—linked to the large leakage volume. As a result, operators must manage it manually. These technical

and operational issues combined with inadequate preventive and effective maintenance, continue to limit effective monitoring and control of water losses, underscoring the need for proper maintenance and investment.

Consolidated findings

Non-Revenue Water (NRW) reduction represented a core achievement of the MIP III/IV programme, though progress was uneven across municipalities. In cities like Berat, Gjirokastra, and Delvina, substantial declines in NRW—from over 70% to around 35–40%—were achieved through network rehabilitation, elimination of illegal connections, metering upgrades, and the introduction of District Metered Areas (DMAs). These improvements contributed directly to enhanced financial viability and operational performance. In contrast, Kamza experienced persistently high NRW levels (67%) due to legacy network deficiencies, remaining high level of illegal connections, and underutilization of monitoring systems such as SCADA and DMAs. Librazhd, Prrenjas, and Lushnja showed moderate improvements, though data reliability issues, malfunctioning or misplaced equipment, and institutional weaknesses limited the sustainability of results. The experience highlights that technical investments alone are insufficient without strong monitoring systems, maintenance plans, and institutional capacity to manage and enforce NRW control strategies. The remaining significant volumes of NRW represent important financial losses for the utilities and undermine their financial viability. "Sustained reduction in water losses will require not only infrastructure but also systematic efforts in metering accuracy (from the water source to the distribution points), data-driven management, and staff training.

Summary NRV evolution between 2016 and 2024

	Berat	Librazhd	Kamza	Delvina	Gjirokastra	Lushnja
2016	84%	77%	NR*	71%	68%	78%
2024	37%	NR*	67%	39%	35%	54%

Note: the NRW values were calculated as 100% minus the division of the total volume billed by the total volume of water produced.

(*): NR-Not Reliable

Example of enforcement measures recommended to reduce NRW:

- Metering Enforcement and Calibration Protocols

Utilities should regularly calibrate all meters (from source to customer) and enforce penalties for tampering or unauthorized bypasses to ensure accurate measurement.

- Mandatory Water Balance Reporting

A monthly water balance report using standard methods (e.g., IWA) should be required. These reports will track progress and support performance-based incentives. This is already partially done through AKUK monthly reports.

- Digital Monitoring Systems

Installation of digital flow meters and pressure sensors should be enforced. SCADA must be used at its full capacity for real-time monitoring and quick response to anomalies.

- Staff Accountability and Capacity Building

Regular training in leak detection and data-driven management should be put in place and renewed for new staff.

- Leak Detection and Repair Timeframes

Utilities should follow fixed timeframes for leak repairs (e.g., 24–72 hours depending on severity) and maintain an updated map of the network to speed up interventions.

- Customer Engagement and Meter Reading Compliance

Penalties should apply for obstructing meter reading. At the same time, utilities can offer incentives for customers who report leaks or address private-side losses quickly.

4.2 CONTRIBUTION ANALYSIS AND TOC

Based on the comments on the Inception Report provided by SECO and KFW, the Theory of Change underwent some minor changes. Less emphasis was placed on NRW-related activities and outcomes, while cause-and-effect relations were more clearly explained. The resulting ToC can be found in Annex 7 to this report.

As far as the Contribution Analysis is concerned, the evaluators have had to decide not to include such an analysis in the overall evaluation. The reason for this is mainly that insufficient numbers of interlocutors with experience in the MIP III/IV project were found. Meaningful discussions on alternative causal pathways could therefore not take place.

Despite this, the evaluators are confident that the methodology employed during the evaluation has led to a reliable picture of the quality and effectiveness of the MIP III/IV programme.

4.3 AKUK

AKUK provided a formal supervision and coordination function during the implementation of MIP III/IV, contributing to the definition of sectoral priorities, the approval of utility business plans and the supervision of performance indicators as part of the program's performance-

based approach. Its involvement has helped to align the program's activities with national sectoral objectives.

Nevertheless, AKUK's practical influence during and after the program implementation proved limited by institutional and resource constraints. While its strategic role was clear on paper, the extent of its involvement in follow-up activities - particularly with regard to the results of institutional support and the integration of integrity management tools - was limited.

In the post-implementation phase, AKUK's role became even more crucial due to the regionalization of public services. Although it took a majority ownership in the newly-formed entities, mechanisms to ensure the transfer of institutional memory and the sustainable implementation of MIP-related objectives were not systematically put in place.

Strengthening AKUK's operational capacity and mandate would enhance its ability to provide structured support to public services, particularly in areas such as financial planning, monitoring and reporting.

5 EVALUATION OUTCOMES

5.1 CONCLUSIONS AND RECOMMENDATIONS

This chapter presents the key conclusions and associated recommendations derived from the evaluation of the MIP III/IV programme. The conclusions consolidate findings gathered under each evaluation question and reflect both the strengths and limitations observed during implementation. Each recommendation is directly linked to a specific conclusion and aims to inform future programme design and sectoral policy-making. Emphasis is placed on actionable improvements that address operational, institutional, and strategic dimensions—ensuring that the gains achieved are sustained and that future initiatives build upon the lessons learned.

Conclusions	Associated Recommendations
1. Strong results in water infrastructure delivery The programme achieved very good results in the completion of water infrastructure in all visited municipalities. The performance-based approach proved to be an excellent instrument for mobilising and completing the works effectively. However, its influence weakened significantly after the construction phase, with limited mechanisms to maintain momentum.	**1. Consolidate Infrastructure Gains** ● Ensure post-construction continuity through comprehensive O&M planning and capacity support. ● Strengthen the performance-based approach in future programmes by including post-construction benchmarks and incentive mechanisms for sustained utility engagement. The most appropriate institution to perform these tasks would be AKUK.
2. Variable outcomes in institutional support The institutional support was relevant but delivered uneven results across municipalities. The one-size-fits-all approach overlooked the different staff capacities and local contexts. Effectiveness varied depending on staff availability, motivation, and retention.	**2. Tailor Institutional Support** ● Design future support based on detailed utility-specific capacity assessments. ● Incorporate training-of-trainers and staff retention strategies. The most logical location for the training is at AKUK office. ● Introduce periodic refreshers or follow-up technical assistance to reinforce institutional gains.

Conclusions	Associated Recommendations
3. Integrity management largely ineffective The integrity management component did not achieve its objectives. It was poorly understood by utility staff, not well differentiated from routine operations, and lacked integration with institutional support. There was no sustained impact or continuity.	**3. Rethinking integrity management** ● Redesign integrity activities to target core governance risks (e.g. fraud, corruption, nepotism). ● Ensure close coordination with institutional support to avoid overlaps. ● Establish integrity measures via internal audit or compliance structures, supported by AKUK at the national level.
4. Lack of staff engagement and motivation Staff interest and participation in institutional and integrity activities were highly variable. In many cases, knowledge faded due to turnover or low ownership, and the tools introduced were not maintained or used effectively.	**4. Strengthen Staff Motivation and Ownership** ● Embed incentives for staff participation in performance frameworks. ● Involve staff in the co-design of support tools to increase ownership. ● Create peer-learning mechanisms between utilities to encourage uptake and long-term use of tools.
5. Weak continuity in learning and adaptation Utilities lack mechanisms to monitor, assess, and adapt institutional changes over time. This limits sustainability and accountability.	**5. Enhance Monitoring and Learning** ● Require annual utility self-assessments and reports on tool usage. ● Establish learning platforms at AKUK level for utilities to share progress and best practices. ● Develop monitoring frameworks for continued evaluation of institutional support and integrity measures.

Conclusions	Associated Recommendations
6. Persistent challenges in Non-Revenue Water (NRW) While most utilities showed progress in reducing NRW through the water network upgrades and installation of metering systems (flow-meters and DMA), many continue to face major losses. High NRW levels persist due to outdated infrastructure in areas not addressed by the MIP programme (mainly rural), lack of operational DMAs, lack of monitoring of fraud, and insufficient institutional follow-up. Where reductions were reported, data reliability was sometimes questionable, and benefits were not systematically sustained.	**6. Improve Non-Revenue Water Management** ● Prioritize full operationalization and maintenance of DMA zones and SCADA systems for accurate monitoring and leakage control. ● Develop utility-specific NRW reduction strategies with support from AKUK, focusing on both technical (using SCADA and DMA tools) and commercial losses (limitation of fraud and unpaid invoices) ● Introduce performance-based incentives specifically tied to validated NRW reduction targets and independent data verification. ● Pursue ERRU's recommendations for reducing NRW (combat illegal connections, enhance metering infrastructure, develop accurate water balance, implement Digital Monitoring Systems, adopt Block tariff structures)
7. Uncertain impact of regionalisation and limited operational role of AKUK The recent regionalisation reform introduced changes in utility governance. However, its impact on utility performance, accountability, and long-term service sustainability remains uncertain. AKUK's coordination and oversight role has been limited in practice, with variable support to utilities and lack of follow-up on institutional and performance-based components of the programme.	**7. Reinforce AKUK's Role in Post-Project Oversight and Regionalised Utility Governance** ● Reinforce AKUK's mandate to provide active post-project support and monitoring. ● Establish a formal mechanism for AKUK to assist regional utilities in managing inherited assets, obligations, and performance targets. ● Ensure AKUK leads a national learning and capacity-building agenda for regional utilities.

Conclusions	Associated Recommendations
8. Weaknesses in financial planning and debt repayment capacity Although utilities were supported by the institutional consultant to prepare Business Plans and Tariff Adjustment Plans, most lack **regularly updated multi-year financial plans** aligned with long-term investment and loan repayment. Tariff adjustments were made, but often without a broader **tariff strategy** linking pricing, service goals, and financial sustainability. These gaps raise concerns about the utilities' ability to meet debt service obligations, despite financial models prepared by KfW at programme inception. Cross-checking with utility data and discussions confirms these findings, but further validation with KfW and ERRU is advised.	**8. Strengthen Financial Planning and Debt Repayment Capacity** ● Organise Updating of Multi-Year Financial Planning - Require each utility, under AKUK oversight, to institutionalise the annual revision of its multi-year financial plan (business plans and tariff projections). - Build on existing tools (tariff adjustment and business plans) and embed a dynamic, forward-looking planning culture beyond the consultant support phase. ● Clarify and Develop Utility-Level Tariff Strategies - Separate tariff adjustment plans (which address short-term affordability and revenue needs) from a tariff strategy, which should articulate long-term principles (e.g. cost recovery trajectory, social equity measures, block tariffs). - Encourage ERRU to issue clear guidance on minimum requirements for tariff strategies and integrate these into future regulatory reviews. ● Coordinate Verification with KfW and ERRU - Encourage KfW to reconcile utility-level debt service forecasts with actual financial conditions post-implementation, particularly where gaps were identified. - Request ERRU and KfW to jointly assess whether utilities have met the financial and institutional conditions initially agreed for loan repayment capacity and sustainability, based on the inception-phase financial models.

Conclusions	Associated Recommendations
9. Lack of measures for climate resilience and energy efficiency Although some energy-saving benefits—such as reduced technical losses—were achieved indirectly, climate resilience and energy efficiency were not explicitly or systematically considered in the programme. Given the increasing frequency of extreme weather events and the rising costs of energy, this represents a missed opportunity to future-proof investments and enhance operational sustainability**.**	**9. Integrate climate resilience and energy efficiency in Programme Design for future programmes** To address this gap, future programmes should integrate climate resilience and energy efficiency as cross-cutting themes, this means at every stage of the project cycle—from feasibility studies and design to procurement, construction, and operations. For example, infrastructure designs should account for climate risks such as flooding or drought, while equipment selection should prioritize energy-efficient technologies. In addition, utilities should be supported in conducting energy audits and developing climate adaptation plans tailored to their local context. This proactive approach will not only improve environmental performance and cost-efficiency but also strengthen the long-term reliability and sustainability of service delivery.

From this programme evaluation, it appears that the side conditions could be reframed as incentive-based requirements, such as performance-based grants, to better drive improvements.

Collection efficiency is highly relevant for both financial sustainability and operational performance. However, it is important to distinguish between collection rates that include debt repayments and those that do not, as this helps clarify instances where the rate exceeds 100%.

The requirement for the Administrative Council to be in full force is a fundamental yet essential condition. There is a risk that councils may exist on paper but remain inactive, which undermines their intended function. Similarly, the target for non-revenue water (NRW) is vague, as the statement that it "will be further decreased" lacks precision. Establishing clear benchmarks, such as reducing NRW to below 40%, would enhance accountability and discourage underachievement.

The condition that municipalities pay their water supply and wastewater bills is also too simplistic when assessed as a binary “yes” or “no.” It fails to reflect whether payments are timely or complete. A more effective indicator would measure the proportion of bills paid on time and a quantified target for repayment of outstanding debts.

Tariff increases should be accompanied by measures to ensure public acceptance in certain cases—such as the introduction of social tariffs for vulnerable populations. Lastly, staff reduction targets should not rely on absolute numbers alone; instead, they should be linked to productivity indicators like the number of staff per 1 000 connections to ensure efficiency without compromising service quality (which is already the counting unit in the AKUK annual report received for the year 2024).

Moreover, to strengthen the long-term sustainability of institutional support efforts, it is essential to identify and deploy strategies that foster more interest and ownership among utility staff. This includes creating mechanisms to engage personnel in the use and evolution of financial tools, management procedures, and performance reporting systems not just during the project, but for the long run. If staff see how these tools can help with their day-to-day work and are part of shaping how they're used, the programme can increase their perceived value and ensure that improvements extend beyond the project timeline.

Recommendation specific to Lushjna utility

The ongoing ammonia contamination of groundwater from surrounding livestock farms poses a critical threat to the long-term viability of Lushnja's drinking water wells and, by extension, to the reliability of the town's water supply. In the short term, the utility should implement a more frequent monitoring and early warning system focused on ammonia levels in the wells. This would enable rapid detection of contamination events and help inform operational decisions to safeguard water quality. Buffer zones around the wells should be reviewed and reinforced/extended where possible by cooperation with the municipality and possibly AKUK's support to get the situation moving quickly to regulate agricultural activities in the vicinity.
In the medium term, the utility should develop and implement a wellhead protection plan that includes physical barriers and improved drainage management. Awareness campaigns targeting local livestock farmers could also help reduce pollution risks at the source through better manure management practices.
These actions are essential to ensure the integrity of the existing water sources and the resilience of the water supply system, particularly given the absence of alternative sources and the investments already made in the MIP III/IV infrastructure upgrades.

5.2 LESSONS LEARNED

1. **Enhance strategic capacity building through needs analysis.**
   Capacity building for future projects should be guided by a structured needs analysis. Such an assessment would help identify specific gaps in knowledge and skills, inform the design of tailored capacity-building activities, and provide a baseline for tracking progress and evaluating the effectiveness of these efforts over time. For future

programmes, capacity building inputs should be guided by a structured need analysis separately for each utility involved.

2. **Performance-based approaches can work—if sustained.**
   Conditioning investments on institutional milestones helped align short-term goals with long-term results. However, lack of post-construction enforcement mechanisms diminished impact. Future programmes must link continued support to sustained compliance with agreed conditions.

3. **Institutional support must be tailored, not uniform.**
   A one-size-fits-all approach overlooked the different capacities and maturity levels of the utilities. Customised support based on baseline capacity assessments would yield more resilient outcomes.

4. **Integrity management must be embedded, not parallel.**
   When separated from operational reforms, integrity management risks becoming symbolic. It should be integrated with internal audit, compliance, and staff accountability structures.

5. **AKUK's institutional role needs reinforcement.**
   As the sector coordinator and regulator, AKUK must be empowered—both technically and politically—to monitor, support, and enforce performance standards in utilities, especially during post-project transitions.

6. **Sustainability depends on institutional memory.**
   High staff turnover, regionalisation, and lack of continuity mechanisms diluted project impacts. Knowledge retention systems and formal transition plans must be embedded in future programme design.

6 ANNEXES

6.1 ANNEX 1: LIST OF STAKEHOLDERS CONSULTED & ATTENDANCE LISTS

Date	Stakeholder
01.04.2025	Delvina Utility
01.04.2025	Berat Utility and Municipality
02.04.2025	Gjirokastra Utility
02.04.2025	Librazhd Utility
03.04.2025	Lushnja Utility
03.04.2025	Kamza Utility
04.04.2025	AKUK and Swiss Embassy
04.04.2025	KfW and Swiss Embassy

Berat customer group P1

Attendance list

Location: Berat - Kuçova

Date: 01-04-2025

Name Emri	Surname Mbiemri	Employer Punëdhënësi	Job title Titulli i punës	Signature Nënshkrimi
MIREL	KONOMI	BASHKIA BERAT Administrator L.	Administrator i Lagjes nr. 1	[signature]
ERGEST	MYZYRI	Prefektura Berat	Specialist	[signature]
Dhimitraq	Niko	Bashkia Berat Administrator. L 2.	Administrator Lagja 2.	[signature]
Marius	Qylyku	Bashkia Berat	Drejtor	[signature]
KLITI	KORONI	KORONI BOUTIQUE HOTEL	ADMINISTRATOR	[signature]
Orges	Bozaxhiu	Bashkia Berat	Sp. Integrimi EU	[signature]
Enea	Qafo	Bashkia Berat	Sp. Pagesa/tesh	[signature]
Denada	Gjergji	Bashkia Berat	Përgj. Sekt. Men. Mbetje	[signature]

Berat customer group. P2

Name Emri	Surname Mbiemri	Employer Punëdhënësi	Job title Titulli i punës	Signature Nënshkrimi
Gentiana	Shegani	NJVKSH	Specialiste Mjedisi	[signature]
Xhuljana	Kërtalli	NJVKSH	Specialiste Uji	[signature]
Jonida	Papa	Sp. B. Berat	Sp. B. Berat	[signature]

Berat Management meeting : 01.04.2025

Attendance list

Location: Date:

Name Emri	Surname Mbiemri	Employer Punëdhënësi	Job title Titulli i punës	Signature Nënshkrimi
FABJON	SHKEMBI	BASHKIA KUÇOVE	JURIST	
Ilda	Brako	Bashkia Kuçovë	Jurist	
ERALD	SHUSHARI	Amëzar Bordi	JURIST	
Gentian	Merdani	Njesia Kuçoll	Pergjegjes Njesie	
Ferdi	Isufaj	Njesia Kuçovë	Sega teknike	
Armela	Gremshi	SHRUK Berat-sha	Ing. Projektere	
Eris	Allajbe.	SH.RUK. Berat.	Drej. Teknike	
Pelivan	Sinoj	SH.R.U.K Berat	Administrata SH.R.U.K.	

Name Emri	Surname Mbiemri	Employer Punëdhënësi	Job title Titulli i punës	Signature Nënshkrimi
Etleva	Dhima	ZV/ Kryetare e Bashkisë Berat		
Gerald	Hajnaj	P2M Berlin	Site Engineer MIP III	
ENDRI	HYSENAJ.	ALB-STAR.	SITE ENGINEER	

Attendance list

Location: Gjirokastra Uk

Date: 02.04.2025 9:00

Name Emri	Surname Mbiemri	Employer Punëdhënësi	Job title Titulli i punës	Signature Nënshkrimi
Gentian	Hoxha	SHRUKGJ.	Administrator	[signature]
Bashkim	Toto	SHRUKGJ.	~~[illegible]~~	[signature]
Arnold	Furokaj	ICE	Ing. Ndërtimi	[signature]
CELESTINA	DAJLANI	SHRUKGJ	Ing. Hidroteknike	[signature]
Khalid	ESSYAD	WSP	Hydraulic Expert	[signature]
Monsela	Osmeullori	SHRUKGJ.	Drejtor Tregtar	[signature]
Clara	Barret	WSP	water treatment expert	[signature]

Attendance list

Location: Gjirokastra Uk

Date: 02.04.2025 15:00

Name Emri	Surname Mbiemri	Employer Punëdhënësi	Job title Titulli i punës	Signature Nënshkrimi
Alfred	Mema	SH. R. U. K. GJ	Përgjegjës	[signature]
Ilirmo [illegible]	Doshi	SH. R. U. K. GJ. Sha	Specialiste Finance	[signature]
Monsela	Osmeullori	SH. R. U. GJ. Sha	Drejtor Tregtar	[signature]
Arnold	Furokaj	ICE	Ing. Ndërtimi	[signature]
Bashkim Toto		Drejtor Teknik		[signature]
Celestina Dajlani		SHRUKGJ.	Ing. Hidroteknike	[signature]
Khalid	ESSYAD	WSP	Hydraulician	[signature]
Clara	Barret	WSP	water treatment expert	[signature]

Librazhd
02-04-2025

Name Emri	Surname Mbiemri	Employer Punëdhënësi	Job title Titulli i punës	Signature Nënshkrimi
Xhejsi	Zhani	Ujësjellës Kanalizime Librazhd	Përgjegjës	[signature]
SABRI	Alegnjani	—"—	Sinjor	[signature]
Artan	Balla	—"—	Hidraulik	[signature]
GEZIM	RROCA	—"—	HIDRAULIK	[signature]
KLODIAN	DASA	—"—	MANAXHER	[signature]
Yolani	Meleshi	—"—	Hidraulik	[signature]

Attendance list

Location: Lushnja 09:00 Date: 03.04.2025

Name Emri	Surname Mbiemri	Employer Punëdhënësi	Job title Titulli i punës	Signature Nënshkrimi
Xheaksjana	Sarasi	SHRUKL	Menaxher Prodhimi	[signature]
Renald	Bace	SHRUKL	Menaxher Sektori Operim-Mirëmbajtje	[signature]
Ferdinand	HJERMENI	SHRUKL	DREJTOR TEKNIK	[signature]
Klaudi	Shkurti	SHRUKL	Administrator	[signature]
Arnold	Jorobaj	ICE	Ing. Ndërtimi	[signature]
Clara	Barret	WSP	Water treatment expert	[signature]
Khalid	ESSYAAD	WSP	Hydraulician	[signature]

Location: Kamza

Date: 03-04-2025

Name Emri	Surname Mbiemri	Employer Punëdhënësi	Job title Titulli i punës	Signature Nënshkrimi
SHPETIM	HESKAJ	ADMINISTRATION	ADMINISTRATOR	
Elona	Pasha	Ujësjellës Kanalizime	Kamëz sha	Drejtor Ekonomik
Festim	Xhebexhiu	Ujesjellesi Kanalizime	Ing. Elektronik	
Bardhok	Aeia	LIKK. sha	DREJTORI TEKNIK	
Romina	Ziza	Likk. sha	Ing. ndërtimi	
Dëfrim	Cani	UKK Sh.a.	Kryeinxhinier	

6.2 ANNEX 2: LIST OF DOCUMENTS STUDIED

Albania National Water Supply and Sanitation Sector Modernization Program, World Bank 2019
Concept Note MIP III/IV Water Supply Albania 16-10-2013
Final Project Completion report LUSHNJA SETEC/DAHLEM 2023
Final Project Completion report GJIROKASTRA SETEC/DAHLEM 2023
Final Project Completion report DELVINA SETEC/DAHLEM 2023
Final Project Completion report KAMZA SETEC/DAHLEM 2023
Financial Report Berat-Kucova July 2021
Financial Report Delvina July 2021
Financial Report Gjirokastra July 2021
Financial Report Kamza July 2021
Financial Report Librazhd-Prrenjas July 2021
Financial Report Lushnja July 2021
Financing agreement SECO Phase one draft undated 2014
Integrity management ToR for part 1
Integrity management ToR for part 2
Integrity management Mission Report 2016-05
Integrity management Mission Report 2016-09
Integrity management toolbox workshop script 2016-09
Integrity management existing tools 2016-09
Integrity management existing risks 2016-09
Integrity management updated coaching plan Librazhd 2016-12
Integrity management updated coaching plan Lushnja 2016-12
Integrity management workshop minutes
Integrity management part 1 Final Report March 2017

Integrity management part 2 Final Report March 2018
ITM Phase 1 & 2 Tender document + ToR July 2015
ITM Phase 1 Inception Report CES
ITM Phase 2 Inception Report CES
ITM Phase 1 Final Report CES April-Dec 2016
ITM Phase 2 Final Report CES July 2017-July 2021
KfW logical frameworks pre-project
KfW logical frameworks post project
KfW Final Report 2024
Meeting minutes CESO/KfW with AKUK, MoF, MoTI and Utilities December 2013
Mandatarvertrag SECO-KfW 11 March 2014
MIP III IV Credit Proposal BRSA
National strategy of water supply and sewerage 2011-2017
NRW Report Berat-Kucova July 2021
NRW Report Delvina July 2021
NRW Report Gjirokastra July 2021
NRW Report Kamza July 2021
NRW Report Librazhd-Prrenjas July 2021
NRW Report Lushnja July 2021
P2m Final Report
Programme Agreement between the Republic of Albania and Swiss Confederation
Separate agreement SECO Phase 1 Feasibility Studies undated draft
Consolidated data 2024 from AKUK for the 6 regional utilities
Monthly performance reports 2024, Delvina Utility
Monthly monitoring reports 2023 & 2024, Gjirokastra Utility
Monthly financial reports 2023 & 2024, Gjirokastra Utility

Water balance data 2020 to 2022, Gjirokastra Utility
Water analysis report 01/12/2023, Gjirokastra Utility
Billing report February 2023, 2024 and 2025, Lushnja Utility
Water supply and wastewater data reporting for ERRU, 2023 & 2024, Lushnja Utility
Water consumption reports, January and February 2025, Lushnja Utility
Water analysis report 01/07/2024, Lushnja Utility
Water performance indicators report 2024_ Berat
Water analysis report 2024_Berat
Key indicators report 2024_LIbrazhd

6.3 ANNEX 3: LIST OF FACILITIES VISITED

Date of visit	City	Facility
01.04.2025	Delvina	• Booster pumping station, Military zone (MZ) reservoir and disinfection room • Vriz spring and pumping station
01.04.2024	Berat	• SCADA system • Individual and collective flowmeters in city center • DMA box
02.04.2025	Gjirokastra	• New utility building • Utility warehouse • SCADA room • Cfake reservoir and disinfection equipments • Kodra e Shtufit reservoir and disinfection room • Buduk wells and distribution station
02.04.2025	Librazhd	• SCADA system • individual and collective flowmeters • sectorisation valve • DMA
03.04.2025	Lushnja	• Utility lab and warehouse • Two DMAs flowmeter boxes • Reservoir T1 and booster pumping station • Virova pumping station and disinfection room • Konjati pumping station, reservoir and disinfection room
03.04.2025	Kamza	• SCADA room • wellfield Valias

6.4 ANNEX 4: PLANNED AND REALIZED OUTCOMES

DESCRIPTION OF OUTCOMES	Berat-Kucova			Librazhd-Prrenjas			Kamza		
	Baseline	Target Final design	2024	Baseline	Target Final design	2024	Baseline	Target Final design	2024
Technically sustainable operation and maintenance cost-coverage	>100%	>100%	151%	82%	>90%	NA	80%	>90%	89%
Supply rate: additional connections to water supply	0	NA		0	NA	NA	0	NA	NA
Additional connections to improved sewage disposal	0	0	0	0	NA	0	0	0	0
Collection efficiency	74%	85%	93%	86%	>90%	NA	85%	>90%	96%
Tariffs are socially affordable (even for households receiving only min. wage)	n/a	<5% min wage	-	n/a	<5% min wage	-	n/a	<5% min wage	-
Water supply hours (average p.a)	8h/day	24h/day	24h/day	24h/day	24h/day	24h/day	3h/day	24h/day	6h/day

NA : Not Available

DESCRIPTION OF OUTCOMES	Delvina			Gjirokastra			Lushnja		
	Baseline	Target Final design	2024	Baseline	Target Final design	2024	Baseline	Target Final design	2024
Technically sustainable operation and maintenance cost-coverage	50%	>90%	94% (wi	110%	>110%	107% (w	77%	>90%	40%
Supply rate: additional connections to water supply	0	1.600 households	1.006 households	0	1.890 households	1.930 households	0	2.428 households	1.700 households
Additional connections to improved sewage disposal	0	0	0	0	410 households	167 households	0	0	0
Collection efficiency	85%	>85%	66%	85%	>90%	81%	80%	>80%	71%
Tariffs are socially affordable (even for households receiving only min. wage)	n/a	<5% min wage	-	n/a	<5% min wage	-	n/a	<5% min wage	-
Water supply hours (average p.a)	6h/day	20-24h/day	24h/day	2h/day	20-24h/day	24h/day	3h/day	24h/day	24h/day

6.5 ANNEX 5: EXAMPLE OF AN INTERVIEW PROTOCOL

EXPLANATION OF EVALUATION INTERVIEW AND GROUP MEETING GJIROKASTRA

Introduction

The goal of the interviews and group meetings is for the evaluators to understand the context of the investment and advisory activities under MIP III and MIP IV. Factual information has been obtained from the reports and other documents produced by consultants, building contractors and supervisory engineers. Therefore, the interviews are not primarily aimed at exchanging facts, but rather at understanding the position and opinions of the persons and organisations active in water and wastewater provision in the Kamza territory.

The planned interview will have a duration of 90 minutes and will be conducted by two evaluators, in the English language. An Albanian expert will accompany the evaluators as an interpreter, so that you can give your contributions in your own language. The duration of the group meeting is between 2 and 3 hours.

The evaluators will make notes of the interviews and use electronic recording equipment. The results of the interviews will be processed by the evaluators only and will remain anonymous in the evaluation reports.

For your convenience, the evaluators have made a list of topics that they would wish to discuss with you. This list is not exhaustive but may help you and the other participants prepare for the interview and/or group meeting.

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On the preparation of the project

. Your satisfaction with the performance targets chosen for getting support from KfW/SECO
. Your opinion on the procedure for choosing these targets
. Your experience with measuring and reaching these targets (any difficulties?)
. Your opinion on the way in which Gjirokastra Utility was involved in the selection of investments
. Your opinion on the way in which Gjirokastra Utility was involved in the definition of implementation support
. Your opinion on the way in which Gjirokastra Utility was involved in the definition of institutional support
. Your knowledge before the start of the project of internal needs for institutional and implementation support

On the execution of the investments

. Your satisfaction with the scope and quality of the investments financed by the programme in the Gjirokastra region
. Any problems you encountered during the preparation of the investments (studies, permits, timing....)
. Any problems you encountered during the realisation of the investments (quality, timing....)
. Any additional works and extension of time and the reasons for them
. On hindsight: can you think of any better alternatives for the MIP III/IV investments in the Gjirokastra region? Would you have done it differently?

On the work of the institutional consultant (CES)

- Your opinion on completeness of the institutional support (was anything missing?)
- Your opinion on the improvements in the internal organisation of Gjirokastra Utility thanks to the assistance delivered by CES:

  - were enough staff members of Gjirokastra Utility sufficiently trained?
  - has the efficiency of the operations of Gjirokastra Utility improved and if so, in which fields?
  - has the quality of the operations of Gjirokastra Utility improved and if so, in which fields?
  - how do you monitor the efficiency of the improvements that have been put in place?
  - which are the main KPIs in place? (revenue collection, operational efficiency, NRW reduction,...)
- On hindsight: can you think of any better alternatives for the institutional consultancy services?

<u>On the work of the implementation consultant (the DAHLEM/SETEC consortium)</u>

- Your satisfaction with the activities of the Dahlem/Setec consultants
- Your opinion on completeness of the implementation support (was anything missing?)
- Your opinion on the improvements in staff know-how thanks to the assistance delivered by the Dahlem/Setec consultants
- Your judgment whether Gjirokastra Utility had sufficient qualified staff to efficiently guide the work of the Dahlem/Setec consultants
- On hindsight: can you think of any better alternatives for the implementation consultancy services?

<u>On the integrity management activities (delivered by WIN, SEEWAS and SEECON)</u>

- Is there evidence of improved integrity of the Gjirokastra Utility staff and procedures
- Did you register cooperation between the integrity and other consultants
- On hindsight: can you think of any better alternatives for the integrity management services?

<u>On the services to customers</u>

- Do you have a complete picture of the composition of your client population: households (including vulnerable/low-wage), businesses, other entities?
- Do you measure the satisfaction of customers with the new/improved services?
- Do you have special arrangements (special tariffs) for vulnerable groups, low-income households? Are, in your opinion, the services of Gjirokastra Utility affordable to all customer groups?
- Do you collect real-time information on interruptions in water supply?
- Do you carry out frequent water quality analyses? Have you encountered any water quality problems?

<u>On the environmental benefits of the project</u>

- Did the investments lead to energy savings for Gjirokastra Utility and if so, in which way?
- Did the project lead to improvements in wastewater disposal and if so, in which way?
- Has the project made Gjirokastra Utility better prepared for climate change and disasters?

<u>Miscellaneous</u>

- What is your opinion on the financial viability of Gjirokastra Utility, given tariffs, operational costs and collection efficiency?

- Are you satisfied with the cooperation between Gjirokastra and the Gjirokastra Municipality?
- Are you satisfied with the support from AKUK received during and after the project?

6.6 ANNEX 6: EVALUATION MATRIX

EQ	Judgment criteria	Indicator	Data sources: Desk research/content analysis	Data sources: Site visits and interviews	Data sources: Focus Group Discussions	RATING
Section one – Relevance						**2**
EQ 01	To which extent was the MIP III/IV programme relevant to the water sector in Albanian municipalities?					**2**
	1.1	**Strategic alignment, design strength, needs, equity**				
		1.1.a	MIP III/IV programme objectives are aligned with the wider national, regional and local development strategies and priorities in the water sector			1
			Sector Masterplan for water supply and sewerage 2013	AKUK General Manager	None	
			Programme Agreement between the Republic of Albania and Swiss Confederation	AKUK Project manager for the MIP III/IV programme		
			Pre- and post-project water/wastewater strategies 8 municipalities	ERRU official responsible for approval utility tariffs		
			Concept Note MIP III/IV Water Supply Albania 2013			
		1.1.b	The infrastructure investments and institutional support complement each other to address the overarching goals of the programme			2
			Final Reports CES for ITM Phase 1 & 2	SECO project manager	None	
			Final Report SETEC	KfW project manager		
			Final Report Dahlem	MIP III/IV project managers at the 6 utilities		
			Final Report p2m			
			Final Report KfW			
			Original and final Logframes produced by KfW			
		1.1.c	The MIP III/IV programme addresses the specific water-related needs of the target population in the six municipalities			2
			Feasibility studies all 6 infrastructure projects	Site visits investment locations 6 utilities	none	
			Maps/drawings of the investment locations six utilities	MIP III/IV project managers at the 6 utilities		
			Progress Reports and Final Report KfW	AKUK Project manager for the MIP III/IV programme		
			Sector Masterplan for water supply and sewerage 2013			
		1.1.d	The MIP III/IV programme design ensures equitable access to water resources and services for all population groups			2
			Feasibility studies all 6 infrastructure projects	Site visits investment locations 6 utilities	none	
			Maps/drawings of the investment locations six utilities	Mayors of the 8 municipalities and/or officials		
				MIP III/IV project managers at the 6 utilities		
EQ 02	To which extent were the scope and implementation modalities of institutional support appropriate considering the needs of partner utilities?					**2**
	2.1	**Needs assessment and relevance**				
		2.1.a	The design of the institutional support was based on a thorough needs analysis			3
			Terms of reference for ITM Phase 1	AKUK Project manager for the MIP III/IV programme	none	
			Terms of reference for ITM Phase 2	MIP III/IV project managers at the 6 utilities		
			Inception Report CES for ITM Phase 1			
			Inception Report CES for ITM Phase 2			
		2.1.b	The scope of support aligns with the stated priorities, challenges, and strategic plans of the partner utilities			3
			Pre-project water/wastewater strategies 8 municipalities	MIP III/IV project managers at the 6 utilities	none	
			Inception Report CES for ITM Phase 1	Mayors of the 8 municipalities and/or officials responsible for water/waste water		
			Progress Reports and Final Report CES for ITM Phase 1			
			Inception Report CES for ITM Phase 2			
			Progress Reports and Final Report CES for ITM Phase 2			
		2.1.c	The partner utilities were actively involved in identifying their needs and defining the scope of support			4
			Terms of reference for ITM Phase 1	AKUK Project manager for the MIP III/IV programme	none	
			Terms of reference for ITM Phase 2	MIP III/IV project managers at the 6 utilities		
			Meeting minutes CESO/KfW with AKUK and Utilities	SECO project manager		
			Written comments AKUK and utilities on draft ToRs	KfW project manager		
			Inception Report CES for ITM Phase 1			
			Inception Report CES for ITM Phase 2			
	2.2	**Appropriateness of the support offered**				
		2.2.a	The institutional support was designed to address the critical areas (technical, managerial, financial, operational) required for the effective functioning of the utilities			2
			Inception Report CES for ITM Phase 1	MIP III/IV project managers at the 6 utilities	none	
			Inception Report CES for ITM Phase 2			
		2.2.b	The institutional support was designed with sufficient flexibility to adapt to changing needs or emerging challenges			2
			Inception Report CES for ITM Phase 1	none	none	
			Inception Report CES for ITM Phase 2			
		2.2.c	The institutional support was designed to address both immediate operational issues and long-term capacity building			3
			Terms of reference for ITM Phase 1	AKUK Project manager for the MIP III/IV programme	none	
			Terms of reference for ITM Phase 2	MIP III/IV project managers at the 6 utilities		
			Inception Report CES for ITM Phase 1			
			Inception Report CES for ITM Phase 2			

	2.3	**Implementation modalities**				
		2.3.a	The allocated financial and human resources were sufficient and aligned with the scale and complexity of the utilities' needs			2
			Final Report CES for ITM Phase 1	MIP III/IV project managers at the 6 utilities	Groups of staff members of max. 2 selected utilities who have directly worked with implementation and/or institutional consultants	
			Final Report CES for ITM Phase 2	AKUK Project manager for the MIP III/IV programme		
		2.3.b	Knowledge-sharing methods such as training, workshops, and technical assistance were tailored to the technical and institutional capacities of the partner utilities			2
			Final Report CES for ITM Phase 1	none	Groups of staff members of max. 2 selected utilities who have directly worked with implementation and/or institutional consultants	
			Final Report CES for ITM Phase 2			

EQ 03	To which extent did the integrity management pilot add value to the MIP III/IV intervention, and help address partner utilities' needs and priorities?					**4**
	3.1	**Design**				
		3.1.a	The pilot addressed the most urgent needs and shortcomings of the utilities in the field of integrity issues			4
			ToR/assignment letter for integrity management pilot part 1	AKUK Project manager for the MIP III/IV programme	Joint or separate sessions with the participants to the integrity management pilot in the 5 selected utilities, which, if their organisation is logistically feasible, will replace the individual interviews with utility representatives	
			ToR/assignment letter for integrity management pilot part 2	UKR Elbasan integrity focal point (Librazhd-Prrenjas)		
			Inception report integrity management pilot	Lushna utility integrity focal point		
			Mission Report integrity management September 2016	Kamza utility integrity focal point		
			Other mission reports	Berat-Kucova utility integrity focal point		
			Workshop or Training Session Minutes	Gjirokastra utility integrity focal point		
		3.1.b	There was a clear link between the pilot and the main objectives/activities of the MIP III/IV programme			4
			Concept Note MIP III/IV Water Supply Albania	AKUK Project manager for the MIP III/IV programme		
			Programme Agreement between the Republic of Albania and Swiss Confederation	UKR Elbasan integrity focal point (Librazhd-Prrenjas)		
			Progress Reports and Final Report IM Pilot part 1	Lushna utility integrity focal point		
			Progress Reports and Final Report IM Pilot part 2	Kamza utility integrity focal point		
			Mission Report IM Pilot September 2016	Berat-Kucova utility integrity focal point		
			Other Mission Reports	Gjirokastra utility integrity focal point		
	3.2	**Implementation modalities**				
		3.2.a	The pilot delivered its services to all, or the majority of, the staff members of the utilities			4
			Progress Reports and Final Report IM Pilot part 1	AKUK Project manager for the MIP III/IV programme		
			Progress Reports and Final Report IM Pilot part 2	UKR Elbasan integrity focal point (Librazhd-Prrenjas)		
			Mission Report IM Pilot September 2016	Lushna utility integrity focal point		
			Other Mission Reports integrity management	Kamza utility integrity focal point		
				Berat-Kucova utility integrity focal point		
				Gjirokastra utility integrity focal point		
		3.2.b	Adequate provisions were made to embed the results of the pilot in the day-to-day work of the utilities			4
			Progress Reports and Final Report IM Pilot part 1	AKUK Project manager for the MIP III/IV programme		
			Progress Reports and Final Report IM Pilot part 2	UKR Elbasan integrity focal point (Librazhd-Prrenjas)		
			Mission Report IM Pilot September 2016	Lushna utility integrity focal point		
			Other Mission Reports integrity management	Kamza utility integrity focal point		
				Berat-Kucova utility integrity focal point		
				Gjirokastra utility integrity focal point		
EQ 04	To which extent was the design of the performance-based approach (incl. level of ambition in setting targets) adequate considering capacities of the partner utilities and the support provided under MIP III/IV?					**2**
	4.1	**Bottom-up vs. top-down**				
		4.1.a	AKUK and the utilities were actively involved in the design of the approach and the establishment of targets			2
			MIP III IV Credit Proposal BRSA	AKUK Project manager for the MIP III/IV programme	none	
			Programme Agreement between the Republic of Albania and Swiss Confederation	MIP III/IV project managers at the 6 utilities		
			Concept Note MIP III/IV Water Supply Albania	SECO project manager		
			Minutes of meetings between SECO, KfW, MoF, MoTI, AKUK, Utility managers) on the Programme's and Projects' set-up (December 2013 and -if existing- earlier and later dates)	KfW project manager		
			Decision document KfW and SECO on establishment of			
			Progress Reports and Final Report KfW			
		4.1.b	Utility staff actively collaborated in the provision, monitoring and analysis of data needed for the system			2
			Inception Report CES for ITM Phase 1	MIP III/IV project managers at the 6 utilities	none	
			Inception Report CES for ITM Phase 2			
			Final Report CES for ITM Phase 1			
			Final Report CES for ITM Phase 2			
	4.2	**Credibility**				
		4.2.a	Performance targets were clearly perceived by beneficiaries as the basis for go/no go decisions			3
			none	AKUK Project manager for the MIP III/IV programme		
				MIP III/IV project managers at the 6 utilities		
		4.2.b	The systems put in place to measure realisation of the performance targets were sound and unbiased			3
			Audit reports	AKUK Project manager for the MIP III/IV programme		
			Final Report CES for ITM Phase 1	MIP III/IV project managers at the 6 utilities		
			Final Report CES for ITM Phase 2	SECO project manager		
				KfW project manager		
Section two – Effectiveness						**2**
EQ 05	To which extent were MIP III/IV planned outcomes achieved?					**2**

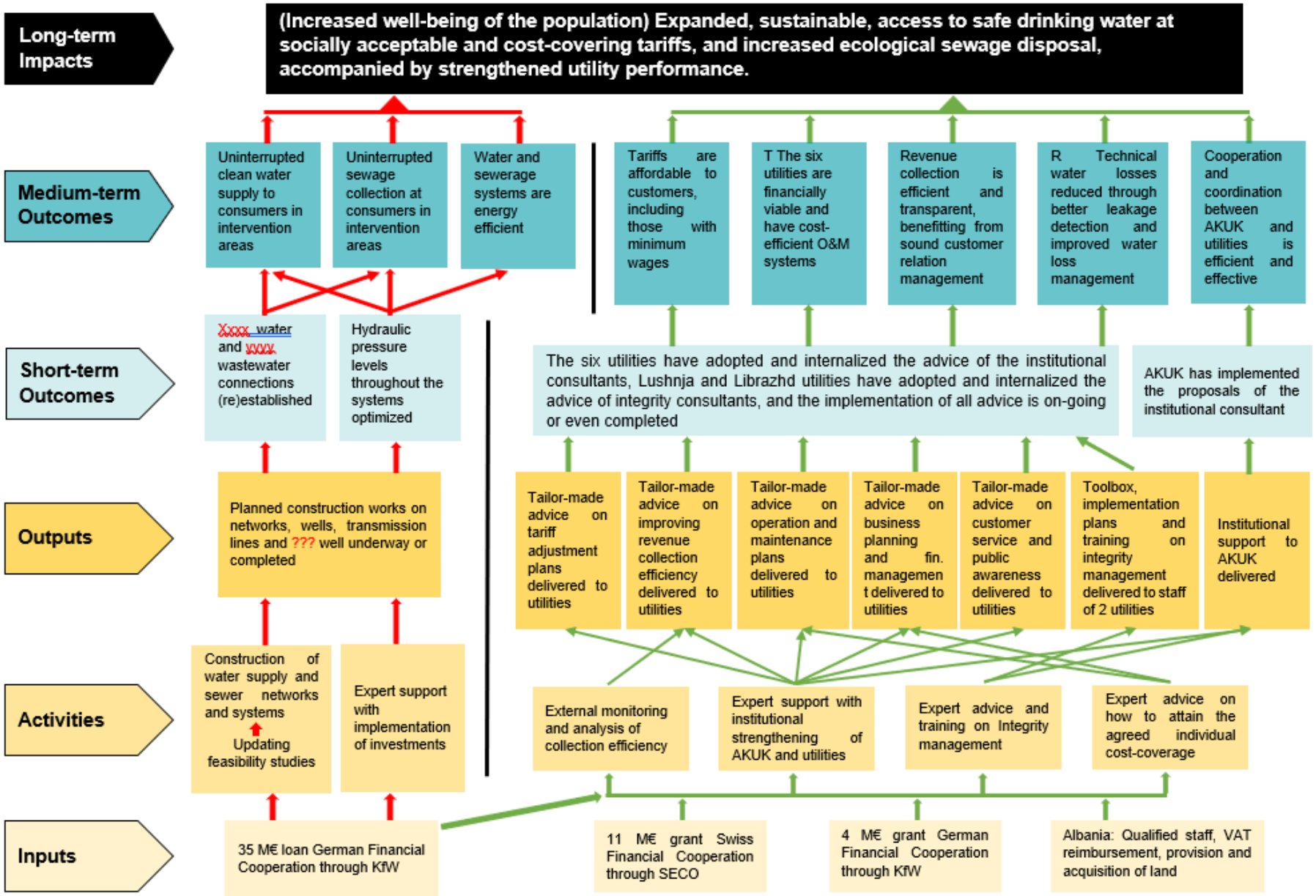
	5.1	**Achievement of technical outcomes**				
		5.1.a	Distribution network: number of planned connections realised			1
			Feasibility studies all 6 infrastructure projects	site visit : assessment by testing on the spot	None	
			Final Report KfW			
			Original and final Logframes produced by KfW			
			Final reports supervising engineer			
			Technical completion reports			
		5.1.b	Waste water facilities: number of planned connections realised			2
			Feasibility studies all 6 infrastructure projects	site visit : assessment by testing on the spot	None	
			Final Report KfW			
			Original and final Logframes produced by KfW			
			Final reports supervising engineer			
			Technical completion reports			
		5.1.c	Other planned investments realised			1
			Feasibility studies all 6 infrastructure projects	site visit : assessment by spot testing	None	
			Final Report KfW			
			Original and final Logframes produced by KfW			
			Final reports supervising engineer			
			Technical completion reports			
		5.1.d	Technical water losses reduced due to the programme investments			1
			Feasibility studies all 6 infrastructure projects	MIP III/IV project managers at the 6 utilities	None	
			Final Report KfW			
			Final Report CES for ITM Phase 2			
			NRW Reports July 2021 all 6 utilities (CES)			
			Utility documentation on NRW since 2020			
	5.2	**Achievement of institutional strengthening outcomes**				
		5.2.a	An adequate number of management and staff members of AKUK and the six utilities have received new knowledge and skills			3
			Progress Reports and Final Report CES for ITM Phase 1	MIP III/IV project managers at the 6 utilities	Groups of staff members of max. 2 selecte utilities who have directly worked with implementation and/or institutional consultants	
			Progress Report and Final Report CES for ITM Phase 2			
			Training attendance lists all 6 utilities			
			Training evaluation reports CES training courses			
			List of staff 6 utilities who have collaborated with CES			
		5.2.b	Loss of acquired knowledge and skills due to staff turnover and (politically inspired) management changes was limited			3
				AKUK Project manager for the MIP III/IV programme	Groups of staff members of max. 2 selected utilities who have directly worked with implementation and/or institutional consultants	
				SECO project manager		
				KfW project manager		
		5.2.c	The organisational, managerial and operational quality of the six utilities has markedly improved			2
			Progress Reports and Final Report CES for ITM Phase 1	AKUK Project manager for the MIP III/IV programme	Groups of staff members of max. 2 selected utilities who have directly worked with implementation and/or institutional consultants consultants	
			Progress Report and Final Report CES for ITM Phase 2	MIP III/IV project managers at the 6 utilities		
			Utility internal reports on (changes in) key performance			
			Utility internal action plans and policies developed during and			
Section three – Efficiency						**2**
EQ 06		To which extent were technical outputs satisfactory considering the size of MIP III/IV budgets?				**2**
	6.1	**Adequacy of investment budgets**				
		6.1.a	All planned construction activities were executed; all planned technical outputs were realised			2
			Feasibility studies all 6 infrastructure projects	MIP III/IV project managers at the 6 utilities	None	
			Progress Reports and Final Report KfW	Site visits investment locations 6 utilities		
			Final Logframes produced by KfW			
			Inception Reports, Progress Reports and Final Reports SETEC, DAHLEM and p2m			
			Technical completion reports			
		6.1.b.	No waste or duplication of efforts occurred, no avoidable costs were incurred			2
			Progress Reports and Final Report KfW	AKUK Project manager for the MIP III/IV programme	Groups of staff members of max. 2 selecte utilities who have directly worked with implementation and/or institutional consultants	
			Inception Reports, Progress Reports and Final Reports SETEC,	MIP III/IV project managers at the 6 utilities		
			Procurement documentation all works and supplies	Site visits investment locations 6 utilities		
		6.1.c	The investments represent value for money compared to similar initiatives (or: the project's efficiency compares favourably to similar projects in the water sector)			2
			Feasibility studies all 6 infrastructure projects	AKUK Project manager for the MIP III/IV programme	None	
			Benchmarking studies comparable projects in Albania and other countries (to be compiled by evaluators)			
			Progress Reports and Final Reports SETEC, DAHLEM and p2m			
			Procurement documentation all works and supplies			
	6.2	**Adherence to time schedules**				
		6.2.a	Building permits were obtained without undue delays			2
			Progress Reports and Final Report KfW	AKUK Project manager for the MIP III/IV programme	None	
			Progress Reports and Final Reports SETEC, DAHLEM and p2m	MIP III/IV project managers at the 6 utilities		
		6.2.b	Procurement processes were competitive and transparent			2
			Procurement documentation all works and supplies	AKUK Project manager for the MIP III/IV programme	none	
			Progress Reports and Final Reports SETEC, DAHLEM and p2m	MIP III/IV project managers at the 6 utilities		
		6.2.c	The quality of works was sufficient to avoid technical delays			2
			Progress Reports and Final Reports SETEC, DAHLEM and p2m	AKUK Project manager for the MIP III/IV programme	Conditional on time available: Groups of staff members of max. 2 utilities who have	
			Final reports supervising engineer	MIP III/IV project managers at the 6 utilities		

			Technical completion reports		directly worked with implementation and/or institutional consultants	
		6.2.d	External events such as legal and political issues did not unduly affect the timing of the works			2
			Progress Reports and Final Report KfW	AKUK Project manager for the MIP III/IV programme	None	
			Progress Reports and Final Reports SETEC, DAHLEM and p2m	MIP III/IV project managers at the 6 utilities		
				SECO project manager		
				KfW project manager		
				Mayors of the 8 municipalities and/or officials		
EQ 07	To which extent were the outputs of institutional support and implementation assistance satisfactory considering the size of MIP III/IV budgets?					**2**
	7.1	**Adequacy of technical assistance budget**				
		7.1.a	All planned institutional support activities were delivered			2
			Progress Reports and Final Report KfW	AKUK Project manager for the MIP III/IV programme	None	
			Progress Reports and Final Report CES for ITM Phase 1	MIP III/IV project managers at the 6 utilities		
			Progress Report and Final Report CES for ITM Phase 2	SECO project manager		
			Progress Reports and Final Report IM Pilot part 1	KfW project manager		
			Progress Reports and Final Report IM Pilot part 2			
			Mission Report IM Pilot September 2016			
			Other Mission Reports integrity management			
		7.1.b	All planned implementation support activities were delivered (including FS's, CBAs, building permit applications, hydraulic models, supervisory services)			2
			Progress Reports and Final Report KfW	AKUK Project manager for the MIP III/IV programme	None	
			Inception Report, Progress Reports and Final Report p2m	MIP III/IV project managers at the 6 utilities		
			Thematic Reports p2m	SECO project manager		
			Inception Report, Progress Reports and Final Report SETEC	KfW project manager		
			Thematic Reports SETEC			
			Inception Report, Progress Reports and Final Report DAHLEM			
			Thematic Reports DAHLEM			
	7.2	**Adherence to time schedules for institutional support and implementation assistance**				
		7.2.a	Quality and quantity of consultants were sufficient to timely deliver the envisaged support			2
			Terms of reference for ITM Phase 1	AKUK Project manager for the MIP III/IV programme	None	
			Terms of reference for ITM Phase 2	MIP III/IV project managers at the 6 utilities		
			Terms of Reference for Implementation Consultant	SECO project manager		
			ToR/assignment letter for integrity management pilot part 1	KfW project manager		
			ToR/assignment letter for integrity management pilot part 2			
			Inception Report and Final Reports CES for ITM phase 1 and 2			
			Inception Report and Final Report p2m			
			Inception Report and Final Report SETEC			
			Inception Report and Final Report DAHLEM			
		7.2.b	Quality and quantity of recipient staff were sufficient to timely absorp institutional and implementation support			3
			Progress Reports and Final Report KfW	AKUK Project manager for the MIP III/IV programme	Conditional on time available: Groups of staff members of max. 2 selected utilities who have directly worked with implementation and/or institutional consultants	
			Progress Reports and Final Reports CES for ITM phase 1 and 2	MIP III/IV project managers at the 6 utilities		
			Progress Reports and Final Reports SETEC, DAHLEM and p2m			
	7.3	**Satisfaction of recipients and stakeholders**				
		7.3.a	Institutional and implementation support were tailored to the varying needs of the beneficiaries			2
			Sector Masterplan for water supply and sewerage 2013	AKUK Project manager for the MIP III/IV programme	none	
			Programme Agreement between the Republic of Albania and Swiss Confederation	Mayors of the 8 municipalities and/or officials responsible for water/waste water	Note: for the IM Pilot this indicator is covered by the planned group session under EQ03	
			Progress Reports and Final Report KfW	MIP III/IV project managers at the 6 utilities		
			Final Reports CES for ITM phase 1 and 2			
			Final Reports SETEC, DAHLEM and p2m			
			Progress Reports and Final Report IM Pilot part 1 and 2			
		7.3.b	Sufficient number of management and staff members of AKUK and utilities trained or otherwise involved in consulting process			3
			Progress Reports and Final Report KfW	AKUK Project manager for the MIP III/IV programme	none	
			Progress Reports and Final Reports CES for ITM phase 1 and 2	MIP III/IV project managers at the 6 utilities	Note: for the IM Pilot this indicator is covered by the planned group session under EQ03	
			Progress Reports and Final Reports SETEC, DAHLEM and p2m			
			Progress Reports and Final Report IM Pilot part 1 and 2			
	7.4	**Alternative approaches**				
		7.4.a	Different approaches to institutional support could have achieved the same or better results more efficiently			0
			Benchmarking studies comparable projects in Albania and other countries (to be compiled by evaluators)	AKUK Project manager for the MIP III/IV programme	none	
				MIP III/IV project managers at the 6 utilities		
		7.4.b	Different approaches to implementation support could have achieved the same or better results more efficiently			0
			Benchmarking studies comparable projects in Albania and other countries (to be compiled by evaluators)	AKUK Project manager for the MIP III/IV programme	None	
				MIP III/IV project managers at the 6 utilities		
Section four – Impact						**2**
EQ 08	How did water supply and wastewater infrastructure improvements benefit citizens living in cities served by partner utilities, including businesses and vulnerable groups, if at all?					**2**
	8.1	**Improved access to services**				
		8.1.a	Increase in the percentage of households, businesses, and vulnerable groups with access to water supply and wastewater services			2

			Feasibility studies all 6 infrastructure projects	AKUK Project manager for the MIP III/IV programme	In at least one of the investment locations a group session is planned with	
			Any operational reports 6 utilities	MIP III/IV project managers at the 6 utilities		
			Progress Report and Final Report CES for ITM Phase 2	Mayors of the 8 municipalities and/or officials responsible for water/waste water	representatives of the various customer groups	
		8.1.b	Frequency and duration of water service interruptions reduced, particularly in vulnerable areas.			2
			Progress Report and Final Report CES for ITM Phase 2	MIP III/IV project managers at the 6 utilities	none	
			NRW reports 6 utilities (CES)	Mayors of the 8 municipalities and/or officials responsible for water/waste water		
			Financial reports 6 utilities (CES)			
			Any operational reports 6 utilities			
		8.1.c	Physical access to water supply points or connections, especially for marginalized populations.			2
			Progress Report and Final Report CES for ITM Phase 2	MIP III/IV project managers at the 6 utilities	In at least one of the investment locations a group session is planned with representatives of the various customer groups	
			NRW reports 6 utilities (CES)	Mayors of the 8 municipalities and/or officials responsible for water/waste water		
			Financial reports 6 utilities (CES)			
			Any operational reports 6 utilities			
	8.2	**Improved quality of service**				
		8.2.a	Compliance with national and international drinking water standards			2
			World Health Organisation (WHO) and UNICEF Joint Monitoring	AKUK Project manager for the MIP III/IV programme	none	
			Progress Report and Final Report CES for ITM Phase 2			
			Any operational reports 6 utilities			
		8.2.b	Percentage of wastewater treated to acceptable environmental standards before discharge.			3
			World Health Organisation (WHO) and UNICEF Joint Monitoring	AKUK Project manager for the MIP III/IV programme	In at least one of the investment locations a group session is planned with representatives of the various customer groups	
			Progress Report and Final Report CES for ITM Phase 2	MIP III/IV project managers at the 6 utilities		
			Any operational reports 6 utilities			
	8.3	**Economic impact**				
		8.3.a	Reduction in household and business expenditure on alternative water sources (e.g., tankers, bottled water)			2
			Progress Report and Final Report CES for ITM Phase 2	MIP III/IV project managers at the 6 utilities	In at least one of the investment locations a group session is planned with representatives of the various customer groups	
			Any operational reports 6 utilities	Mayors of the 8 municipalities and/or officials responsible for water/waste water		
		8.3.b	Increase in property values due to improved infrastructure			0
			Any reports on property value development	Mayors of the 8 municipalities and/or officials responsible for water/waste water	In at least one of the investment locations a group session is planned with representatives of the various customer groups	
	8.4	**Social inclusion and equity**				
		8.4.a	Water and wastewater services are physically accessible to all income groups, including vulnerable population (low-income households)			2
			Feasibility studies all 6 infrastructure projects	MIP III/IV project managers at the 6 utilities	In at least one of the investment locations a group session is planned with representatives of the various customer groups	
			Any operational reports 6 utilities	Mayors of the 8 municipalities and/or officials responsible for water/waste water		
			Progress Report and Final Report CES for ITM Phase 2			
		8.4.b	Water and wastewater services are financially accessible to all income groups, including vulnerable population (low-income households)			2
			Feasibility studies all 6 infrastructure projects	AKUK Project manager for the MIP III/IV programme	In at least one of the investment locations a group session is planned with representatives of the various customer groups	
			Any operational reports 6 utilities	Mayors of the 8 municipalities and/or officials responsible for water/waste water		
			Progress Report and Final Report CES for ITM Phase 2			
	8.5	**Environmental impact**				
		8.5.a	Untreated wastewater discharge into natural water bodies is reduced.			3
			Progress Report and Final Report CES for ITM Phase 2	MIP III/IV project managers at the 6 utilities	In at least one of the investment locations a group session is planned with representatives of the various customer groups	
			Progress Reports and Final Reports SETEC, DAHLEM and p2m	Mayors of the 8 municipalities and/or officials responsible for water/waste water		
			Any operational reports 6 utilities			
		8.5.b	Increased sustainability of water supply due to improved water resource management and reduced over-extraction from local sources			2
			Progress Report and Final Report CES for ITM Phase 2	MIP III/IV project managers at the 6 utilities	none	
			Progress Reports and Final Reports SETEC, DAHLEM and p2m			
			Any operational reports 6 utilities			
	8.6	**Strengthened capacities and capabilities of public institutions**				
		8.6.a	Enhanced operational efficiency, financial sustainability, and responsiveness of partner utilities and AKUK			2
			Progress Report and Final Report CES for ITM Phase 2	AKUK Project manager for the MIP III/IV programme	none	
			Progress Reports and Final Reports SETEC, DAHLEM and p2m	MIP III/IV project managers at the 6 utilities		
			Any operational reports 6 utilities			
		8.6.b	Improved ability of partner utilities and AKUK to manage service disruptions due to emergencies (e.g., droughts, floods)			0
			Progress Report and Final Report CES for ITM Phase 2	MIP III/IV project managers at the 6 utilities	none	
			Progress Reports and Final Reports SETEC, DAHLEM and p2m			
			Any operational reports 6 utilities			
Section five – Sustainability						**3**
EQ 09	To which extent did the MIP III/IV programme foster sustainable improvements in the quality of water supply and wastewater management services? And how were aspects of energy efficiency / climate mitigation and climate resilience taken into consideration in the planning and realization of infrastructure investments?					**3**
	9.1	**Technical Suitability and Durability**				
		9.1.a	Technologies were used that are robust, easily maintainable, and suited to local capacities and resources			2

			Feasibility studies all 6 infrastructure projects	AKUK Project manager for the MIP III/IV programme	none	
			Progress Reports and Final Reports SETEC, DAHLEM and p2m	MIP III/IV project managers at the 6 utilities		
			Final reports supervising engineer	Site visits investment locations 6 utilities		
			Technical completion reports			
			Any technical reports 6 utilities			
		9.1.b	The infrastructure was designed to withstand local environmental conditions (e.g., flooding, droughts).			2
			Feasibility studies all 6 infrastructure projects	AKUK Project manager for the MIP III/IV programme	none	
			Environmental impact assessments 6 infrastructure projects	MIP III/IV project managers at the 6 utilities		
			Progress Reports and Final Reports SETEC, DAHLEM and p2m	Site visits investment locations 6 utilities		
			Final reports supervising engineer			
			Technical completion reports			
			Any technical reports 6 utilities			
	9.2	**Financial and Economic Viability**				
		9.2.a	Services are priced affordably for end-users, with mechanisms in place for vulnerable groups			2
			Feasibility studies all 6 infrastructure projects	AKUK Project manager for the MIP III/IV programme	In at least one of the investment locations a group session is planned with represenatives of the various customer groups	
			Progress Report and Final Report CES for ITM Phase 2	MIP III/IV project managers at the 6 utilities		
			Financial reports CES 6 utilities	Mayors of the 8 municipalities and/or officials responsible for water/waste water		
			Any financial reports 6 utilities			
		9.2.b	The six utilities have mechanisms for cost recovery, reinvestment, and long-term operational funding.			3
			Progress Report and Final Report CES for ITM Phase 2	AKUK Project manager for the MIP III/IV programme	none	
			Financial reports CES 6 utilities	MIP III/IV project managers at the 6 utilities		
	9.3	**Institutional Capacity and Governance**				
		9.3.a	The institutional support under the project has led to improvement of capacities at the six utilities and of the governance by AKUK			3
			Progress Report and Final Report CES for ITM Phase 2	AKUK Project manager for the MIP III/IV programme	none	
			Progress Reports and Final Report IM Pilot part 1 and 2	MIP III/IV project managers at the 6 utilities		
			Business plans 6 utilities			
		9.3.b	The MIP III/IV programme has contributed to clear mechanisms for accountability in decision-making, resource use, and service delivery			2
			Progress Report and Final Report CES for ITM Phase 2	AKUK Project manager for the MIP III/IV programme	none	
			Progress Reports and Final Report IM Pilot part 1 and 2	MIP III/IV project managers at the 6 utilities		
			Business plans 6 utilities			
		9.3.c	Partnerships have been established for effective collaboration with local governments, private sector, and civil society			3
			Progress Report and Final Report CES for ITM Phase 2	MIP III/IV project managers at the 6 utilities	In at least one of the investment locations a group session is planned with represenatives of the various customer groups	
			Any formal and informal agreements between utilities and municipalities	Mayors of the 8 municipalities and/or officials responsible for water/waste water		
	9.4	**Environmental Sustainability**				
		9.4.a	Measures have been introduced to ensure sustainable water abstraction and reduce overexploitation of sources.			0
			Feasibility studies all 6 infrastructure projects	MIP III/IV project managers at the 6 utilities	none	
			Environmental impact assessments 6 infrastructure projects	Site visits investment locations 6 utilities		
			Progress Reports and Final Reports SETEC, DAHLEM and p2m			
		9.4.b	Systems were put in place to prevent or minimize environmental degradation (e.g., untreated wastewater discharge).			3
			Feasibility studies all 6 infrastructure projects	MIP III/IV project managers at the 6 utilities	none	
			Environmental impact assessments 6 infrastructure projects	Site visits investment locations 6 utilities		
			Progress Reports and Final Reports SETEC, DAHLEM and p2m			
		9.4.c	Infrastructure and management practices were designed to adapt to and mitigate the impacts of climate change			3
			Feasibility studies all 6 infrastructure projects	AKUK Project manager for the MIP III/IV programme	none	
			Environmental impact assessments 6 infrastructure projects	MIP III/IV project managers at the 6 utilities		
			Progress Reports and Final Reports SETEC, DAHLEM and p2m			
	9.5	**Monitoring and Adaptability**				
		9.5.a	MIP III/IV has introduced robust systems to track service quality, coverage, and sustainability over time.			3
			Progress Report and Final Report CES for ITM Phase 2	AKUK Project manager for the MIP III/IV programme	none	
			Business plans 6 utilities	MIP III/IV project managers at the 6 utilities		
			Any other documents utilities on process monitoring			
		9.6.b	MIP III/IV has provided the six utilities with mechanisms to adjust and improve their water/wastewater systems based on monitoring data and changing climate cond			3
			Progress Report and Final Report CES for ITM Phase 2	AKUK Project manager for the MIP III/IV programme	none	
			Business plans 6 utilities	MIP III/IV project managers at the 6 utilities		
			Any other documents utilities on process monitoring			

6.7 Annex 7: Updated Theory of Change


Long-term Impacts
(Increased well-being of the population) Expanded, sustainable, access to safe drinking water at socially acceptable and cost-covering tariffs, and increased ecological sewage disposal, accompanied by strengthened utility performance.
Medium-term Outcomes
Uninterrupted clean water supply to consumers in intervention areas
Uninterrupted sewage collection at consumers in intervention areas
Water and sewerage systems are energy efficient
Tariffs are affordable to customers, including those with minimum wages
T The six utilities are financially viable and have cost-efficient O&M systems
Revenue collection is efficient and transparent, benefitting from sound customer relation management
R Technical water losses reduced through better leakage detection and improved water loss management
Cooperation and coordination between AKUK and utilities is efficient and effective
Short-term Outcomes
Xxxx water and yyyy wastewater connections (re)established
Hydraulic pressure levels throughout the systems optimized
The six utilities have adopted and internalized the advice of the institutional consultants, Lushnja and Librazhd utilities have adopted and internalized the advice of integrity consultants, and the implementation of all advice is on-going or even completed
AKUK has implemented the proposals of the institutional consultant
Outputs
Planned construction works on networks, wells, transmission lines and ??? well underway or completed
Tailor-made advice on tariff adjustment plans delivered to utilities
Tailor-made advice on improving revenue collection efficiency delivered to utilities
Tailor-made advice on operation and maintenance plans delivered to utilities
Tailor-made advice on business planning and fin. management delivered to utilities
Tailor-made advice on customer service and public awareness delivered to utilities
Toolbox, implementation plans and training on integrity management delivered to staff of 2 utilities
Institutional support to AKUK delivered
Activities
Construction of water supply and sewer networks and systems
Updating feasibility studies
Expert support with implementation of investments
External monitoring and analysis of collection efficiency
Expert support with institutional strengthening of AKUK and utilities
Expert advice and training on Integrity management
Expert advice on how to attain the agreed individual cost-coverage
Inputs
35 M€ loan German Financial Cooperation through KfW
11 M€ grant Swiss Financial Cooperation through SECO
4 M€ grant German Financial Cooperation through KfW
Albania: Qualified staff, VAT reimbursement, provision and acquisition of land

ASSUMPTIONS

As far as can be established, no formal problem analysis was conducted during the design phase of the project. Yet, the logframes[1]do provide a respectable number of assumptions, which are identical for all six utilities. These assumptions are described in the tables below, ranked according to the cause and effect relations identified in the ToC.

The evaluators have added assumptions that find their origin in the Evaluation Matrix since eventually, the evaluation will also need to test their validity

Finally, several assumptions pertain to more than one layer (e.g. activities-outputs; short-term to medium-term outcomes) of the ToC. To avoid repetitions, such assumptions were attributed to the lowest layer, with the understanding that their relevance will persist throughout the higher layers of the ToC.

Assumptions that need to hold true for turning inputs into activities

Assumption defined by:	Description	Addressed by indicator(s)
Evaluators	Business plans are approved and implemented	4.1.b; 4.2.a; 4.2.b
Evaluators	Tariff adjustment proposals are submitted	4.1.b; 4.2.a; 4.2.b
SECO/KfW	Utilities achieve their milestones/ cost-coverage targets in time as prerequisite for investments	4.1.b; 4.2.a; 4.2.b
SECO/KfW	Purchase and property of land is in-time (e.g. in case of WWTP to be built)	6,1,a; 6.2.a; 6.2.b; 6.2.d
SECO/KfW	Qualified staff is available in the planning and procurement phases	2.1.a; 2.3.c; 3.1.a; 6.2.b:
Evaluators	The water-related needs of the target populations are known	1.1.c, 5.1.a; 5.1.b; 5.1.c
Evaluators	The utilities have expressed/confirmed their specific needs for institutional support	2.1.a; 2.1.b; 2.1.c; 2.2.a; 2.2.c; 3.1.a
Evaluators	Procurement of consultants and works/supplies contractors transparent and competitive	2.1.a; 3.1.a; 6.1.b; 6.2.b

Assumptions that need to hold true for turning activities into outputs

Assumption defined by:	Description	Addressed by indicator(s)
SECO/KfW	Qualified staff is available in the construction phase	2.3.c

SECO/KfW	The six utilities achieve milestones/cost-coverage targets in time in order to allow the implementation of the investments	4.2.a; 4.2.b
SECO/KfW	(Political) changes in key management positions in the utility or in the municipality do not hamper the implementation of the originally defined investments	5.2.b;
SECO/KfW	Sufficient, motivated staff is available and receptive for institutional training measures	2.3.b; 2.3.c; 7.2.b; 7.3.a; 7.3.b;
SECO/KfW	Real costs remain within the earmarked investment budget	6.1.b; 6.1.c; 6.2.c;
SECO/KfW	Defined time and budget schedule is respected	6.2.a; 6.2.c; 7.2.a; 7.2.b;

Assumptions that need to hold true for turning outputs into short-term outcomes

Assumption defined by:	Description	Addressed by indicator(s)
SECO/KfW	Tariff increases are introduced, whilst customers are willing and able to pay	8.1.a; 8.1.b; 8.1.c; 8.5.a; 8.5.b;
SECO/KfW	Customer database is complete	
SECO/KfW	Staff is capable to operate the systems	7.2.b; 7.3.a; 7.3.b; 8.7.a;
SECO/KfW	Management of the utilities is qualified and taking actions	5.2.c; 7.2.b; 7.3.a; 7.3.b; 8.7.a;
SECO/KfW	Decision making process and selection of staff to operate the investments in time.	5.1.a; 5.1.b; 5.1.c;
Evaluators	AKUK management & staff actively implement the outputs of MIP III/IV	2.2.a; 2.2.c; 5.2.a; 7.3.a; 7.3.b; 9.3.b;

Assumptions that need to hold true for turning short-term outcomes into medium-term outcomes

Assumption defined by:	Description	Addressed by indicator(s)
SECO/KfW	Potentials for cost-reductions are fully utilized	5.1.d; 6.1.b;
SECO/KfW	Trained operational staff stays at AKUK and the six utilities	5.2.a; 5.2.b; 9.3.a; 9.3.b;
SECO/KfW	Real population & connection development corresponds to forecasts	
SECO/KfW	Staff costs allow achievement of cost-coverage targets	9.2.b; 9.3.b;

SECO/KfW	Customers are satisfied and therefore are willing and able to pay and accept the service quality of the utilities	8.1.a; 8.1.b; 8.1.c; 8.5.a; 8.5.b; 9.2.a;
SECO/KfW	Water meters are accessible, read and functioning	6.1.a;
SECO/KfW	Regular maintenance /repairs	

Assumptions that need to hold true for turning medium-term outcomes into long-term impacts

Assumption defined by:	**Description**	**Addressed by indicator(s)**
SECO/KfW	Compliance with drinking water resource protection regulations (no infiltration of ground water)	9.4.a; 9.4.b; 9.4.c;
Evaluators	Utilities are structurally covering DOC and TOC through collected water and wastewater fees	9.2.b

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[1] Source: Logframes November 2013; annex 4 to Credit Proposal State Secretariat for Economic Affairs SECO, Economic Cooperation and Development dated 12 February 2014