

Reader's guide

Assessment process

Following the first three *Western Balkans Competitiveness Outlook* assessments, published in 2016, 2018 and 2021, the fourth assessment cycle was launched on 27 April 2023. In Albania, the Ministry of Finance and Economy held the main role of co-ordinator for the assessment process, while for each of the 15 thematic policy dimensions, a relevant line ministry was delegated as policy dimension co-ordinator responsible for input collection. Once the assessment was launched, the OECD team introduced new digitalised frameworks for assessing each of the 15 policy dimensions. Consisting of qualitative questionnaires and a statistical data sheet, these frameworks were presented and explained by the OECD, with particular attention paid to new questions and indicators.

Following the launch of the assessment, the National Co-ordinators disseminated the assessment materials among the co-ordination network and completed the assessment between April and August 2023. They assigned a score to each qualitative indicator used to assess the policy dimension in question, accompanied by a justification. The completed assessment materials were returned to the OECD team between August and October 2023. The OECD then reviewed the inputs and, where necessary, requested additional information from the National Co-ordinator. The updated assessment materials were sent back to the OECD until November 2023.

Upon final completion of the assessment materials, the OECD organised a fact-finding meeting in Tirana on 28 September 2023 to gain a better understanding of the policy landscape, to collect additional information for indicators where necessary, and to discuss the first set of selected draft findings. Based on the additional inputs received and outcome of the discussions on preliminary analyses and recommendations, the OECD compiled the key findings for each of the 15 policy dimensions. These findings were then presented during a dedicated preliminary findings meeting on 13 December 2023 and discussed with the National Co-ordinators of the Western Balkan economies. The OECD then held consultations on these findings with local non-government stakeholders, including chambers of commerce, academia and NGOs, in January and February 2024. The draft Competitiveness Outlook economy profile was made available to the Government of Albania for its review and feedback from February to March 2024.

Assessment approach

Coverage

This publication features data from, and a comprehensive analysis of, the six Western Balkan economies, including Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, North Macedonia, and Serbia, providing a detailed analysis of their key sectors, trends, and challenges for achieving convergence with the European Union and OECD.

The data collection and assessment are standardised for the region, with some differences in the case of Bosnia and Herzegovina. As policy making in Bosnia and Herzegovina is much more decentralised than that of the other Western Balkan economies, information from the Federation of Bosnia and Herzegovina (FBiH) and Republika Srpska (RS) as well as the state-level has been taken into account in assessing and scoring of policy dimensions. While Brčko District was not directly included in the assessment, its policies have been specified in various sections of the report, as appropriate. For more information on the exact methodology of the scoring, refer to the Bosnia and Herzegovina profile of the CO 2024.

Timeline

The assessment and monitoring of policy developments were undertaken between 1 March 2021 and 1 March 2024. Any policy changes and new developments after 1 March have not been considered in the assessment.

Scoring

The assessment comprises a total of 15 policy dimensions that are key to economic competitiveness; these constitute the central building blocks under national economic reform agendas. Each policy dimension is divided into several sub-dimensions (generally between 2 and 4), which are further comprised of granular indicators.

The methodology consists of assessing a total of 147 qualitative indicators across 15 policy dimensions, presented in Table 1. In addition, there are a total of 265 quantitative indicators that provide insights on the policy outcomes, demonstrating whether policies bring out the desired results and the extent to which they help to achieve Western Balkans' socio-economic convergence with the OECD area and EU.

The 2024 assessment retains the 0-5 scoring scale from previous cycles. However, the scoring criteria have been revised to reflect current best practices and policy trends in OECD and EU countries, as well as policy developments in the Western Balkans. Each indicator is assigned a numerical score ranging from 0 to 5 based on the level of policy development, implementation and monitoring & evaluation, enabling performance comparison across economies and over time. Level 0 represents the weakest performance, while Level 5 indicates the strongest, signifying a higher level of policy convergence towards OECD good practices and standards.

Table 1. Policy dimensions and qualitative indicators

Dimension	No. of qualitative indicators
1. Investment policy and promotion	8
2. Trade policy	6
3. Access to finance	8
4. Tax policy	11
5. State-owned enterprises	11
6. Anti-corruption policy	13
7. Education policy	9
8. Employment policy	12
9. Science, technology and innovation	9
10. Digital society	11
11. Transport policy	10
12. Energy policy	11
13. Environment policy	10
14. Agriculture policy	8
15. Tourism policy	10

Each criterion that is met on the scale of Level 0 to Level 5 indicates a level of policy sophistication.

This form of scoring allows for more nuanced score progression along the scale, and permits the consideration of more refined inputs in scoring. For this assessment, the OECD team has also prepared simplified versions of the scoring methodology, using benchmark criteria to better illustrate the rationale behind the scores. However, it is only a simplified representation, and does not encompass all the elements that influence the scoring. Table 2 presents an example indicator for accommodation quality (Tourism policy), with assessed criteria in the second column.

Table 2. Competitiveness Outlook scoring system: A sample indicator – accommodation quality

Score level	Policy requirements	Criterion met
Level 0	A consistent accommodation quality standard framework has been adopted.	✓
	Measures facilitating investments in high-quality private accommodation development or renovation have been adopted.	✓
	Measures facilitating investments in renovation or in building up new high-quality private accommodation are implemented.	✓
	Accommodation quality standard framework is in the process of implementation.	✓
	Energy efficiency requirements are included in the accommodation quality standard framework.	✓
	Regular inspection of quality standards is in place.	X
	Requirements for persons with disabilities are included in the quality standards for accommodation.	
	The sharing economy is regulated.	X
Level 5	Accommodation facilities that enhance energy efficiency efforts are supported by the government.	X
	Regular monitoring of the accommodation framework is conducted.	X
	An independent ex post evaluation has been conducted to assess the effectiveness of the implemented measures and to take corrective action.	X
Score for Albania		2.5

Note: The indicator and criteria shown in the table above do not reflect the actual score for Albania and are included solely for demonstration purposes. Moreover, there is no methodology for specific criterion being assessed, which would translate directly into a score. In other words, each criterion does not necessarily result in a score increase.

As part of the current assessment cycle, the *Western Balkans Competitiveness Data Hub* (<https://westernbalkans-competitiveness.oecd.org/>) has also been developed to access all the scores by indicator, showcasing the fulfilment of criteria by each economy and offering the rationale behind scores. Scores can be explored through policy dimensions as well as over time, and in comparison to other Western Balkan economies.

The final scores represent a simple average of all indicators, and not individual sub-dimensions. Table 3. illustrates an example of the dimension scoring system and thus the final scores. The number of indicators included in each sub-dimension varies depending on the complexity and scope of the concerned policy area. Therefore, the sample average of the sub-dimension scores can be different than the final dimension scores.

For further details on the Competitiveness Outlook methodology, individual scores for each indicator, as well as the changes in scope compared to the last assessment cycle in 2021, please refer to the detailed assessment methodology on the *Western Balkans Competitiveness Data Hub*.

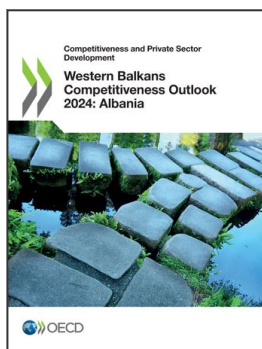
Table 3. Competitiveness Outlook scoring system: A sample presentation of dimension scores

Dimension	Sub-dimension	2018 score	2021 score	2024 score	2024 WB6 average
Investment policy and promotion	1.1: Investment policy framework			4.3	3.9
	1.2: Investment promotion and facilitation			3.7	3.3
	1.3: Mobilising sustainable investment			2.5	2.8
Albania's overall score		2.6	3.1	3.6	3.4

Comparability

The Western Balkans Competitiveness Outlook reflects a continual process of methodological refinement aimed at improving enhancing the robustness and comparability of indicators. However, evolving policy trends in OECD and EU countries, alongside shifting priorities in the Western Balkans, can sometimes make a direct comparison of scores difficult over time. In the 2024 edition, scores are compared back to 2021 and 2018. Due to vast methodological changes, direct comparisons to the first edition in 2016 are not feasible.

Since the 2018 edition, indicators have also been reorganised into different subdimensions, reflecting the policy aspects that are of key importance for the Western Balkans. This does not have any impact on the overall score comparability, i.e. dimension scores remain comparable. However, subdimension scores cannot be compared across subsequent editions.



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