



**Cooperative Agreement No. AID-182-A-12-00001  
Annual Report 1  
(For the period October 2012 – September 2013)**

**NAME OF PROJECT: Building Human and Institutional Capacity in Albania**

**Goals and Results to Be Achieved**

The goal of the Building Human and Institutional Capacity (BHIC) project in Albania is to build the capacity of institutions, governmental, non-governmental and private sector, as well as leaders and technical experts who play a key role in Albania's development as it strives to bring about the reforms necessary for European integration. Within the Mission's overarching goal of *European integration through strengthened democratic institutions and inclusive economic growth*, Assist Impact focuses on building capacity to address the two stated Development Objectives of 1) *strengthened rule of law and improved governance* and 2) *conditions created for broad-based, sustainable and inclusive economic growth*. With substantial involvement of the Mission, Assist Impact provides a flexible approach to meeting capacity building needs that includes in-country, U.S., and third-country training of current and potential leaders and experts, institutional assessments of key private organizations/public institutions, targeted technical assistance and focused grants.

By the end of the three-year period, BHIC will achieve the following results:

- Strengthen the performance of at least 5 Albanian central and local governmental organizations, including Albanian ministries and municipalities.
- Strengthen the performance of at least 15 (approximately 5 per year) Albanian non-governmental organizations and private sector entities, including associations, civil society organizations and small and medium enterprises (SMEs).
- Build the performance of at least 45 (approximately 15 per year) leaders of Albanian governmental, private sector and non-governmental organizations and institutions – across sectors including business, economics, human rights, governance and democracy.
- Build the expertise of at least 45 (approximately 15 per year) technical specialists – across sectors including business, economics, human rights, governance and democracy.

	<b>Indicator</b>	<b>Target for FY 2013</b>	<b>Actual for 4<sup>th</sup> Quarter</b>	<b>programs this period</b>	<b>Cumulative for FY 2013</b>	<b>Target for Project</b>
<b>1</b>	Number of <b>government institutions</b> receiving capacity building assistance	<b>2</b>	<b>0</b>		<b>3</b>	<b>5</b>
	1 Central Inspectorate	Two specialists attended a conference in London				
	2 Central Elections Committee	All 7 members and 4 specialists attended a tailored training in Budva				
	3 School of Magistrates	Training and materials for 2nd year students in Insolvency Law				
<b>2</b>	Number of <b>non-governmental institutions</b> receiving capacity building assistance	<b>5</b>	<b>3</b>		<b>10</b>	<b>15</b>
	5 banks: BKT, Credins Bank, Raiffeisen, ProCredit, NOA	Program: Access to Capital for Agriculture				
	3 NGOs: Co-Plan, Urban Research Institute, Regional Dev. Agency-Korca	Public-Private Partnership Programs, feasibility study phase				
	1 Coalition for Domestic Observers	Conducted election observation using fixed and mobile observers				
	1 Assn of Journalists for Justice	Incentive payments for web content requiring admin systems				
<b>3</b>	<b>Number of gov. institutions that have removed a barrier/ constraint to improving performance</b>	<b>2</b>	<b>0</b>		<b>3</b>	<b>5</b>
	<b>Governmental Institution Improved</b>	<b>Improvement or Barrier to Improvement Removed</b>				
	1 Central Elections Committee	The CEC saw the importance of printing a manual for observers				
	2 Central Inspectorate	The Central Inspectorate updated the risk evaluation system for inspection subjects, reflecting learning in BRDO conference				
	3 School of Magistrates	The school now has the material to provide solid instruction in insolvency law				
<b>4</b>	Number of non-governmental institutions that have removed a barrier or constraint to improving performance	<b>5</b>	<b>1</b>	Co-Plan	<b>7</b>	<b>15</b>
	<b>Non-gov. Institution Improved</b>	<b>Improvement or Barrier to Improvement Removed</b>				
	1 BKT	set up a dedicated Agro dept with loan officers responsible for targets for Ag loans				
	2 Credins Bank	created a stand-alone Agro department				
	3 ProCredit	adopted IPARD terms and conditions				
	4 NOA Microlender	adopted necessary product changes to reflect IPARD applications				
	5 Assn of Journalists for Justice	Developed the capacity to write simple project reports and but basic finance/accounting systems in place				
	6 Coalition for Domestic Observers	Conducted statistically based observation for the first time				
	7 Co-Plan	Co-Plan was validated by the expert in its feasibility study methodology and learned that it needs to emphasize its conclusions/ recommendations especially for decision makers				

		men	women	men	women		men	wo- men	
<b>5</b>	Number of <b>leaders</b> trained, mentored, receiving technical assistance or grants	7	8				39	33	45
	1 Judges trained in Insolvency Law	30	30						
	2 Agricultural coop leaders	5	0						
	3 CEC members	4	3						
<b>6</b>	Number of <b>technical specialists</b> trained, mentored or receiving technical assistance or grants	7	8				603	102	45
	Ag producers/processors; bank specialists	591	86	many of those attending the training were owner, therefore leaders, but all are counted as specialists					
	Magistrate students	8	9	Insolvency law course for Magistrate students					
	Cochran ag credit bank specialists	3	3						
<b>7</b>	Number of <b>leaders</b> whose performance has been <b>improved</b>	7	8				8	3	45
	Judges dealing with Insolvency cases	0	3	made clear decisions based on new understanding of the law					
	producers/processors who received consulting individual advice and are in process of receiving EU grants	7	0	made real progress toward formalization of their businesses by obtaining production licenses, obtaining environmental licenses, improving technologies and equipments, introducing higher food production standards and/or improving accounting and bookkeeping practices					
	Cochran agricultural cooperative leader: Xheladin Zekaj	1	0	is doing the paperwork to turn his production group into a cooperative					
<b>8</b>	Number of technical specialists whose performance has been improved	7	8	1	4		3	6	45
	Cochran agricultural credit specialists	1	3	BKT specialists are now using the parameters and content of financial reports learned during the training during their analyses for awarding loans; in Nov they will train other branches regarding agricultural credit based on the topics covered during their training in the US. The Credins specialist has shared her experience with colleagues but the bank is reorganizing so no steps have been taken institutionally.					
	Central Inspectorate specialists	2	0	Updated the risk evaluation system for inspection subjects, reflecting learning in BRDO conference					
	Magistrate student		1	Much improved her teaching of insolvency law at a law school in Berat					
	CEC specialists		2	Saw need to provide training manual for observers, improve institutional software					

NOTE: an individual attending/receiving multiple capacity building activities within a program is counted only once. An individual participating in multiple programs is counted per program. Institutions are counted only once.

## **MAIN ACTIVITIES OF THIS PERIOD**

### **1) PROJECT MANAGEMENT**

The Project got off to a quick start with two programs, preparation for a third as well as a J-1 visa processing service occurring within the first quarter of the first year.

Regarding project office set-up, Assist Impact revised contracts for the senior capacity building expert/executive director, finance/administrative officer and program officer and hired an additional ¾ time program officer. The additional program officer was also given specific financial duties as required per USAID's pre-award recommendations to separate the cashier function from accounting and include a second approval signature for expenses. The office premises were expanded with the rental of a conference room one floor above. A laptop computer, smart phones, private health insurance, a photocopier and a conference room table were procured. Other planned furniture and equipment items were requested from a closing USAID-funded project and obtained in March 2013.

Considerable effort continued to be devoted to refining documents in order to provide the Agreement Officer with all the information she required for approval of program providers. During the first year, Assist Impact had three different agreement officers. The location of the financial management center also changed from Budapest to Sarajevo, where new staff required changes and additional information regarding advance and liquidation requests. Despite these problems, funding arrived in a timely manner so that Assist Impact could meet all its financial obligations. The fact that Assist Impact has extremely different funding needs from month to month, depending on expected programs, has been a challenge for financial management center in Sarajevo. But with the strong support and understanding of the Mission in Albania, difficulties have been overcome.

Considerable effort was devoted to sorting out and revising service provider contract content and subaward formats in light of the cooperative agreement. Clarity about the difference between service provider and recipient was an issue. Assist Impact considers all providers for which it requests specific services as service providers and not recipients. Also, Assist Impact's assumption of the level of service provider requiring concurrence from the Agreement Officer required clarification. Whereas Assist Impact assumed that only the main, technical program service providers required concurrence, further clarification indicated that the wording of the Cooperative Agreement required all program related service providers including restaurants and taxi services. A visit January 17 by Ms. Mischere Kawas from the USAID contracting/ agreements office in Kosovo proved very helpful to clarify a number of issues including the preferred content and format of the document required for approval of program providers (the recommendation/negotiation memo). Soon thereafter, guidance was provided raising the ceiling to \$20,000 for which approval must be obtained for selection of program related providers.

Assist Impact discovered that some of its procedures used for grant administration in the past had to be revised in order to be compliant with ADS 303, guidelines with which Assist Impact had little experience. The Mission, in its effort to be supportive, planned to hire a consultant to develop a grants management kit with a manual of procedures and all required

templates as well as to assist with other issues of compliance. A person with predominant capability was identified but circumstances led to the recommendation that Assist Impact hire the consultant directly. Once that decision was made, the consultant was contacted immediately and began work October 1, 2013. The lack of a compliant grants management policy meant that no grants were awarded in FY2013.

The arrival of Senior Program Officer Bruna Stamo expected in April was postponed first to July, then October, and finally to late fall 2013. Ms. Stamo has been unable to join Assist Impact until her current employer can find a replacement and the June elections have greatly delayed the situation.

April 3-4, 2013 a Post Award Survey Team visited the Assist Impact offices to follow up on recommendations made by the Pre-Award Survey Team. They closed all the previous recommendations except the one regarding an audit, which can only be conducted in 2014, and allocation of costs, which can only be done when Assist Impact has more than one project. They also made four additional recommendations and three observations, which have been or will be implemented at the first occasion.

One of the observations made by the Post Award Survey Team was with regards to sustainability and the urgency of obtaining other projects. Soon after, Assist Impact applied for EU funding regarding domestic violence and women's employment. Unfortunately the concept note was not evaluated highly enough to pass to the next round.

Mid May a brainstorming meeting was held with Assist Impact Board Members Ardjana Shehi, Bruna Stamo and Gerda Sula as well as the entire Assist Impact staff. A number of interesting capacity building needs were identified, which were later submitted to the Mission in order to identify which ones the Mission wishes Assist Impact to pursue as part of this BHIC project in FY 2014. Funds from other donors may be sought to implement those of less interest to USAID. A meeting was held late June with the Agreement Officer's Representative and her Assistant to discuss the proposed interventions and receive feedback on them and other possible interventions of interest to the Mission. This information was processed, contacts made, budgets developed and used to infuse the FY2014 Work Plan known as the Intervention Plan, submitted mid August.

Mid May Assist Impact received a visit from the out-going Agreement Officer, Mishere Kawas, and her replacement, Laura Slaughter. The visit helped to clarify issues related to travel procurement, the timing of the request for the next obligation, possible non-compliance of a contractor implementing the domestic observation of elections, flexibility with pre-award surveys for responsibility determination, private firms as grantees and other matters related to ADS303 which is frequently updated.

Assist Impact continues to appreciate the considerable effort USAID has gone to in order to help Assist Impact understand and meet its agreement requirements.

## **World Learning's sub-award**

World Learning provided input and guidance on the following areas:

Compliance: World Learning provided guidance regarding preparation of the sub-agreement's construction to ensure incorporation of all standard provisions. The resulting document could also serve as a template for future sub-awards between Assist Impact and US NGOs. In addition, World Learning also clarified questions regarding the type of contract mechanism to use for working with service providers from Albania and other countries.

Monitoring Plan: In early December, Assist Impact requested guidance regarding the submission of a monitoring and evaluation plan for Building Human and Institutional Capacity project that would illustrate data for two different types of institutions/organizations (governmental and other) and the number of leaders and number of technical specialists whose capacity Assist Impact has increased. In response, World Learning sent several document templates and examples (*PIRS Template; Standard Parts to a Field PMP; Revised Performance Monitoring Plan; and Kirkpatrick Hierarchy of Training Results*).

Assessments: The assessment trip planned for Q2 and then Q3 2013 was postponed due to the June 2013 elections which may lead to considerable change in the State Inspectorate, the main institution planned for the assessment. Since appointment of new ministers will not take place until mid-September, and the head of the State Inspectorate won't be in place for some time after that, Assist Impact anticipates that January 2014 would be the best time for this trip and will coordinate with World Learning.

Procurement of experts: After identification by Assist Impact, World Learning contracted Ned White, an independent specialist with extensive experience in Public Private Partnership, work experience in Albania, and co-founder and former Executive Director of IP3, to serve as the consultant for the Public Private Partnerships Support Project, World Learning handled all travel arrangements and medical insurance and reimbursements for Mr. White's trip, which took place from March 24 – April 8. Mr. White submitted his trip and impressive progress report in June, along with an invoice. This consultancy will continue into FY2014 as Mr. White continues to support the three organizations implementing PPP projects in Albania. No other experts/trainers were required.

Independence from World Learning: As apparent in the cooperative agreement budget, Assist Impact plans to use the services of World Learning less and less as the project progresses. Assist Impact has already determined ways to deal with some of the services such as tax filing and purchase of US medical insurance. Assist Impact has determined on the advice of a reputable tax filing firm that, although a tax number must be obtained from the IRS, participants of very short duration who return to country as planned do not need to file. Assist Impact was well underway to implementing its first US training without World Learning services when the participant cancelled. Assist Impact also plans to contract directly future US experts or trainers, provided World Learning has not been the party to identify the contractor.

## Reports:

Financial reports with actual versus budgeted expenses as well as the 'checkbook' showing program related 'obligations' were provided to the Agreement Officer's Representative on a monthly basis. An additional column was added to the checkbook to show actual expenditure to date. Advance requests and liquidation of advances were submitted as stipulated in the Cooperative Agreement. At USAID's request, due to changes in its regional financial management center, liquidation reporting was submitted monthly. Justifications for requested but unexpended funds were added beginning with the September liquidation. The delay in submission of deliverables agreed upon with several providers resulted in the delay over several months of payments for which funds had been requested.

All quarterly narrative reports and other deliverable such as the monitoring and evaluation plan and the annual work plan were submitted in a timely fashion.

## 2) PROGRAM INTERVENTIONS

### Training, Technical Assistance and Grants

During the Building Human and Institutional Capacity project's first year, 15 programs were initiated and in various states of implementation or completion. Of these programs, two US based trainings and two third country trainings were of short duration, one to two weeks, and have been completed. A fifth program, a technical assistance program to assist Access to Capital for Agricultural Producers, was two and a half months long and has been completed. A sixth program for the Domestic Monitoring of Elections had many delays but was finally completed in October 2013. Several programs including the Public-Private Partnership programs and the Insolvency Law training were designed to continue into FY2014. The Association for Journalists for Justice requested a no cost extension for their Web Content and were expected to be completed soon after the start of the fiscal year. Two others, the Landscape demonstration garden and a market study for high level IT training, were in the procurement phase in September 2013. Preparation for a US Training due to take place in November was well advanced but the participant cancelled a few weeks into the new fiscal year. Therefore, eight of the FY2013 program carried over into FY2014.

	FY 2013 Building Human and Institutional Capacity Programs	Status
	Strengthened rule of law and improved governance	
1	TCT/Office of State Inspection-London	completed
2	TCT/Central Election Committee-Electoral Processes Course	completed
3	TA/PPP Support-CO PLAN-Street Lighting in Fier	on-going
4	TA/PPP Support-RDA-Easy parking in Korca	on-going
5	TA/PPP Support-URI-Mgmt of Recyclable Waste in Berat	on-going
6	TA/Public-Private Partnership Support-International Expert	on-going
7	TA/Domestic Monitoring of Elections	completed
8	TA/Association of Journalists for Justice-Web Content	on-going

	Conditions for broad-based, sustainable and inclusive economic growth	
9	TA/Access to Capital Farmers and Agribusiness	completed
10	ICT/Insolvency, Bankruptcy Training	on-going
11	US/Cochran Fellows-Agricultural Credit	completed
12	US/Cochran Fellows-Agricultural Cooperatives	completed
13	TA/Market Study for Protik	on-going
14	TA/Landscape Demonstration Garden	on-going
15	US/Protik B2B IT Study Tour	cancelled

## Capacity building activities in support of institutions/organizations

### Capacity Building for Governmental Institutions

A third-country training requested by the **Central State Inspectorate** entailed sending to specialists to attend a conference regarding e-inspection in London organized by the Better Regulation Delivery Office. Visa problems caused the originally selected participants to be unable to attend, but other Central Inspectorate staff were identified at the last minute and enabled to attend. As a result of the knowledge and contacts gained at the conference, the Albanian Central Inspectorate updated the risk evaluation system used to decide which entities will be inspected. They also established good contacts with professional specialists in their field in the Netherlands and Bosnia.



The **Central Elections Committee (CEC)** was supported with a third-country training on Electoral Processes for the seven members of the Central Elections Committee and four staff. This program required a considerable amount of coordination with OSCE. Assist Impact's role was to procure and pay for the venue, transportation to Budva, Montenegro and cover

lodging and per diem for 11 participants. It also assisted with defining the content of the course by attending the procurement review committee and facilitating the inclusion of genders issues into the stronger proposal. As a result of the training, the group saw the need for significant investment in specialized software that would enable the CEC to provide, among other things, timely information of the results of the election. The group and particularly the specialist responsible for foreign relations realized the importance of providing training and instructions to observers. They were unable to provide training but did print a manual for the observers, something that they hadn't done for the past two elections.

The **Magistrate School** received valuable support in the form of a well-received intensive course on the subject of insolvency and bankruptcy law for all 17 second year students. The

materials for this course provide the School of Magistrates with the capacity to continue including strong instruction in this important subject as part of their normal curriculum. Several of the students with excellent English, solid understanding of insolvency issues and a desire to contribute were selected to assist in updating a manual and providing interpretation and logistical support for the eight one-day seminars planned to train practicing judges. The seminars were integrated into the Magistrate School's continuing education program with the School issuing the invitations.



### Capacity Building for Non-Governmental Institutions



A technical assistance program to increase access to capital for agribusiness through training and individual advice regarding opportunities and application requirements of EU funding IPARD-like grants to agriculture also provided training and advice to five banks, **BKT, ProCredit, Raiffeisen, Credins and NOA**. Due to the program, not only are the department managers of the five participating banks aware of the

IPARD technical criteria but also the top-level bank directors and regional loan officers. As a result of the training, all banks planned to make changes to their loan products and processes in order to better accommodate loans for IPARD-like grants. Two of the banks, BKT and Credins, report that they have already removed a barrier to improved performance, having, since this training, established a special agro-loan department with dedicated loan officers responsible for targets for agro loans.

CDO observer in Fushas, Tirana district on Election Day



A major program during this period was Domestic Monitoring of Elections implemented by the **Coalition of Domestic Monitors** led by three main local organizations and composed of approximately 30 local organizations. The CDO recruited, trained and deployed nearly 1500 local fixed and mobile observers to monitor the polling and ballot counting. This was the Coalition's first time to conduct a statistically based observation using fixed observers and the program was fraught with difficulties. The Coalition eventually accepted to deploy the 700 fixed observers according to a random sample stratified by the 89 Electoral Administrative Zones. The difficulties were due mainly to one difficult personality and the

Coalition’s ultimate refusal to receive feedback and work with the representative and experts from the National Democratic Institute. Although deliverable deadlines were continually missed, nevertheless, CDO managed to conduct an acceptable observation of the elections. Unfortunately the CDO was unable to provide timely information regarding the voting process on its website due to technical difficulties, although it did provide timely information on its social media site. After some computer software snags were cleared up, it was able to provide interesting generalizations based on the statistically based observation data, but never seemed to fully comprehend the power of the system.



A major effort was initiated to provide local government units with needed support and expertise for Public-Private Partnerships (PPP). A highly qualified international PPP specialist as well as three local organizations were procured to develop PPP projects in separate cities. The PPP projects are: energy efficient public lighting in the municipality of Fier supported by **Co-Plan**; recycling management in Berat supported by **Urban Research Institute** and public parking

administration in Korca, supported by the **Regional Development Agency of Korca**. The end of March and beginning of April, the international expert visited all three municipalities to learning more about the projects and the three organizations he will advise, at a distance, during this year-long-plus effort. The feasibility studies were submitted for review and suggestions from the international specialist. The local organizations have produced well thought-out feasibility studies and are awaiting city council approval to begin the procurement phase.



The feasibility studies were submitted for review and suggestions from the international specialist. The local organizations have produced well thought-out feasibility studies and are awaiting city council approval to begin the procurement phase.

**Co-Plan** reports that the support of the international expert has removed some constraints to improved performance. His comments validating their methodology and the content of the feasibility study as well as pointing out risks with similar projects in other countries was valuable. His emphasis on the pilot study for presentation to decision makers was very helpful.



A small program to support the **Association of Journalists for Justice** for content on its website began in early April, although a necessary change in the person dealing with finances and clarification of reporting requirements delayed the first incentive payments until early June. In addition to supporting web content incentive payments, Assist Impact assisted the association with a simple approval form for each incentive payment to be approved by the editor and foreign consultant, a simple invoice form for the total sum requested based on the approvals, and essential contents of a simple monthly narrative report including a summary of the authors receiving incentive payments as well as progress on administrative/financial systems such as dues payments and withholding tax payments as stipulated in the contract.



A small technical assistance program to provide the **Agricultural University of Tirana** with a demonstration landscape garden was approved in April but its implementation postponed until the autumn. It was feared that the approaching dry weather would diminish chances for newly planted trees and shrubs to take hold and thrive. The new master’s students in landscape architecture begin in the autumn. The garden construction service provider was procured in September 2013 and began work in October.



A program to conduct a market study of high level IT training needs and willingness to pay in support of **Protik**, a public-private partnership to support Information & Communication Technology innovation, was procured in September 2013 and begun in October.

**Training and Technical Assistance for Leaders and Specialists**

During the seminars for **agribusiness owners and specialists** as well as **bank specialists**, which were part of the Access to Agricultural Capital, **591 men and 86 women** trained were trained, far exceeding expectations for the program. Of those trained, 69 requested and received coaching for the application process. Due especially to the difficulty of obtaining construction permits, all but nine dropped out of the process. Of the



nine that applied for IPARD-like funding, seven passed to the on-site evaluation phase but only two were actually awarded a grant. Nevertheless, all seven of these agribusiness owners showed improved practices as a result of the intervention.

As mentioned above, the project enabled **two specialists** from the **Central State Inspectorate** to attend a conference regarding e-inspection in London organized by the Better Regulation Delivery Office. The third-country training on Electoral Processes, organized for the seven members of the **Central Elections Committee** and four **staff** has also been mentioned above.



In addition to the short intensive course on insolvency law for Magistrate students, mentioned above, May 2-7, 2013 four one-day **training seminars** were held for **judges** regarding **insolvency law**. The training was held in Korca (also with judges from Pogradec), Durres, Tirana Appeals Court and Kruja for a

total of 60 judges. The lead trainer, Yair Baranes, presented the criteria and step-by-step process of declaring an entity bankrupt using best practices within the Albanian legal framework. The judges asked many questions as insolvency is an issue that is not generally well understood and evaluation forms and follow up phone calls showed how valuable they found the training. The training seminars provided important input regarding current cases of insolvency which were then incorporated into the manual to be printed and distributed to all courts as well as other institutions. Although the manual was based on work done for the World Bank in Albania, changes in the insolvency law as well as the experience of the above mentioned courses resulted in major rewriting and editing of the original manual during the third and fourth quarters. The printing of the manual and the second set of seminars for judges took place in October 2013.

Major effort was required to prepare for two US Training programs, one in **Agricultural Credit** for six specialists from three different banks and the other in **Agricultural Cooperatives** for six agribusiness owners and specialists. The programs were organized by the US Department of Agriculture's Cochran Fellows program in the US and the participants had been identified by USDA. The two programs involved considerably more effort on the part of Assist Impact than in the past for several reasons. Whereas before, the time-consuming work required to obtain the DS2019 forms was done by the Cochran Program staff in the US, changes in USAID's regulations required that the DS2019 forms be obtained by USAID or its implementer, in other words, Assist Impact. In addition, there were twelve participants as opposed to 6-8 and one program required an interpreter to be identified who would



Cochran groups at pre-departure

work free of charge. A lecturer at the Agricultural University of Tirana was thus identified. And finally, USDA had a problem with per diem checks for the Cooperative group requiring Assist Impact to obtain bank transfer information for each of these participants. Nevertheless, communication with USDA remained cordial and all obstacles were eventually overcome. One leader in agricultural production found the training in cooperatives particularly helpful and is in the process of doing the paper work required to turn the group of farmers he works with into a cooperative. Bank specialists from BKT as well as Credins have removed a barrier to improved performance due to the training in agricultural credit. The Credins specialist has shared the experience gained with others in her bank. The BKT specialists are now using the criteria and financial reports that they saw in the US to analyze agricultural loan applications. Soon they will train specialists in other BKT branches.

**Assessments**

Institutional Assessments planned for FY2013 were postponed until Q1 of FY2014. The main focus of the assessment was to be the Central State Inspectorate, an institution likely to be greatly affected by the results of the June 2013 elections.

**J-1 Visa Processing Services**

	<b>FY 2013</b>	<b>Project Cumulative</b>
<b># of contractors provided services for</b>	<b>1</b>	<b>1</b>
<b># of trainees processed for other contractors</b>	<b>3</b>	<b>3</b>

J-1 visas were processed for only one other contractor (Chemonics JUST project) during this year. The Cochran participants are discussed in the section above because USAID funds from the BHIC project were used for airfare and other minor expenses. Hence the Cochran programs were not simple

**3) RESULTS**

**Performance improved of those receiving assistance**

**Government Institutions**

Three governmental institutions removed at least one barrier to improved performance as a result of support from the BHIC project this year.

Although the **Central Election Committee** experienced considerable dysfunction due to the highly politicized nature of its composition, it nevertheless showed improvement by printing an observers manual and requesting the installation of much improved software that allowed for rapid information to the public regarding election results.

The **Central Inspectorate** updated its risk evaluation system used to decide who will receive an inspection.

The **Magistrate School** removed a barrier to improved instruction in insolvency law. It has the materials developed for the second year students intensive course.

### **Non-Governmental Institutions:**

The increased awareness of top-level bank directors, department managers and regional loan officers at **BKT, ProCredit, Credins and NOA** in the opportunities that EU funding for agriculture created for the banks as well as the specific criteria of the IPARD-like grant resulted in changes in four of the five participating banks to improve their performance in agricultural lending. **BKT**, a leading bank, set up a dedicated Agro department with loan officers responsible for targets on agricultural loans. **Credins** created a stand-alone Agro department to focus on agricultural loans. **ProCredit**, the leader in agricultural lending, adopted special terms and conditions to facilitate lending to agribusinesses who had received matching EU IPARD-like grants. **NOA**, a micro-finance organization, changed its loan products to facilitate lending to winners of EU grants.

**Coalition of Domestic Observers:** For the first time the Coalition of Domestic Observers implemented a statistically based observation using fixed observers deployed according to a representative, random sample of polling stations. This improvement came about as a direct result of the contractual requirements between the Coalition of Domestic Observers and Assist Impact.

**The Association of Journalists for Justice** improved from being unable to provide a simple but informative narrative report to providing such a report. This has been with the guidance and at the insistence of Assist Impact to refer back to the contract and include required information.

Of the organizations receiving assistance to set up Public-Private Partnerships, **Co-Plan** reports finding the support of the international expert during the feasibility phase very helpful. His comments validating their methodology and the content of the feasibility study as well as pointing out risks with similar projects in other countries was valuable. His emphasis on the pilot study for presentation to decision makers was very useful.

### **Leaders**

**Insolvency Law Manual and Training:** Of the sixty **judges** trained so far in insolvency law, three report having had insolvency cases to judge. All three report feeling much more confident dealing with such cases since the training. Whereas before, judges may have refused to hear the cases, now they feel sufficiently informed to judge such cases appropriately. This number of judges reporting improved performance will increase as other participating judges receive insolvency cases. The judges reporting improved performance include Enkeleda Hoxha and Engjellusha Tahiri from Kruja and Luljeta Kola Trebicka from Korca.

**Access to Agricultural Capital:** Among the 69 producers/processors assisted with applications during the Access to Ag Capital program, nine completed their application. Of those nine, seven passed to the second stage. Unfortunately only two passed the on-site evaluations and have been awarded grants from the European Union. All seven made at least one improvement as a result of the advising, making real progress toward formalization of their businesses through: obtaining production licenses, obtaining environmental licenses, improving technologies and equipments, introducing higher food production standards and/or improving accounting and bookkeeping practices. All these came out of working with the clients. The seven producers are:

1. Bedri Dema, Ferma Fogi, Kashar, Tirana, applied for a new and reconstruction of an existing cowshed
2. Ali Lica, Divjaka, Lushnje, applied for high-tech greenhouses
3. Vehbi Salkurti, Tomin, Peshkopi, applied for a fruit processing line
4. Sami Gjergji, Primalat, Durres, applied for a tetra-pak dairy processing line
5. Petrit Hajderlli, Desina Balkan, Korca, applied for cold storage and a labeling machine
6. Tomor Mallbati, Billisht, Korca, applied for tree fruit cold storage rooms
7. Gjergj Ndoci, Balldre, Lezha, applied for a new cowshed

Xheladin Zakaj, a leader among agricultural producers in his area near Shkoder, found the US training program very helpful, despite the differences between Ohio and his area. He is putting together the documents required to create a proper cooperative out of the the group of farmers with whom he works.

### **Technical Specialists**

Four of the five agricultural specialists report using aspects of their training in the US, indicating improved performance. BKT specialists are now using the parameters learned during their training during their analyses for awarding loans. They are also including in financial reports content they learned while in the US. The Credins Bank specialist shared her experience with her colleagues, but reorganization at her bank has prevented major steps from being taken institutionally.

The two specialists who attended the conference in London regarding better regulation made changes reflecting learning from the conference. As a result of learning at the conference and of subsequent professional contacts maintained after the conference, they updated the risk evaluation system used for identifying entities that would be the subject of inspection.

Insolvency Law Course: Of the Magistrate students attending the course provided in Insolvency Law, one, Nurjeta Tafa, has already improved her performance teaching. She teaches company law at a law school in Berat and was able to provide much more solid information to her students during the section devoted to insolvency.

Two specialists from the Central Election Committee, the foreign relations director and the financial administration director report changes that reflect learning during their course on electoral processes. They saw the need to provide observers with instructions regarding the electoral process and therefore printed a manual for observers, something that the CEC had not done for the past two elections. They also saw the need for a much improved software.

#### **4) IMPLEMENTATION ISSUES**

##### **Contractual**

As can be seen from the table, on page 2 and 3, the project is well on its way to achieving the numbers foreseen and in some cases has already exceeded the targets foreseen for the entire three years project. Approximately half or more than half the governmental and non-governmental capacity building targets have already been reached. Also the number of leaders and technical specialists who have received capacity building assistance exceed the project targets for the entire three years.

Where targets have not yet been reached include improved performance for leaders and specialists. Whereas 15 leaders were targeted in FY2013, only 11 reported improvements. This, however, is expected to improve as many of the 60 judges trained in FY 2013 receive insolvency cases to judge and can report improved performance. It is certain that the training provided for the 60 judges removed a barrier to improved performance as they are surer of the issues involved in judging insolvency cases.

The number of technical specialists reporting improved performance is only 9 out of the FY2013 target of 15. However, an intervention planned for FY2014 involves training machine maintenance specialists, a program which is expected to result in dozens of trained specialists, exceeding project targets for the entire three years.

Assist Impact will continue to need guidance and assistance to fully understand certain requirements of its cooperative agreement and formats/procedures for meeting those requirements. It has just hired a very capable part-time employee for the task of developing a developing a grants manual that suits Assist Impact's needs for all donors and is compliant with USAID's requirements. She also provides compliant advice on other matters.

The very large number of men trained during the Access to Capital for Agriculture program will render it extremely difficult to reach the target of 50% women trained.

##### **Financial**

Assist Impact sees no significant cost overruns. Rather, it will be a challenge to spend the program funds foreseen for the three years. The arrival of Ms. Stamo as well as the hiring of a program officer for LGBT programs but who can help with other program should ease the situation.

As of the end of September, it was not expected that a new obligation would be needed before November. By the end of September, of the \$480K set aside for programs, approximately \$388K had been 'obligated' to specific interventions, although only \$309K had actually been expended. Program funds remained 'unobligated' mainly because the assessment of the Central Inspectorate and subsequent assistance foreseen for capacity building had to be postponed. The funds will 'roll over' to the next fiscal year.

World Learning has not been requested to assist with as many US experts as expected resulting in considerably lower charges than planned.

A modification has been requested to move some of the \$600K set aside for grants into the technical assistance and training programs line item. Assist Impact should be ready to begin awarding grants in quarter one of FY2014.