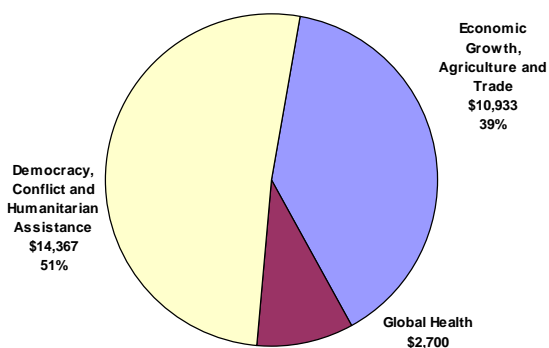
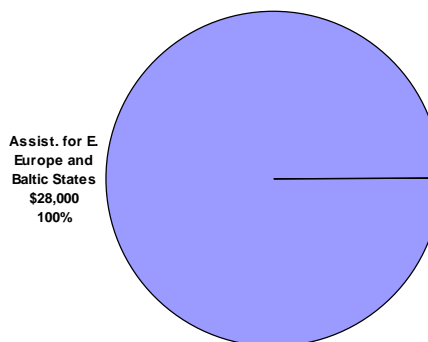


Albania

FY 2006 Assistance by Sector



FY 2006 Assistance by Account



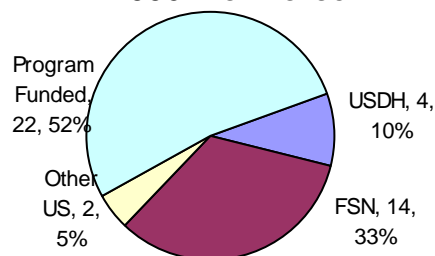
Objectives and Budget

Objective	SO Number	FY 2004	FY 2005	FY 2006
Economic Restructuring and Agriculture Development	182-0130	6,413	6,438	6,438
Civil Society	182-0210	4,727	4,077	4,077
Rule of Law	182-0220	2,150	2,200	2,200
Health Sector Improvement	182-0320	2,450	2,700	2,700
Special Initiatives	182-0410	3,180	3,130	3,130
Cross-Cutting Programs	182-0420	2,790	2,955	2,955
Transfers		6,525	6,500	6,500
Total (in thousands of dollars)		28,235	28,000	28,000

Administrative Expenses and Workforce

Administrative Expenses	FY 2004	FY 2005	FY 2006
Mission Allocation	1,896	1,790	1,850
USDH Salaries & Benefits	713	657	671
Program Funds	1,228	1,009	1,009
Total (in thousands of dollars)	3,837	3,456	3,530

FY 2006 Workforce



Mission Director: Harry Birnholz

Albania

The Development Challenge: The legacy of nearly five decades of misguided economic policies continues to leave Albania with widespread poverty, a deteriorated infrastructure, and weak public institutions. Thirteen years into its transition, Albania's 3.14 million people have a per capita gross domestic product of \$1,950, among the lowest in the region. The economy is dominated by subsistence agriculture, providing more than 25% of output and nearly 51% of employment, and a large informal sector. Foreign Direct Investment in Albania is extremely low and limited by poor infrastructure, corruption, and unevenly enforced commercial law that discourage private investment.

Albania's economy demonstrates several structural imbalances. Unemployment is high at 15%, and underemployment is endemic - only 22% of individuals aged 15 and older are fully employed. Almost 25% of all Albanians fall below the poverty line. Less than half of Albanian households have running water inside the dwelling. Only 14% of all households receive electricity continuously. The poor lack ready access to key public and private services and they face major physical and economic barriers to accessing quality health care. These conditions undermine public support for the government in general, and its reform program in particular.

Albania faces the major but not unique challenge of maximizing economic growth, employment, and income through increased private investment, while simultaneously increasing tax revenues, improving public services, and strengthening democracy, governance, and rule of law.

Democracy in Albania is still becoming established. Elections are frequent, but there has not yet been an election declared free and fair by international standards. Polls show that citizens want democracy but express low levels of confidence in their institutions: political parties, the legislature, ministries, and the courts. Only local government has achieved a degree of public regard. The rule of law in Albania is compromised by pervasive corruption, executive intervention, and ineffective judges and prosecutors. The state's ability to provide public order, maintain infrastructure, and deliver services is improving, but it remains hampered by low revenues and rent-seeking behavior among tax and customs officials. Shortcomings in basic governance generate the "support gap" common in other transition countries and other low-performing nascent democracies.

With the end of Albania's isolation, dramatic changes in demographic and health trends emerged. In the past 15 years, health systems and infrastructure received inadequate resources, which impeded service delivery, maintenance, and modernization. Simultaneously, an unparalleled population redistribution with rapid urbanization and extensive in-migration occurred. The dramatic outflow and movement of people has posed a serious challenge to public health in Albania. Compounding the situation is the threat of HIV/AIDS, TB, and a worldwide pandemic of influenza. A general low priority on health care and public health care expenditures, combined with other social sector realities, increases the vulnerability of the country's economic and democratic transition.

Continued U.S. Government assistance will help to accelerate Albania's transition to a market economy, and a participatory democracy based on the rule of law, as well as support integration with the European Union (EU) and neighboring states. It will also enable Albania, as the largest Muslim country in the Balkans, to continue to contribute to regional stability and to support U.S. foreign policy. The latter is illustrated by the Government of Albania's (GOA) support for the U.S. in its war on terrorism and its position on Iraq. The GOA entered into the Article 98 agreement and has deployed troops to Iraq, Afghanistan, and Bosnia-Herzegovina.

The USAID Program: The USAID program in Albania supports economic growth and micro-, small- and medium-enterprise (SME) development, democratic development and rule of law, and social stability. Program objectives directly support and are consistent with multi-dimensional U.S. interests identified in the President's 2002 National Security Strategy and the Joint State Department-USAID Strategic Plan. These objectives concentrate on the following three general development themes:

- 1) Economic growth and SME development through increased private investment, improving the

availability of credit, supporting capital formation, and strengthening the banking system;

2) Democratic reform and rule of law to support civil society through increased citizen awareness of public issues, assisting in elections, strengthening legal institutions, supporting the GOA decentralization program, and mitigating corruption and trafficking of persons; and

3) Health sector reform designed to improve primary health care by developing and implementing quality primary health care models, strengthening management capacity at the primary health care level, and encouraging community participation to ensure improved health care for Albanians.

Other Program Elements: USAID provides assistance to Albania through numerous programs that do not draw on bilateral funding. For example, regionally-funded activities in Albania support: non-governmental organizations (NGOs) which monitor government accountability; NGOs working on anti-corruption, advocacy and information sharing via the Organization for Economic Cooperation and Development's (OECD) Anti-Corruption Network; women's legal rights; training for journalists, labor leaders, health professionals, bankers, and other professionals; and a program of energy activities that seek greater efficiency in power generation and distribution, as well as management of energy resources.

Other Donors: The U.S., after Italy and Greece, remains Albania's third largest bilateral donor. Multilateral contributors and International Financial Institutions include the World Bank, International Monetary Fund (IMF), European Union (EU), European Bank for Reconstruction & Development (EBRD), European Investment Bank, Open Society Foundation, United Nations Development Program, Food and Agriculture Organization, International Fund for Agricultural Development, and United Nations Children's Fund (UNICEF). Bilateral contributors include: Germany, Swedish International Development Agency (SIDA), British Department for International Development, Danish Agency for International Assistance, and SNV (Dutch Development). Key elements of donor support focus on democratization and institutional development, with an emphasis on the judiciary, political cooperation, media, local government, and civil service reform, and the fight against crime and corruption. USAID is the leading donor agency in anti-trafficking, agriculture, enterprise development, and economic competitiveness.

Cooperation between USAID and other donor organizations active in Albania is robust. USAID coordinates with the Organization for Security and Cooperation in Europe (OSCE) and the British and Dutch governments on election issues. USAID closely coordinates anticorruption programming with the World Bank. With the OSCE, USAID provides technical assistance to the new High Inspectorate for the Declaration and Audit of Assets. In economic development, USAID coordinates assistance to the Bank of Albania with the World Bank, and small and medium enterprise development with the World Bank, EBRD, and Germany. The EU, World Bank, IMF, and EBRD are involved in the promotion of trade and investment, complementing U.S. Government programs. In the health sector, USAID coordinates with the World Bank, the major financier in the health field. As part of a transnational and bilateral approach to anti-trafficking, USAID partners with Terre des Hommes, SIDA, UNICEF, the Oak Foundation, and the National Albanian American Council. In the energy sector, USAID collaborates with the World Bank, EBRD, the European Investment Bank, and the Governments of Germany and Italy.

Albania PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2003 Actual	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Asst. for E. Europe and the Baltic States	28,483	28,235	28,000	28,000
Total Program Funds	28,483	28,235	28,000	28,000

STRATEGIC OBJECTIVE SUMMARY				
182-0130 Economic Restructuring and Agriculture Development				
AEEB	5,339	6,413	6,438	6,438
182-0210 Civil Society				
AEEB	3,474	4,727	4,077	4,077
182-0220 Rule of Law				
AEEB	2,300	2,150	2,200	2,200
182-0320 Health Sector Improvement				
AEEB	3,250	2,450	2,700	2,700
182-0410 Special Initiatives				
AEEB	4,590	3,180	3,130	3,130
182-0420 Cross-Cutting Programs				
AEEB	2,483	2,790	2,955	2,955
TRANSFER				
AEEB	7,047	6,525	6,500	6,500

Mission Director,
Harry Birnholz

Data Sheet

USAID Mission:	Albania
Program Title:	Economic Restructuring and Agriculture Development
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	182-0130
Status:	Continuing
Planned FY 2005 Obligation:	\$6,438,000 AEEB
Prior Year Unobligated:	\$178,000 AEEB
Proposed FY 2006 Obligation:	\$6,438,000 AEEB
Year of Initial Obligation:	1992
Estimated Year of Final Obligation:	2007

Summary: The USAID program supports sustained economic growth and poverty reduction through private enterprise development and competitiveness promotion. This program provides training and technical assistance to enhance the growth of micro-, small-, and medium-sized enterprises through developing and strengthening the capacity of enterprises to compete in the open market; increasing access of enterprises to financial resources; and improving the business environment for private enterprise development and trade competitiveness.

Inputs, Outputs, Activities:

FY 2005 Program: Increase Private Sector Growth (\$2,800,000 AEEB, \$19,000 AEEB carryover, \$159,000 prior year recoveries). Technical assistance and training will be provided to 8,800 micro-, small- and medium-sized enterprises to improve technical, managerial, and marketing capacities that will lead to the improvement of productivity and the quality of products and services. Through a combination of firm-level assistance and cluster-based competitiveness initiatives, USAID will assist enterprises in selected clusters to improve their capacity to capture a significant share of the domestic market and penetrate foreign markets. Special efforts will focus on the following sectors: dairy and meat processing, herbs and spices, leather goods and shoes, and specialty tourism. Principal contractors, grantees, and agencies include: Development Alternatives Incorporation (DAI) (prime), Land O' Lakes (LO'L), On-the-Frontier (OTF) Group, FFF Associates, Training Resources Group (TRG), and Institute for Development Research and Alternatives (IDRA) (sub); Fultz Foundation and Foundation for Economic Education of Youth (FEEY) (prime).

Strengthen Financial Sector's Contribution to Economic Growth (\$2,900,000 AEEB). USAID will continue to support the micro-lending program for micro- and small enterprises and its expansion to the northeast and the southwest of Albania where thousands of producers and entrepreneurs need credit for business start-up or expansion. The expansion to the northeast region is implemented through the Global Development Alliance mechanism. In addition, small and medium-sized enterprises (SMEs) will continue to benefit from USAID's small business credit assistance activity, which uses a loan guarantee program to leverage a large amount of loans from commercial banks. The value of credit extended to USAID-assisted enterprises will reach \$14 million. USAID also plans to introduce a multi-bank loan guarantee program under Development Credit Authority (DCA) to provide access to finance for SMEs and microfinance institutions. Principal contractors, grantees and agencies include: Chemonics International (prime), Regional Development Agencies (RDA) (sub), and Opportunity International (OI) (prime).

Improve Economic Policy and Governance (\$738,000 AEEB). USAID will support the strengthening of the government's capacity to formulate and implement appropriate trade policies and the private sector's participation in policy dialogues with the government. Resources also will be used for anti-corruption efforts. Actions will be undertaken to heighten the awareness of the private sector as well as the government about the negative effects of corruption on business competitiveness and economic growth. The Bank of Albania will continue to benefit from USAID technical assistance and training to improve its oversight of a sound, well-regulated and efficient banking system that increases the financial sector's responsiveness to the credit needs of the private sector and stimulate growth in private enterprises. As

public confidence in the banking system increases, the value of deposits in the banking systems is expected to reach about \$3.3 billion in FY 2005. Principal contractors and grantees include: Institute for Contemporary Studies (ICS) (prime) and Financial Services Volunteer Corps (FSVC) (prime).

FY 2006 Program: Increase Private Sector Growth (\$3,438,000 AEEB). USAID's interventions will expand to new geographic areas and engage new sectors in the economy. More emphasis will be placed on working with targeted industry clusters to increase their competitiveness in domestic and foreign markets. Over 8,500 micro-, small-, and medium-sized enterprises will benefit from USAID's technical assistance and training to improve their productivity and the quality of products and services. Special efforts will be made to assist the socially and economically disadvantaged groups such as women and Roma in the northeast region of Albania. Principal contractors and grantees include: DAI (prime), LO'L, OTF Group, FFF Associates, TRG, and IDRA (sub); Fultz Foundation and FEEY (prime).

Strengthen Financial Sector's Contribution to Economic Growth (\$2,500,000 AEEB). USAID will continue to support credit assistance programs that make credits available and accessible to private enterprises. Plans are for the micro-lending program to assist thousands of micro-enterprises, and for more small- and medium-sized enterprises to obtain commercial bank loans through USAID's loan guarantee program. As a result of USAID assistance, the total value of credit extended to private enterprises is expected to exceed \$14 million. Principal contractors and grantees include: Chemonics International (prime), RDA (sub), and OI (prime).

Improve Economic Policy and Governance (\$500,000 AEEB). USAID will continue to assist the government to undertake policy reforms designed to enhance the competitiveness of Albanian enterprises and encourage domestic and foreign investments. Efforts will focus on anti-corruption and reduction of regulatory and fiscal barriers to business development. The Bank of Albania will benefit from USAID technical assistance and training to strengthen its capacity to oversee the banking system and to maintain efficient and transparent operations. Principal contractors and grantees include: DAI (prime), MSI (sub), and FSVC (prime).

Performance and Results: USAID made a significant contribution to Albania's economic growth by achieving two important results: improved technical, managerial and marketing capacity of private enterprises in target sectors and increased access of micro-, small-, and medium-sized enterprises to credit needed for business improvement and expansion. A total of 8,058 private enterprises benefited directly from USAID assistance in FY 2004. USAID-funded activities are estimated to have indirectly benefited over 10,000 other enterprises. Many of the directly assisted enterprises have reported up to a 25% increase in sales. Bank loans to USAID-assisted enterprises increased over three-times in value from \$3.5 million in 2003 to \$12.1 million in 2004. The number of loans made by non-bank sources to assisted enterprises increased by 60% from 2,793 in 2003 to 4,485 in 2004 with a total value of \$13 million. The USAID micro-lending program has achieved full operational self-sufficiency and received an external rating of A+ for a micro-finance institution, based on the Consultative Group for Assistance to the Poorest-approved rating system. The small business credit assistance program assisted over 3,500 clients in 33 of Albania's 36 districts. The repayment rates, at 98% for micro-loans and 100% for SME loans, were extraordinary. Women received 62% of assisted agricultural enterprise loans; 55% of non-agricultural enterprises loans; and 59% of micro-loans.

Based on its success to date, USAID's assistance program should continue to accelerate the growth of private enterprises in Albania, leading to sustained economic growth, increased employment and household income, and reduced poverty.

US Financing in Thousands of Dollars

Albania

182-0130 Economic Restructuring and Agriculture Development	AEEB	DA	ESF
Through September 30, 2003			
Obligations	143,087	15,628	2,300
Expenditures	120,219	15,289	2,300
Unliquidated	22,868	339	0
Fiscal Year 2004			
Obligations	6,559	0	0
Expenditures	11,871	339	0
Through September 30, 2004			
Obligations	149,646	15,628	2,300
Expenditures	132,090	15,628	2,300
Unliquidated	17,556	0	0
Prior Year Unobligated Funds			
Obligations	178	0	0
Planned Fiscal Year 2005 NOA			
Obligations	6,438	0	0
Total Planned Fiscal Year 2005			
Obligations	6,616	0	0
Proposed Fiscal Year 2006 NOA			
Obligations	6,438	0	0
Future Obligations	6,438	0	0
Est. Total Cost	169,138	15,628	2,300

Data Sheet

USAID Mission:	Albania
Program Title:	Civil Society
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	182-0210
Status:	Continuing
Planned FY 2005 Obligation:	\$4,077,000 AEEB
Prior Year Unobligated:	\$900,000 AEEB
Proposed FY 2006 Obligation:	\$4,077,000 AEEB
Year of Initial Obligation:	1992
Estimated Year of Final Obligation:	2007

Summary: The USAID Civil Society program aims to focus public scrutiny and bring public pressure to bear to improve the transparency of and citizen confidence in Albania's political institutions. It provides technical or financial assistance to non-governmental organizations (NGOs) engaged in anticorruption advocacy or watchdog activities and to independent media organizations. USAID also supports domestic election monitoring, parallel vote counts, and polling and data collection, all in an effort to improve an electoral process that has yet to meet international standards for transparency. Finally, the USAID Civil Society program seeks to consolidate Albania's nascent decentralization process and thereby improve government accountability at the local level.

Inputs, Outputs, Activities:

FY 2005 Program: Strengthen Civil Society (\$1,174,000 AEEB, \$250,000 AEEB carryover). USAID will provide technical and financial assistance to organizations actively engaged in anticorruption advocacy activities to bring public scrutiny and pressure to bear in support of official accountability, transparency, and compliance with anticorruption laws. In addition to financing the first-ever domestic election monitoring and parallel vote tabulation effort in upcoming 2005 general elections, USAID will fund a much-needed overhaul of the voter registry. Election-related activities aim to raise Albania's electoral process to international standards. USAID also aims to strengthen government accountability by training independent, non-partisan organizations to carry out large-sample polls to allow candidates for office to shape their platforms ahead of the elections.

Strengthen Democratic Political Parties (\$587,000 AEEB). USAID will provide training and technical assistance to 75 young, reformist party activists. The training will include a strong anticorruption focus and emphasize linkages between party activists with organizations that engage in anticorruption advocacy and/or watchdog or citizen oversight groups. Principal grantee: National Democratic Institute (NDI) (prime).

Establish and Ensure Media Freedom and Freedom of Information (\$586,000 AEEB). USAID will continue to provide technical assistance to create a professional independent media. Activities include training of journalists or journalist associations to enhance investigative reporting, especially as it relates to corruption, transparency and accountability issues. FY 2005 assistance will help equip journalists to monitor financial disclosures and expose private as well as public sector ethical lapses. Principal contractors and grantees include: NDI (prime), Partners for Democratic Change (PDC) and The International Research and Exchanges Board (IREX) (sub).

Promote and Support Free and Fair Elections (\$300,000 AEEB, \$400,000 AEEB carryover). USAID's provision of technical assistance for the election process is aimed at updating the civil and voter registries by creating a new inventory of digitized maps of Albania's main population centers. The contractor is the International Foundation for Elections Systems (IFES) (prime).

Support Democratic Local Government and Decentralization (\$1,400,000 AEEB, \$250,000 AEEB prior year recoveries). USAID assistance in this area is primarily aimed at consolidating the decentralization process by enabling Local Government Units (LGUs) to assume functions transferred to them by the

central government, and to improve the quality of LGU-provided public services. USAID assistance will support citizen participation in LGUs, particularly as regards the budget process, support to local government associations to formulate policies and positions, and support to LGUs with an emphasis on practice-oriented training. Assistance will also be steered to central and local government authorities in harmonizing national legislation affecting the decentralization process and in supporting the development of LGU performance standards in regard to municipal services. The contractor is: The Urban Institute (UI) (prime).

Support Peace Corps (\$30,000 AEEB). The Peace Corps Small Project Assistance program will provide technical assistance and training to local communities and local governments primarily in local economic development.

FY 2006 Program: Strengthen Civil Society (\$2,542,000 AEEB). USAID plans to continue the civil society and media activities outlined above. Local elections will be held in 2006. USAID plans to fund polling and surveys designed to frame and inform a pre-electoral discourse as well as to train and organize another domestic election observation. Principal contractors and grantees include: NDI (prime), PDC and IREX (sub).

Support Democratic Local Government and Decentralization (\$1,500,000 AEEB). FY 2005 activities will continue to receive support. Local Government associations will be encouraged to take apolitical stands on political campaign issues that most affect LGUs and their citizenry. The contractor is: UI (prime).

Support Peace Corps (\$35,000 AEEB). Funding will assist Peace Corps volunteers in their community-based small-scale development activities.

Performance and Results: USAID's civil society activities began to pay dividends as USAID-supported advocacy NGOs waged several campaigns that resulted in the reconsideration or reversal of government policies. A major area of advance was decentralization. The USAID-supported formula for the transfer of funds from the central government to local governments was improved. As a result of U.S. technical assistance, local government units are beginning to operate autonomously from the central government.

Political party assistance programs have increased the number of party activists, pressuring their leadership to embrace the One Member One Vote concept of selecting candidates to advance party reform. FY 2004 saw 13 program participants elected to local office while significant numbers took on key political roles.

The "Heroes" program represents a new model of television programming for the Albanian viewers. One hundred and three episodes have been produced in addition to 26 half hour-long episodes of "Hapur", a 30-minute broadcast profiling everyday corruption and its cost to society. Eight regional broadcasters built a network of regional stations which supports creation of sustainability of the sector.

At the conclusion of USAID support for civil society activities, Albania will have a more politically influential and relatively more sustainable NGO sector with a record of advocacy successes as reflected by conventional measures of sector performance (e.g., the NGO Sustainability Index). More aggressive anticorruption monitoring by key NGOs and more assertive investigative media will become permanent features of Albania's political landscape. Election administration will be closer to international standards and a network of domestic election monitors will be in place for the June 2005 elections and beyond.

US Financing in Thousands of Dollars

Albania

182-0210 Civil Society	AEEB	ESF
Through September 30, 2003		
Obligations	39,120	1,250
Expenditures	32,051	1,250
Unliquidated	7,069	0
Fiscal Year 2004		
Obligations	4,477	0
Expenditures	6,891	0
Through September 30, 2004		
Obligations	43,597	1,250
Expenditures	38,942	1,250
Unliquidated	4,655	0
Prior Year Unobligated Funds		
Obligations	900	0
Planned Fiscal Year 2005 NOA		
Obligations	4,077	0
Total Planned Fiscal Year 2005		
Obligations	4,977	0
Proposed Fiscal Year 2006 NOA		
Obligations	4,077	0
Future Obligations	0	0
Est. Total Cost	52,651	1,250

Data Sheet

USAID Mission:	Albania
Program Title:	Rule of Law
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	182-0220
Status:	Continuing
Planned FY 2005 Obligation:	\$2,200,000 AEEB
Prior Year Unobligated:	\$150,000 AEEB
Proposed FY 2006 Obligation:	\$2,200,000 AEEB
Year of Initial Obligation:	1992
Estimated Year of Final Obligation:	2007

Summary: The USAID Rule of Law program has been revised to provide a sharper anticorruption focus. The program aims to strengthen government audit and accountability mechanisms and foster judicial integrity, thereby increasing public confidence in justice administration. USAID provides direct assistance to audit entities within the judicial and executive branches of government as well as to a newly-established asset disclosure inspectorate. The primary goal of the Rule of Law program will be to ensure implementation of existing laws. However, USAID will also assist in the enactment of additional key anticorruption legislation and USAID will provide direct support to a successful anticorruption watchdog group to continue and expand its activities.

Inputs, Outputs, Activities:

FY 2005 Program: Promote and Support Anticorruption Reforms (\$2,200,000 AEEB, \$150,000 AEEB prior year recoveries). USAID will provide technical assistance and training to build capacities for selected institutions that are legally empowered to fight corruption. USAID will support the following institutions and organizations: 1) the recently-formed High Inspectorate on the Declaration and Audit of Assets (HIDAA), the state body charged with monitoring the properties of officials, to help the Government of Albania detect corrupt practices and take action against corrupt officials; 2) Inspectorates in the High Council of Justice and the Ministry of Justice charged with inspecting and supervising the judiciary, in order to assist in detecting cases of unethical behavior on the part of judges and take the appropriate disciplinary measures, as well as promoting those who perform better; 3) the Chambers of Advocates to scrutinize the ethical behavior of lawyers and to instruct the Chamber on strategic litigation in cases of unethical behavior of judges; and 4) financial and technical assistance to the Citizen's Advocacy Office (CAO), a very successful watchdog NGO, to help it sustain its office in Tirana, expand its work into other cities of Albania, establish and support a "Court Watch" and legislative sector monitoring program.

USAID will provide technical assistance to strengthen the implementation and enforcement of existing laws that have a direct impact on reducing corruption, such as the Freedom of Information Law and the Code of Administrative Procedures, as well as enactment of new laws such as the Conflict of Interest Law and the Press Law. Principal contractors and grantees include: Casals & Associates (prime), East West Management Institute (sub) and American Bar Association - Central European and Eurasian Law Initiative (ABA-CEELI) (prime).

FY 2006 Program: Promote and Support Anticorruption Reforms (\$2,200,000 AEEB). FY 2005 activities will continue to receive support. Technical, financial and training efforts will enable HIDAA to bring forward cases of fraudulent asset declarations, enable the judicial inspectorates and the Chambers of Advocates to bring forward cases of unethical behavior of judges and lawyers in order to make the political and judicial systems accountable for their actions; create a strong "fourth estate" through the enactment and implementation of a good press law; and increase government transparency as it relates to releasing public information. Principal contractors and grantees include: Casals & Associates (prime), East West Management Institute (sub) and ABA-CEELI (prime).

Performance and Results: USAID's activities contributed to increased public awareness and public pressure against corrupt practices in the government. Through some major advocacy campaigns, non-

transparent proposed price increases for public utilities were rolled back. The Albanian Pilot Court Administration Reform Project (APCARP) replicated transparent and accessible court models in three more courts: Shkoder, Kavaja, Vlore. A "Guide to Licensing" explaining the process for getting professional licenses and a "City Taxes Guide" explaining which taxes are to be paid and the procedures for paying them were published to make the relevant processes more transparent to the public. HIDAA began operations and watchdog NGOs monitored the first asset disclosures of public officials.

By program completion, Albania should have made progress in fighting corruption, as measured by such indicators as the Transparency International Corruptions Perceptions Index. The Government of Albania inspectorates currently receiving USAID assistance, moreover, should have a track record of officials investigated and sanctioned for corrupt practices. Civic watchdog organizations should have become more influential and successful in monitoring the public sector operations. Albanian legal and judicial institutions should have become measurably more transparent and accountable.

US Financing in Thousands of Dollars

Albania

182-0220 Rule of Law	AEEB	ESF
Through September 30, 2003		
Obligations	6,615	250
Expenditures	3,115	129
Unliquidated	3,500	121
Fiscal Year 2004		
Obligations	2,749	0
Expenditures	3,516	0
Through September 30, 2004		
Obligations	9,364	250
Expenditures	6,631	129
Unliquidated	2,733	121
Prior Year Unobligated Funds		
Obligations	150	0
Planned Fiscal Year 2005 NOA		
Obligations	2,200	0

Total Planned Fiscal Year 2005		
Obligations	2,350	0
Proposed Fiscal Year 2006 NOA		
Obligations	2,200	0
Future Obligations	0	0
Est. Total Cost	13,914	250

Data Sheet

USAID Mission:	Albania
Program Title:	Health Sector Improvement
Pillar:	Global Health
Strategic Objective:	182-0320
Status:	Continuing
Planned FY 2005 Obligation:	\$2,700,000 AEEB
Prior Year Unobligated:	\$325,000 AEEB
Proposed FY 2006 Obligation:	\$2,700,000 AEEB
Year of Initial Obligation:	1992
Estimated Year of Final Obligation:	2007

Summary: USAID/Albania's program is aimed at improving quality, management, and access to Albania's primary health care (PHC) system, especially for women, children, and the elderly. Assistance seeks to relieve constraints in the health sector, including inadequate human capital, corruption, and fragmented financial mechanisms, and supports needed reforms that strengthen central and local PHC capacities through policy dialogue.

Inputs, Outputs, Activities:

FY 2005 Program: Build Health Systems Capacity (\$2,400,000 AEEB, \$325,000 AEEB carryover). USAID will continue to assist PHC providers to improve their technical competencies in a wide range of health conditions and promote integration of services in one package. Training will be offered to more than 500 health providers to assist them in complying with clinical guidelines according to international standards. Efforts will be made to expand the scope of PHC services to include family planning, women and children's health, HIV/AIDS and TB, and many others. Technical assistance will continue to help replicate innovative interventions such as health information systems, quality standards to measure performance, and improved payment schemes that increase transparency and accountability in 16 out of 36 districts. For policy reform in PHC, efforts will be intensified at both the local and central levels to improve legislation that will result in a nation-wide replication of service delivery innovations developed at the local level. Principal contractors and agencies include: University Research Corporation (prime), Bearing Point, and American Academy of Family Physicians (subs).

Reduce Unintended Pregnancy and Improve Healthy Reproductive Behavior (\$300,000 AEEB). USAID will continue to provide training and capacity building to improve the quality of service and integrate a family planning and reproductive health component into the basic PHC package. USAID assistance will help to expand the scope of PHC services, training and awareness campaigns, and the logistic management information system for contraceptives to 15 districts that account for a third of the country. The contractor is University Research Corporation (prime).

FY 2006 Program: Build Health Systems Capacity (\$2,400,000 AEEB). Additional resources for technical assistance and training are planned for further strengthening of health reform efforts by rolling-out activities from 15 to all 36 districts of the country, and ensuring a fully integrated PHC system which will be able to respond to the primary health care needs of the population. Technical assistance and capacity building are planned to facilitate decentralization of health care delivery responsibilities and increase accountability and transparency of the sector's financing at both central and local government levels. In addition to increasing clinical competency, training is planned to expand the capacity of management, planning and budgeting for both central and local health authorities to facilitate increasing the autonomy of PHC facilities. Principal contractors and agencies are the same as in FY 2005.

Reduce Unintended Pregnancy and Improve Healthy Reproductive Behavior (\$300,000 AEEB). USAID plans to provide training and capacity building to improve the quality of service and integrate a family planning (FP) and reproductive health component into the basic PHC package and plans to expand the scope of these services to the remainder of the country. The contractor is: University Research Corporation (prime).

Performance and Results: A major achievement of USAID in FY 2004 was the creation of a fully functioning health information system (HIS) that is operating in four pilot sites. The Ministry of Health has endorsed and approved expanding the HIS nation-wide. As a first step, Albanian health authorities have approved an immediate expansion of the HIS in the Berat region from the four pilot sites to 14 additional delivery points. The HIS gives health authorities and providers an informed decision-making tool; the first of its kind in the sector. Additionally, there has been a 41% increase in the utilization of services in targeted areas in the past year. The increase in demand for services was due to the knowledge and skills demonstrated by 269 PHC physicians and nurses who, through the training received, increased their compliance with clinical practice guidelines. More than 2,500 women in the rural areas of the Berat region received training and counseling on PHC and reproductive health issues, which also contributed toward the 40% increase in demands for these services.

Continued progress in the nation-wide replication of PHC models will mean that by the end of FY 2006 the system will be ready to provide autonomy to PHC providers; the utilization rate of PHC services will be increased by over 50%; reliance on abortion will be decreased by 30%; and 32% of the population will have access to family planning services and behavior-change campaigns.

US Financing in Thousands of Dollars

Albania

182-0320 Health Sector Improvement	AEEB	CSH
Through September 30, 2003		
Obligations	20,534	0
Expenditures	16,341	0
Unliquidated	4,193	0
Fiscal Year 2004		
Obligations	2,861	1,000
Expenditures	3,922	0
Through September 30, 2004		
Obligations	23,395	1,000
Expenditures	20,263	0
Unliquidated	3,132	1,000

Prior Year Unobligated Funds		
Obligations	325	0
Planned Fiscal Year 2005 NOA		
Obligations	2,700	0
Total Planned Fiscal Year 2005		
Obligations	3,025	0
Proposed Fiscal Year 2006 NOA		
Obligations	2,700	0
Future Obligations	0	0
Est. Total Cost	29,120	1,000

Data Sheet

USAID Mission:	Albania
Program Title:	Special Initiatives
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	182-0410
Status:	Continuing
Planned FY 2005 Obligation:	\$3,130,000 AEEB
Prior Year Unobligated:	\$1,050,000 AEEB
Proposed FY 2006 Obligation:	\$3,130,000 AEEB
Year of Initial Obligation:	1992
Estimated Year of Final Obligation:	2007

Summary: The anti-trafficking program addresses prevention, reintegration, rehabilitation, and repatriation of trafficked women and children; research and information management; strategic planning and monitoring; and bilateral and international cooperation. The energy program is focused on technical assistance (TA) and training that supports the implementation of the national energy strategy which aims to stimulate sustainable economic growth and investment by improving the availability, efficiency and reliability of energy supply at reasonable cost, and, participation in the South East European Regional Energy Market (REM) as a step toward integration into the European Community's energy market. The faith-based initiative will focus on strengthening inter-faith tolerance within selected communities through multi-faith-based development activities.

Inputs, Outputs, Activities:

FY 2005 Program: Reduce Trafficking in Persons (\$1,830,000 AEEB, \$750,000 AEEB carryover). USAID will continue to fund efforts to decrease child trafficking focusing on: prevention, protection, assisted voluntary return, reintegration, and coordination. On-going programs include school prevention activities and toolkits, and summer camp/community activities that offer a source of identification, prevention, and intervention for "at-risk" children. Coordination efforts will continue with the non-governmental organization (NGO) partner in Greece and an Italian NGO counterpart will be identified. Assistance in response to the trafficking in women and girls will focus on prevention, reintegration, coordination, and NGO capacity building. Grants will be awarded to NGOs over the remaining two years of the project to support advocacy; technical assistance to shelters; institutional capacity building; and prevention and reintegration activities for victims of trafficking. USAID will fund the creation of a national database of victims/survivors of trafficking and Regional Cluster Groups (RCGs) involving local, international, and GOA anti-trafficking stakeholders from the four key regional areas of Albania. Contractors include: Creative Associates International, Inc. (CAI) and Terre des Hommes (TdH) (primes).

Expand and Improve Access to Economic and Social Infrastructure (\$800,000 AEEB). USAID will provide technical assistance (TA) and training in the areas of legal and regulatory development; design and implementation of a national energy market; and managerial capacity building. With the increasing complexity and diversity of the power sector, TA and training in the area of legal and regulatory matters will be provided to the Albanian Regulatory Agency (ERE). The USAID-supported partnership between ERE and the Indiana State Utility Commission will continue, as will the partnership between the United States Energy Association (USEA) and KESH, the Albanian state-owned power company. Based on the terms of the Athens Memorandum of Understanding and the future Treaty of the Energy Community for South East Europe, the aim is to create a regional energy market that will enable the GOA to develop an effective national energy market and become an REM program participant. Contractors include: Pierce Atwood, USEA, National Association of Regulatory Utility Commissioners (NARUC) (primes).

Improve Community-Based Reconciliation Efforts (\$500,000 AEEB, \$300,000 AEEB prior year recoveries). USAID plans to continue this initiative and to create linkages between the municipal inter-faith councils, as well as give small grants to communities and groups of activists to be managed by a mixed faith project management group in order to further religious harmony and build sound community development principles. The contractor is: World Learning (prime).

FY 2006 Program: Reduce Trafficking in Persons (\$2,330,000 AEEB). USAID plans to fund activities to increase the number of civil society organizations engaged in preventing child trafficking; and increase the percentage of trafficked and high-risk children benefiting from physical, psychological, legally coordinated and effective protection, while strengthening the GOA's and international partners' implementation of the Children Rights Convention; especially in cases of assisted voluntary return of minors. USAID plans to reduce the vulnerability of women and children to trafficking/re-trafficking through the reinforcement of civil society; improving coordination and information management among stakeholders; and increasing the quality and coverage of anti-trafficking activities throughout the country. Funds will be used to increase collaboration and advocacy, strengthen RCG participants' institutional capacity, and grant awards to local and international NGOs that focus on victim prevention and reintegration. A national trafficking database will be developed. Contractors include: CAI and TdH (primes).

Expand and Improve Access to Economic and Social Infrastructure (\$800,000 AEEB). USAID plans to continue its technical assistance and training in the areas of: legal and regulatory development for ERE; support and training for the commercialization of the unbundled transmission systems operator (TSO); implementation of the national energy market in compliance with European Union (EU) Directives; revision of the national energy strategy foreseen for 2006; and support to the energy efficiency initiatives and programs of the GOA. Contractors include: Pierce Atwood, USEA, NARUC (primes).

Performance and Results: The child anti-trafficking project expanded its coverage within central and southern Albania; prevention activities and awareness raising publications were provided in schools and new "quarters/villages at-risk"; and state authorities increased their involvement in child anti-trafficking policy and activities. The project's increased collaboration with its Greek NGO counterpart successfully implemented the Emergency Response Against Child Trafficking (ERACT) for the Athens 2004 Olympics.

The anti-trafficking in women and girls project developed and distributed a baseline survey questionnaire to 150 NGOs to learn about the types of anti-trafficking programs and services currently being provided by civil society organizations; and to identify which areas of the country have insufficient or non-existent anti-trafficking programs and services.

During August 2004, with significant input from USAID's energy sector program, the GOA drafted and adopted a transitional market model (TMM) for the Albanian energy market (AEM), as a first step toward integration to REM and fulfillment of EU Directives. In addition, the GOA proposed a new energy efficiency law that, if properly implemented, would contribute to the more economical use of energy resources, the establishment of reliable energy supply, and facilitate sustainable economic development.

With USAID's assistance, a transmission subsidiary company and transmission systems operator, TSO, has been established and is the first step in the unbundling of KESH and in the establishment of the TMM. USAID has provided financial management assistance to KESH in the development of a two-year action plan, evaluation of its accounting hardware and software systems, and preparation of its compliance reports to the World Bank and other lending agencies. With USAID's support, the new chairman of ERE and other commissioners have been approved by Parliament and are committed to maintaining the continuity, integrity, and training investment of the existing ERE support staff.

US Financing in Thousands of Dollars

Albania

182-0410 Special Initiatives	AEEB	ESF
Through September 30, 2003		
Obligations	37,446	11,880
Expenditures	30,854	11,880
Unliquidated	6,592	0
Fiscal Year 2004		
Obligations	3,307	0
Expenditures	4,538	0
Through September 30, 2004		
Obligations	40,753	11,880
Expenditures	35,392	11,880
Unliquidated	5,361	0
Prior Year Unobligated Funds		
Obligations	1,050	0
Planned Fiscal Year 2005 NOA		
Obligations	3,130	0
Total Planned Fiscal Year 2005		
Obligations	4,180	0
Proposed Fiscal Year 2006 NOA		
Obligations	3,130	0
Future Obligations	0	0
Est. Total Cost	48,063	11,880

Data Sheet

USAID Mission:	Albania
Program Title:	Cross-Cutting Programs
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	182-0420
Status:	Continuing
Planned FY 2005 Obligation:	\$2,955,000 AEEB
Prior Year Unobligated:	\$204,000 AEEB
Proposed FY 2006 Obligation:	\$2,955,000 AEEB
Year of Initial Obligation:	1992
Estimated Year of Final Obligation:	2007

Summary: The program is primarily focused on serving the participant training needs of all USAID-funded activities under other Strategic Objectives. A small grants program is available and is used by returning participants to implement activities related to their training. Also, an audit, evaluation, and program support component provides resource for designs, evaluations, and program support.

Inputs, Outputs, Activities:

FY 2005 Program: USAID will obligate (\$2,955,000 AEEB, \$183,000 AEEB carryover, \$21,000 AEEB prior year recoveries) to implement its cross-cutting programs. Activities under the strategic objective benefit all Mission activities. USAID will continue its training efforts in support of the growth of private enterprise, strengthening citizen participation and the rule of law, and improved health care. Over 930 participants will be trained this year with another 1,100 receiving support for in-country conference participation.

In support of the growth of private enterprise, several training events and follow-on grants are planned to improve the ability of institutions to better serve the real needs of small and medium enterprises; whether to access credit or improve production and marketing strategies. Tourism will also be addressed. In this regard, 195 people will receive training under the rubric of growth of private enterprise. In the field of agriculture, several programs will assist agribusiness and institutions that support agriculture. In total, 345 people will receive training in or support through grants or conferences for agricultural-related activities

USAID will work on strengthening citizen participation and rule of law by providing training or grants to assist: local governments with city council functions, service provision including water management, business support and tax administration, and budgeting; political parties with party strengthening; and rural citizens with methods to become engaged effectively. Over 200 participants will be trained. The judiciary will be assisted with training or grants to improve court file and archive management. Agencies involved in citizens' advocacy in the districts, asset declaration and conflict of interests monitoring and the civil service will also receive training. Over 80 participants will be trained in rule of law related activities.

Training programs and grants will be utilized to improve primary health care finance, information management and contract management, while awareness of HIV/AIDS risk and family planning options will be expanded further in remote rural areas. Approximately 290 participants will receive training for health-related activities. In addition, support will be given to national health-related associations for activities such as conferences.

Grants will also focus on issues related to energy, human trafficking and religious harmony, and 170 participants will be trained. The contractor is World Learning (prime).

The Audit, Evaluation and Program Support (AEPS) program serves as the principal resource for activity design, evaluation and program support. AEPS continues to fund Foreign Service National Personal Service Contracts and United States Personal Service Contracts positions in support of specific strategic objectives. USAID also uses these funds to train staff and implement the Agency's performance-based management policies. In addition, these funds will be used to cost share the lease and other services

related to the relocation of USAID offices.

FY 2006 Program: USAID plans to continue its training and small grants programs (\$2,955,000 AEEB). Work in private enterprise is planned to support small and medium enterprise development, tourism and agricultural access to credit, technology and marketing. Training programs and small grants in support of informed citizen participation and strengthened rule of law in FY 2006 are planned to improve the ability of institutions and organizations to fight corruption, conduct free and fair elections, and offer improved services to citizens at the municipal level. Training resources will target strengthening the quality of primary health care and access to family planning as well as combating trafficking.

Performance and Results: In FY 2004, 39 training programs were organized in direct support of USAID's strategic objectives. Twenty-three Albanians took part in training in the US while another 180 took part in training programs or conferences in Western or other Eastern European countries. Of those participating in programs abroad, one third were women. USAID also sponsored nine in-country training programs in which 565 Albanians were trained and six in-country conferences in which over 1,180 participants took part. In addition to training programs, USAID administered 14 grants to former training program participants to implement follow-on activities. Whether through carrying out grant activities or in-country training programs, many inexperienced local organizations and institutions improved their ability to organize and financially manage effective training and development activities.

Through small grant activities, over 100 leading farmers were trained in techniques of modern mulching; 65 at risk children and youth participated in a summer camp; and nearly 50 local officials from six communes were trained in the implementation of the agricultural land tax. Grants for improved infrastructure provided three communities with graveled roads, one with a beautiful park where only mud had been, another with irrigation and another with a local citizen information center.

Tangible results were achieved due to training programs and grant activities conducted this period. One of the grant plus community-funded graveled roads mentioned above enabled villagers to plant prime agricultural land, increasing profits by \$38,000, justifying the grant nearly three times over and transforming the life of the village. Thanks to improved coordination among institutions and organizations, a number of children at risk of being trafficked have been taken off the streets and put in the care of family or home care providers. Security has greatly improved in various district courts. Improved efficiency has enabled micro-finance loan officers to significantly increase caseloads, which in turn has enhanced the economic viability of micro-finance organizations. Through USAID funded training, the National Energy Agency provided expert input into tender documents and decisions to build a new thermal energy plant near Vlore.

US Financing in Thousands of Dollars

Albania

182-0420 Cross-Cutting Programs	AEEB	ESF
Through September 30, 2003		
Obligations	14,108	120
Expenditures	12,431	120
Unliquidated	1,677	0

Fiscal Year 2004		
Obligations	3,159	0
Expenditures	2,377	0
Through September 30, 2004		
Obligations	17,267	120
Expenditures	14,808	120
Unliquidated	2,459	0
Prior Year Unobligated Funds		
Obligations	204	0
Planned Fiscal Year 2005 NOA		
Obligations	2,955	0
Total Planned Fiscal Year 2005		
Obligations	3,159	0
Proposed Fiscal Year 2006 NOA		
Obligations	2,955	0
Future Obligations	0	0
Est. Total Cost	23,381	120