



Cooperative Agreement No. AID-182-A-12-00001
Quarterly Report 3
(For the period April – June 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.

Indicator	Target for FY 2013		Actual for this period		programs this period	Cumulative for FY 2013	
	men	women	men	women		men	women
Number of government institutions receiving capacity building assistance	2		0			2	
Number of non-governmental institutions receiving capacity building assistance	5		5		CDO, URI, Co-Plan, RDA-Korca, Assn Journalists	10	
Number of gov. institutions that have removed a barrier or constraint to improving performance	2		0			0	
Number of non-gov. institutions that have removed a barrier or constraint to improving performance	5		2		CDO, Assn for Journalists for Justice	3	
Number of leaders trained, mentored, receiving technical assistance or grants	7	8	30	30	judges	34	33
Number of technical specialists trained, mentored or receiving technical assistance or grants	7	8	0	0		600	98
Number of leaders whose performance has been improved	7	8	0	3	judges	0	3
Number of technical specialists whose performance has been improved	7	8	7	1	producers/processors applying for EU grants, magistrate student	7	1

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

PROJECT-FUNDED TRAINING & TECHNICAL ASSISTANCE THIS PERIOD

	US Training	In-Country Training	Third Country Training	Technical Assistance	Institutional Assessments	Grants
# of Participants/beneficiaries	12*	60			0	0
Male	8	30				
Female	4	30				
# of gov't institutions	0	0			0	
# of non-gov't institutions	0	0		5	0	
# of Interventions	2	1	0	6	0	0
Major Sectors	Econ. Growth	Rule of law & improved governance		Economic Growth, Rule of law		
Programs	Cochran Ag Credit; Ag Coops; *NB start date in July but most work done in Q3	Judges KO, TR, DR, KR - insolvency		CDO; PPP expert, PPP-Co-Plan, PPP RDA Korca, PPP URI; Journalists for Justice		

MAIN ACTIVITIES OF THIS PERIOD

1) PROJECT MANAGEMENT

The arrival of Senior Program Officer Bruna Stamo expected in April was postponed to July and then October, 2013. Ms. Stamo is unable to leave until her current employer can find a replacement and the result of the June elections requires a new Minister, who won't be in place until September.

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 there is 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 will be processed, contacts made, budgets developed and used to infuse the FY2014 Work Plan known as the Intervention Plan.

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.

Plans for a consultant who can work with Assist Impact to develop a grants management policy that is in line with ADS303 are underway.

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: No input on compliance was requested during this quarter.

Assessments: The assessment trip planned for Q3 2013 has been 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 several weeks after that, Assist Impact anticipates that mid October 2013 would be the best time for this trip and will coordinate with World Learning.

Procurement of experts: Having contracted Ned White, an independent trainer with extensive experience in PPP, 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. The invoice, however, needed modification to include a request for reimbursement of ground travel in the US (to/from the airport); as of end-June, Mr. White had not yet submitted the revised invoice.

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. 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 will be submitted monthly until further notice.

The second quarterly narrative report was submitted in a timely fashion.

2) PROGRAM INTERVENTIONS

Training, Technical Assistance and Grants

Regarding capacity building programs, one in-country training, six technical assistance programs and preparations for two US training made for a busy third quarter at Assist Impact.

The only in-country training program this period addressed the need for the training of judges in insolvency/ bankruptcy law and procedures. In Q2, the trainer provided a well-received intensive course at the Magistrate School for all 17 second year students. Three with excellent English, solid understanding of the subject and a desire to contribute were selected to assist in updating the manual on Insolvency Law and provide interpretation and logistical support for the eight one-day seminars planned to train practicing judges. May 2-7, 2013 four one-day training seminars were held for judges regarding the 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 invitations were issued by the School of Magistrates. 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. Only one case had been concluded successfully in the courts as of October 2012. Many took the trainers email in case they have questions later. The training seminars provided valuable input regarding current cases of insolvency which were then incorporated into the manual to be printed in Q4 and distributed to all courts as well as other institutions.

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 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 reasons, although it did so on its social media site. After some computer software snags, it was able to provide interesting generalizations based on the statistically based observation data, but never seemed to really comprehend the power of the system.



Work continued on a major effort to provide local government units with needed support and expertise for Public-Private Partnerships (PPP). Whereas towards the end of Q2 a highly



qualified international expert as well and three local organizations were procured to develop PPP project, during Q3, the local organizations produced their first draft of their feasibility studies. 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



Korca public parking PPP

organizations he will advise, at a distance, during this year-long-plus effort. Due to the tensions of the parliamentary elections held June 23, 2013, some aspects of the feasibility study could not be completed in June and an extension was granted to all three organizations until July to submit their feasibility studies for review and suggestions from the international expert. Presentations to the municipal officials and councils are planned for September.



Fier public lighting Public-Private Partnership

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.

Major effort was required to prepare for two US Training programs both for Cochran Fellows, one in Agricultural Credit and the other in Agricultural Cooperatives. The programs were organized by the US Department of Agriculture's Cochran Fellows program. The two programs involved considerably more effort on the part of Assist Impact that 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 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 overcome.



Cochran groups at pre-departure



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 masters students in landscape architecture begin in the autumn.

A program to conduct a market study in support of Protik was developed and submitted to the Mission for approval.

Assessments

Institutional Assessments planned tentatively for Q3 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. It is hoped that by mid October, any changes in the Inspectorate’s leadership resulting from the election will be in place.

J-1 Visa Processing Services

	This Period	FY 2013	Cumulative
# of contractors provided services for	0	1	1
# of trainees processed for other contractors	0	3	3

No J-1 visas were processed during this period. The Cochran participants for which considerable effort was made in preparation of obtaining J-1 visas for a July start date are discussed in the section above because USAID funds from the BHIC project were used for airfare and other minor expenses.

3) RESULTS

Performance improved of those receiving assistance

Government Institutions

No discernible performance improvement can be seen in the Central Election Committee due to the highly politicized nature of its functioning. No performance improvement attributable to the third-country training provided can be seen on the part of the Central Inspectorate.

Non-Governmental Institutions:

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.

It is still too early to report on the organizations receiving assistance to set up Public-Private Partnerships.

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 may increase as they receive insolvency cases. The judges reporting improved performance include Enkeleda Hoxha and Engjellusha Tahiri from Kruja and Luljeta Kola Trebicka from Korca.

Technical Specialists

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 and are likely to receive grants from the European Union's grants to agriculture. 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

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.

4) IMPLEMENTATION ISSUES

Contractual

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.

As stated previously, 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.

The interventions discussed thus far for FY2014 include practically nothing that could be considered assistance for leaders. The agreement foresees the training or mentoring of 15 leaders every year for a total of 45. The judges who received training in insolvency are currently being considered leaders for reporting purposes. As 60 judges have already been trained, perhaps this obligation can be considered as fulfilled. Another 40 judges should receive training in October. If Assist Impact should strive to improve the performance of more leaders, Assist Impact requests more input will be from the Mission as to which leaders to target. Certainly change of political leadership as a consequence of the June elections will result in many new faces in positions of leadership in the central government.

Financial

Assist Impact sees no significant cost overruns.

As of the end of June, it was not expected that a new obligation would be needed before November. By the end of June, of the \$480K set aside for programs, only \$360K had been 'obligated' to specific interventions. 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 and their charges lower than planned.

The use of the \$200K set aside for grants awaits the development of an appropriate grants management policy and the consultant planned for this purpose.