

Albania

The Development Challenge: The legacy of fifty years of misguided economic policies continues to leave Albania with widespread poverty, a decrepit infrastructure, and weak public institutions. Twelve years into transition, Albania's 3.5 million people have a per capita income of \$1,300, which is among the lowest in the region. The economy is dominated by subsistence agriculture, which provides more than 33% of output and employs 70% of those who have jobs, and a large informal sector. As poor infrastructure, corruption, and lack of commercial law discourage private investment, Albania ranks among the lowest Foreign Direct Investment recipients in the region. High levels of private remittances, which are sensitive to internal and external shocks, contribute to Albania's growing trade imbalance.

Public support for reform is diminished by: a) 10% to 22% unemployment, b) underemployment, in which only 22% of individuals aged 15 and older are fully employed, and c) high levels of poverty with almost 30% of all Albanians falling below the poverty line. While only one in four rural households receive running water indoors, more than 50% of the population have no running water, and only 14% receive a continuous stream of electricity. The poor are twice as likely to lack access to key public and private services, thus facing large physical and economic barriers to accessing quality health care. Democracy and governance remain weak, as bureaucracies consistently fail to deliver rights, privileges, and services due citizens under law. Pervasive corruption within the system taints the legitimacy of the State.

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. Continued U.S. Government (USG) assistance will accelerate Albania's transition towards a market economy, a stronger establishment of democracy based on the rule of law, and integration with the European Union (EU) and neighboring states. It will also enable Albania, as the largest Balkan Muslim country, to continue its contributions to regional stability and its support for U.S. foreign policy. The Government of Albania (GoA) supported for the USG in its war on terrorism and its actions in Iraq. The GoA entered the Article 98 agreement (a bilateral non-surrender agreement protecting American citizens from the International Criminal Court), and deployed Albanian troops in Iraq and Afghanistan.

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. These 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-USAID Strategic Plan. The Program Data Sheets provided below cover the six strategic objectives for which USAID is requesting funds. They concentrate on the following three general development themes:

- 1) Economic growth and SME development by increasing 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 by increasing citizen awareness of public issues, assisting in elections, strengthening legal institutions, supporting the GoA decentralization program, and mitigating corruption and trafficking of persons;
- 3) Health reform 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.

FY 2004 funds will be used to implement ongoing activities and programs. USAID also intends to use FY 2004 and FY 2005 funds to carry out new activities and programs in support of a new faith-based initiative as well as ongoing initiatives in democracy and governance, rule of law, anti-corruption, and anti-trafficking. The specific activities to be funded by FY 2004 and FY 2005 appropriations are described in more detail in the following Program Data Sheets.

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

Other Donors: The U.S. remains Albania's third largest bilateral donor after Italy and Greece. Multilateral contributors and include the International Bank for Reconstruction and Development, International Monetary Fund, 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 (DFID), Danish Agency for International Assistance (DANAID), and 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, export competitiveness, and industrial clustering.

Cooperation between USAID and other donor organizations active in Albania is robust. Through work with the Organization for Security and Cooperation in Europe, the international community coordinates its support for democratic reform, elections, and improved security. USAID, IBRD and EBRD collaborate in working on energy sector reform. A donor coordination group in support of the GoA implementation of its National Strategy for Social Economic Development (poverty reduction strategy) meets regularly. The Council of Europe, DANAID, DFID, SIDA and USAID work jointly to assist the recently established School of Magistrates in education for new judges and prosecutors. The SNV and USAID coordinate closely on assistance to local governments. UNICEF, SIDA, the Oak Foundation, Terre des hommes (Tdh), and the National Albanian American Council (NAAC) work closely in the area of child anti-trafficking. In addition, the IBRD, the World Health Organization and USAID are integrating efforts to reform Albania's health sector.

Data Sheet

USAID Mission:	Albania
Program Title:	Economic Restructuring and Agriculture Development
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	182-0130
Proposed FY 2004 Obligation:	\$6,413,000 AEEB
Prior Year Unobligated:	\$117,000 AEEB
Proposed FY 2005 Obligation:	\$6,438,000 AEEB
Year of Initial Obligation:	FY 1992
Year of Final Obligation:	2006

Summary: The USAID program supports economic growth and poverty reduction through integration of capacity building, private enterprise development, improvement of competitiveness, and establishment of a policy and financial environment that supports a market-driven economy and private sector investments. This integrated program provides a combination of training and technical assistance to: strengthen the capacity of producer, agribusiness, and trade associations; develop self-sustaining micro, small- and medium-sized private enterprises; enhance competitiveness of Albanian products on domestic and/or foreign markets; increase availability and accessibility of credit to private entrepreneurs; foster a sound, well-regulated, and efficient banking system; and improve labor force through vocational and business training.

Inputs, Outputs, Activities:

FY 2004 Program:

Strengthen business capacity of agriculture and non-agriculture enterprises (\$2,763,000 AEEB, \$117,000 AEEB carryover). Technical assistance and business counseling will be provided to 2,000 small farmers and agribusinesses to improve productivity and enhance market access. USAID will assist in enhancing the competitiveness of Albanian agricultural products on domestic and/or foreign markets. Appropriate technologies will be extended to small dairy producers and processors to improve productivity and quality. Assistance to private laboratories will continue to strengthen their capacity in providing quality control services to dairy processors. Principal contractors and grantees include Land O' Lakes, Fultz Foundation (prime), and Foundation for Economic Education of Youth (FEEY) (sub).

Enhance growth of micro, small and medium non-agriculture enterprises (\$2,050,000 AEEB). USAID business counseling and technical assistance will enable 2,300 micro, small- and medium-sized enterprises in the non-agriculture sector to break even and achieve positive cash flows. USAID will work with the private enterprises in selected clusters to improve the competitiveness of their products on the domestic and/or foreign markets. Efforts will also focus on identifying foreign niche markets for Albanian products. Principal contractors, grantees and agencies are: Development Alternatives Incorporated (prime), Regional Development Agencies, OTF Group, FFF Associates, TRG, and IDRA (sub).

Increase availability and accessibility of credit to micro, small and medium enterprises (\$1,100,000 AEEB). USAID's micro-lending program will continue to support micro and small agricultural and non-agricultural enterprises. SMEs will benefit from USAID's small business lending activity, which will use its loan guarantee program to leverage a large amount of loans from commercial banks. USAID technical assistance and training will be used to strengthen the operations of the Bank of Albania to develop a sound, well-regulated and efficient banking system that increases the financial sector's responsiveness to the credit needs of the private sector and stimulates growth in private enterprises. It is expected that the value of credit extended to USAID-assisted enterprises will be over \$10 million and the value of deposits in the banking systems will reach about \$3 billion. Principal contractors and grantees are Chemonics International, Opportunity International, and Financial Service Volunteers Corps (prime).

Foster enabling policy environment for improvement of international trade and competitiveness (\$500,000 AEEB). USAID will continue to assist activities that strengthen the capacity of the government to formulate and implement appropriate trade policies and increase participation in policy dialogues with the government. In addition, resources will be used to support anti-corruption efforts that will improve SME development and the competitiveness of Albanian products. Principal contractors and grantees are ISB (prime) and MSI (sub).

FY 2005 Program:

Strengthen business capacity of agriculture and non-agriculture enterprises (\$2,002,000 AEEB). USAID plans to continue technical assistance and specialized business counseling to strengthen the capacity of 2,000 small- and medium-sized agricultural enterprises with special focus on improving productivity and competitiveness, and transforming subsistence farming into commercial production. Technical assistance may be utilized to help small farmers and agribusinesses develop business plans and to identify regional and international market opportunities for Albanian agricultural products. Same implementers as above.

Enhance growth of micro, small and medium non-agriculture enterprises (\$2,000,000 AEEB). USAID resources will be used to support the creation of new enterprises and expansion of existing enterprises through technical assistance and training. Emphasis will be placed on improving the productivity and competitiveness of enterprises in order to increase domestic market share and penetrate foreign markets.

Increase availability and accessibility of credit to micro-, small- and medium-sized enterprises (\$2,000,000 AEEB). USAID plans to strengthen and expand microfinance and SME credit programs to support the anticipated growth of private enterprises through provision of technical assistance, training, and loan capital. Efforts will be made to leverage with commercial banks for their greater contributions to the SMEs' credit needs. Principal implementers are Chemonics International and Opportunity International (prime).

Foster enabling policy environment for improvement of international trade and competitiveness (\$436,000 AEEB). Technical assistance and training will be provided to improve the GoA's capacity in trade negotiation, sound policy analysis and formulation, and transparent fiscal management. Assistance will also be provided to empower the business community and civil society to participate in policy dialogue and the fight against corruption. Same implementers as +above.

Performance and Results: USAID programs assisted 2,359 agricultural enterprises in 2002 and 1,932 in 2003. In 2002, Albania exported about \$35.4 million of selected agricultural products, 95% of the target set for this year and 94% of the previous year's actual result. A slightly declining trend is observed from the baseline year of 2000 to 2002. Thus, it seems that Albania's agricultural products have not been able to penetrate the foreign markets due to their weak competitiveness. It is expected that the implementation of the new Enterprise Development and Export Market Services project, which began in October 2003, will slow down or reverse that trend.

The number of bank loans to USAID-assisted enterprises increased from eight in 2001 to 106 in 2002 and 203 in 2003. The targets for both years were exceeded by 136% and 126%, respectively. The number of loans made by non-bank credit sources to USAID-assisted enterprises in 2002 was 2,273, about 2% below the target and 7% below the previous year's achievement. On the other hand, the achievement in 2003 exceeded the target of 2,079 by 34%. The results of both years greatly exceeded their respective targets. The micro-lending program served over 2,500 poor clients and achieved operational sustainability in 2003. In addition to disbursing over \$1.9 million to support a national micro-finance institution, the SME loan program used \$750,000 of its own funds to leverage loans of more than \$5 million from a commercial bank for its customers. The repayment rates were very satisfactory, with 99.8% for micro-loans and 100% for SME loans. With USAID's support, other Albanian entrepreneurs invested \$4.86 million of their own funds in agribusinesses and were also able to obtain \$2.88 million in trade credit and \$2.32 million in bank loans.

Data Sheet

USAID Mission:	Albania
Program Title:	Civil Society
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	182-0210
Proposed FY 2004 Obligation:	\$4,077,000 AEEB
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$4,077,000 AEEB
Year of Initial Obligation:	FY 1992
Year of Final Obligation:	2006

Summary: The USAID Civil Society program currently promotes civil society participation through: technical assistance to political operatives across political organizations; training of national, district, and local election commissions; training and technical assistance to NGOs working in conflict management; assistance in the implementation of NGO law reform; training of citizens' groups to interface with government; technical assistance and training to create a professional and sustainable independent media; technical assistance to municipalities in finance, governance and corruption prevention; and technical assistance to municipalities and the GoA on decentralization issues.

Inputs, Outputs, Activities:

FY 2004 Program:

Empower civil society (\$1,020,000 AEEB). This element will strengthen a civil society that commits to transparency and accountability. Through training and technical assistance, it will support the education of the Albanian citizenry in civil rights and responsibilities, mobilize and strengthen concerned NGOs and lead to increased citizen advocacy. Specific activities will: sustain and continue to train domestic election monitoring groups (NGOs) during off-election periods; support viable polling and data collection on a regular basis; place citizen representatives on the boards and committees of local governance, health, and education units; support citizen monitoring (NGOs and others) programs of Local Government Unit efforts; and, in synergy with efforts under the Rule of Law activities, support citizen efforts in the fight against corruption. Competition to be carried out-no contractors currently identified.

Strengthen democracy and governance (\$3,027,000 AEEB). This element will support the decentralization program of the central government that devolves important decisions on the physical, cultural and social environment to Local Government Units (LGUs). Training, technical assistance and small grants will be utilized to: support civic forums and citizen participation in local government units, particularly in regard to the budgetary process; in collaboration with other donors, improve the civil and voter registries; support local government associations to formulate policies and positions proactively; support local government units with a strong emphasis on practice-oriented training; strengthen the capacity of functions to be transferred from the central government to the local governments; harmonize the national legislation affecting the decentralization process; support better hierarchical control and appropriate discretion for decision makers; develop and enforce LGU performance standards in regard to municipal services; and assist LGUs to gain access to credit. Competition to be carried out-no contractors currently identified.

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 2005 Program:

As nationwide Parliamentary elections are due in late-June, 2005 a crosscutting theme for this year will be the preparation for the elections: improving election administration, particularly the voters' lists; get-

out-the-vote civic campaigns; media fairness in campaign coverage; and issue based, rather than personality based, political campaigns.

Empower civil society (\$1,020,000 AEEB). The activities above will continue to receive support. Training for domestic election observers will be made more extensive. Citizens will be organized to interface with and question political candidates. Polling and data collection will be used to frame and inform the debate. Using information provided by USAID's anti-corruption efforts under the Rule of Law program, informed citizens and NGOs will question candidates and parties on their funding and stance on corruption.

Strengthen democracy and governance (\$3,027,000 AEEB). The activities above 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.

Support Peace Corps (\$30,000 AEEB). Assistance will continue to the Peace Corps to assist the volunteers in their community-based small-scale development activities.

Performance and Results: USAID's civil society activities began to pay dividends in FY 2003 as a result of continued improvement in the political environment of Albania. A major area of advance was decentralization. The USAID-supported transparent formula for the transfer of funds from the central government to local governments was improved, based upon the experience from the previous two budget cycles. Election administration continued to move toward international standards when the Organization for Security and Cooperation in Europe's Office of Democratic Initiatives and Human Rights declared the local government elections of early October 2003 as the best to date in Albania; the number of Albanian observers (2,200) from the previous election in 2001 doubled, supported by a synergistic ad hoc coalition of five USAID contractors serving as domestic election observers. Notwithstanding its weakness and donor dependence, the NGO sector saw advances in sustainable advocacy campaigns of certain organizations, which have become more aggressive in setting national and local government priorities, along with gains in membership and expansion of their operations to new areas. A notable example of this improvement was the work of the USAID-supported Albanian Coalition Against Corruption (ACAC), which has increased its membership to well over 200 individuals and NGOs. During FY 2003, ACAC provided technical assistance to the GoA on crafting legislation for the law on the Declaration of Assets of the top 3,000 public officials in Albania and then lobbied Parliament tirelessly to ensure its passage. USAID's support for the broadcast media helped focus public attention on the intractable issue of corruption; facilitated the organization of local election campaign debates based on the American model of limited time to speak to a specific question; and, enabled the National Council on Radio and Television to enforce, for the first-time in the country's history, broadcast regulations that protect intellectual property rights.

Data Sheet

USAID Mission:	Albania
Program Title:	Rule of Law
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	182-0220
Proposed FY 2004 Obligation:	\$2,200,000 AEEB
Prior Year Unobligated:	\$599,000 AEEB
Proposed FY 2005 Obligation:	\$2,200,000 AEEB
Year of Initial Obligation:	FY 1992
Year of Final Obligation:	2006

Summary: USAID's Rule of Law program promotes civil society participation and a strengthened judicial system through support to: the School of Magistrates; the National Judicial Conference; the Chancellery (Court Clerks); pilot court administration reform efforts in selected courts of first instance; judicial organizations within the Ministry of Justice; the Albanian civil society coalition against corruption; and the Citizens Advocacy Office.

Inputs, Outputs, Activities:

FY 2004 Program:

Strengthen rule of law (\$2,200,000 AEEB). This program will strengthen the implementation and enforcement of current enabling legislation and codes of ethics to mitigate corruption throughout the public sector. Training, technical assistance and small grants will be utilized to: continue assistance to the Albanian Coalition Against Corruption (ACAC) and the Citizen's Advocacy Office (CAO); create a viable and sustainable "fourth estate"; continue enforcement of the legislation protecting International Property Rights, especially in regard to the TV media; create and maintain synergy with local governance efforts; resolve the roles and responsibilities of the judicial inspectorates within the Ministry of Justice and the High Council of Justice; work directly with the GoA's recently formed High Inspectorate on the Declaration and Audit of Assets (HIDAA) in the fight against corruption; support judges and chancellors' associations with binding codes of ethics; and strengthen the enforcement of judicial judgments. Competition to be carried out-no contractors currently identified.

Funds will be obligated to the previously notified Albania Pilot Court Administration Reform Program. Contractor: East West Management Institute (prime) (\$599,000 AEEB carryover).

FY 2005 Program:

Strengthen rule of law (\$2,200,000 AEEB). The activities above will continue to receive support. Efforts are planned to bring the ACAC and CAO to self-sustaining status. The HIDAA will bring forward its first cases of alleged fraud in the declaration of assets.

Performance and Results: The rule of law (ROL) in Albania continues to be hampered by inefficiency, incompetence, and corruption. USAID's ROL program works toward gradual improvement in the efficiency and competence of the judiciary and a reduction in corruption/trafficking. Four classes have now graduated from the School of Magistrates which brings newly, and properly, trained prosecutors and judges into the system. Ongoing professional training for sitting judges continues thereby improving their abilities in specific elements of the law, such as family code, anti-trafficking, money-laundering, and intellectual property rights.

Public support of anti-corruption efforts continues. Within 22 months of formation, the CAO received 1,800 cases. The CAO is now offering free legal representation to the victims of human trafficking who have been repatriated to Albania. The Prosecutor General continues to pursue all cases forwarded to his office by the CAO. The weekly call-in TV program on corruption sponsored by ACAC and hosted by the CAO

enjoys the highest viewership in its time slot (7:00 a.m. Mondays). The bi-weekly TV program modeled on "60 Minutes" also enjoys peak viewership in its time slot (7:00 p.m. every other Tuesday). After material gathered by ACAC was made public, two judges were removed from the bench because of corrupt practices.

The challenge at this point lies in making the judicial and political systems accountable for their actions. USAID's program is aimed at addressing this challenge over time at a pace that the Albanian court system can absorb. USAID-sponsored efforts were instrumental in the drafting and passage of the legislation on the Declaration of Assets by Public Officials. The HIDAA and its authority to bring to prosecution those alleged to have filed a fraudulent declaration are a direct result of this legislation. It remains to be determined how actively the GoA will support this institution, as corruption is seen as endemic and pervasive throughout the political elite and power-brokers. Lack of political will to counter corruption remains a substantial obstacle. New and "clean" political leadership is required.

Data Sheet

USAID Mission:	Albania
Program Title:	Health Sector Improvement
Pillar:	Global Health
Strategic Objective:	182-0320
Proposed FY 2004 Obligation:	\$2,700,000 AEEB
Prior Year Unobligated:	\$736,000 AEEB
Proposed FY 2005 Obligation:	\$2,700,000 AEEB
Year of Initial Obligation:	FY 1992
Year of Final Obligation:	2006

Summary: USAID/Albania's health program is focused on improving the access, use, and quality of key health services primarily utilized by women and children. These include reforming the primary health care system in its service delivery function, management structure, financing of tools, and health information systems while engaging the Ministry of Health (MoH) in committing to primary health care (PHC) reform. Such reform incorporates reproductive health including family planning, HIV/AIDS, sexually transmitted infections (STIs) as well as tuberculosis (TB) as integral parts of the basic health services and will improve the management and financing structures of primary health care sector.

Inputs, Outputs, Activities:

FY 2004 Program:

Improve primary health care (\$2,550,000 AEEB, \$736,000 AEEB carryover). The PHC work will expand to create a fully integrated system whose basic package of services for the Albanian population includes family planning/reproductive health, HIV/AIDS & STIs and TB. USAID will continue to provide training and technical assistance to the GoA, both at the central and the district levels, to ensure the proper involvement and commitment of all interested parties including government ministries and local authorities. TA will focus on building consensus on decision-making, such as defining decentralized roles and responsibilities; improving the financing structures of PHC; and establishing definitions and quality standards nationwide. Training will focus on improving institutional cooperation and dialogue; increasing quality assurance of PHC services at the community level; and increasing knowledge of health service providers. Health managers, policy makers, service providers and community members from 15 districts will collaborate to ensure improved service delivery services and established policies for health reform. Principal contractors and agencies include: University Research Corporation (prime), BearingPoint (sub), Abt Associates (prime).

Reproductive health/family planning work (\$150,000 AEEB). Technical assistance will focus on completing a wellness center northwest of Tirana. This will serve as a referral and training point for health professionals. A total of fourteen trainers of trainers and 60 health professionals will be trained in a broader range of reproductive health issues including proper ante-post natal care, breastfeeding, cervical cancer screening and newborn resuscitation techniques. This center will reach as many as 100,000 women and children per year. Additionally, the preventive cervical cancer screening program with Tirana's Maternity Hospital will reach completion in 2004. This program will serve 10 polyclinics in the Tirana area. Principal contractors and grantees include: American International Health Alliance (prime) Magee Women's Hospital, Pittsburgh (sub) Women's and Infants Hospital, Providence, Rhode Island (sub).

FY 2005 Program:

Improve primary health care (\$2,700,000 AEEB). Additional resources for technical assistance and training are planned to further strengthen health reform efforts in Albania. USAID will roll-out activities throughout the country to ensure a fully integrated PHC system that will be able to respond to the primary health care needs of the Albanian population. Technical assistance and capacity building at all levels are

planned to facilitate decentralization of health care delivery responsibilities. Training is planned to be expanded to management, planning and budgeting capacity for both central and local health authorities. University Research Corporation (prime), BearingPoint (sub).

Performance and Results: Over the past year the percentage of the population with access to reproductive health services has increased by 20%, bringing the total coverage to 68%. Total visits to health centers have doubled in the past year from 83,724 to 180,000 visits. The nationwide Contraceptive Logistics Management Information System is now fully functional and maintained by the MOH. CLMIS provides the GoA with the tools by which to avoid contraceptive stock-outs. Additionally, the first ever national reproductive health strategy has been formally adopted by the GoA, finalizing the efforts towards institutionalization of a reproductive health policy.

The USAID-designed primary health care model, which represents a bottom-up, demand-driven approach to improve efficiency, quality, management and resource allocation, has been fully developed and is tested at four pilot sites covering a total population of 40,000. This pilot has generated valuable lessons learned regarding the constraints of financing PHC within the decentralization process; the lack of management and clinical competencies, and the lack of institutional cooperation at the local and central level. These lessons and the success stories will be guiding the design of future interventions.

Data Sheet

USAID Mission:	Albania
Program Title:	Special Initiatives
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	182-0410
Proposed FY 2004 Obligation:	\$3,130,000 AEEB
Prior Year Unobligated:	\$870,000 AEEB
Proposed FY 2005 Obligation:	\$3,130,000 AEEB
Year of Initial Obligation:	FY 1992
Year of Final Obligation:	2006

Summary: The Anti-Trafficking program in Albania addresses prevention, reintegration, rehabilitation and repatriation of trafficked women and children; research and information management; strategic planning; monitoring; and, bilateral and international cooperation. The Energy program is focused on technical assistance (TA) and training that supports the implementation of the national strategic action plan and participation in the South East European Regional Energy Market (REM). The faith-based initiative will focus on strengthening inter-faith tolerance within selected communities through multi-faith-based development activities. The Global Development Alliance (GDA) activity gauges the impact of the implementation of the GoA's poverty reduction strategy at the village level and reports on progress.

Inputs, Outputs, Activities:

FY 2004 Program:

Child trafficking (\$500,000 AEEB, \$200,000 AEEB carryover). USAID's Transnational Action Against Child Trafficking (TACT) project will work to decrease the trafficking of children along five axes: prevention, protection, assisted voluntary return, reintegration, and coordination. TACT will conduct school educational activities and provide the third installation of prevention toolkits. Summer camp activities for "at-risk" children of being trafficked or re-trafficked who are not attending school will continue to provide a source of identification, prevention, and intervention. The contractor is: Terre des hommes (prime).

Trafficking in women and girls (\$1,500,000 AEEB, \$670,000 AEEB carryover). The Albania Umbrella Anti-Trafficking Initiative focuses on prevention, reintegration, coordination and NGO capacity building. Rapid Response Grants and short-term grants with immediate impact on already established anti-trafficking activities will be distributed to local and international NGOs in Albania. These grants are expected to include prevention and public awareness components tailored to reaching urban and rural populations in the country. Long-term grants may be utilized for TA and institution building, advocacy, and implementation grants. These latter grants will focus on the distribution of prevention and reintegration grants to assist in the successful reintegration of returned victims of trafficking.

Through this initiative, USAID will also fund the development of a national, and potentially regional, database of victims/survivors of trafficking and the creation of an Anti-Trafficking Alliance that brings together the multiple local and international players including involved GoA Ministries. The contractor is: Creative Associates International, Inc. (prime).

Energy sector (\$800,000 AEEB). USAID will provide technical assistance 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, technical assistance 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 U.S. Energy Association (USEA) and KESH, the Albanian state-owned power company. In keeping with the terms of the Athens Memorandum

of Understanding, technical assistance and training will enable the GoA to develop an effective national energy market and become an effective participant in the Regional Energy Market program. Contractors include: Pierce Atwood, CORE Int. (prime), USEA, and National Association of Regulatory Utility Commissioners (sub).

Faith-based initiative (\$250,000 AEEB). This initiative will focus on bringing the four main faiths in Albania together through community development efforts, which will bridge the gulf among them and potentially resolve problems raised at the municipal level. Technical assistance will be provided as well as a small grants program to expedite projects. Inter-faith councils will be established in each municipality assisted.

GDA (\$80,000 AEEB). The Mission entered into its first Global Development Alliance with a leverage rate of one to one. This activity is based upon previous efforts of the decentralization and citizen forum programs, building upon the increasingly close alliance between citizen groups and commune (village) level governments. TA is provided to citizen forums to periodically score the performance of local government units. The contractor is: World Learning (prime).

FY 2005 Program:

Child trafficking (\$517,000 AEEB). USAID plans to fund activities to increase the number of Civil Society Organizations, including Parents/Teachers Associations, parents and education personnel who are actively engaged in preventing child trafficking. USAID plans to use funds to increase the percentage of trafficked and high-risk children who benefit from physical, psychological, legally coordinated, and effective protection. This will be done in conjunction with strengthening government officials and international partners' response to the Children Rights Convention and its implementation of assisted voluntary return of trafficked minors.

Trafficking in women and girls (\$1,283,000 AEEB). USAID plans to provide counseling, job training and placement services to victims/survivors of trafficking and assist those working in this sector (social workers, advocates, etc.) to strengthen job skills and avoid secondary trauma. Funds will be used to increase collaboration and advocacy through the strengthening of the Anti-Trafficking Albanian Alliance and the distribution of long-term grants to local and international NGOs in Albania. The ongoing development of the National Trafficking Database will increase the output of better information on trafficking and assist those in the field in tailoring responses to this problem.

Energy sector (\$800,000 AEEB). USAID plans to continue its technical assistance and training support as well as adding to FY 2004 activities, support and training for the commercialization of the unbundled distribution and generation enterprises of KESH and provide TA to the transmission enterprise in the implementation and operation of the NEM.

Faith-based initiative (\$530,000 AEEB). USAID plans to continue this initiative and to create linkages between the municipal inter-faith councils with a newly organized national inter-faith council.

Performance and Results: Both anti-trafficking efforts and the GDA initiative began at the end of FY 2003. USAID will provide performance results in the next reporting cycle.

In June 2003, with significant input from USAID's energy sector program, the GoA adopted a comprehensive National Energy Strategy (NES) which, among other things, reaffirmed the GoA's commitment to establish a secure and financially self-sustaining power sector to provide reliable, environmentally sound electric power at prices based on full economic costs. In July 2003, again with USAID's assistance, the GoA passed a Power Sector Reform law that established the independence of the ERE and provided unification of the legal framework for integration into the REM. Incremental progress was made in several areas including: continued capacity building within the ERE; development of the unbundling plan for KESH; Albania's membership in the UCTE; updating of the Action Plan for the Power Sector Policy statement; and updating of the Action Plan for the NES.

Data Sheet

USAID Mission:	Albania
Program Title:	Cross-Cutting Programs
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	182-0420
Proposed FY 2004 Obligation:	\$2,830,000 AEEB
Prior Year Unobligated:	\$1,421,000 AEEB
Proposed FY 2005 Obligation:	\$2,955,000 AEEB
Year of Initial Obligation:	FY 1992
Year of Final Obligation:	2006

Summary: This 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 which is used by returning participants to implement activities related to their training. Also an audit, evaluation, and program support component provides resources for designs, evaluations, and program support.

Inputs, Outputs, Activities:

FY 2004 Program:

Cross-cutting programs (\$2,830,000 AEEB, \$660,000 AEEB carryover, \$761,000 AEEB prior year recoveries). Training and small grants activities under this strategic objective benefit all Mission activities. USAID will continue its training efforts in support of the growth of private enterprise, strengthening citizen participation and rule of law, and improved health care. Over 820 participants will be trained this year.

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 implement land registry and serve the real needs of small- and medium-sized enterprises. Tourism will also be addressed. In this regard, 105 people will receive training under the rubric of growth of private enterprise. In the field of agriculture, several programs will assist agribusiness, food inspection and policy makers regarding biotechnology. In total, 80 people will receive training in agricultural-related activities.

USAID will work on strengthening citizen participation and legal systems by providing training or grants to assist local governments with mayoral functions, tax administration, anti-corruption efforts, water management; political parties with party strengthening; rural citizens with methods to become engaged effectively and local election officials with the opportunity to discuss election procedures. Over 175 participants will be trained under this rubric. The judiciary will be assisted with training or grants to improve court security, transparency, case documentation and relations with the public as well as skills in the functioning of the national judicial council. Agencies involved in asset declaration monitoring and the civil service will also receive training. Over 260 participants will be trained in judicial activities.

Training programs and grants will be utilized to improve primary health care in selected areas while improved health center management, lab technology and awareness of family planning options will be expanded into remote rural areas. Approximately 150 participants will receive training for health-related activities. Contractor: World Learning (prime).

Training programs and grants will also focus on issues related to energy, human trafficking, and religious harmony. A total of 175 participants will be trained in these fields.

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 Contractors and USPSC positions as related costs in support of specific strategic objectives. The

Mission also uses these funds to train staff and implement the Agency's performance-based management policies.

FY 2005 Program:

Training and small grants programs (\$2,955,000 AEEB). Work in private enterprise is planned to support next step efforts in small- and medium-sized enterprise development and agricultural access to credit. Training programs and small grants in support of informed citizen participation and strengthened legal systems in FY 2005 are planned to strengthen 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 are also targeted on strengthening the quality of primary health care and access to family planning.

Performance and Results: In FY 2003, 39 training programs were organized in direct support of USAID's strategic objectives. Forty-two Albanians took part in training or conferences in the U.S. while another 179 took part in training programs or conferences in other Western or Eastern European countries. Of those participating in programs abroad, 38% were women. USAID also sponsored 11 in-country training programs, in which 652 Albanians were trained. In addition to training programs, USAID administered 11 grants to former training program participants to implement training related to 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.

Among the small grants, over 300 women candidates for local elections were trained; 30 greenhouse owners learned production techniques using few chemicals; 55 non-profit organizations were trained on registration procedures; and over 100 rural communities received training in local tax and fee administration.

Tangible results were achieved due to training programs and grant activities conducted during this period. Nearly 3,000 villagers in remote and semi-remote areas of the northern district of Shkoder participated in awareness raising activities regarding HIV/AIDS and family planning. The Albanian Association of Insurers developed the basis for an Insurance Training Institute and greatly strengthened its capacity as an association. The National Energy Agency mastered an energy planning software, which resulted in a strong National Energy Strategy approved by the government. Tax and fee administration in nine municipalities has improved. Loans in one major USAID-assisted bank are now being made on the basis of solid market information gained through a newly established in-house database.

Of special interest is the success of a six-month training program in community development techniques for faith-based organizations. Leaders from the four traditional faith-based communities have begun to work together and with members of local communities to identify the priorities of local communities.