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Rritje Albania / Competitive Enterprise Development

FISCAL YEAR 2014 WORK PLAN
OCTOBER 1, 2013 – March 17, 2014

OCTOBER 30, 2013

This publication was produced for review by the United States Agency for International Development. It was prepared by the team of Rritje Albania/ Competitive Enterprise Development (USAID Contract No. 182-C-00-09-00002-00) of Chemonics International, Inc. The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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List of Acronyms

A2F	Access to Finance
AADF	Albanian-American Development Foundation
AAQM	Authentic Albania Quality Mark Program
AHLEI	American Hotels and Lodging Educational Institute
AFS	Albanian Factoring Services
AIDA	Albanian Investment and Development Agency
AITA	Albanian IT Association
AmCham	American Chamber of Commerce
APS	Annual Program Statement
ASCG	AEGIS Strategic Consulting Group
ATA	Albanian Tourism Association
ATACT	Association of Traditional and Artistic Crafts and Trades
ATOU	Albanian Tour Operators Union
B2B	Business to Business
CDS	Citizen's Development Corps Development Solutions
CED	Competitive Enterprise Development
CFA	Chamber of Fassion Albania
CGP	Client Growth Plan
CMMI	Capability Maturity Model Integration
CO	Career Office
dTS	Development & Training Services
EBRD	European Bank for Reconstruction and Development
EG	Economic Growth
ETI	Education and Training Institutions
EU	European Union
FAM	Familiarization (tour)
GDP	Gross Domestic Product
GoA	Government of Albania
GFSWG	Garment and Footwear Stakeholder Working Group
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i>
GSTC	Global Sustainable Tourism Council
PROTIK	PROTIKICT Resource Center
IEE	Initial Environmental Examination
ICT	Information and Communication Technology
KPI	Key Performance Indicator
KRA	Key Results Area
LLL	Life Long Learning Program
METE	Ministry of Economy, Trade, and Energy
MICTI	Ministry of ICT and Innovation
MoU	Memorandum of Understanding
MTCYS	Ministry of Tourism, Culture, Youth, and Sports
NAIS	National Agency for Information Society
NCGFM	National Chamber of Garment and Footwear Manufacturers
NTA	National Tourism Agency
P-BMP	Performance-Based Monitoring Plan
PEP	Productivity Enhancement Program
PIR	Project Intermediate Result
PMU	Project Management Unit
PPD	Public-Private Dialogue
PPP	Public-Private Partnership
PUT	Polytechnic University of Tirana
RCI	USAID's Regional Competitiveness Initiative

SEE	South Eastern European
SIPPO	Swiss Import Promotion Program
SPI	Software Process Improvement
STTA	Short-Term Technical Assistance
TAM-BAS	Turn Around Management – Business Advisory Services
ToT	Training-of-trainers
UNWTO	United Nations World Tourism Organization
VET	Vocational Education Training
WEF	World Economic Forum
WTTC	World Travel and Tourism Council

SECTION I

A. Introduction

On March 18, 2009, USAID/Albania awarded Chemonics International the Albania Competitive Enterprise Development (CED) contract, a five-year activity with a value of \$9,774,154 USD. In September 2012, this amount was increased by contract modification to \$10,153,206. To better resonate with local client enterprises and Albanian partners, the project team proposed the name *Rritje Albania (Grow Albania)/Competitive Enterprise Development*; throughout the remainder of this work plan, the project will be referred to as Rritje Albania. Within three months of start-up, the project identified four key export-oriented industries on which to focus its support: tourism, garment, footwear, and information and communications technology (ICT).

Rritje Albania's contract objectives are to support the sustained growth of Albania's non-agricultural enterprises, increase household income, and create gainful employment by developing and strengthening the competitiveness capacity of enterprises. The objectives are achieved through three technical assistance components:

- (1) Strengthening trade and investment capacity;
- (2) Increasing enterprise productivity; and
- (3) Improving workforce development

The following work plan submission covers activities for the period of October 1, 2013 to the project ending date of March 17, 2014, hereinafter referred to as fiscal year 2014 (FY2014). The work plan leverages the knowledge, experience, and feedback obtained from meetings with clients, industry experts, partners, consultants, and others encountered over the course of project implementation and in meetings prior to the drafting of this work plan. It also takes into account and builds on past and ongoing projects funded by USAID and other donors, and reflects discussions and input from the USAID/Albania mission, Rritje Albania's mid-term evaluation, and the principles expounded in USAID's Forward initiative.

As part of the FY2014 work planning exercise, an off-site retreat was held from September 26 – 27, 2013 and attended by the field office team plus a project management unit (PMU) manager from Chemonics' headquarters. The analysis and reflection during the FY2014 work planning sessions focused on completing project initiatives that can create sustainable project legacies and contribute to the competitive development of enterprises beyond the project's ending date. As the project moves into its last five and one-half months, it will work to conclude its major initiatives and key grant activities in order to ensure they are solidly established, locally managed, and sustainable. In addition to focusing on its core legacy initiatives, Rritje Albania will be sensitive to requests for assistance from the new incoming Government of Albania provided the requests are in line with the project's overall objectives, feasible in terms of project budget and resources, and acceptable to USAID.

Given the March 17, 2014 project ending date, the period of this work plan is short and all major technical activities will conclude by January 31, 2014 when the project's final cumulative report is due. As part of its final report submission, the project will include as a separate, stand-alone annex an objective quantitative and qualitative assessment of Rritje Albania. In addition, by December 17, 2013 the project must submit a demobilization plan that includes among other things: a property disposition plan, a phase-out of operations plan, and other elements described in the project contract.

B. Results Framework

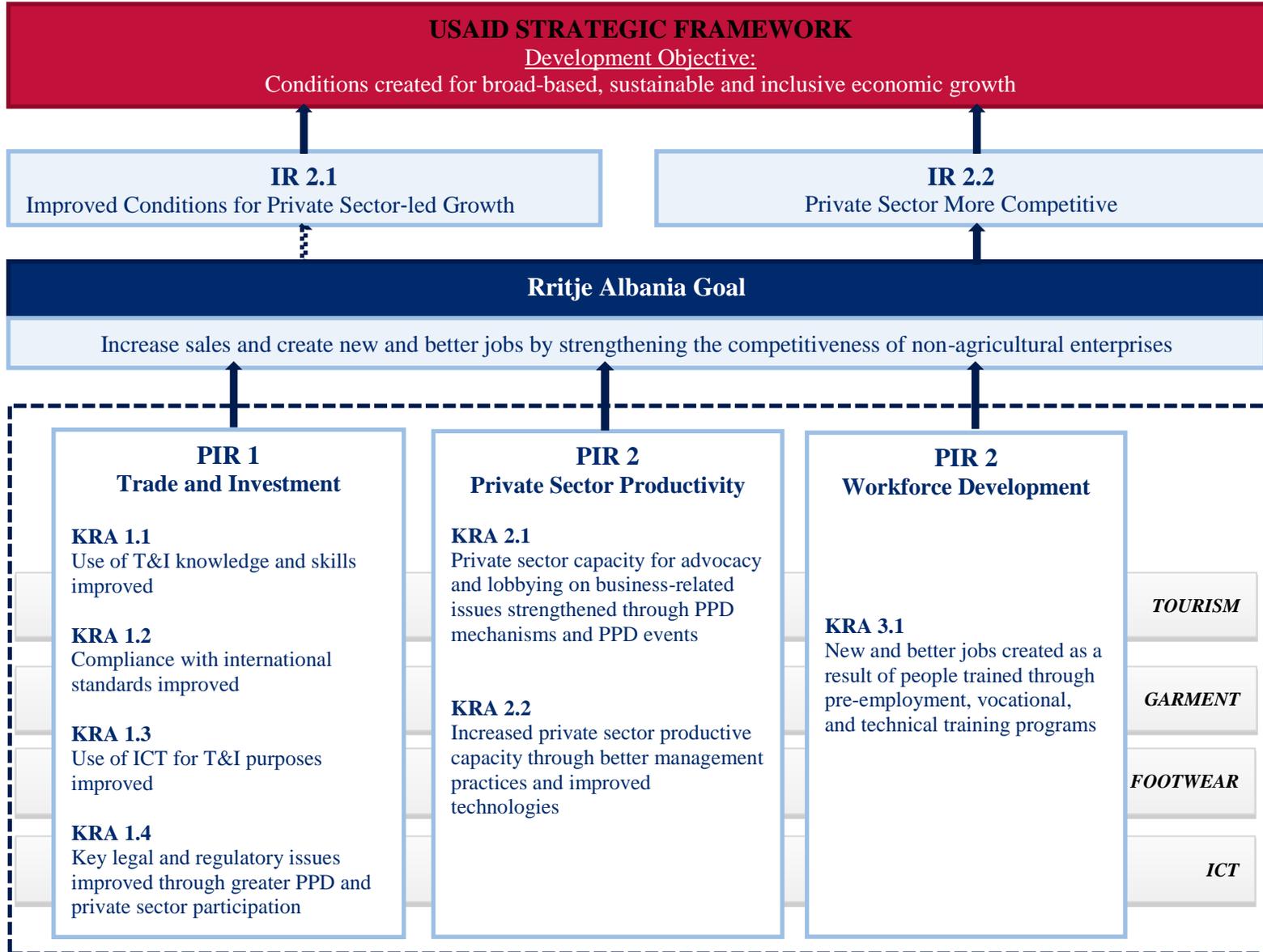
Rritje Albania falls under USAID/Albania's Development Objective (DO) 2.0, "Conditions created for broad based, sustainable, and inclusive economic growth." In addition to contributing to the achievement of DO 2.0, Rritje Albania also contributes to DO 2.0's Intermediate Result (IR) 2.1, "Improved conditions for private sector-led growth," and IR 2.2, "Private sector more competitive."

Project goals are in-line with the Foreign Assistance Framework program areas of trade and investment and private sector competitiveness. Rritje Albania targets three complementary components, also considered Project Intermediate Results (PIR), namely trade and investment, productivity, and workforce development. Each component focuses on several key result areas (KRA) measuring the output of different project activities. Results at the KRA level, which are gender-disaggregated where applicable, lead to outcomes at the component level which, in turn, lead to results at the project and DO levels. In this way, Rritje Albania seeks to build the capacity of the private sector in its target industries and supports the public sector's role to stimulate business expansion and contribute to the country's broad-based and sustainable economic growth.

The project's results framework was adjusted from its original to reflect the USAID/Albania Country Development Coordination Strategy (CDCS) 2011-2015. In this CDCS, USAID's economic growth strategy shifted from targeted, firm-level assistance to support for the establishment of improved conditions for growth at the meso and macro levels. Since March 2011, the project has proactively increased its activities at the meso and macro levels of its focus sectors while remaining faithful to the achievement of the goals and objectives in its contract. The strategic decision to work at industry levels has enabled the project to address constraints to competitiveness stemming from information asymmetries and unequal relationships between private and public sector value chain actors, as well as weak or absent public-private-dialogue (PPD) mechanisms. By working at all levels through its broad and deep network of public and private sector implementation partners, the project has leveraged its resources for the short-, medium- and long-term benefit of Albanian businesses.

In February 2012, Rritje Albania initiated discussions with USAID to revise its results framework in order to better align the project's direct and indirect results with the program elements and sub-elements of USAID/Albania's CDCS. As a result, an agreed-upon change to the project's performance indicators and targets was incorporated into a contract modification that USAID approved on September 17, 2012. The revised Rritje Albania results framework is illustrated on the next page.

Illustration I-A.1 – Rritje Albania Project Results Framework



C. General Technical Approach

Enhancing competitiveness is a complex task that requires intervention at several levels. Rritje Albania practices an inclusive approach to improved competitiveness that includes enhancing trade and investment capacities and access to markets, augmenting product quality through better management of production processes and utilization of new technologies, building workforce capacity, and improving the business environment. The project identifies competitiveness constraints at firm and industry levels then delivers a combination of appropriate technical assistance, training, targeted grants and/or linkages to financing to overcome these constraints. Whenever possible, Rritje Albania collaborates with local public and private sector stakeholders at the meso and macro levels in order to build new and effective long-term partnerships between actors. In this way, the project improves stakeholder capacity to sustain project legacies beyond the life of Rritje Albania.

The project's work is guided by the following principles:

- Implement market-based and demand-driven interventions at all levels of the economy
- Foster local ownership and participation
- Leverage resources and prioritize interventions through partnerships
- Focus on results and lessons learned to guide the implementation process

Since its inception, Rritje Albania adopted the approach of working intensively, but not exclusively, with leading Albanian companies in target sectors, with the expectation that other enterprises would follow their example and make the necessary changes to likewise increase their competitiveness. In addition to its firm-level work, Rritje Albania supports stakeholders such as business associations and chambers of commerce to provide better services and lobbying for members' interests through the organization of industry-wide events and conferences that stimulate PPD and create effective PPPs. In so doing, Rritje Albania encourages local leadership and ownership of its interventions, which are designed to reflect the needs and priorities of the private sector. Additionally, by seeking out opportunities for significant cost sharing, the project promotes sustainable solutions and initiatives that are not solely dependent on project support to continue.

Rritje Albania contributes to increased sales at assisted businesses. However, the results of project activities are measured not only through improvements in sales and jobs, but also through the impact of an increasing number of industry-level initiatives that help to create conditions for broad-based and sustainable economic growth. The analysis of constraints observed at the meso and macro levels of Rritje Albania's target sectors has highlighted weaknesses that hinder the development of more competitive enterprises.

Requests for project support are measured against their contribution to the achievement of the following strategic objectives for Rritje Albania's target industries:

- Promote Albania and its enterprises as sources of secure, dependable, quality-conscious, and competitively-priced products and services
- Support and strengthen key meso-level actors, including associations, chambers of commerce, educational institutions and business services providers (BSPs)
- Support and strengthen PPPs and PPD forums by working with the private sector and the Government of Albania (GoA) to help create an environment that enables the development and expansion of competitive enterprises
- Improve the competitiveness of Albanian enterprises through scalable, tailored solutions delivered at the firm level, including movement into higher value-added products and services

SECTION II

TECHNICAL ACTIVITIES BY INDUSTRY/LEGACY

Rritje Albania's implementation approach to activities across target industries and components has been informed by the project's contractual obligations, lessons learned through implementation, USAID strategic priorities, and contextual changes in Albania's political and economic landscape.

In FY2014, Rritje Albania will focus its efforts to conclude and strengthen the sustainability of several key legacy initiatives launched in past years, which include:

- University career offices and centers at the University of Tirana (UT), the Agriculture University of Tirana (AUT), the University of Korca Fan Noli, and the University Marin Barleti (UMB);
- American Hotels and Lodging Educational Institute (AHLEI) education and industry certification training programs in tourism;
- Authentic Albanian Quality Mark (AAQM) Program in the tourism sector;
- Continuing education/vocational education training (VET) programs at the Polytechnic University of Tirana (PUT) and selected VET schools with expected impact on the garment and footwear industries;
- Build Your Own Brand (BYOB) program in the garment and footwear sectors;
- National Geographic Western Balkans GeoMaps website and Western Balkans Stewardship Council (WBGSC) in the tourism sector;
- PROTIK ICT Resource Center.

Besides its legacy initiatives, the project will play a catalytic and influential role in shaping policy debates and strengthening effective working relations between industry stakeholders that can continue after the project closes. Some of the key PPD mechanisms and forums through which policy issues are raised and presented for public-private consultation are the Intellectual Property Rights (IPR) Stakeholders Group, the WBGSC, the Garment and Footwear Stakeholder Working Group (GFSWG) and the PROTIK ICT Resource Center. These legacy PPD mechanisms and the ensuing PPPs are expected to survive beyond the life of the project because the stakeholders themselves are finding the utility of cooperating with each other, with or without any donor funding.

Other noteworthy technical assistance initiatives in process and planned include:

- Balkan Venture Forum in Albania to link innovative entrepreneurs with global and regional angel investors and venture capital firms;
- Support to the GoA Ministry of Urban Development and Tourism to complete the drafting of a new tourism law;
- USAID grants in process that are creating new IT software solutions to build the competitiveness of garment and footwear manufacturers and tourism companies, as well as a grant to a research institute that is building an economic and market information database to support business expansion and foreign direct investment in Albania.

Taken together, these legacy initiatives, PPD mechanisms, and grant activities impact all four target industries, and will bring cross-cutting results in the three project components.

As before, the project will work through its network of partners in order to leverage its resources to greater effect and wider outreach at both firm and industry levels. By staying true to our philosophy of leveraging partnerships and resources, these legacy initiatives and PPD mechanisms will effectively

support the sustainable development of enterprise and industry competitiveness in the target sectors; the capacities of public educational institutions to meet employer demands for skilled labor; and the capacities of the private sector, at the meso and macro levels, to effectively articulate industry concerns and influence policy-makers.

The remainder of this document describes these key legacy initiatives and grant activities, their goals to address specific constraints to competitiveness, and the principal tasks and technical assistance activities that will place prior to the project's close in March 2014. This narrative is followed by individual initiative action plans, including tasks, timelines, resources/partners, milestones, expected output(s), and risks/assumptions. In order to illustrate the expected contribution to the project's results framework, the technical assistance activities outlined in each action plan will be linked to the expected results and re-organized around the three project components of trade and investment, private sector productive capacity, and workforce development.

Ritje Albania's P-BMP, which reflects changes to the results framework through the contract modification approved in September 2012, describes the project's monitoring and evaluation (M&E) process, system, and methodology for capturing the results of these initiatives. The P-BMP document is unchanged from last year and is attached as Annex A of the FY2014 Work Plan.

A. Garment and Footwear Legacy Initiatives

Albanian footwear firms are fewer in number than their garment counterparts but tend to be twice as large in average size and more developed and sophisticated in terms of the percentage operating full cycle production of finished products. Although there are differences in the make-up of the two industries, the types of assistance needed to build the competitiveness of these sectors and sustain or increase their position as major employers and contributors to Albania's Gross Domestic Product (GDP) is comparable. Our technical assistance strategy to build the competitiveness of these sectors has focused on:

- Promoting Albania as a secure sourcing country for high-quality products, produced with short turn-around times in plants capable of efficiently handling small orders with flexible production;
- Improving competitiveness at the firm level;
- Building key strategic partnerships at all levels.

Although the two industries are now steadily improving, the project's initial analysis of the sectors as seen through expert consultant reports, observation, and client feedback showed that companies typically suffered from poor management processes, production inefficiencies, old equipment and technology, over-reliance on a few buyers, and limited know-how of and appreciation for effective marketing and sales strategies. Furthermore, firms typically follow a patriarchal family management structure. Taken together, these conditions and attitudes led to weak management having limited vision and/or strategy for growth and movement to higher value-added production.

Following the global recession of 2009 and its ripple effects that continue to be felt in Albania and its key European trading partners like Italy, support for Albania's previous business model has weakened. Albanian garment and footwear companies experienced a contraction of international demand, liquidity shortages, and weak financial performance of outsourcing companies in Italy and Greece. Four years ago most Albanian firms were unprepared to face these negative consequences, which included: (1) reduction in the number of contracts; (2) new contracts with less favorable terms (lower prices/fewer units and delayed payments); and (3) termination of contracts and difficulties in acquiring new customers. However, Albania's advantages of low cost labor, close proximity to markets, and willingness to accept small production orders with low margins kept most Albanian garment and footwear companies operating, albeit at low profitability levels. Fortunately, the trend is

reversing thanks to improvements in competitiveness at leading Albanian garment and footwear firms.

Over the last four years, Rritje Albania helped turn the situation around by encouraging garment and footwear businesses to diversify their buyer base by shifting their inward production-driven fashion business model towards one that is open to new markets and buyers and realizing higher-profit sales from building full-cycle production capacities. Our assistance has contributed to firm-level behavioral changes to improve production, reduce costs, enhance management practices, and utilize new knowledge and technologies through a number of ways, including but not limited to: implementation of Rritje's Productivity Enhancement Program (PEP); exhibiting at trade fairs; strengthening of marketing and sales skills through a corporate identity program; introduction of new technologies through the small grants program; and finally the successful development of "Made in Albania" own-collections, through the Build Your Own Brand (BYOB) footwear and garment programs.

From October through January, in the four-month window for project assistance before the project shifts its focus to administrative close-out, Rritje Albania's efforts in garment and footwear will be to strengthen its legacy initiatives and reinforce the collaborative structures and practices that were purposely employed by the project as part of its exit strategy, even as the initiatives were being introduced and supported in years past. As a result, partners and project beneficiaries have been taking on increasing responsibilities and leadership roles to allow for a smoother transition when the project withdraws completely.

A1. Build Your Own Brand (BYOB) in Garment and Footwear

The BYOB program has helped Albanian firms to make the most of their competitive advantages vis-à-vis the international garment and footwear market by helping companies transition and/or graduate from varying and/or limited production stages of simple assembly (SA), make-trim (MT), and cut-make-trim (CMT), to full production service (FPS). Moving to higher value chain levels allows Albanian companies to mitigate risks associated with dependence on SA, MT, and CMT work that can be moved easily from one subcontractor or country to another.

The BYOB process required the adoption and application of a range of critical skills, many of which were relatively new to most Albanian companies, such as: sourcing appropriate raw materials; designing collections and developing patterns and prototypes; establishing the right strategies for costing, pricing, and merchandising finished collections; developing and promoting an appropriate brand name according to the preferences of the target customer for style and quality; identifying and contracting the right sales agents; and successfully navigating the maze of shipping, export/import rules, and product labeling requirements.

In the past two years, the project has helped 10 garment and 11 footwear firms develop their own brands and negotiate successfully with new clients in countries outside of their traditional export targets of Italy and Greece. As a result, these firms are setting a new model for the future of the two industries in Albania. In addition, the project has brought the lessons-learned from this group of leading companies to other less technologically advanced firms.

In its remaining months, the project will concentrate to maintain stakeholder momentum so that the BYOB programs will be self-sustained by the firms and local structures left behind, including: the Albanian Investment and Development Agency (AIDA) and/or its equivalent in the new Ministry of Economy; new GoA structures that will support Albanian manufacturing and foreign direct investment under the Deputy Prime Minister; the Textile and Fashion Department at PUT; industry associations; donor projects under GIZ and EBRD; and others.

The technical activities will revolve around three themes:

- 1) Participating in trade fairs
- 2) Building industry identities and lobbying the GoA to provide an improved enabling environment (i.e. preferential duties, streamlined customs, accelerated VAT reimbursement, inspections, training subsidies, etc...)
- 3) Facilitating and strengthening linkages among industry stakeholders

Trade fair participation. Following the highly successful exhibition by BYOB-F firms in the Made in Albania booth at the MICAM trade fair in Milan Italy in September 2013, the firms committed to repeat their collaboration by sharing exhibit space in a Made in Albania booth at the Riva del Garda Italy Fair in January that will feature Fall/Winter 2014/2015 footwear collections. Over the course of the fair, 329 B2B meetings were held with 146 buyers and 124 new potential customers were identified, 10 of which made plans to visit firms in Albania. Of the exhibiting firms, 5 received a total of 173 test orders for 781 styles.

Participation in the Riva del Garda fair will require significantly different preparation for the firms than for MICAM. First, the time period is extremely short for them to design new season collections, source raw materials, build prototypes, develop prices, and update their catalogues and web sites. Secondly, where the MICAM exhibit space and booth design was reserved and paid by Rritje Albania, the full cost of the Riva del Garda exhibit will be shared equally by the BYOB-F firms exhibiting. Furthermore, logistically, the exhibit space and the design of the space must be reserved by an entity that will accept responsibility for paying the full amount and then collect contributions from each firm. It is envisioned that AIDA will reserve in its name, however there is some question whether the new Ministry of Economy will allow it to do so. The project's challenge will be to ensure all parties are engaged, keep the process moving forward on a very tight schedule, and work to find solutions to all problems that arise. Assuming that firms exhibit at Riva del Garda, the project will review and edit the BYOB-F firms' marketing materials and supply industry folders and one-page company profiles for distribution at the fair. Also, at the fair itself, the project would send a Business Advisor to help manage the booth, ensure full coverage at all times, and support B2B meetings that take place.

For the BYOB-G firms, the project will meet with them individually and as a group to encourage them to exhibit together in a Made in Albania booth at a fair of their choosing. Where the BYOB-F firms in FY2013 learned from the BYOB-G experience in FY2012, the garment companies could now mirror the footwear companies success at joining forces to share an exhibit space and share the costs.

Building industry identities and lobbying. Over the past four years, the project has encouraged garment and footwear firms and other industry stakeholders to interact as a group in order to form a shared understanding and appreciation of the challenges and opportunities faced by their industry and the role each stakeholder group should play to develop their sector for the benefit of all. The success of the BYOB-G and BYOB-F programs has convinced these leading garment and footwear firms of the value of creating their own-brands and moving from facon to full cycle production.

Among the promotional products developed by Rritje Albania to help establish an industry identity are: the garment and footwear web sites, now managed by AIDA (www.albanianfootwear.com and www.albaniangarment.com); a six-minute video describing the BYOB-G program from the eyes of two garment firms that took part; and, begun in FY2013 and to be completed early in FY2014, 700 printed copies of garment and footwear data sheets and one-page profiles of leading firms in each sector that AIDA asked the project to develop in order to help it promote the industries to foreign buyers and investors. After the new Ministry of the Economy makes clear what AIDA's role will be in the new government, the project will facilitate an industry-wide meeting to highlight the achievements of the garment and footwear industry and the government's intention to support it.

After MICAM, the BYOB-F firms asked AIDA to request a meeting with the new Prime Minister to reaffirm their commitment to build their industry's competitiveness through the BYOB program under the Made in Albania slogan, as well as articulate their vision on how the GoA should create a more enabling environment for their industry. Rritje Albania will support this endeavor and others like it, which brings together footwear and garment firms and government into meaningful and productive public-private-dialogue and, over time a more enabling environment established by government.

Facilitating and strengthening linkages between industry stakeholders. Besides the activities described above between firms and government, the project will continue to support its legacy initiatives related to the garment and footwear sectors, that include: Life Long Learning (LLL) continuing education programs at the PUT; linkages between the PUT and three VET schools in Korca, Shkodra and Tirana; internship and externship programs; innovative IT solutions for garment and footwear companies being developed by local software firms under Rritje Albania's grant facility.

A2. Establishing Continuing Education and Enhanced Curricula for Garment and Footwear Industries at the PUT and VET Schools

Throughout its project cycle, Rritje Albania has created linkages and dynamic interaction among private and public sector actors in support of increased firm and industry competitiveness. Over the past three years, the project built the capacities of the PUT to provide demand-led service to the garment and footwear sectors by hiring professors from the PUT Department of Textiles and Fashion to support more than 35 garment and footwear companies to improve productivity and performance through the project's Productivity Enhancement Program (PEP). The project also involved the PUT in all aspects of the BYOB garment and footwear programs and paired PUT faculty with international consultants delivering short-term technical assistance (STTA). Following joint visits, the PUT faculty visited the firms on their own to identify productivity issues, recommend technical solutions, and help the companies to implement solutions.

In addition, international STTA experts brought by Rritje to assist garment and footwear firms delivered guest lectures for PUT students that emphasized the practical application of knowledge covered in their coursework. Also, PUT faculty supported by Rritje Albania incorporated their experiences and the seminars of STTA experts into their own teaching materials and, for the first time, introduced footwear-specific topics into PUT curricula.

In FY2013, Rritje Albania hired John Haycock, an STTA garment industry expert, to help develop a new lifelong learning program (LLL) for the PUT Department of Textile and Fashion, with short-term, demand-driven, and flexible courses for garment firms' personnel. He also visited four vocational schools to review facilities and curricula, identify gaps and weaknesses, and recommend ways to improve. He assessed the capabilities of the VET laboratories proposing the minimum equipment

Productivity Expert Recommendations for PUT and VET Schools

- Develop a series of PUT lifelong learning courses that meet the needs of factories and vocational schools for continuing education;
- Define content and materials needed for open courses including subjects on Productivity, Production Management, Industrial Engineering and CAD/CAM technologies;
- Better streamline curricula between PUT and VET schools;
- Restructure the current internship programs
- Create an externships program at firms to enable PUT and VET schools faculty to gain practical work experience, as well as further strengthening of its existing internship program.
- Develop a Graduate Tracking System
- Develop proper marketing materials to promote PUT and VET school programs, students and services.

needed; reviewed internship practices and provided recommendations as to how the PUT Department of Textile and Fashion and the vocational schools can streamline their programs and efforts to serve industry needs in a coordinated fashion. With assistance from Mr. Haycock, the PUT developed and implemented a students' questionnaire to survey the needs and career expectation of 60 graduating students. For a summary of Mr. Haycock's recommendations, see box on previous page.

Many of the recommendations for PUT and VET schools are completed or are in the process of implementation. For example, the PUT Lifelong Learning Courses on the topics of industrial engineering, quality control, production management, and CAD/CAM Lectrdesign are in the final stage of development and included in revised university curricula. The PUT is working to quantify the private sector demand for these courses before it announces its first courses and related training schedules in late October 2013. The PUT rector has given permission to offer the LLL courses and the course fee has been set. PUT has asked for Mr. Haycock's assistance to review the final LLL course materials before the training is held. Marketing material describing the PUT LLL program to help publicize and sell the courses to industry will be designed and printed in November with project assistance.

Also in FY2013, the three VET schools received new computers from Rritje Albania and along with the PUT, 16CAD/CAM software licenses free of charge under Lectra's Education Partner Program thanks to an MOU between them that was arranged by Rritje Albania. As a result, in November the VET school teachers will join employees from firms to participate in the first LLL course on CAD/CAM design and patternmaking offered by the PUT.

In-line with the efforts to improve the quality of VET school graduates, last year Rritje Albania and the National Association of Garment Producers submitted to garment companies a list of equipment needed to fully equip the laboratory of the garments department of the Tirana VET School. As a result, several companies including Omega, Kler, Mediterranea and Blue Sky expressed readiness to donate used machines to the school and the Tirana VET School received eight sewing machines from two of the companies. Additional equipment is expected to be donated from other companies to help equip the other two VET schools as well.

To support the continued collaboration between PUT and VET schools, in November the Tirana VET school students and faculty will visit the PUT to view a screening of the BYOB-G video. Also attending will be owners of BYOB-G and BYOB-F that will describe new employment opportunities that are being created as a result of the BYOB program and the move to full cycle production.

In FY2013, Rritje Albania initiated meetings with the EU IPA 2010 Project on Human Resources Development in Albania implemented by the International Labour Organization (ILO). This EU project conducted a feasibility study to expand Post-Secondary Vocational Education and Training. Rritje Albania shared its experience with the development of LLL courses and work with PUT and VET schools, in particular on transferring knowledge and skills between industry, PUT and VET schools. As a result, the EU IPA 2010 Project plans to propose the development of curricula and the offering of post-secondary education program in the garments sector. Rritje Albania will follow-up in FY2014 and facilitate as needed.

It is envisioned that these and other activities in the remaining months of the project will strengthen the project's legacy of establishing permanent links between educational institutions and the garment and footwear sectors through improved externships, internships, consultancies, and vocational and LLL programs that bridge the gap between labor supply and demand long after the project ends.

A3. The Garment and Footwear Stakeholders Working Group

At the meso and macro levels, the project has supported the creation and performance of the Garment and Footwear Stakeholders Working Group (GFSWG), comprised of key public and private

stakeholders, to effectively articulate industry concerns and influence policy makers. The GFSWG was led by the Albanian Investment and Development Agency (AIDA), which ran quarterly meetings of the GFSWG and bi-monthly meetings of its three technical sub-groups. Among the outputs of past work were a set of industry promotion and marketing materials consisting of industry and company profiles for distribution at trade shows and B2B meetings, and featured on the two industry websites.

However, the non-materialization of promised GoA grant funding for firms through AIDA, and the current uncertainty on the future of AIDA in a reorganized Ministry of Economy under an incoming government, puts the future of the GFSWG in doubt. On the other hand, as described above, key stakeholders are increasingly working together outside of the GFSWG. Therefore, AIDA or its successor should be able to restart the GFSWG without much difficulty if the industry stakeholders wish to do so. However, the project has no specific plans to support the GFSWG at present.

B. Tourism Legacy Initiatives

Tourism is one of the world's fastest-growing industries, and is very promising for job and export growth in both developed and developing countries. In the case of Albania, the World Tourism Organization (WTO) and the World Travel and Tourism Council (WTTC) forecast that the direct and total contribution of the travel and tourism industry to Albania's GDP will grow by more than 5.3 percent for the next 10 years.¹

Albania holds significant untapped tourism development potential. Its tourism assets include a mild climate, rich and varied cuisine, dramatic landscapes, and beautiful beaches. Until recently, Albania's tourism industry was oriented towards the "sun, sand, and sea" travelers, attracting tourists from neighboring Kosovo and Macedonia. But Albania is rapidly expanding its customer base to include travelers from Europe (primarily Germany, Netherlands, and Austria), but also Slavic countries and Japan.

Looking ahead, Albania's best chance to expand its tourism industry is to promote sustainable development initiatives that make the most of the country's natural and cultural assets, including its mountainous areas and rural villages, its historical and archeological sites, its cultural traditions, and the hospitality of its people. These potential products can be linked to tourism markets that are less sensitive to seasons, and that attract travelers who are likely to visit longer and spend more in order to enjoy an authentic experience. Although Albania is starting to get noticed, the country still has much to accomplish to improve the quality of its tourism products and services, and the effectiveness of its marketing and branding strategy to attract tourists.

Rritje Albania's strategy for supporting sustainable tourism development in the country has focused on three pillars:

- Promoting Albania as a desirable tourism destination in order to increase the number of visitors and extend their length of stay in the country;
- Improving the quality of Albania's tourism product and related services;
- Supporting and promoting sustainable tourism initiatives that improve firm-level competitiveness through continuous dialogue and key partnerships with both public and private stakeholders.

In light of Albania's many unique assets and the increasing number of foreign visitors, the most crucial challenge facing the country's tourism industry is its ability to attract more tourists, while successfully coping with the growing number and the demands of the higher-spending tourists who

¹Source: World Travel & Tourism Council (WTTC) www.wttc.org

desire quality products and services that meet international standards. In recent years, Albanian tourism stakeholders have become increasingly aware that exceeding these travelers' expectations is also key to distinguishing Albania's offer of quality tourism products and services in the ever-competitive global market.

B1. The Authentic Albania Quality Mark Program

The Authentic Albania Quality Mark (AAQM) program contributes to all three project strategic objectives mentioned above. The AAQM program was designed to tackle several issues which impede tourism development, including: (1) the lack of a credible standardization or accreditation system, (2) poor product development and marketing based in limited understanding of tourism trends and market demands, (3) limited networking opportunities to exchange knowledge and best practices among different actors, and (4) little recognition of Albania's image as a tourist destination in the world marketplace.

The AAQM is Albania's first private sector-led initiative to provide a standardized system for evaluating the quality of tourist accommodations. Through this program, hotels are evaluated based on sustainable tourism criteria and then awarded a gold, silver, or bronze classification that is published on travel websites and publications. Since launching the program in mid-2010, Rritje Albania has mentored the ATA to own and manage the AAQM program for the benefit of its paying members; and engaged the services of the local Institute for Development Research and Alternatives (IDRA) to track and monitor AAQM program results.

AAQM program results to date have been significant, and are summarized as follows:

- At the end of FY2013, 85 hotels applied to join the AAQM Program, 63 were assessed and awarded, and 52 are new paying members of the ATA, a precondition to participation;
- The project has trained assessors, established the AAQM Awards Committee, and educated the Albanian media and public through events, interviews, and press releases;
- The AAQM Manual of Procedures and Operations was finalized with project assistance in FY2012 and the AAQM Marketing and Communication Strategy was finalized in FY2012;
- The project developed the AAQM brand identity, which is based on local cultural images that resonate with local and foreign travelers in pursuit of authentic travel experiences;
- AAQM website, www.authenticalbania.com, went live in English and Albanian in mid- 2012;
- A host of AAQM promotional materials, in English and Albanian, were developed with project technical assistance;
- The project has provided valuable support to elevate Albania's image as a desirable tourism destination by sponsoring trade show participation for the AAQM program and facilitating buyer linkages between AAQM hotels and other tourism companies.

Despite the AAQM program's fast start in FY2013 with seven hotels awarded in December 2012, implementation of the program stalled due to reluctance on the part of the ATA to manage the program in the manner envisioned, meaning to charge full cost recovery assessment fees and hiring an external agency to conduct the hotel assessments. However, in late September the ATA board committed the ATA to do both, and to follow the AAQM operations manual that it had approved in 2012.

In FY2013, the project plans to launch a new joint tender with the ATA to retender the AAQM assessment subcontract and invite IDRA and other interested firms to bid. The ATA and the project will sign separate subcontracts with the winning firm. In the case of the ATA, the subcontract will specify the cost of assessments for new hotels and reassessments of hotels whose AAQM award expired after three years. On the project's side, a subcontract will be signed to support 10 to 15 new hotel assessments before the project ends, depending on the time and funding available. The project

will also distribute the AAQM-branded materials that it had printed for each AAQM member hotel in FY2013 but which was retained pending resolution of the sustainability question before the ATA board. The project also plans to help the ATA to register the AAQM trademark with the Albanian trademark and patent office.

B2. Albania on the National Geographic's Portal on Western Balkans Geotourism Mapguide

In order to promote Albania as a desirable tourism destination, in FY2013 Rritje Albania continued its successful collaboration with USAID's regional competitiveness initiative (RCI) and six Western Balkan countries. The partnership created and operationalized the *WesternBalkans Geotourism Mapguide – Land of Discovery*² (<http://www.balkansgeotourism.travel>), an interactive web portal hosted by the National Geographic. The portal highlights the cultural, historic, and natural assets unique to the Western Balkans. In the last quarter alone, the portal was visited 16,116 times by 13,478 unique visitors, 82 percent of whom were new visitors. The number of unique visitors is 30 percent higher than during the January-March 2013 period.

A positive outcome of this initiative is that the six countries involved formed the Western Balkans Geotourism Stewardship Council (WBGSC), which established a Western Balkans Tourism Network and developed a positive brand/image for the region. The WBGSC meets monthly via Skype and has developed a membership package that is used by each country for their respective nominees to be featured on the website, including nomination criteria, score sheet, application form and fee, logo and promotional material, manual, contract, and so forth. This package alongside the Western Balkans Geotourism (WBG) portal business and marketing plan, and the MoU signed by the six participating countries have formalized and operationalized WBG portal in a sustainable manner. A mobile application of the WBG portal developed with USAID/RCI funding was released in September 2013 and is being promoted in each country by the WBGSC members.

The focus on project assistance in FY2014 will be to support the Albanian National Tourism Agency and the WBGSC country representative, Auron Expeditions, to form the national WBGSC that will serve as a PPD mechanism to encourage the application of geotourism principles in the development of the Albanian tourism industry. Rritje Albania will also assist by sponsoring three roundtable meetings led by the Albanian WBGSC in order to attract an increasing number of new nominations to be featured in the portal.

B3. AHLEI Certifications for the Hospitality Sector

As part of its strategy for sustainable tourism development, Rritje Albania worked to improve professional standards in Albania's hospitality sector by establishing partnerships between the American Hotel and Lodging Educational Institute (AHLEI) and the Destination Management Organization (DMO) to offer certified hospitality training programs for working tourism professionals, and between AHLEI and University Marin Barleti University (UMB) to establish diploma programs in tourism. Widely recognized as the preeminent leader in hospitality certification, AHLEI learning programs conform to best practices in the hotel and lodging industry and are endorsed by the American Hotel & Lodging Association (AHLA).

Three TOT courses on Certified Hospitality Trainer (CHT), Certified Guest Service Professional (CGSP) and Certified Train, Retain, Assess, Certify (TRAC) held in July 2013 were implemented in collaboration with DMO. One-hundred percent of the training participants passed their certification exams, graded by AHLEI in the USA. Fifteen fee-paying participants passed their CHT certification

²Work on the Western Balkans portal started in April 2011 when Rritje Albania signed a memorandum of understanding (MoU) with USAID's RCI project and the National Geographic after the 2010 successful publication of the *Western Balkans supplement Land of Discovery: 46 Outstanding Ways to Experience Albania, Bosnia And Herzegovina, Kosovo, Macedonia and Serbia*, in partnership with the National Geographic Traveler magazine.

test and five passed the CGSP and TRAC certification exams. As FY2013 closed, DMO was surveying the industry's training needs and demands in order to develop a targeted marketing and business plan to deliver AHLEI certified courses. DMO plans to work closely with the private sector and various associations, as well as with the government of Albania to assist in the development and implementation of a National Qualifications Framework for Hospitality/Tourism that leverages the Authentic Albania Quality Mark Program (AAQM).

On July 2013, the UMB was awarded a \$17,933.91 USD grant by Rritje Albania that is being used to market UMB's bachelor diploma in tourism and to qualify a core group of 10 Certified Hospitality Educators (CHE). Upon successfully passing their CHE exam following a TOT workshop taking place in October 2013, trainers will be offered a UMB employment contract to teach the eight AHLEI academic courses included in the Tourism Management degree curriculum. The UMB expects that a minimum 30 students per year will enroll and graduate from its three-year bachelor degree program.

Over the first four months of FY2014, Rritje Albania plans to help the DMO and the UMB establish their respective AHLEI industry and educational training programs in Albania. In October, the project will facilitate in-country meetings with the DMO, the UMB, and AHLEI's representative based in Poland to help them design marketing materials and develop marketing plans. To generate public awareness and interest in their tourism training products, the project will support a public event, that includes the new Minister of Tourism and Urban Development, to launch their programs and hand out AHLEI certifications to trainees who successfully passed the AHLEI TOT master classes and exams. And, lastly the project will help the DMO to launch its first two professional trainings and it will closely monitor the UMB grant to ensure that all of its performance targets are met.

B4. Supporting the Ministry of Urban Development and Tourism

In response to a request by the former Ministry of Tourism, Youth, Culture and Sports (MTYCS), a key project activity in FY2013 was to assist the National Tourism Agency (NTA) to develop a state-of-the-art national website for tourism. The website is conceptualized to serve as a virtual meeting place inviting tourists to learn more about Albania's historic, cultural, and natural attractions, access official tourism information, and get the latest news on tourism-related events. Rritje Albania worked with the MTYCS and the NTA to establish a joint Website Working Group (WWG) and build its capacities for managing the website in an effective and sustainable way.

A key feature of the website is that local government operating in all of Albania's regions will be able to post content and updates to the website themselves. To this end, Rritje Albania organized training workshops for Korça and Tirana Regions in order to give them the knowledge needed to ensure a timely, accurate flow of the latest tourism information from the region to the national level. Aside from covering technical aspects of submitting information, pictures and/or videos on the website, the DM Consulting trainer and NTA representatives facilitated an open discussion with local government administrators to gather feedback for further improvements to the site. It is expected that the new website will be ready launched in time for the World Travel Market in London, United Kingdom from November 4-7, 2013 at which the new Albanian Ministry of Urban Development and Tourism (MUDT) will be an exhibitor. (<http://albaniantourism.com/>)

The project plans to support the Website Working Group to upload content for all regions and information fields on the site by adding some days to the STTA consultant hired to assist the WWG, whose work was delayed due to the change in government and staffing uncertainties. It also intends to support two more regional workshops to explain to local government how they can use the website.

Lastly, at the request of the MUDT, the project intends to produce six short videos of two minutes each plus 30 second short films, that will capture the characteristic feel of Albania, its cultural heritage and its people, based on six distinctive themes: *Crossroad of Cultures, Living Art, Outdoor Recreation, People, Food and Drink, Pristine Wilderness, and Sounds of Balkans*. The film and audio

footage has already been shot under an assignment commissioned by the USAID/Regional Competitiveness Initiative and supported by Rritje Albania in June 2013 that featured the same six themes but which were shot in six Western Balkan countries.

C. Information and Communication Technology Legacy Initiatives

The development of the ICT industry has been a focus of the GoA in recent years, and as a result, important steps have been made to nurture its advancement. Among these milestones was the creation of the National Agency for Information Society (NAIS), passage of the Law on Electronic Communication aimed to liberalize the telecommunication market, the development of the Cross Cutting Strategy on Information Society, the creation of Ministries devoted to ICT, the adoption of the Law on Electronic Commerce, the development of implementing regulations for the Electronic Signature Law, and discussions to improve other elements of the regulatory framework.

These positive steps aside, the ICT industry faces competitiveness challenges due in part to its small market size and the slow maturation of domestic ICT demand. The World Economic Forum competitiveness report places Albania's business sophistication relatively low on a global scale, with rankings consistently over 100 in areas such as cluster development, competitive advantage, and value chain. Interestingly, the private sector's adoption of ICT ranks considerably lower than the Government's adoption of ICT. Albania suffers from severe shortages of skilled technical workers in the ICT field, be they users of ICT systems, system or network administrators, or software development specialists. In general, university graduates have very little practical, hands-on experience, and there is need for more certification programs. Albania's ICT industry is mostly focused on hardware and software sales with minimal value-added services such as IT consulting, customization of software, re-engineering of internal work process, or adoption of higher-end software-based solutions such as human resource management systems, customer relations management systems, and inventory tracking. The 2012 EU Progress Report for Albania states that although Albanian has made some progress in the area of electronic Information and Communication Technologies, this progress has been uneven and the necessary ICT administrative and technical capacities and human resources are still lacking.

Despite these challenges, the ICT industry in Albania also represents many opportunities. There is a significant and growing latent demand to employ ICT products and services to a higher level of usage common among advanced European economies. The Government has stimulated demand by requiring registered businesses to make online e-submissions of tax and other reports. According to International Data Corporation (IDC), "In 2011, the Albania IT market increased 5.5 percent year-on-year to reach \$190.43 million. The IDC forecasts the IT market in Albania will expand 2.5 percent year-on-year from 2012 and to grow at a compound annual growth rate (CAGR) of 2.1 percent across the five-year forecast period. IT spending is expected to total \$211.76 million in 2016."

Over its lifetime, Rritje Albania's strategy to support the ICT sector in Albania has focused on:

- Improving the competitiveness of ICT firms through improved business strategies and operations, trade and investment capacities, productivity levels, and workforce knowledge and skills;
- Promoting ICT products and services as a catalyst to improve the competitiveness of other industries with a special focus on Rritje Albania's target sectors;
- Building key strategic partnerships at the meso and macro levels of the industry through collaborations with donors, AITA and ASC associations, business service providers, educational institutions, and government agencies.

Rritje Albania worked to awaken latent demand by helping Albanian ICT firms stimulate sales of ICT products and services to non-ICT firms. As a cross-cutting and enabling technology for other

industries, the project pursued several cross-cutting activities to benefit the ICT sector and enable it to better support other industries, such as the promotion of CAD/CAM software use in garment and footwear, online booking under our tourism component, and the establishment of company and industry websites for the garment, footwear, tourism sectors. Rritje Albania also played a leading part in identifying and supporting a number of demand-driven development solutions to foster the expansion of Albania's ICT sector, such as:

- IT Mark: Rritje Albania improved the productivity and performance of ICT companies by helping four firms achieve certification in IT Mark, a software process improvement standard, based on the Capability Maturity Model Integration (CMMI), which strengthens an enterprise's planning and development capabilities, improves communication and interaction with clients, and reduce development errors and delivery times.
- As a way to compensate for the small size of the Albanian ICT market, the project facilitated business linkages and partnerships with regional actors through conferences, B2B events and trade shows.

However, the project's major venture and key response to the long-term challenges faced by Albania's ICT sector was to establish Albania's first PROTIK ICT Resource Center. In FY2014, project assistance in the ICT sector will focus on assisting PROTIK to become an operational success and fulfill its mission of promoting innovation and entrepreneurship in Albania's ICT market.

C1. The PROTIK ICT Resource Center

A major project milestone achieved at the start of FY2013 was the inauguration of the PROTIK ICT Resource Center³ (PROTIK) on October 10, 2013. The establishment of PROTIK was made possible thanks to Rritje Albania's leading role in forging a momentous PPP consisting of theGoA, USAID, Microsoft, CISCO, the Albanian American Development Foundation (AADF), and AlbTelekom. In total, the partners pledged more than \$3 million to establish the center and cover shortfalls until it is operationally sustainable after Year 3.

PROTIK is a major project legacy whose mission is to promote innovation and entrepreneurship in the Albanian ICT community. Since its inauguration, PROTIK conducted in excess of 85 events for more than 2,500 participants that included successful projects and activities such as the Start-up Weekend, Young Innovator's Club, Internship Lab, Business Speed Dating, Tech Thursday, Microsoft Friday, and so forth.

The Center aims to fill market gaps with educational activities, support services, and a state-of-the-art environment to introduce new technologies and foster research. This Center expands upon the Microsoft Innovation Centers' model to act as a 'hub' for all ICT-related activities in the country that foster innovation, networking, and entrepreneurship. This hub will bring together all key players in the ICT industry to generate innovative products, trainings, and initiatives by offering them state-of-the-art technology, proof-of-concept facilities, business incubator opportunities, and technology demonstrations by international vendors. In this way, the PROTIK ICT Resource Center will serve to fulfill all three project strategic objectives for the development of the ICT sector in terms of improving competitiveness, fostering innovation and entrepreneurship, and facilitating the establishment of strategic alliances between public and private sector actors at the firm, meso, and macro levels.

After covering the cost of its office space renovation, IT hardware, and office equipment in FY2012, in FY2013 Rritje Albania's assistance focused on building its marketing and communication capacities through training of its staff, sponsoring events held at PROTIK, and the development of a state-of-the-art website (www.protik.org) that went live in beta version in September 2013 and will help it to secure a greater outreach and enhanced service delivery to ICT stakeholders in Albania. A

³PROTIK is the Albanian acronym adopted as the name of the ICT Resource center, which means being pro information and communications technologies.

consultant hired by Rritje Albania to help PROTİK develop content for its website will conclude her assignment in October 2013.

In Rritje Albania's time remaining, it will strengthen PROTİK's internal capacities by acquiring an accounting software package and help PROTİK to set it up, hire a monitoring and evaluation specialist to help PROTİK devise a set of performance indicators and draft a performance based monitoring plan (P- BMP). The timing of providing PROTİK staff training on these topics is dependent on the successful recruitment by PROTİK of a new part time accountant and a new communications specialist. Unless these persons are in place by December, Rritje Albania will not employ STTA for these tasks. Further, the Rritje Albania Chief of Party will transition off of the PROTİK board, to be replaced by a USAID representative.

In this way, Rritje Albania's past and future assistance to PROTİK will help it to contribute to results in all three project components of trade and investment capacity, private sector productive capacity, and workforce development.

C2. Supporting Partners in ICT Workforce Development Initiatives

In addition to offering project assistance to PROTİK, Rritje Albania will also leverage its partnership and resources with Microsoft Albania and the AITA) respectively, to support the replication of two successful activities that took place last year, namely the Microsoft Imagine Cup Competition and the Start-Up Weekend. Both of these initiatives aimed at increasing the quantity and quality of the IT workforce, and in particular, supporting education, training, and workforce initiatives to promote greater responsiveness by academia and professional trainers to the private sector's needs for careers in ICT. The project's strategic decision to support these activities is considered a good way to identify young student talent for the private sector, as well as encourage the adoption of new technologies and creation of innovative solutions.

D. Industry Cross-cutting Initiatives

Over its history and continuing until its close in FY2014, Rritje Albania delivers assistance through a number of initiatives and activities with expected results across of all four target industries, and direct outputs and outcomes to the three project components of trade and investment capacity, private sector productive capacity, and workforce development. Project assistance delivered through these activities in FY2014 will focus on: establishing and strengthening the sustainability of career offices initiatives that were launched two years ago; launching a new continuing education program through the PUT; advancing PPD to remove barriers to foreign investment through improvement to the legislative framework on Intellectual Property Rights (IPR); raising the knowledge and awareness of Albanian businesses on equity and quasi-equity financing to access appropriate mechanisms for business expansion needs; and finally, utilizing the project's Small Grants Program to fund innovative initiatives by companies, business associations, and/or not-for-profit organizations to build private sector competitiveness through new and/or improved technologies and better management practices.

D1. Establishing Career Offices in Public Universities

Official government statistics revealed that although Albanian labor market conditions have somewhat improved, unemployment remains near 13 percent. According to the 2012 EU Progress Report for Albania, "Unemployment remains persistently high, while long-term unemployment accounts for around three quarters of total jobseekers, reflecting its structural nature." Youth unemployment is considerably higher than any other age group. According to the last "Labor Market Survey 2009," the youth unemployment rate (14-24 years) was 27.2 percent, while total unemployment was almost half of that at 13 percent.

According to the European Training Foundation's (ETF) "Review of Human Resource Development" for Albania, "labor market entrance is difficult for graduates of all forms of education."

The ETF report identified some of the problems contributing to the gap between the workforce supply exiting universities and workforce demand expressed by companies. Among these, the report concludes that "curricula are not competence-oriented" and further, "the weak material base of universities and the lack of cooperation with employers in teaching and research" also contributes to the supply and demand imbalance. Supporting this conclusion, a recent Global Competitiveness Report also noted that Albania scores very low on the index measuring cooperation between the private sector and universities. In addition, Albanian companies complain about the low number of qualified job applicants as they claim to be on the constant look-out to recruit individuals who have the knowledge, skills, and professionalism required by their business.

As part of its programmatic objective to improve workforce development in the country, Rritje Albania has sought ways to address this supply and demand gap in the labor market, including the creation and implementation of effective internship programs. Internships provide a multitude of benefits for all parties. The student is given an opportunity to select an internship experience that suits his/her career choice and if all goes well, internships often lead to full-time job offers immediately or at a later point.

The main structure that would enable the institutionalization of cooperation between the private sector and universities is a functioning Career Center (CC) or Career Office (CO). Therefore, in FY2012 Rritje Albania launched an ambitious initiative to establish for the first-time, COs at the department level and CCs at the university level, at four public and one private university, which includes the UT, the AUT, the UFNK, the PUT, and the UMB. The initiative is providing students at these universities with career counseling, internships and jobs, as well as creating sustainable links between the schools and public and private employers. After a series of successful TOTs on *Career Office Management* and *Career Counseling* for 20 university lecturers and career counseling staff, project assistance in FY2013 focused on the delivery of one-on-one capacity building and coaching of the newly appointed CO and CC staff that addressed the specific needs of each university.

Project investments in this major initiative have started to yield visible results, with all but the PUT establishing and funding new career centers and/or offices with designated physical space and appointed staff members. In addition to the two COs established at the UT Faculty of Economics and UT Faculty of Law, a coordinating CC has been set up as part of UT's Department of Communications within the rector's office. Two additional COs will be established by the 2013 year-end at the UT Faculty of Social Sciences and UT Faculty of Natural Sciences. High-level endorsement of UT's career counseling program helped raise new grant funding from the French Embassy in the amount of 40,000 Euro over the next five years. UT Faculty of Economics held its first-ever Career Day in June 2013 drawing wide participation of over 700 students and 41 private sector companies.

In April 2013, the AUT's senate changed the university charter transforming existing student orientation offices into full-fledged career offices. In addition, a central CC was established at the rector's office and staffed by a career counseling coordinator. Since then, AUT engaged 11 additional staff for career activities, one at university level, five at faculty level, and five lecturers, one for each faculty.

The UFNK joined this initiative with a career center existing on paper only. Nevertheless, the rector believed that the career counseling initiative's goals were aligned with the UFNK vision, so he allocated space for a CC at the university's new premises in Korca city center. Rritje Albania linked the CO staff with Tabita, a local development NGO, with excellent contacts and projects with local companies and the GoA employment office. After the UFNK participated with its own stand at the July 2013 Korca Job Fair, 22 UFNK graduating students were hired by local companies and 50 students were hired by the municipality.

UMB is the only private university participating in Rritje Albania's program and its career office and services will be incorporated into a leadership center having a larger mission to provide services and training to companies, as well as scholarships for students. UMB has actively participated in all TOT events and has received one-on-one technical assistance to help it develop its annual CC activity plan.

In summary, these universities have drawn up detailed work plans that were approved by management and the CCs and COs have started to deliver counseling services to students through such things as career/job fairs, one-on-one career counseling, or incorporating career orientation modules in existing or new courses. They have also begun to interact with private and public sector employers to develop and strengthen links with companies and business associations, chambers of commerce, NGOs and donors, and government agencies such as GoA employment offices and AIDA.

In FY2014, Rritje Albania plans to hire an STTA expert to draft terms of reference for a career counseling web portal. It has also been asked by universities to help them develop outreach programs to employers in order to better link students to employment opportunities and encourage businesses to create dynamic and productive relations with university faculty and career offices. To help do this, the project intends to bring back to Albania Visar Ademi, a former workforce development team leader on a Macedonia competitiveness project that closed in 2012.

As another Rritje Albania legacy, these COs and CCs will act as a sustainable and institutionalized link between the public and private sectors from now on.

D2. Increasing Awareness of Intellectual Property Rights (IPR) Issues in Albania

Intellectual property rights (IPR)⁴ strongly affect the health of the business environment in many ways. Without safeguarding their ideas, businesses cannot reap the full benefits of their inventions, and are less likely to focus on new research and development. Piracy, counterfeiting, and theft of intellectual property assets pose serious threats to Albanian businesses. Additionally, the protection and enforcement of IPRs is part of Albania's integration agenda⁵ into the EU. Public awareness and the provision of a coherent framework for the protection of all types of intellectual activities help increase a country's competitiveness and ensure its economic growth and social progress.

For these reasons, the project played a leading role these last two years to coordinate actions between the most important public and private sector stakeholders by helping to create the IPR Working Group, in partnership with the American Chamber of Commerce (AmCham) and Microsoft. In order to intensify its IPR advocacy efforts, in FY2012 and FY2013 the project co-financed the first and second annual *National Conference on IPR* that raised issues of IR protection, approximation of Albanian IPR legislation to EU standards, critical challenges faced by Albanian central government and implementing agencies in enforcing IPR rights, and several case studies of IPR infringements and their cost to companies and the Albanian economy.

⁴ Intellectual Property (IP) rules were introduced for the first time in the multilateral trading system through the World Trade Organization's *Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)*, negotiated in the 1986-1994 Uruguay Rounds.

⁵ The GoA adopted Albania's National Intellectual Property Strategy 2010-2015 in September 2010. This strategy defines key objectives during this period, including: a new copyright law to be adopted; a law regulating the establishment of the Internal Market Inspectorate related to IP protection; and amendments to the current Albanian Penal Code recognizing counterfeiting as a criminal offense, to be approved in 2012.

In FY2013 Rritje Albania collaborated with the General Directorate of Patents and Trademarks (GDPT) and the Central Inspectorate (CI) to deliver, around the country, a series of five roundtables informing the business community on reform and amendments to two key legislations affecting the private sector, the *Law 9947, On Industrial Designs, dated July 7, 2008* and the *Law 1043, On Inspections, dated June 16, 2011*. Changes to the first law cover aspects of industrial property rights with regards to patents, inventions, designs, trademarks, and online registration process; changes to the second law are meant to ensure public interest while guaranteeing increased inspections effectiveness, reduced administrative burden of inspections on businesses, and protection of businesses against potential corruptive practices on the part of inspectors. These roundtables drew the interest of 107 participants representing 67 companies and several public institutions, private businesses, and several business associations. At the end, the GDPT representative assured participants that the GDPT and its technical experts will consider all issues so that the proposed amendments accurately reflect Albanian private sector concerns and provide the same level of IPR protection as elsewhere in Europe and in accordance with EU directives on the subject.

Why is Protection of Intellectual Property (IP) Important?

- IP creates and supports high-paying jobs
- IP drives economic growth and competitiveness
- Strong and enforced IPRs protect consumers and families
- IP helps generate breakthrough solutions to global challenges
- IPRs encourage innovation and reward entrepreneurs

Source: Global Intellectual Property Centre

In FY2014, the project will work to ensure that the new GoA and its restructured ministries and associated staffing changes will not lead to an abandonment of the IPR Stakeholders Group and its successful coordination of activities leading to improved IPR protection and the passage and implementation of appropriate IPR related legislation. More specifically, this means the project will support the efforts of the Group to develop a clear action plan focusing on: (1) the intensification of lobbying efforts to ensure parliamentary approval of the draft Law on Copyrights; (2) the implementation of the regulatory reform undertaken by the GoA through the Central IPR Inspectorate; (3) the development of coordinated work plans between major GoA IPR actors; and (4) the launch of an IPR awareness campaign, including co-financing the third annual IPR conference in late November/early December.

D3. Improving Firm-level Knowledge and Access to Finance

In collaboration with Balkan Limited, Crimson Capital, and a host of other private equity funds in Europe and the Balkans region, Rritje Albania is supporting new investments and innovation in the country by helping to bring to Tirana the 4th Balkan Venture Forum (BkVF), scheduled to take place in November 14-15, 2013. The BkVF is a leading regional investment and innovation forum, which showcases innovative companies to active investors and promotes innovation, entrepreneurship, investment readiness and access to finance in the Balkans. USAID/Rritje Albania has secured local support for the BkVF from the Foreign Investors Association in Albania (FIAA), the American Chamber of Commerce, the PROTIK, the Albanian ICT Association (AITA) and the Centre for Entrepreneurship Education and Development (CEED). Additional information on the BkVF can be found at www.balkanventureforum.org.

In preparation for the BkVF, 25 young entrepreneurs and start-up owners were selected from 70 aspiring applicants (representing different sectors of the economy) to participate at the Balkan Venture Academy, a two-day training held at PROTIK September 28-29, 2013. These participants will have their chance to shine as they use their pitching and business presentation training to apply

for the BkVF Pitching Competition. The applications must be received by October 20 and the 30 best proposals will have a unique opportunity to pitch their ideas to an array of venture capital, private equity and corporate investors that will be present at the BkVF in November. On November 13, a one-day training will be held at PROTIK for the 30 selected entrepreneurs in order to help them sharpen their presentations to be made on November 14 and 15.

D4. Small Grants Program

The Rritje Albania small grants program was launched in mid-January 2011. The initial value of the facility was \$500,000 USD but this was reduced by contract modification to \$325,000 in September 2012. To date, Rritje Albania received a total of 49 grants applications, of which 21⁶ were approved and 20 issued. The total grant funds committed thus far is \$312,376 USD, and the total funds disbursed through September 2013 are \$200,267 USD. The following table summarizes grants to date.

Table IV.1 Summary of Grants through September 2013

Company/Organization		Sector	Amount	Approval Date	Other notes
FY2011 GRANTS					
1.	Albania Holiday	Tourism	\$13,950	June 2011	Grant Closed Oct. 2012
2.	ATACT 1	Tourism	\$10,085	June 2011	Grant Closed Jan. 2012
3.	Facilization	ICT	\$19,710	June 2011	Grant Closed Dec. 2012
4.	Ola 1	Garment	\$20,377	August 2011	Grant Closed Feb. 2012
5.	Picari	Footwear	\$21,000	August 2011	Grant Closed Feb. 2012
FY2012 GRANTS					
6.	RASP	Tourism	\$8,913	October 2011	Grant closed August 2012
7.	DMO Korça	Tourism	\$9,000	December 2011	Grant closed August 2012
8.	Omega Shpk	Garment	\$20,000	February 2012	Grant closed Sep. 2012
9.	Albanian Rafting Group	Tourism	\$19,893	March 2012	Grant closed Jan. 2013
10.	ATACT 2	Tourism	\$14,708	June 2012	Grant closed Dec. 2012
11.	Elite Travel	Tourism	\$16,080	September 2012	Completed August 2013
FY2013 GRANTS					
12.	DMO Korça	Tourism	\$14,280	January 2013	Completed August 2013
13.	IDRA	ICT	\$18,558	April 2013	Under implementation
14.	Facilization	ICT	\$12,610	July 2013	Under implementation
15.	Marin Barleti University	Tourism	\$17,934	July 2013	Under implementation
16.	Communication Progress	ICT	\$20,991	July 2013	Under implementation
17.	National Artisans Association	Tourism	\$5,000	July 2013	Under implementation
18.	DM Consulting Services	ICT	\$20,000	July 2013	Under implementation
19.	CEED Foundation	Multi-sector	\$15,000	August 2013	Under implementation
20.	Mass Torr Shpk	Footwear	\$14,287	Submitted 26 September 2013	USAID approved (Oct 2013)

⁶ A grant application from SAM Shpk for machinery was approved by USAID but due to the timing of the approval, the machinery was bought with alternative financing.

Please see the descriptions below for grants that are under implementation as of October 1, 2013.

USAID/Rritje Albania grant to Communication Progress. Communications Progress is using its grant to design and produce an enterprise resource planning (ERP) integrated software solution that it is developing for Omega Shpk, a leading garment manufacturer and Rritje Albania client. The proposed ERP system will address the problem of fragmentation of information or “islands of information” at Omega. Prior to ERP, Omega had little to no IT system in place, making it extremely difficult to process and analyze internal production data or communicate externally with its larger clients and supply chain suppliers. Once running, the new ERP system will computerize Omega’s entire business with a suite of software modules covering activities in all areas of its business, including production planning, manufacturing, warehouse management, CRM, sales and purchases, human resources, financial and managerial accounting. Such information integration is expected to explicitly optimize the firm’s production performance and greatly support decision making. The ERP solution, and especially its manufacturing module, will help Omega streamline manufacturing processes, track material costs, compute what is the value of its inventory, tally the actual costs of making end products and ultimately help the organization plan its investments and make better production decisions. The estimated annual savings for Omega, after the full implementation of the ERP solution, is about \$100,000 USD. The software is expected to be fully designed and deployed by December 2013. Once fully implemented at Omega, Communication Progress plans to market the ERP solution to other garment and footwear firms in Albania and the region. Interested companies may purchase the whole software or separate modules as per their particular needs.

USAID/Rritje Albania grant to DM Consulting Services. DM Consulting (DMC) is using its grant to design and implement an e-commerce website for Kler Shpk, a Rritje Albania client that is part of its BYOB-G program. The e-commerce site will provide a sales channel for Kler’s agents in Italy, Russia, Scandinavia and elsewhere. The e-commerce site will be based on a “design your own shirt”, that will enable clients to place customized orders. Kler anticipates its own brand online sales to reach 12,000 - 15,000 shirts in the first year and over a five year period as much as 50% of its total sales. Kler plans to hire two new full-time staff to manage its e-sales. In addition to the online sales portal, DMC will prepare a white paper on e-commerce in Albania’s garment industry, which involves preparing a questionnaire on the e-readiness of companies and administering interviews with 15 - 20 top managers. Besides its work with Kler, DMC expects to achieve the following: generate at least 8-10 leads of firms interested in developing their own e-commerce website; sign three e-commerce contracts with an average value of 8,000 - 10,000 USD; construct 10 websites costing between 1,200 - 2,000 USD; and sign 6 - 10 renewable one-year e-commerce web site maintenance contracts.

USAID/Rritje Albania grant to Facilization. The ICT firm Facilization is using its grant develop internal capacities and competencies to acquire the capacity and required certifications to sell Oracle banking consultancy and system integrator services (Oracle Flexcube) in Albania. New and existing staff will complete six certification training courses, as well as training in the sale, presale, and implementation of Oracle Flexcube Direct Banking. As a result, Facilization anticipates it will be contracted by an international bank to implement for them a Flexcube Core Banking application in 2013, as well as obtain one additional license and contract to implement internet or mobile banking service solution.

USAID/Rritje Albania grant to IDRA. IDRA received a grant to develop a Market Data Portal that will provide data on all economic sectors including but not limited to tourism, garment and footwear. The main purpose of the first-in-Albania Market Data Portal is to address one of the main constraints that new and existing businesses face: uninformed decision making by providing a set of Albania market and consumer data at the macro and micro level that is easily accessible to Albanian and foreign businesses. The data will be sold at an affordable price to any interested parties, especially small and medium enterprises (SME). As part of its grant activities IDRA will organize a series of educational events for the business community in eight cities: Tirana, Durrës, Vlorë, Saranda,

Gjirokaster, Korce, Shkoder, and Elbasan, with the purpose of providing basic information on market research and the usage of market and consumer data in support of business decision-making processes.

USAID/Rritje Albania grant to University of Marin Barleti. University of Marin Barleti (UMB) is using its grant to build its internal capacity by certifying a number of certified trainers for its new Bachelor of Arts (Tourism) diploma program in cooperation with the American Hotel and Lodging Educational Institute (AHLEI). With the grant, a core group of 10 - 14 Albanian educators will attend AHLEI trainer-of-trainer courses that will lead to Certified Hospitality Educators (CHE) that UMB will hire to teach AHLEI course materials at its new Tourism Department. UMB expects to enroll at least 30 students per year in its three-year tourism program leading to a dual bachelor's degree diploma plus certification in eight AHLEI courses on core hospitality and tourism subjects. UMB's Bachelor Diploma Program in Tourism is licensed by the Ministry of Education.

USAID/Rritje Albania grant to Center for Entrepreneurship and Executive Development (CEED). CEED is a locally registered not-for-profit entity with ties to CEED branches registered and operating in other countries in the region and linked to a founding parent in the United States. CEED is using its grant to implement SME training programs that include: A minimum 23 participants are expected to take part in the learning programs and be involved in two types of training: the CEED Top Class Program (two trainings) and the CEED Sales and Marketing Program (six trainings, expected to help create 14 jobs). Business support services will be provided to a minimum five companies that will be expected to show 5% growth with three new jobs created. The CEED Entrepreneurs and Executives Club will include 50 people drawn from the above-mentioned CEED programs or other local companies, and who will be involved in networking activities. The companies will be mainly from the tourism, ICT, marketing, and public relations sectors.

SECTION III

A. IMPLEMENTATION ASPECTS

The project is required to submit a detailed, cumulative report described as follows: “No later than 45 days before the completion date of the contract, the contractor shall submit a detailed final report, which will include but not be limited to: a financial report showing, by line item, the amounts expended; a compilation and synthesis of achievements and success stories; a final Performance-Based Monitoring section; a discussion of problems encountered and a discussion where benchmarks or Performance Objectives were not achieved; lessons learned; a description of all key implementing and supporting institutions worked with in connection with project components and an evaluation of their strengths (including performance improvement over the life of the project) and weaknesses (material performance gaps and institutional capacity constraints that remain); and suggestions concerning possible future, follow-on projects that merit the support of international donors.” In addition, an assessment report is required: “In addition to reporting the results of CED as measured against the P-BMP, the Final Report should include as a separate, stand-alone annex on objective quantitative and qualitative assessment of CED.”

The project must also submit a demobilization plan, described as follows: “Three months prior to the completion date of the contract, the Contractor shall submit a Demobilization Plan to the CTO. The Demobilization Plan shall include, at a minimum, an illustrative Property Disposition Plan; a plan for the phase out of in-country operations; a delivery schedule for all reports or other deliverables required under the contract; and a timeline for completing all required actions in the Demobilization Plan, including the submission date of the final Property Disposition Plan to the cognizant Contracting Officer. Both the illustrative and final Property Disposition Plans shall address all requirements under U.S. and Albanian law for the transfer of property and shall include the inventory schedule required by FAR 52.245-1, a plan for the disposition of property to eligible parties and a timeline for disposition of such property. The Demobilization Plan shall be approved in writing by the Contracting Officer.”

The staffing plan over the remainder of the project reflects the technical activities envisioned in this work plan as well as the administrative and reporting requirements noted above.

B. Administration and Finance

This part of the work plan describes the administrative and financial management aspects of the Rritje Albania project in FY2014. In addition to the field office staff positions described below, the project team is backstopped by a Project Management Unit (PMU) at the Chemonics headquarters in Washington, DC. At the close of FY2013, Rritje Albania staff includes the four key personnel positions of: Chief of Party, Trade and Investment Specialist, and two Competitiveness Specialists (Business Advisors). Other technical positions include the Monitoring and Evaluation (M&E)/Communications Specialist, M&E/Communications Assistant, Tourism Advisor, and Director of Operations/Grants Manager. These individuals are supported by an administrative staff consisting of an Office Manager, Accountant, Translator/Administrative Assistant, and two drivers.

Local staff has been contracted using employment agreements of a determined period and are in full compliance with local labor law. To allow a smooth transition from the conclusion of technical activity implementation into closeout operations, local staff rollout dates will be staggered. As technical activities end, technical staff under each respective component will end their time on the project. All technical staff are expected to be phased out between January 17 and February 17, 2014, with the exceptions of COP Victor Luboyeski and Tourism Specialist Nevila Popa remaining on the project until March 17, 2013. The administrative and operational staff will remain on the project through March 17, 2013, with the exception of translator Suzana Shehu, whose contract will conclude

on February 17, 2014 in conjunction with the end of technical activities. Anticipated end dates for each staff member are outlined below. Please note that the dates may change based on unforeseen factors such as early departure, technical implementation schedule changes and so on.

Technical Staff		
Anila Bashllari	Trade and Investment Advisor	January 17, 2014
Andi Stefanllari	Competitiveness Advisor	February 17, 2014
Roland Bagaviki	Competitiveness Advisor	February 17, 2014
Elona Guga	Operations Manager	March 17, 2014
Marjana Andoni	Accountant	March 17, 2014
Tana Lala-Pritchard	M&E Officer/Communications Specialist	March 17, 2014
Nevila Popa	Tourism Specialist	March 17, 2014
Blerta Kadzadej	Director of Operations/Grants Manager	March 17, 2014
Administrative/Operations Staff		
SuzanaShehu	Translator/Office Assistant	February 17, 2014
SokolKallaverja	Driver	March 17, 2014
Dojna Huso	M&E/Communications Assistant	March 17, 2014
ShkelqimCenga	Driver	March 17, 2014

As technical activities come to a close, Chemonics will review the project's field office financial records, bookkeeping, and accounting systems to ensure compliance with all standard accounting principles and adherence to relevant corporate and USAID standards. The project has budgeted for a member of Chemonics' Field Accounting Compliance Team to conduct a closeout financial review in January 2014. The deliverable for this assignment will be a written report, submitted to the project, outlining additional considerations for the project's administrative and financial closeout. To complement the field office's efforts to close out the project, we have also budgeted onsite support for the home office project associate to support administrative closeout operations for approximately 12 days in March. The home office associate will work with the field office operations team to complete the inventory disposition, project file archiving, and reconciliation of all personnel and financial records. Additionally, the associate will work with the operations team to ensure that the contract is closed in compliance with USG and GoA rules and regulations.

This work plan has been developed based on the total project contract value of \$10,153,206, all of which has been obligated and which will carry the project to its ending date of March 17, 2014.

C. Performance-based Management Planning and Implementation

In order to effectively plan and manage for successful results, the process of monitoring and evaluation based on performance is consistently integrated into all facets of project planning and implementation. The Performance-Based Monitoring Plan is unchanged from that revised, submitted and approved as part of the project's FY2013 Work Plan document.

The P-BPM provides an overview of the project and its key objectives; the results framework it utilizes to measure and evaluate the results of project activities; the project's approach to performance-based management and critical assumptions; and the Performance Management Plan (PMP) complete with the Annual Performance Indicator Targets and the Performance Indicator Reference Sheets for all 24 contract indicators. In addition, the PMP outlines the project's data

collection, reviewing and reporting schedules, as well as units of measure, data sources, collection method, and the person or entity responsible for each performance indicator.

D. Partnerships and Coordination

Rritje Albania has established close relationships with several key meso- and macro-level public and private sector partners where our project activities interconnect to maximize outcomes and impacts, integrate cross-cutting considerations, and enable the project team to tackle issues that could not be undertaken alone.

Since its initial stakeholders mapping exercise, Rritje Albania has partnered with more than 75 public and private institutions, engaging with them in a flexible manner according to their importance and interests. In doing so, the project has leveraged resources and capitalized on synergies to achieve more positive outcomes and greater impact. In addition, technical cooperation with such a wide spectrum of stakeholders has helped facilitate greater PPD and ensured better transfer of knowledge to local actors to achieve sustainable development, in harmony with USAID's Forward initiative.

In FY2014, Rritje Albania will continue to utilize its existing partnerships to engage in and implement firm, meso- and macro-level initiatives designed to remove constraints to doing business in Albania. Many of these initiatives have emerged from the project's leadership and active involvement on various committees under the AmCham, the Albanian British Chamber of Commerce and Investment (ABCCI), the Foreign Investors Association of Albania (FIAA), the establishment of the PROTIK ICT Resource Centre as a PPP, among others. As part of its trade and investment component work, Rritje Albania has engaged the Albanian Investment Development Agency (AIDA) that has played an important role in the project's BYOB programs, trade and investment activities, workforce development and garment and footwear stakeholders working group. Rritje Albania will continue to work with the major business associations operating in the garment, footwear, tourism, and ICT industries, as well as the PUT and other public universities. By involving these structures as active participants in the design, delivery and follow-up of project activities, Rritje Albania has helped to strengthen them while establishing mechanisms to help sustain the project's legacy initiatives.

The project will continue to maintain its collaboration with the following donor and ministry stakeholders: GIZ, Ministry of Urban Development and Tourism, the National Tourism Agency (NTA), Ministry of Economic Development, Trade and Entrepreneurship (MEDTE), AIDA, Ministry of Innovation and Public Administration (MIPA) as well as with donor organizations such as the AADF, the EBRD's BAS Program, Dutch Center for the Promotion of Imports (CBI), and USAID's REG Project. Wherever possible, the project will seek to identify sources of donor and other support to the benefit of Rritje Albania legacy initiatives that could use additional support.

E. Contextual and Implementation Challenges

This work plan is subject to a number of risks and challenges having the potential negatively impact the timing of activities and/or their actual implementation. The first of these is the small finite number of months to deliver technical assistance, considering the following: the project's final report is due January 31, 2014; between October 1, 2013 and January 2, 2014 there are 10 authorized holidays that the field office is closed and which includes Christmas and New Year, historically slow periods for project clients and partners as many businesses close. Compounding this is the risk of key staff leaving the project prior to their ending date. As a partial mitigating measure, annual leave for project staff will not be approved if it will impact technical implementation.

Another factor to be considered is the delays by the new government of Albania to fill new positions following extensive ministerial restructuring. This includes key project partners at the following ministries and their related agencies: Ministry of Urban Development and Tourism, Ministry of

Economic Development, Trade and Entrepreneurship, Minister of Innovation and Public Administration, Minister of Education and Sport, and the Minister of Social Welfare and Youth.

And lastly, another implementation challenge is the recent weakness shown in the U.S. dollar against the Albania Lek. After reaching a five-year high of 111.9 ALL/1USD, it fell to 100 ALL/1USD in October 2013.

F. Lessons Learned

Since the project began in 2009, Rritje Albania's activities and interventions have revealed several important best practices and lessons learned, which have now become indispensable parts of our philosophy and implementation approach. The project will continue utilizing and disseminating such knowledge gained through contract close in order to allow other similarly-minded partners, actors, and beneficiaries to share in and replicate the results of our best practices and lessons learned. These are summarized as follows:

- Take an inclusive approach to industry competitiveness
- Secure commitment through buy-in and cost-sharing from partners and beneficiaries
- Maintain flexibility in program design and implementation
- Innovate, share, and replicate
- Promote the country while building firm and industry competitiveness
- Clarify focus for greater market diversification
- Start promotion and marketing activities early and be persistent
- Promote the right product for the right market
- Foster local ownership and build local capacities
- Promote PPDs and establish PPPs

G. Project Communications

In FY2014, Rritje Albania will continue to communicate its activities and results regularly to a diverse range of actors and stakeholders, including the U.S. taxpayer by way of USAID/Albania and the U.S Embassy; the private sector stakeholders; and the GoA. In accordance with our overall communications goal stated in the Rritje Albania Communications Plan, our outreach and communications activities seek to advance our programmatic objectives in the target sectors, as well as to facilitate and affect PPD at all levels. Although Rritje Albania's work does not focus directly on public sector stakeholders, communication with the GoA and its affiliated ministries and agencies occurs on an as-needed basis as part of the project's work on macro-level issues concerning its target sectors, such as raising awareness on IPR issues or helping the Ministry of Urban Development and Tourism develop a totally new, national tourism website.

Beginning last year, Rritje Albania helped develop and produce a series of short low-cost videos that serve to increase the scale and impact of project activities by leveraging the experience and successes of our beneficiaries to a broader audience of stakeholders. This includes videos finished in FY2013: BYOB-G/Made in Albania, Albanian Rafting Group and six videos for the Western Balkans GeoTourism Portal. Other videos in process or planned for FY2014 include those for: PROTIK, University Career Offices/ Centers. Depending on funding available, the project would like to produce six short videos for the MUDT/NTA on the same themes as those for the Geotourism portal but featuring only Albania. All videos will be widely shared with USAID, the GoA, and private and public sector stakeholders in order to further the goals of developing the competitiveness of Albanian target industries and firms beyond the life of the project.

In addition, to the project's final report and a separate project assessment described in Section III Implementation Aspects, Rritje Albania plans three industry events for December that will separately gather key stakeholders from each of the sectors: garment and footwear, tourism and ICT. The

purpose of the events is to hear from participants how they see the sector five years ago, today and tomorrow and what they believe to be their greatest successes, challenges, and opportunities and strengths. Following these meetings, in January the project plans to hold a close-out event that invites implementing partners, clients, beneficiaries, and other key parties with which the project has interacted to acknowledge the collaborations and synergies established and to share perspectives and lessons-learned over the course of the project implementation.

H. Gender

In FY2014, Rritje Albania will continue to ensure that all data collected from client enterprises and implementing partners are gender disaggregated, as well as adequately mainstream gender considerations in all its project activities. Often such considerations have required holding a training event or activities in a specific location during given times to appropriately accommodate women's availability for attendance. This year, Rritje Albania will continue to provide support to businesses and/or business associations that are owned and/or managed by women, and which provide socio-economic opportunities for other women. The project will continue to pay special attention to client companies that are owned and/or managed by women to ensure they have equal access to required project technical assistance and/or grant-related funds. The project will develop success stories and case studies that highlight successful women entrepreneurs that have been assisted by the project in order to help them serve as an inspiration for women business owners, career professionals, and entrepreneurs.

I. Environment

In the first year of project implementation, an Initial Environmental Examination (IEE) amendment was filed and approved, which met the requirements set forth by the deferral recommendation. Based on the findings of the rapid surveys conducted during the first three months of the project, Rritje Albania identified garments and textiles, footwear, tourism, ICT as the focus industries. A categorical exclusion was recommended by USAID for activities under the trade and investment and workforce development components because they mostly involve training and capacity building. These initiatives would not affect environmental concerns of air, water, land, biodiversity, or human health.

Activities under the second component, increasing enterprise productivity, include training to improve technical knowledge and skills; demonstration of new technologies to promote their adoption; training in production planning and quality control; and assessments of enterprises operation and recommendation for efficiency improvements. These activities, which have no effect on the natural or physical environment, were also included in the exclusion for IEE affecting air, water, land, biodiversity, and human health.

Rritje Albania has implemented and will continue to implement an environmental review system that screens activities on a rolling basis as they are defined, and which puts in place mitigation measures and monitoring for those activities with the potential for adverse environmental impact using the methodology and regulatory requirements of USAID/Environmental Procedures. The Rritje Albania staff screens each proposed activity as articulated in the CGPs through use of the environmental checklist identified with the IEE Amendment. Some activities in the CGP include technical assistance and training and are covered by the categorical exclusion. Activities falling into either adverse negative determination of conditions (minor to major impact) require an Environmental Assessment report. Thus far, no negative impact (minor or major) were undertaken, and in FY2014 the project will continue to emphasize the importance of avoiding activities that have negative environmental impact.

The grants program implemented in FY2014 will contain the same process of review and examination to ensure that activities are not undertaken which might have a negative environmental impact. Should an activity arise during the implementation of this work plan that may have a negative environmental impact, the Rritje Albania team will adhere to reporting and approval compliance.

SECTION IV

FY2013 Implementation Plan of Project Initiatives by Component

PIR 1 Planned Activities

STRENGTHENING TRADE AND INVESTMENT CAPACITY (PIR1)						
Activities/Tasks	Resource/Partner	Q1	Q2	Key Milestones	Expected Outputs	Risks & Assumptions
Assist BYOB Garment and Footwear Firms						
BYOB/Made in Albania follow-up at PUT(Made in Albania video, results, lesson learned)	PUT, AIDA	X		Firms participating	Firms discussion, gaps identified, recommendations made	Firms are willing to participate and invest in BYOB
Facilitate meetings between BYOB firms and foreign buyers	AIDA	X		Interested foreign buyers visit	Firms conclude deals	Made in Albania fair exhibits generate leads and visits
Assist BYOB-F firms to exhibit at RIVA DEL GARDA Fair in Jan. 2014	AIDA	X	X	Firms assisted	Firms' ability to understand markets improved	Firms commit to cover all costs
Facilitate garment and footwear firms meeting with Prime Minister or his delegate	AIDA	X		Meeting accepted and held	Owners express needs, GoA proposes and implements solutions	GoA willing to meet and act on problems
Grantee DM Consulting implements e-commerce solution for Kler and markets it to other garment and footwear firms	DMC	X		E-commerce website launched	Kler reaches new markets and captures new sales	DMC develops technology and Kler develops web content
Grantee Elite Travel successfully acquires a customized integrated tour operator software solution from Infosoft Software Developers (ISD)	Elite Travel/ISD	X		Integrated software solution implemented	Elite travel better able to service clients using online costing and booking of tours	ISD can develop software needed

“State of Garment and Footwear industry” conference (RrA winding down TA to industry)	AIDA, PUT	X		G&F firms, key stakeholders and GoA attend	Industries, donors and GoA create better enabling environment and increase sales and jobs in sector	Stakeholders agree to participate
Ensure the Sustainability of the AAQM Program						
Issue a RFP to receive proposals for managing the AAQM Program assessments	ATA	X		Proposals submitted	Winner identified	ATA committed and involved in the process
New tender issued to firm to conduct AAQM assessments; ATA and Rritje Albania sign separate contracts with winner: RrA for 10 new assessments, ATA for new and renewal assessments of AAQM hotels	ATA	X	X	ATA signs contract with winning firm	AAQM assessments restart	ATA and assessment firm come to an agreement
Rritje Albania and ATA distribute AAQM branded and printed marketing materials to all AAQM member hotels	ATA, IDRA	X	X	AAQM marketing materials distributed	Hotels benefit from increased marketing	ATA signs contract with assessment firm and is following AAQM operation manual
Sustain the National Geographic Western Balkans Geo-tourism Mapguide Portal						
Assist Auron Expeditions and the MUDT to form Albania Geo-tourism Stewardship Council that meets quarterly	MUDT, Auron Expeditions	X		Stewardship Council PPP formed and meeting	Council works to promote Albania through web site	Council members identified and willing to participate
Support two regional training workshops on Geotourism website criteria to potential nominees	MUDT, Auron Expeditions	X		Participants trained	Participants’ understanding of market demand is strengthened	Auron Expeditions leads training; nominees attend
Help design and print promotional package for the Western Balkans Geotourism website	MoT, Auron Expeditions	X	X	Promotional materials developed and printed	Geotourism sites advertised to a broad market.	Stewardship council contribute ideas to the promotional materials
Promote AHLEI Certification Training for Hospitality Sector						

DMO surveys AHLEI training demand and analyzes results for students and businesses to select courses offered	DMO	X		Survey results analyzed and courses selected	DMO has a better understanding of market needs to define own product	DMO conducts work in timeframe expected
Sponsor event to launch DMO and UMB AHLEI programs. Issue AHLEI certifications, survey results.	DMO/UMB	X		Ceremony organized as planned	Participants and public have better understanding on hospitality certifications	DMO and UMB agree to appear together
Assist DMO to develop and print mktg material to sell AHLEI certified trainings	AHLEI	X	X	Promotional materials printed	AHLEI trade capacities strengthened,	ATA, DMO, UMB, and AHLEI agree to terms
Assist GoA to promote Albania Tourism						
Support the MUDT / NTA by producing 6short videos on Albanian attractions	Expat STTA		X	Videos produced	Improved appreciation of Albanian tourism product	MUDT / NTA want product
Complete the MUDT/NTA tourism website: www.albaniantourism.com to market Albania	DMC/NTA/MUDT/ STTA local	X	X	Website is launched	Improved understanding of Albanian tourism product	NTA dedicates staff to web site content
Sponsor tourism conference for stakeholders (GoA, private businesses); topics: MUDT/NTA website launch, Geotourism, videos, RrA winding down TA to sector	Tourism stakeholders: ATA, MUDT/NTA	X		Event held	Improved understanding of Albanian tourism product and competitiveness of sector built	Stakeholders willing to participate
Build Capacities of the PROTIK ICT Resource Centre						
PROTIK website goes live	PROTIK, STTA communications	X		PROTIK website launched	PROTIK improves access to market	Design is completed on time
Assist PROTIK to acquire Quick Books Accounting Software	PROTIK	X		Software acquired and installed	PROTIK operations are automated	PROTIK recruits accountant able to setup and use software
Support PPD Mechanisms to Improve Intellectual Property Rights in Albania						

Co-lead a reconstituted IPR Stakeholders Working Group under the new GoA to coordinate IPR work plans and implementation	AmCham, relevant GoA IPR entities	X	X	Quarterly meetings held	PPD leading to improved IPR regime	Key GoA ministries and agencies collaborate
Co- sponsor and provide technical leadership for the 3rd National IPR Conference	AmCham, relevant GoA IPR entities	X		Conference held	Greater knowledge of new law on patents and trademark and reform on inspections	New GoA IPR entities formed and willing to contribute to conference
Improve Firms' Knowledge and Access to Bank and Non-Bank Finance						
Co-lead Preparations and support for the Balkan Venture Forum Tirana Event	Crimson Capital/ Balkan Unlimited/AIDA/FIAA/PROTIK	X		BkVF conference and pitching competition held	Start-up companies learn how to access equity finance	Adequate number of businesses apply to pitch to investors
Support AIDA to organize Start Up Competition "Dare and Innovate," trainings in Nov. and event in Dec.	AIDA	X	X	Trainings and competition events held	Start-ups improve business plans and secure access to finance	Innovative start up companies sign up to training and join competition

PIR 2 Planned Activities

IMPROVING PRIVATE SECTOR PRODUCTIVE CAPACITY (PIR2)						
Tasks	Resource/Partner	Q1	Q2	Key Milestones	Expected Outputs	Risks & Assumptions
Implementing BYOB with footwear companies (Continuing)						
Prepare footwear firms to exhibit at Riva Del Garda Fair January 2014	AIDA	X	X	Firms attend fair	Firms develop new collections and exhibit on schedule	Firms commit to pay all costs to exhibit at fair
Support PUT to lead LLL training to industry employees	PUT	X	X	LLL training held	Firms' employees acquire needed competencies	PUT makes LLL course schedule and enrolls trainees
Grantee Communications Progress is developing integrated software solution to manage production processes at Omega garment firm. Once proven, sales to other garment and footwear firms expected	Communications Progress	X	X	Software solution implemented	Omega able to use IT solution for improved management practices and technologies	Communications Progress is able to develop software solution
Grantee MasTorr purchases CAD/CAM software and is able to use it to design new footwear collections	MasTorr	X	X	Cad/Cam software purchased and staff trained	MasTorr able to design own collections	MasTorr identifies right supplier and is trained as expected
AHLEI Certified Training for Industry Workers						
Assist DMO to hold its first AHLEI certified professional trainings for hotel staff and youth seeking jobs in tourism	DMO	X	X	Course attendees pass training and receive certificates	Productive capacity of tourism professionals built	DMO teaches and customers pay
Build Capacities of the PROTIK ICT Resource Centre						
Assist Protik by employing STTA M&E expert to help set up M&E system	STTA local	X	X	M&E system and indicator reference sheets developed	PROTIK management systems improved	The right consultant is identified
Financial and Management Accounting System: hire consultant to establish activity based costing system for improved reporting, management and decision-making.	STTA local	X		Management acctg. system established	PROTIK management systems improved	PROTIK is aware of its activity profile

PIR 3 Planned Activities

STRENGTHENING WORKFORCE DEVELOPMENT (PIR3)						
Tasks	Resource/Partner	Q1	Q2	Key Milestones	Expected Outputs	Risks & Assumptions
Establish and Strengthen Career Offices and Career Centers						
Develop Software Requirements Specifications (SRS) for 4 Universities CO Web portals	STTA IT Expert	X		SRS tender materials developed	CO programs supported, capacities built	SRS consultant can be found
Coach CO and CC staff to implement their activity plans; help them link university CO/CCs with employers	STTA WFD	X		CO/CC events held	CO programs supported, capacities built	Univ. willing, employers want to work with CC/COs
Develop and implement the career fair manual with targeted Universities and support them to start organizing the career fairs for 2014	STTA WFD	X		Manual is written	CO programs supported, capacities built	CC/COs have adequate budget to implement work plans
Develop relations to public institutions to improve labor market information	STTA WFD	X		CO will have established promo relations with institutions	CO programs supported, capacities built	Univ. willing to share and participate
Help link CO/CCs to other donor and GoA programs for future support	STTA WFD	X		Other donors willing to give support	CO/CCs are fully functioning	Others ready to support CO/CCs
Assist CO/CCs to develop improved promotional materials	STTA WFD	X		CO has promo materials to hand out	CO is able to advertise services to clients	CO contributes staff and funds to develop materials
Follow-up on career development curriculum enhancement implemented last year and provide recommendations to improve	STTA WFD	X		Career counseling course material taught	Lecturers able to use teaching material	Lecturers that attended TOT last year are still at Univ
Establishing PUT Continuing Education and Better Vocational School Curricula for the Garment Industry						

STRENGTHENING WORKFORCE DEVELOPMENT (PIR3)

Tasks	Resource/Partner	Q1	Q2	Key Milestones	Expected Outputs	Risks & Assumptions
Assist PUT to finalize lifelong learning course curriculum and teaching material	STTA expert	X		Course curriculum and schedule described	Technical training programs supported	PUT holds classes at suitable times and at acceptable price
Support training of VET teachers on CAD/CAM Lectra software through PUT LLL program	PUT, VET Schools	X	X	Training held	VET curriculum enhanced, program supported	PUT leads LLL CAD/CAM course
Design and Print promotional material for PUT; LLL courses; poster for PUT Textile and Fashion Dept. and help distribute	PUT	X		Promotional materials developed and printed	Promotional materials distributed to garment and footwear firms	Distribution according to dissemination plan