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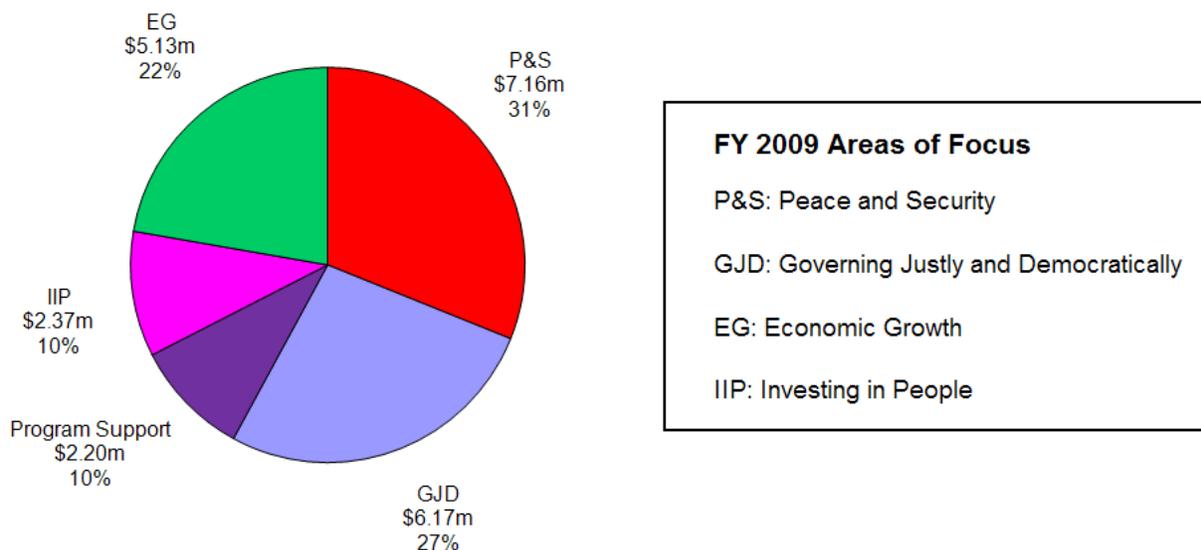
ALBANIA

U.S. FOREIGN ASSISTANCE PERFORMANCE PUBLICATION Fiscal Year 2009

FY 2009 FOREIGN ASSISTANCE GOALS

The United States' assistance strategy focused on Albania's overall advancement, supporting the strengthening of its democratic institutions, promoting economic prosperity and advancing its further integration into European and Euro-Atlantic structures. Promoting democratic norms and respect for the rule of law is essential for Albania's Euro-Atlantic integration as well as for regional stability. The U.S. Government (USG) supported the creation of a professional and right-sized police and military security force, a more transparent and less corrupt civilian and military security service, the reduction of transnational crime, as well as improved strategic trade control and border enforcement capabilities. The USG also worked to improve the overall efficacy of the justice system, build local government capacity, reduce corruption, and strengthen civil society. Sustained economic growth -- the engine for Albania's development -- is also critical to European Union (EU) accession and to Albania's ability to continue to be a moderating force in the Balkans. USG assistance focused on strengthening trade and investment capacity, enhancing private sector competitiveness and sustained agriculture growth, supporting a stable and well functioning financial sector and improving modern energy services. In addition, the USG focused attention on reforming Albania's health care system in order to enable it to respond better to the public's health needs by increasing the use of health facilities in rural and urban areas and improving the delivery of essential services, including family planning information, as well as maternal and child healthcare.

TOTAL FY 2009 FOREIGN OPERATIONS APPROPRIATED ASSISTANCE: \$23.03 MILLION*



(*Foreign Operations funding appropriated for FY 2009, not including \$2.48 million in Peace Corps funding and centrally managed, regional Foreign Operations funding that is not budgeted for specific countries.)

HIGHLIGHTS OF FY 2009 PERFORMANCE BY AREA OF FOCUS

Peace and Security

In FY 2009, USG assistance:

- Contributed to the development of an effective strategic trade control system in Albania that meets international standards by working with the Albanian State Export Control Agency to provide regulatory and control-list workshops, a visit to Romania to observe best practices, participation in the International Export Control Academy, and deployment of a tailored version of the TRACKER automated system for processing strategic trade license applications.
- Strengthened the border enforcement capability of Customs and Border Police through several interdiction courses, equipment training, and nearly \$500,000 worth of inspection, detection and surveillance equipment.
- Enhanced the Radiation Protection Office's (RPO) incident response capability by providing radiation pagers, a gamma/neutron survey meter, and a portable radiological contamination monitor. The RPO was highlighted as a regional leader in this area via a best-practice exchange with Kosovo counterparts attempting to establish a similar agency.
- Assisted the Albanian Government in destroying 4,500 tons of ordnance.
- Enabled 317 members of the Albanian Armed Forces (AAF) to deploy in support of the International Security Assistance Force (ISAF), and operations of the European Union (EU) and the United Nations (UN).

- Assisted the Albanian Ministry of Public Works and Transportation in developing security capabilities at four international maritime ports of entry. Benefiting from U.S. training, technical advice, and material donations, the ports successfully met all security requirements; they were able to pass a U.S. Coast Guard inspection and comply with the International Shipping and Port Security Code. Certification of compliance is mandatory for countries wishing to forward cargo to the United States through their sea ports and is a key component of the U.S. Department of Homeland Security's efforts to interdict seaborne terrorist activity.
- Contributed to anti-trafficking, anti-corruption, and counterterrorism efforts through a new information technology system, the Total Information Management System (TIMS), which is now fully operational and connected to every border control station, port of entry, police commissariat and regional directorate. Data from new biometric identification cards, passports, driver's licenses, and Interpol's wanted-persons database is now automatically imported and available to police officers nationwide. This produced a series of significant arrests of fugitives, including 74 detained and/or arrested with the help of TIMS.
- Encouraged civil society organizations and government authorities to better coordinate their efforts to fight trafficking in persons, resulting in a positive shift in the Government of Albania's (GOA) interaction with non-governmental organizations (NGOs) working in the field and with victims of trafficking. For instance, there was a five-fold increase in victim identifications and a doubling of the number of female anti-trafficking officers; more on-site field reviews and follow up, increased international cooperation and coordination, and use of a victims' database. These improvements in the government's response to trafficking contributed to the U.S. State Department's June 2009 ranking of Albania on Tier Two in its Trafficking In Persons Report, an improvement from its June 2008 ranking on the Tier Two Watch List.
- Trained staff in the Agency for Administration of Seized and Confiscated Assets, which resulted in the Agency being able to control and manage seized assets belonging to a United Nations-listed terrorist financier.

Governing Justly and Democratically

In FY 2009, USG assistance:

- Supported independent parallel vote tabulation in the June 28 elections, which was extremely successful in providing the public with real-time results on the internet, thereby increasing confidence in the election outcome. The effort also functioned as an additional 'get-out-the-vote' incentive. More than 450 monitors were deployed in all 66 counting centers to observe and report election results. All major media used the preliminary results provided by the independent parallel vote tabulation.
- Supported efforts to include a provision in the new electoral law requiring that 30 percent of candidates on a party list be female, to promote women's participation. The 2009 parliamentary elections resulted in women holding 15 percent of the seats in the national assembly, double the previous level.
- Helped the Tirana Joint Investigative Unit (JIU), a multi-agency unit composed of prosecutors, police, and tax and customs officials, demonstrate remarkable success in fighting economic crime and corruption. The Tirana JIU has had a significant impact on

prosecutions of corruption and money laundering cases in Albania. In 2008, the JIU's first full calendar year of operation, the number of corruption cases registered in court increased by 45%, while the number of registered money laundering cases increased by 380%. In FY 2010, the JIU program will be expanded to five regional cities.

- Improved the administrative investigation skills of the High Inspectorate for the Declaration and Audit of Assets (HIDAA), as evidenced by HIDAA's cooperation with the JIU and the Financial Investigation Unit in discovering and prosecuting corruption cases that HIDAA had identified. HIDAA signed a number of memorandums of understanding with other Albanian institutions, including the Public Procurement Agency, INSTAT, and the General Police Directorate, to promote cooperation in administrative investigations.
- Funded the installation of closed-circuit cameras at border entry points to monitor police officers' actions. This surveillance resulted in the disruption of a human smuggling attempt from Greece involving three police officers. Passport readers and scanners also reduced the possibility of fraudulent or incomplete data entry by border police.

Investing in People

In FY 2009, USG assistance:

- Contributed to improvements in some major health indicators, despite continuing turnover in the sector's leadership. Albania's public expenditures on health increased from 2.7% of gross domestic product in 2008 to 3% in 2009. A USG-supported demographic health survey showed that the infant mortality rate dropped to 18 per 1,000 live births, maternal mortality dropped to 19 per 100,000 live births, and the modern contraceptive prevalence rate increased to 11%. The immunization rate remains above 90%.
- Supported the expansion of a network of trained community health educators to 80% of Albanian health facilities through USG investments in maternal and child health care through the primary health care system.
- Supported a mapping exercise of the current laws, regulations, taxes, and enforcement policies governing the provision of family planning products and services in Albania and their effect on private sector participation. The exercise resulted in a publication entitled "Albanian Laws and Regulations Affecting Commercial Supply of Modern Contraceptives: Analysis and Recommendations." Additionally, a joint national forecasting exercise was conducted that brought together the public and private sectors to determine contraceptive needs for 2009-2011, resulting in the publication of the "Albania National Forecasting Report," which will be used by key government and in-country stakeholders to work toward contraceptive security.

Economic Growth

In FY 2009, USG assistance:

- Trained 88 of the Bank of Albania's financial supervisors, with women accounting for over 77% of the participants. The supervisors undertook 12 full-scope, on-site examinations to ensure sound management and commercial banks' and non-bank financial institutions' compliance with regulations.

- Supported the Ministry of Finance (MOF) in the negotiation and closing of a 200 million euro syndicated loan that provided critical financing to the Albanian Government during a period of extreme market illiquidity.
- Increased individual participation in the government securities market despite the severity of the financial crisis and the fact that the banking system was losing deposits. The individual holdings of government securities increased over 2%, resulting in a market share of 10.5%.
- Enabled the MOF to mitigate debt refinancing difficulties and maintain the average maturity of debt at approximately 475 days. This was a direct result of a Treasury advisory program begun in 2006 to extend debt maturity by issuing longer-term securities and to reduce the frequency of government security auctions.
- Supported the successful privatization of the distribution function of the Albania Power Corporation. This was accomplished in May 2009 after a complex process of negotiation that required intensive U.S. technical assistance and close coordination among donors and the GOA.
- Trained 346 farmers in short-term agricultural productivity topics. As a result, participating farmers applied improved technologies or management practices to 208 hectares of high-value crops, the average yield of selected crops increased by 16%, and the average production costs decreased by 6.2 %. The USG assisted producers and traders with exporting Albanian products to the EU and the Balkan region. The value of exports was \$1.4 million, an increase of 69% from the previous year.
- Provided technical assistance and training to 363 firms in technological innovations and to 408 firms in management improvement. In addition, USG assisted 55 enterprises in obtaining loans from commercial banks for facility renovation, technological innovations, and business expansion and diversification. Nine of these loans were obtained through the USG's Development Credit Authority program. This assistance enabled firms to increase their domestic and export sales by increasing efficiency and production, improving product quality, and developing new products.