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Rritje Albania / Competitive Enterprise Development

YEAR 3 WORK PLAN
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ACRONYMS AND ABBREVIATIONS

A2F	Access to Finance
AAQM	Authentic Albania Quality Mark Program
ACIT	Albanian Center for International Trade
AIDA	Albanian Investment and Development Agency
AIMS	Assess, Innovate, Measure and Share
AITA	Albanian IT Association
APS	Annual Program Statement
ASC	Albania Software Cluster
ATA	Albanian Tourism Association
B2B	Business to Business
BEO	Bureau Environmental Officer
BSP	Business Service Provider
CAPM	Certified Associate in Project Management
CDC	Citizen's Development Corps Development Solutions
CED	Competitive Enterprise Development
CGP	Client Growth Plan
CHT	Certified Hospitality Trainer
CIFF	Copenhagen International Fashion Fair
CPR	Contractor Performance Review
DCA	Development Credit Authority
dTS	Development & Training Services
DQA	Data Quality Assessment
EBRD	European Bank for Reconstruction and Development
EDI	Electronic Data Interchange
EDEM	Enterprise Development and Export Market Services project
EU	European Union
GDP	Gross Domestic Product
GOA	Government of Albania
GIZ	*Deutsche Gesellschaft für Internationale Zusammenarbeit* (German International Assistance Agency), a new organization formed in 2011 from the unification of GTZ, DED and Inwent
GSTC	Global Sustainable Tourism Criteria Global Sustainable Tourism Council
ICT	Information and Communications Technology
ICT-TRC	ICT Training and Resource Center
IFC	International Finance Corporation
INSTAT	Institute of Statistics of Albania
IT	Information Technology
KRA	Key Results Area
LGPA	Local Governance Program of Albania
MCC	Millennium Challenge Corporation
METE	Ministry of Economy, Trade and Energy
MICTI	Ministry of ICT and Innovation
MTCYS	Ministry of Tourism, Culture, Youth and Sports
NGO	Nongovernmental Organization
NTA	National Tourism Agency
PBMP	Performance-Based Monitoring Plan
PEP	Productivity Enhancement Program

PFS	USAID's Partners for Financial Stability
PIR	Project Intermediate Results
PMI	Project Management Institute
PMP	Project Management Professionals
PMU	Project Management Unit
PPP	Public-Private Partnership
RCI	Regional Competitiveness Initiative (USAID-funded)
RDA	Regional Development Agencies
SBCA	Small Business Credit and Assistance Project
SEE	South Eastern Europe
SNV	*Stichtig Nederlandse Vrijwilligers* (Netherlands Development Organization)
STIKK	Kosovo ICT Association
STTA	Short-Term Technical Assistance
TBD	To be determined
TOT	Training of Trainers
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
USAID	United States Agency for International Development

A. OVERVIEW

A1. 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. To better resonate with the local client enterprises and Albanian partners, the project team proposed the name *Rritje Albania/ Competitive Enterprise Development* and throughout the remainder of this report, the project will be referred to as Rritje Albania.

In February 2011 a contract amendment realigned the project's reporting and planning year with USAID's fiscal year from October to September. Therefore, although this work plan describes activities over the 12-month period from April to March, the description of activities from October 2011 to March 2012 are provisional and may be revised in the next 12-month work plan that will span USAID's fiscal year FY2012. At the time this document was being drafted, USAID/Albania was undertaking a review of its economic growth portfolio to guide the Mission's strategic direction over the coming years. Once finalized, this review will provide valuable information to be considered by Rritje Albania in its next work planning session scheduled for August-September 2011.

This work plan builds on the knowledge, experience and feedback obtained from extensive meetings with clients, industry experts, partners, short-term technical assistance consultants and others encountered over the course of the first year and 10 months of project implementation. It also takes into account and leverages past and on-going projects funded by USAID (SBCA, EDEM, ACIT, LGPA, DCA, RCI), EU, UNESCO, UNDP, EBRD, IFC, SNV and GIZ.

As the project moves into its 3rd year, it's geared to maintain the accelerated pace of delivery of its technical assistance within a well-founded strategic framework that will enable firms to overcome binding constraints to business expansion. As is true of any demand-led activity, Rritje Albania will continually review this work plan over the course of its execution and will update it to capitalize on opportunities identified or to overcome problems encountered.

A2. Project Goals and Objectives

The goal of Rritje Albania is to enable Albanian private enterprises to expand their businesses and improve competitiveness, thus contributing to the country's continued, broad-based economic expansion. The project's main objectives are to support the sustained growth of non-agricultural enterprises, increase household income and create gainful employment by developing and strengthening the competitiveness of existing enterprises and start-ups in targeted municipalities of Albania. The project is achieving these objectives through three component areas of intervention:

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

Rritje Albania works to identify constraints to competitiveness then brings a mix of technical assistance, training, targeted grants, and linkages to financing to help remove these constraints. The main focus is to effect positive changes in competitiveness at the enterprise level as measured through two key indicators: increased sales and jobs.

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

- *Implement market-based and demand-driven interventions;*
- *Foster local ownership and participation;*
- *Leverage resources and prioritize interventions through partnerships;*
- *Focus on results to guide the implementation process*.

Over the life of the project, Rritje Albania looks to contribute to at least $98 million USD in increased sales at assisted businesses. However, as mentioned in the project's progress reports through January 2011, the results of project activities will be measured not only through the firm-level improvements in sales and jobs, but also through the impact of an increasing number of industry-level initiatives.

Besides its support to existing firms, Rritje Albania is sensitive to the needs of start-up firms, or downstream/upstream extension by existing enterprises, that will emerge to take advantage of opening markets and increase domestic incomes over the life of the project. We will actively search out start-ups and offer demand-driven assistance and grants to provide the support needed to generate sustainable new income and jobs for Albanians. Some of the ways this will be done include:

- Encouraging high potential start-ups or nascent firms focused on new technology and innovation to apply for grants;
- Actively collaborating with local financial institutions to encourage referrals of start-up companies to contact the project;
- Sponsoring a start-your-own business plan competition with the winner eligible to apply for project technical assistance or a grant;
- Working with other projects and organizations that have programs that sponsor and encourage new start-ups, such as the initiative by Microsoft Albania to assist IT start-ups.

The analysis of constraints observed through project implementation has highlighted weaknesses at the meso and macro level of Rritje Albania's target sectors that are hindering the development of more competitive enterprises. As a result, the project has expanded its mostly firm-level focus to consider market demands for technical support that helps to fill critical needs at the micro, meso and macro levels of the tourism, garment, footwear and ICT sectors. Requests for project support are measured against their contribution to the achievement of the following objectives for Rritje Albania's target industries:

1. Promote Albania and its enterprises as sources of secure, dependable, quality-conscious and competitively-priced products and services;
2. Support and strengthen key meso-level actors, including associations, chambers of commerce, educational institutions and business services providers (BSPs);
3. Support and strengthen public-private-partnerships by working with the Government of Albania to provide a well-functioning enabling environment for the development and expansion of competitive enterprises;
4. Improve the firm-level competitiveness of Albanian enterprises through tailored solutions delivered at the firm level, including movement into higher value-added products and services.

Although the establishment of positive images of Albanian products and services can promote first-time sales, repeat sales are only won by meeting or exceeding buyers' demand for quality, value and timely delivery. Rritje Albania's technical assistance will help firms to first increase sales and then assist them to adopt globally competitive practices that will support sustainable business growth over the long term. All industry-level initiatives listed in Sections B2a-B2e will complement the firm-level competitiveness by improving the environment and existing support for companies operating in Rritje Albania's priority sectors.

A3. Year Two Challenges and Lessons Learned

As part of the Year 3 work planning exercise, an off-site retreat was held in Durres from January 25-27, 2011 and attended by the full field office team plus two persons from Chemonics' headquarters: the project management unit (PMU) director and a human resource employee with experience in leading work planning workshops.

Over the month leading up to the retreat, the field office team held several one-half day mini-retreats in the Tirana office to reflect on prior project implementation and capture the challenges, lessons-learned and possible ways forward. Having done this, the team was prepared to accomplish the primary goals of the work planning retreat--namely that participants will have:

- Leveraged individual and team communication styles to improve effectiveness with one another, clients, and other stakeholders;
- Achieved a common understanding of targets, results to date and goals for project Year 3;
- Refined Year 3 assumptions and developed strategies and approaches to meeting project goals;
- Developed the first draft of the Year 3 work plan, identifying activities, resources, timelines, milestones, and expected results.

As part of the analysis of activities through January 2011, staff listed common assumptions that influenced the choice of technical activities undertaken and the allocation of project resources. This led to a better understanding of the project approach and enhanced the team-building component of the workshop. Furthermore, new employees are now better able to identify their role on the team and how they contribute towards meeting project goals.

The technical activities undertaken by the project showed dramatic increases over the last three quarters in both number and variety. The addition of the ICT Advisor/Workforce Development Specialist and a Grants Manager in November and December 2010, respectively, further boosted the variety and pace of technical activities and helped the project to vastly exceed its indicator targets as detailed in the latest quarterly performance reports.

In response to market demand, the project launched a number of new initiatives that are expected to be continued over the life of the project. Described in detail elsewhere in this work plan, these involved meso and macro level assistance such as the drafting of a new Tourism Law, support to industry associations, the creation of new public-private partnerships (PPP) and working groups, and exploring the establishment of a new ICT Training and Resource Center.

In the area of the project's Trade and Investment Component, the process to help Albanian garment firms to prepare, attend and follow-up on the Copenhagen International Fashion Fair (CIFF), provided key lessons that have shaped future project assistance. Among these were the importance that Albanian companies have print and web site marketing materials ready, attend the appropriate trade fair and employ staff with foreign language abilities to support their sales and marketing. In addition, firms must acquire the capacities to conduct internet research, utilize contact management techniques and software tools to communicate via email and web sites and maintain accurate records of communications with clients and prospects. Project assistance on these topics was provided to clients and will be expanded in the future.

Several foreign short-term technical assistance (STTA) experts provided firm-level and multi-client assistance last year, notably: Jeanne Aktinson to support garment companies attending CIFF, Bill Nichols to assist footwear companies to improve their sales and marketing, and John Haycock, the productivity expert for manufacturing companies. In order to cost-effectively reach more clients, the project hired two professors from the Polytechnic University of Tirana to work closely with the productivity foreign expert and provide firm-level assistance on their own. This allowed the international expert to move onto more complex productivity issues in future assignments while providing backstopping support to the local consultants. Based on recommendations from the experts and feedback from the companies and technical team members, a similar plan using local sales and marketing consultants paired with an international expert is being designed for roll-out through activities included in this work plan.

Lastly, the project continues to seek and benefit from synergistic opportunities resulting from collaborations and coordination with other donors and stakeholders. Noteworthy partners with which we worked in the last three months alone included: USAID's Regional Competitive Initiative (RCI), Albania Tourism Association (ATA), National Tourism Agency (NTA), Ministry of Tourism, Culture, Youth and Sports (MTCYS), Albanian Information Technology Association (AITA), German Technical Cooperation (GIZ), EBRD's TAM-BAS, Dutch Cooperation (SNV), University of Tirana, associations of garment and footwear firms, and many others. Furthermore, in November-December 2010 the project initiated contact with commercial attachés at major EU embassies to share information on bilateral business cooperation opportunities, trade fairs, etc. Through these partnerships and feedback from clients, Rritje Albania has come to realize the importance of supporting activities at the meso and macro levels of its target sectors. Although the project's contract performance indicators are not designed to capture much of this work, the technical support we provided at these levels broadly impacts all businesses operating in the sector thereby multiplying the number of firms that benefit from the assistance and contributing to the sustainable development of each industry.

A4. Project Implementation Principles

Market-based interventions

Rritje Albania takes market demand as the starting point for program activity and works backward to solve the business constraints standing in the way of achieving business potential and market competitiveness. The pursuit and capture of new buyers and increased sales drives businesses to invest in human and capital assets to fill orders and earn profits. When firms actively and purposefully look for business and sales opportunities, they learn what is needed to be competitive and become economically incentivized to improve their product and service offer through enhanced productivity, adaption of new technologies and professional management practices. In this way, increasing sales is the economic incentive that drives firms to improve their competitiveness which in turn leads to more profitable businesses and lasting job growth.

Local ownership and participation

Rritje Albania fosters local ownership and participation by building close relationships with client firms and key value chain actors in its target sectors and regions. Trust and confidence are requisites to sharing critical information, asking for help, changing attitudes and altering business practices.

For enterprises wishing to receive assistance and willing to divulge detailed information on their firms, the project's Business Advisors meet them over a series of visits and complete a standardized Client baseline profile (both qualitative and quantitative) that is used to develop a Client Growth Plan (CGP). The CGPs are demand-driven documents that identify constraints to business expansion, describe solutions to be delivered by Rritje Albania, quantify the increase in sales and jobs expected and commit the businesses to provide detailed quarterly reports that are treated in confidence. The CGP is a dynamic document, updated periodically.

While firms with signed CGPs comprise the majority of Rritje Albania's clients, other organizations that benefit from project activities are also beneficiaries. For example, firms assisted to improve their competitiveness and increase sales and jobs through multi-client events, business to business meetings (B2B) and other technical assistance delivery mechanisms are also considered project beneficiaries as they receive project assistance. The revised Performance-Based Monitoring Plan attached in Annex III discusses implications and actions necessary to ensure that positive externalities and results at the industry-level and non-CGP client are captured and reported. As well, structures such as business associations, public sector agencies and key ministry departments also are candidates for partnering with the project. While their direct benefits are often more qualitative changes in institutional

strengthening and capacity development, their private sector members will achieve positive results that the project will record and report through these non-firm-level project beneficiaries.

Local ownership and participation is a key principle to Rritje Albania's strategy to ensure project activities have a sustainable and positive impact on Albania's private sector. Leading firms and individuals that are "early adapters", willing to innovate and invest in their businesses, will be sought, identified and supported by Rritje Albania. By serving as models and spokespersons for the sector, others will be encouraged to raise industry standards and create a framework for sustainable growth. Likewise, key industry associations with dynamic leadership will be supported to deliver multi-client solutions that improve the competitiveness of members. To achieve significant impact, Rritje Albania supports industries that constitute a large percentage of Albania's GDP to build sector-wide capacity to sustain progress beyond the life of the project.

Leveraged resources and prioritized interventions

While Rritje Albania's funding is considerable, its mandate is large, covering non-agriculture based industries with an initial concentration in footwear, garments, recycling and ICT in all major municipalities and tasked with providing a full-range of technical assistance to improve competitiveness at the firm and industry levels. In many cases, solutions to identified constraints may be beyond the financial means of individual clients or the project. For example, while manufacturers would benefit from the acquisition of CAD/CAM plotters, automated cutting equipment and other advanced machinery, many lack access to finance and are unable to cover operating losses until positive cash flow is achieved.

Rritje Albania's resources must be applied prudently, cost-shared by beneficiaries and leveraged wherever possible to maximize return. The opportunity presented by managing with limited resources is to capitalize on synergies available by coordinating activities with other donor-funded, private and public sector initiatives. Besides stretching resources, big problems can often be tackled by many that could not otherwise have been taken on alone.

Attentive to results and implementation process

Besides managing for results using its performance-based monitoring plan (PBMP) to gauge progress towards objectives, Rritje Albania is attentive to the *process* of project management. The project staff is cognizant of best-practice project implementation practices and the various metrics used to evaluate contractor performance.

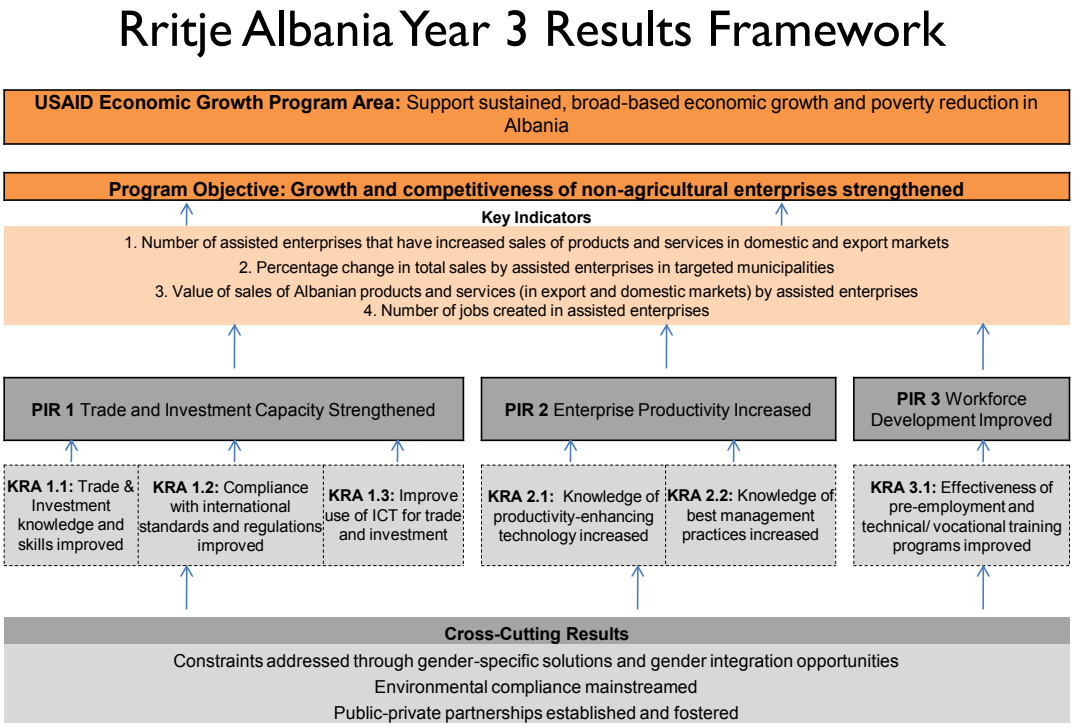
In the work planning session held to formulate this year three work plan, all staff was familiarized with USAID's Data Quality Assessment (DQA) and Contractor Performance Review (CPR) evaluation as well as Chemonics' own Assess, Innovate, Measure, Share (AIMS) tool for measuring project excellence and its desk audit review of field office administration and accounting practices. In addition to quarterly performance reviews, weekly consultations between the project and USAID/Albania ensure activities are aligned with goals, objectives and implementation targets. Rritje Albania believes that paying attention to not only what is achieved but how it is achieved will lead to superlative results and satisfied clients.

A5. Results Framework

During the development of the technical proposal for Rritje Albania, our team designed a framework that aligned the activities, outputs and outcomes with the Economic Growth Objective of USAID's Foreign Assistance Framework. All work conducted in this framework supports sustained, broad-based economic growth and poverty reduction. Rritje Albania contributes to this result through its program objective of strengthening the growth and competitiveness of non-agricultural enterprises and the causal models underlying USAID's current EG strategy has guided the development of the project's work plans to-date.

Figure 1 – Rritje Albania's Contribution to USAID's Economic Growth Framework

Based on the experience in the first year and one-half of project implementation, Rritje Albania proposed a revision to its results framework to streamline the direct and indirect results with the program elements and sub-elements of USAID Albania's Economic Growth Area. The requested changes were submitted with supporting rationales in a revised Performance-Based Monitoring Plan (PBMP). The revisions requiring a contract modification were approved in February 2011.



Since any one technical assistance activity can often be scored under different components when recording the indicator targets achieved, the project developed this work plan by first analyzing the five target sectors and determining what was needed to achieve project goals and objectives. The specific inputs and outputs for each project component and KRA are laid out in Section C: Detailed Work Plan by Project Intermediate Result. Please note that the results framework also recognizes the importance of the cross-cutting themes of gender, the environment and public-private partnerships and steps will be taken to ensure that they are integrated into all our interventions.

B. Detailed Work Plan

The remainder of this document includes descriptions of the principal tasks and assistance activities to be undertaken over the next year, as well as others that are envisioned to be implemented over the life of the project. Also included are timelines and baseline data against which accomplishments will be captured in the form of indicators detailed in the project's PBMP.

Although we report results by the project's three components described in Section C2c (Workforce Development, Trade and Investment, Productivity), the precise choice of support activities supplied to build competitive enterprises are derived from market demand and industry specific expert advice, not driven by the indicator targets under each component. After analyzing the constraints at the enterprise and industry levels, the findings were translated into specific activities (inputs and outputs) needed to address the problems and apportioned by component and KRA. The following section describes the constraints to competitiveness and describes the type of assistance Rritje Albania will deliver to help us attain the depth and breadth of solutions needed to meet project goals.

B1. Industry and Single-Client Solutions

The project has identified problems affecting multiple firms in the same industry and sometimes across industries that could best be solved by application of multi-client solutions rather than assistance delivered to one client at a time. Besides a lower unit cost per business assisted, the advantage of multi-client solutions includes more control over the standard of assistance and an increase in the number of businesses reached. In almost all cases, the development and delivery of multi-client solutions will be driven by the Trade and Investment Advisor, the ICT Advisor/ Workforce Development Specialist or the Tourism Advisor. The follow-up of expatriate and local experts' recommendations will usually be assigned to the Business Advisor responsible for the assisted business. Furthermore, by collaborating with industry associations the project strengthens them to offer better services to members and to reach a wider range of businesses through multi-client solutions.

B2. Key Industries and Regions

Rritje Albania is tasked with working with entrepreneurs, investors and other economic actors involved in selected industries and enterprises (not including agriculture-related industries and enterprises that fall within the scope of USAID's Albanian Agriculture Competitiveness project (AAC)). Following the process described in the original technical proposal, a short-list of industries that make up a large portion to Albania's GDP and hold the greatest potential to substantially increase in size were named to include: garment, footwear, tourism, ICT and recycling.

With regards to geographic coverage, at its start, Rritje Albania commenced work in the 10 municipalities of Shkoder, Kukes, Fier, Korce, Pogradec, Vlore, Tirana, Elbasan, Durres, and Gjirokaster. However, through December 31, 2010 Rritje Albania had responded to requests for assistance from firms in 12 other municipalities: Bajram Curri, Berat, Golem, Himara, Kavaja, Kruja, Lac, Lezha, Librazhd, Lushnja, Puka, and Saranda. In the last 10 months, a series of six Access to Finance (A2F) Roundtables, nine workshops on the Authentic Albania Quality Mark Award Program and 12 Productivity Enhancement Program workshops helped introduce the project to over 350 enterprises in multiple cities. Although the project continues to implement in the ten initial target municipalities, when prioritizing the needs and constraints to address, Rritje Albania is guided by the location of companies by sectors/ industries more than by the target municipalities alone.

In Year 3 Rritje Albania will continue to provide a full range of assistance for firms in its target industries and regions. For example, a second series of Access to Finance roundtables, focusing this time on factoring (explained in greater detail on section C2a of this report), are planned in the first quarter of year three in the cities of Tirana, Durres, Fier or Vlora, Korca and Shkodra, cities where exporting companies are concentrated. Other events described elsewhere in this document will bring together project stakeholders in the localities where Rritje Albania works and serve as "viral marketing" opportunities for the project.

The following portion of the work plan discusses the five target industries. Each industry section starts with up-to-date background information, followed by the main pillars of our approach for the sector and concludes with a list of initiatives that will be the focus of the project in Year 3.

B2a. Garment Industry

Albania's garment industry is among the largest employer in Albania. Various sources estimate that it provides jobs for 70,000 to 95,000 people, a majority of whom are women. According to the Customs Directorate records,[1] the sector's export/import level grew by over 4% in 2010 compared to 2009 and accounted for around 20% of Albania's exports. The bulk of the exports, 73-80%, are manufactured through the fasson mode of production or active processing and re-exporting of garment products.

While no one disputes the sector's importance to Albania's economy, exact statistics on the number of garment firms in actual operation is highly debated. In 2002 Albania had 402 registered contract garment companies while in 2009 it had 474. Although this demonstrates an 18 percent increase in number, it is often seen that businesses change names and continue operating in the same location without de-registering. To help gain a better understanding of the situation, in July-December 2010, Rritje Albania merged several lists of garment companies that it obtained separately from GIZ, the two Albanian Garment/Footwear associations and the Albanian Center for International Trade (ACIT). A total of 234 garment firms were on the combined list however after persistent attempts over a six month period, only 105 firms could be reached and interviewed on a set of questions on markets, marketing materials, production capacity, technology and workforce.

The results of this study were informative. Among other findings, the top export destinations of the 105 companies surveyed were Italy (78 percent), Greece (16 percent) and Germany (6 percent), which represented 99.7 percent of all Albanian garment exports. Evidently, over the past decade many Italian retailers, clothing designers and brokers have taken advantage of the geographic proximity of Albania, its low labor costs and the important fact that many Albanians speak and understand Italian language.

Albanian garment firms report that the sector dynamics were heavily influenced by international demand contraction, liquidity shortages and the weak financial performance of many outsourcing companies in Italy and Greece during the global financial crisis in 2008-2009 followed by the Greek economic collapse in 2010. Many firms were unprepared to face what ensued, including: i) reduction in the number of contracts; ii) new contracts with less favorable terms (lower prices/unit and delayed payments); iii) termination of contracts and difficulties in acquiring new customers. Yet, despite this, Albania manufacturers seemed to have survived 2009 remarkably well, experiencing only a slight drop in exports in 2009 to 187.99 million Euros as compared to the 188 million Euros in 2008 according to EUROSTAT official figures[2]. Factors working in Albanian firms' favor included: close proximity to the European market, low labor costs, smaller fixed cost overheads due to fully-

[1] http://www.dogana.gov.al/doc/buletini%20%20Treg%20Jashtme%20Janar-Tetor%202010%20publ.htm
[2] GTZ, Press Release on Albanian Textile Week, October 26, 2010

depreciated machinery and less money tied up in inventory thanks to running predominately fasson[3] operations.

However, this is not to say that the last two years have been easy. Going into 2010, many found themselves in extremely risky positions due to disappearing profits, poor pricing practices, inefficient production, over-dependence on too few buyers and weak to non-existent sales/marketing plans. Rritje Albania has tried to help businesses diversify their buyer base by moving them from being production-driven to opening themselves to the market, looking outward for new profitable sales and improving their productivity.

Since November 2009, Rritje Albania has mobilized three international garment experts on extended, multiple STTA assignments totaling 190 days level of effort to help more than 40 manufacturers and two textile sector associations. The experts saw much in common between Albania's garment sector and Bulgaria in 1996 and Macedonia and Serbia in 2003, including: poor or completely absent marketing and publicity materials (brochures, websites), over-dependence on a few buyers, very small production runs, strictly fasson businesses consisting of "make-trim" (MT) operations with little or no "cut" capacities (CMT), untapped efficiency gains from better production practices (plant design, line balancing, scheduling, worker productivity).

In October 2010, Rritje Albania and GIZ (formerly GTZ) co-organized an Albanian Textile Week and Conference titled "Development Challenges and Opportunities for the Albanian Garment Industry". Expert analysis emerging from roundtables, panel discussions and company visits reached the same conclusions as Rritje Albania's experts. Some of the remedies proposed to solve Albania's garment sector problems were to increase quality control, improve production methodologies, develop a multi-skilled labor workforce, shorten production lines and increase capacity to efficiently handle a greater variety of small orders.

The approach of Rritje Albania laid down below is built on the assumption that a mixture of customized one-on-one assistance as well as multi-client solutions are needed to capitalize on Albania's comparative and competitive advantages. Firm-level assistance will be focused on dynamic firms that want to improve and are willing to invest the necessary money and time. Meso and macro level assistance will be provided when it is believed that long-term positive results will result at the micro, firm level.

Rritje Albania's Garment Industry Strategy

Rritje Albania will work at all levels of the garment industry by collaborating with key sector stakeholders to leverage project resources to build competitiveness and contribute to the sustainable development of the sector. Broad areas of actions include the following:

- Promoting Albania as a safe and secure sourcing country for high-quality products, produced with short turn-around times
  - Attract foreign and local buyers and investors
  - Liase with the Commercial Attaches at embassies of key textile industry trading partners
  - Develop programs that bring Albanian companies knowledge, skills and practices to the EU standards to smoothen the path of EU economic integration

- Improving competitiveness at the firm-level
  - Upgrade production processes, facilitate increased use of ICT and technologies such as CAD/CAM and Electronic Data Interchange (EDI)
  - Help firms incorporate value-added production capabilities, especially full-package production

[3] Fasson manufacturing is a term used in Albania to describe a business that receives its raw materials for production from its buyers, assembles the pre-cut pieces and sends the finished product to the same buyer.

- Support companies to access appropriate financing (leasing, factoring, equity, etc.)
- Mentor managers to develop human capital and retain a multi-skilled workforce
- Build trade capacities through improved sales and marketing materials and strategies

➢ Building key strategic partnerships at all sector levels
  - At the macro level, collaborate with public and private sector structures to articulate strategies for the development of the sector and the establishment and maintenance of an enabling environment. Key public sector partners include the Ministry of Economy, Trade and Energy (METE), Albanian Investment Development Agency (AIDA) and Institute of Statistics (INSTAT), and state training institutions.
  - At the meso-level, build partnerships that promote the interests and sustainable development of the sector and actors in the value chain. Key partners include the merged Garment/Footwear Association, Department of Textile at the Polytechnic University of Tirana, local Business Service Providers, Chambers of Commerce, and other industry associations.

Year 3 Garment Sector Activities

Specifically, the following initiatives will be implemented in Year 3 at the industry and firm-level:

Industry Level Initiatives

1. Establish a Garment Sector Working Group comprised of key public and private stakeholders.
2. Facilitate the unification of the two associations representing Albanian garment and footwear producers. Once achieved, the project will work through the association to deliver assistance to firms and the sector, help to build its capacities to serve its members, and collaborate with GIZ to get Eurotex recognition and membership for the merged association.
3. Assist the merged Garment/ Footwear Association to maintain the www.albaniagarment.com industry website to market its competitive and comparative advantages to industry buyers and suppliers. In addition to static information sharing, Rritje Albania will develop and promote the use of web 2.0 components to enable interactive features such as B2B matching, sourcing raw materials and others.
4. Publish and disseminate a catalog of the Albanian garment industry containing one-page profiles of each firm.
5. Co-sponsor the first annual conference for Albania's garment and footwear industries: "Challenges and Development Perspectives for the Albanian Garment and Footwear Sectors".
6. Disseminate information of ICT products and services to garment companies through trainings and B2B meetings.
7. Collaborate with GIZ to conduct an ICT needs assessment for garment and footwear sectors.
8. Promote increased access to financial through a series of A2F roundtables with a focus on factoring and invoice discounting.

Company Level Assistance

1. Assist firms to develop a corporate identity package (logo, brochures, profiles, web sites).
2. Help firms develop their sales and marketing capacities with hands-on assistance using sales and marketing toolkit developed by Rritje Albania.
3. Develop and disseminate information on trade fairs to appropriate Albanian firms;
4. Provide demand-led assistance to firms expressing interest to attend or exhibit at specific fairs and maximize their participation through better preparation, attendance and follow-up:
    a. Design and develop a basic marketing materials package: logo, brochures, websites, business cards
    b. Run multi-client 2-day training on how to prepare, attend and follow-up trade shows

    c. Assist sales and marketing staff at company before during and after the show, (including pre-show research to identify buyers, establish web and email communications, schedule B2B meetings)
5. Facilitate contacts between EU buyers/agents and Albanian manufacturers
6. Help firms move up and down the production value chain in response to global trends:
    a. Increase access to cutting for companies who are make-trim only to become cut-make-trim (CMT)
    b. Assist CMT producers to source technology and raw materials (including accessories) to help them acquire full cycle production capacities
    c. Support full-cycle manufacturers to develop and market their own brands/products
7. Build upon the Productivity Enhancement Program (PEP) initiated in project Year 2
    a. Lead workshops introduce and expand adoption of the Key Performance Indicator (KPI) system to new clients and follow-up with firm-level assistance
    b. Introduce the "Seven-Zero Quality System"
8. Support firms to acquire International Standards (CE Mark and/or OHSAS: occupational health and safety management systems)

B2b. Footwear Industry

Based on official figures from the Directorate of Customs, total Albanian exports grew 30 percent in 2010 over 2009 with footwear maintaining its 30 percent share of total exports in 2009 and 2010. By comparison, Albania's footwear export sales were about six times that of its garment sector.

As described in the previous section on the garment sector, exact information on Albania's footwear firms is hard to come by and varies widely. In the same study described earlier, last year Rritje Albania merged several lists of footwear companies that it obtained separately from GIZ, the two Albanian Garment/Footwear associations and the Albanian Center for International Trade (ACIT). A total of 75 footwear firms were on the combined list, however only 29 firms could be reached and interviewed on a set of questions on markets, marketing materials, production capacity, technology and workforce.

Taking into account the use of hand-stitched footwear outsourced by manufacturers to home workers and the under-reporting of official employees, various actors estimate total employment in the sector to be between 20,000 – 30,000 workers, 90 percent of whom are women. While the number of Albanian footwear companies is about one-fifth of garment companies, the average employment size of footwear firms is around three times that of the average employment at garment companies.

Italian firms are the dominant buyers of Albanian footwear, accounting for around two thirds of the total exports. The sector is Italian-focused not only because many Albanians speak Italian, or because of the proximity with Italy, but also because the European footwear industry value chain has many links to Italian companies. Although a variety of footwear production processes are carried out in several countries, the design, leather processing, leather quality control, and final distribution is concentrated in Italy. Until recently, Albanian companies have been happy to tie themselves tightly to Italian buyers or distributors, seldom taking the initiative to learn the knowledge processes, develop publicity materials, or look for alternative clients or direct linkages with the final buyers instead of depending on agents. Despite their dependence on the Italian market, more Albanian footwear producers (8 of 29) or 27.6 percent, now manufacture a full product for their clients, compared to 9 out of 95 (9.4 percent) of Albanian garment producers that have achieved this stage[4].

[4] These numbers are calculated based on interviews conducted by the project to develop a current database of garment and footwear companies.

In 2009-2010, Rritje Albania mobilized three international experts to provide short-term technical assistance (STTA) to the leading Albanian-owned footwear companies. These experts identified most of the same weaknesses in management, production efficiencies, over-reliance on a few buyers and the absence of marketing and sales strategies as noted in Albania's garment firms. While the Albanian footwear product is generally of a high quality and customers include recognized international brands, the expertise of factory owners' lies in production. As a consequence, the industry is mainly inward-looking with limited participation in trade shows and sales reported as occurring almost "by accident" without concentrated effort on the part of businesses. A common factor among firms is the typical patriarchal family management structure, which results in lack of fresh new ideas and limited information sharing amongst employees.

Recommendations from consultants conclude that firms will be most successful in the short term by continued interactions with existing customers through their agents and, at the same time, working to identify new buyers in Italy and penetrate other markets. Firms should also develop communication skills, contacts, and the knowledge portion of the business in order to increase the value added of their production, such as upgraded technologies, improved business skills, implementation of quality standards and productivity enhancements. Gains in these areas will allow them to improve profit margins and capture clients elsewhere, mainly in Europe.

Rritje Albania's work plan for the footwear sector is much like its plan for the garment industry and focuses on the following three pillars. Efforts will be concentrated on dynamic firms that want to improve and are willing to invest the necessary money and time.

Rritje Albania's Footwear Industry Strategy

Rritje Albania will work at all levels of the footwear industry by collaborating with key sector stakeholders to leverage project resources to build competitiveness and contribute to the sustainable development of the sector. Broad areas of actions include the following:

- Promoting Albania as a safe and secure sourcing country for high-quality products, produced with short turn-around times
  - Attract foreign and local buyers and investors
  - Liase with the Commercial Attaches at embassies of key textile industry trading partners
  - Develop programs that bring Albanian companies knowledge, skills and practices to the EU standards to smoothen the path of EU economic integration

- Improving competitiveness at the firm-level
  - Improve workforce competencies in managerial accounting and financial management
  - Upgrade production processes, facilitate increased use of ICT and other technologies
  - Help firms add value-added production capabilities
  - Support companies to access appropriate financing (leasing, factoring, equity, etc…)
  - Mentor managers to develop human capital and retain a multi-skilled workforce

- Building key strategic partnerships at all sector levels
  - At the macro level, collaborate with public and private sector structures to articulate strategies for the development of the sector and the establishment and maintenance of an enabling environment. Key public sector partners include the Ministry of Economy, Trade and Energy (METE), Albanian Investment Development Agency (AIDA) and Institute of Statistics (INSTAT), state training institutions.
  - At the meso-level, build partnerships that promote the interests and sustainable development of the sector and actors in the value chain. Key partners include the merged Garment/Footwear Association, Polytechnic University of Tirana, local Business Service Providers, Chambers of Commerce, and other industry associations.

Year 3 Footwear Sector Activities

Specifically, the following initiatives will be implemented in Year 3 at the industry and firm-level:

Industry Level Initiatives

1. Establish the Footwear Sector Working Group comprised of public and private stakeholders.
2. Facilitate the unification of the two associations representing Albanian garment and footwear producers. Once achieved, the project will work through the association to deliver assistance to firms and the sector as well as help to build its capacities to serve its members.
3. Assist the merged Garment/ Footwear Association to maintain the www.albanianfootwear.com industry website to market its competitive and comparative advantages to industry buyers and suppliers. In addition to static information sharing, Rritje Albania will develop and promote the use of web 2.0 components to enable interactive features such as B2B matching, sourcing raw materials and others.
4. Publish and disseminate a catalog of the Albanian footwear industry containing one-page profiles of each firm.
5. Co-sponsor the first annual conference for Albania's garment and footwear industries: "Challenges and Development Perspectives for the Albanian Garment and Footwear Sectors."
6. Disseminate information of ICT products and services to footwear companies through trainings and B2B meetings.
7. Collaborate with GIZ to conduct an ICT needs assessment for the footwear sector.
8. Promote increased access to financial services through a series of A2F roundtables with a focus on factoring and invoice discounting.

Company Level Assistance

While many of activities supporting footwear companies are similar to those for garment, the nature and development stage of companies operating in each sector will determine the specific activities delivered.

1. Assist firms to develop a corporate identity package (logo, brochures, profiles, web sites).
2. Help firms develop their sales and marketing capacities with hands-on assistance using sales and marketing toolkit developed by Rritje Albania.
3. Develop and disseminate information on trade fairs to appropriate Albanian firms;
4. Provide demand-led assistance to firms expressing interest to attend or exhibit at specific fairs and maximize their participation through better preparation, attendance and follow-up:
    a. Design and develop a basic marketing materials package: logo, brochures, websites, business cards
    b. Run multi-client 2-day training on how to prepare, attend and follow-up trade shows
    c. Assist sales and marketing staff at company before during and after the show, (including pre-show research to identify buyers, establish web and email communications, schedule B2B meetings)
5. Facilitate contacts between EU buyers/agents and Albanian manufacturers
6. Help firms move up and down the production value chain in response to global trends:
    a. Increase use of appropriate technologies
    b. Assist producers to expand sources, including local, of new technology, raw materials (dies, leather and accessories) to help them acquire full cycle production capacities
    c. Support full-cycle manufacturers to develop and market their own brands/products
7. Build upon the Productivity Enhancement Program (PEP) initiated in project year two
    a. Lead workshops introduce and expand adoption of the Key Performance Indicator (KPI) system to new clients and follow-up with firm-level assistance
    b. Introduce the "Seven-Zero Quality System"

8. Support firms to acquire International Standards (CE Mark and/or OHSAS: occupational health and safety management systems)

B2c. Tourism Industry

According to the United Nations World Tourism Organization (UNWTO), travel and tourism is one of the world's largest industries, employing over 235 million people and generating 9.4 percent of the global GDP in 2009. However, due to the worldwide financial crisis and recession, globally the number of tourist arrivals in 2009 declined by 4 percent. The good news is that in 2010, tourist arrivals rebounded to 935 million persons, an increase of 7 percent over the prior year with emerging economies the main driver.

In Albania, tourism has consistently increased the past five years with 16.9 percent annual growth rate in 2004, 40 percent in 2008 and 34 percent in 2009. Also noteworthy is the contribution that tourism makes to Albania's GDP. In 2010, direct employment in Albania's tourism sector totaled 69,000 jobs or 5.5 percent of the total number of jobs in the country and the industry generated $841 million in sales or 6.8 percent of Albania's GDP.

Figure 2: Travel and Tourism Industry Impact on Economies

Source: World Travel and Tourism Council

These numbers are even more impressive when you consider the indirect impact of the travel and tourism industry on a country's overall economy as seen in the WTTO graphic image above[5]. With this in mind, it should come as no surprise that in 2010 the Government of Albania declared its travel and tourism industry as one of its key priority sectors. As 2012 is the centennial of Albania's independence, the MTCYS has developed the slogan: "2012: Visit Albania Year."

Helping stimulate additional interest in the country, the Lonely Planet ranked Albania #1 in its list of top ten countries to visit in 2011. This may have come as a surprise to many but it was a former USAID/Albania project that encouraged Tony Wheeler, the founder of Lonely Planet, to make his first visit to Albania in May 2006. Clearly Albania is getting noticed but it has far to go to catch up to its neighbors in Central and Eastern Europe, where out of 14 countries, Albania's economic ranking is eighth in absolute size, second in relative contribution to the national economy and tenth in long-term

[5] http://www.wttc.org/eng/Tourism_Research/Tourism_Impact_Data_and_Forecast_Tool/

(10 year) growth. Other statistics from the World Economic Forum's (WEF) latest travel and tourism competitiveness index placed Albania 90th among 133 countries in the world, behind all other South Eastern European (SEE) nations covered by the report, except Bosnia and Herzegovina (BiH). This highlights both the significant untapped tourism development potential of Albania as well as its need to improve its product offer.

Until recently, the primary focus of Albanian tourism development has been on the "sun, sand, and sea" market that has attracted a majority of its visitors from Kosovo and Macedonia. While the beach market segment is large, it is also one of the most competitive in the world. And, with the liberalization of the visa regime last December, more Albanians are expected to visit their relatives who live and work in EU countries. As a result, the large number of Albanian tourists that used to visit Albania during holiday seasons in December-January and July-August will be reduced. Furthermore, as Albania's tourism businesses look to expand their customer base from Southeast European neighbors, destinations such as Bulgaria and Turkey represent tough competition as they offer better products at competitive rates. Looking ahead, Albania's best opportunity to sustainably expand tourism is by selling the country's natural and cultural assets, including rural villages, archeological sites and its people. These product features can be linked to markets that are less sensitive to seasons, higher spending, and growing more rapidly.

In years one and two, Rritje Albania fine-tuned its plan to support Albania's tourism sector by gaining a wide view of the needs of the sector through close and regular collaboration with key local and regional tourism sector actors, donor agencies, and foreign tour operators. Going forward, Rritje Albania will continue to focus on increasing the competitiveness of Albania's tourism industry as an important catalyst for the country's overall economic growth.

Rritje Albania's Tourism Industry Strategy

Rritje Albania will work at all levels of the tourism industry by collaborating with key sector stakeholders to leverage project resources to build competitiveness and contribute to the sustainable development of the sector. To achieve the project's goal of increasing jobs and sales, Rritje Albania's strategy to support tourism in Albania will concentrate on three main axes of intervention:

- Promote Albania as a desirable tourism destination to increase the number of visitors and extend the length of their stay in the country.
- Improve the quality of Albania's tourism product offer by providing technical assistance at the enterprise level.
- Support initiatives that contribute to the improved competitiveness of Albania's tourism product at the meso and macro levels of the industry through collaborations with donors, tourism-related associations, business service providers, educational institutions and government agencies.

Year 3 Tourism Sector Activities

Promoting Albania as a Tourist Destination

Albania is largely unknown as a tourist destination but once exposed, visitors are overwhelmingly positive about the experience. Besides Lonely Planet's #1 recommendation noted above, CNN named Albania 6th in its top 10 destinations to visit for 2011 and several prominent travel magazines and newspapers have recently published articles about Albania, emphasizing the country's best features. [6]

[6] http://www.telegraph.co.uk/travel/picturegalleries/8273564/20-of-the-worlds-greatest-adventures.html?image=11
http://www.independent.co.uk/travel/news-and-advice/2011s-tourism-hotspots-what-to-do-in-albania-2201482.html

In years one and two, the project promoted Albania in a number of ways, the most prominent being familiarization tours (FAM Tours) for large European foreign tour operators, new to Albania, that resulted in signed contracts with local tour operators to market and deliver pre-sold packaged tours to Albania. USAID and the project also played a prominent role at industry conferences, roundtables, press events and the publication and dissemination of marketing and publicity materials such as the National Geographic Balkan supplement in 2010 that was distributed to over 200,000 European households via National Geographic and through other channels identified by Rritje Albania.

Whenever possible, Rritje Albania seeks to leverage its resources by working closely with other donors and stakeholders in order to maximize the benefits and impacts felt at the firm and industry levels. It is intended that this successful implementation strategy, proven over the past two years, will continue over the life of the project.

Specific activities planned for Year 3 to promote Albania as a tourist destination include:

1. Develop and disseminate information on trade fairs to Albanian tour operators and provide demand-led assistance to those expressing interest to attend or exhibit at specific fairs. Focus will be to maximize their participation through better preparation, attendance and follow-up.
2. Support tourism fairs and conferences in Albania that promote local tourism products and destinations, such as the Tourism Real Estate ALBEXPO –Tirana April 2011.
3. Collaborate with Albanian tourism information centers established by the USAID's LGPA project and others in municipalities where Rritje Albania works.
4. Assist Albanian Tourism Association (ATA) to develop the Authentic Albania Quality Mark Award identity, including logo, marketing materials, PR campaign and website.
5. Work closely with USAID Regional Competitiveness Initiative (RCI) project, including cross-border cooperation and the Albanian component of the National Geographic Geotourism Website for the Western Balkans.
6. Provide support to partners that organize FAM tours, media tours, and B2B meetings to leverage resources and increase effectiveness and impact.
7. Support Albania's underwater culture heritage sites through development and dissemination of promotional materials.
8. Cooperate with the NTA and other stakeholders to conduct a feasibility study to establish an Albanian convention bureau with components to improve Albania's Meetings, Incentives, Convention, and Exhibitions (MICE) tourism product. Depending on the results of the study, in later years the project may mirror successful MICE forums such as Moscow's: http://www.biztradeshows.com/trade-events/moscow-mice-forum.html.

Improve the quality of Albania's tourism product

Activities under this intervention category will support the continuous upgrading of Albania's tourism product standards to improve its competitiveness in the regional market. Specific activities planned for Year 3 to promote Albania's tourism product include:

1. Support the ATA to help them catalyze and deliver competitiveness-improving services to their members. Included in this are:
    - The sustainable establishment of Authentic Albania Quality Mark Award Program (AAQM)
    - TOT courses in tourism management and other hospitality issues in cooperation with EBRD's Business Advisory Services (BAS) Program

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http://www.travelweekly.com/Europe-Travel/Albania--Europe-s-last-secret/

2. Link with international organizations and collaborate with local organizations to offer such training topics as:
    - Certified Hospitality Trainer (CHT) Program from American Hotel & Lodging Educational Institute (TOT)
    - Training course for outdoor activities guides from National Outdoor Leadership School (TOT)
    - Dive Master training based on international diving certification programs
    - Develop and deliver the first ever Certified Tourist Guide training through the National Albanian Tourist Guide Association (NATGA)

3. Regularly hold round tables and B2B meetings to disseminate information on best practices and link businesses in the tourism sector value chain to identify available resources that can improve the businesses' product offer.

Support initiatives at the meso and macro levels of Albania's tourism industry

In Year 2, Rritje Albania contributed to Albania's tourism development by supporting a multitude of activities at the meso and macro levels of the sector. Foremost among these were activities conducted in partnership with the Ministry of Tourism, Culture, Youth and Sports (MTCYS) and the ATA, which included work on the legal and regulatory environment and support to improve the effectiveness of the structures. Year 3 activities will continue to address such important issues as:

1. Support to MTCYS to draft and pass a new Tourism Law and associated regulations
2. Support to ATA and tourism businesses on issues of taxation as needs and issues arise
3. Participate in the MTCYS Public Private Advisory Board chaired by the Minister to coordinate efforts on tourism law and other activities of importance to stakeholders
4. Support to National Albanian Tourist Guides Association in their role to improve professionalism of guides in Albania and increase their number to meet demand
5. Take the lead in quarterly tourism stakeholders meetings to coordinate activities, leverage resources and achieve greater impact in efforts to build the industry's competitiveness
6. Work closely with ATA, RCI and other stakeholders to support the accreditation of the AAQM through the GSTC (Global Sustainable Tourism Council)
7. Support the development of the Albanian component of the National Geographic (NG) Geo-tourism Web site for Western Balkans. This support will include:
    - Sign the MOU between RCI, National Geographic and Rritje Albania
    - Make a presentation of the National Geographic Geo-tourism concept and implementation process to the MTCYS Public Private Advisory Board
    - Work closely with MTCYS, NTA and ATA to establish a working group that will be responsible for developing the Albanian content for National Geographic Geo-tourism Web site.

B2d. Information and Communication Technology (ICT) Industry

ICT development has been a focus of the Government of Albania in recent years, and as a result, initial steps have been made to nurture its advancement. Among these were 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 the Ministry of ICT and Innovation (MICTI), the adoption of the Law on Electronic Commerce, the development of implementing regulations for the Electronic Signature Law, and discussion of other elements of the regulatory framework.

Despite these positive steps, the European Union Enlargement Country Report III, released on March 2010, stated that "despite 10 years of progressive market liberalization, Albania remains under-

invested in terms of telecommunication infrastructure, with very low fixed and broadband penetration."[7] According the same source, fixed line penetration is significantly low at 2.5 percent of population, while tariffs remain high. Internet uptake by businesses has increased in recent years but remains especially low among micro and small enterprises that comprise the largest number of firms.

An internal IT assessment conducted by USAID[8] in May 2010 concluded that aside from the telecom sector, the ICT sector in Albania is small. This is partly because of domestic ICT demand on the part of individuals and businesses that has not yet matured. Internet penetration is low at individual, household and business levels. 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, value chain and so on. Interestingly the private sector's adoption of ICT ranks considerably lower than the Government's adoption of ICT.

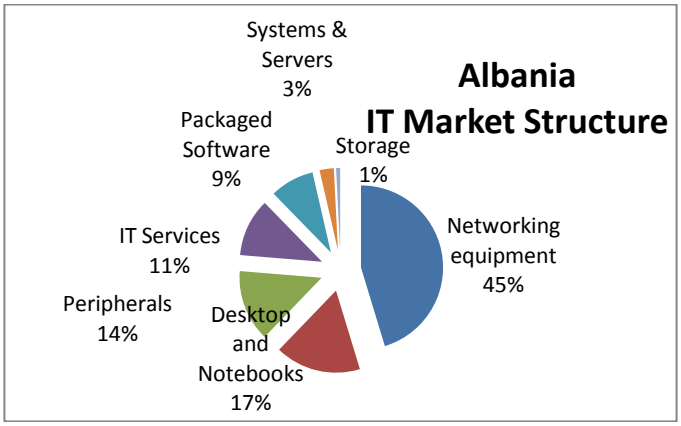
Albania also suffers from severe shortages of skilled technical workers in the ICT field, be they users of ICT systems, system or network administrators, or software development the quality of workforce is low. Companies deal with this problem every day and the issue has been raised with the government as well as with universities. In general, graduates from universities have very little practical or hands-on experience. The university degree is not always a guarantee of practical knowledge, and there is need for more solid certification programs.

The ICT industry in Albania is mostly focused on hardware and software (see Figure 3) with minimal involvement in value-added opportunities such as IT-related consulting, customization of software, re-engineering of internal work process, or even adoption of higher-end software-based solutions such as human resource management systems, customer relations management systems, inventory, etc. Some of the medium-sized firms are beginning to move in this direction, especially those with overseas business linkages to partnerships.

According to IDC9, the IT sector in Albania totaled $106.18 million USD in sales in 2009 representing a 9.4 percent year-to-year decline in USD, from an exceptionally high base year in 2009. However, measured in local currency, the market grew by 2.3 percent in 2009 year-on-year. Estimates from IDC in its summary on Albania show that it was expected that spending levels on IT would rise by 6.1 percent in 2010 compared to 2009 levels. Over the five-year forecast period, the country is expected to expand at a compound annual growth rate (CAGR) of 6.9 percent to reach $148 million USD in 2014.

[7] Cullen International, March 2010, "Supply of services in monitoring regulatory and market developments for electronic communications and information society services in Enlargement Countries", Report III.
[8] USAID, Owen, D., Foote, D., Metzger, J., " Assessment for Social and Behavior Change Communication for Improved Transparency and Governance", May 2010
[9] IDC Analyze the future - http://www.idc.com/

Figure 3: Albania IT Market Structure



Source: IDC Albania IT Market Executive Summary, 2009

There are two associations representing IT companies in Albania: the Albanian IT Association (AITA) and the Albanian Software Cluster (ASC). AITA was created in 2007 and currently has 20 paying members. The association has faced the logistic and management challenges of start-up, and until January 2011 was understaffed. In January 2011, AITA received funding from the Norwegian Government through the Norwegian IT Association, Crimson Capital and STIKK (the Kosovo IT Association). This funding will serve as root money for AITA's organizational strengthening, covering salaries for a management team, office rent and operational expenses for two years. To date, AITA has focused on organizing a large number of national and regional B2Bs and networking events. It has also lobbied the relevant Government of Albania bodies on important infrastructure and legal issues it feels is hindering the development of the Albanian ICT sector. ASC was established with GIZ support in July 2010 solely to represent software companies. The association is registered as a non-profit organization and has organized trainings and other events with the assistance of GIZ to its members and other interested software companies. ASC includes the main universities involved ICT education and hopes to strengthen linkages between the private sector and the universities. Both associations can play an important role in expanding and strengthening the sector.

Rritje Albania's ICT Industry Strategy

The ICT sector development in Albania faces many challenges, but from the perspective of SMEs and businesses there are also many untapped opportunities. There is a large and growing latent demand to increase the utilization of ICT products and services by enterprises to catch-up with the level of usage commonly seen in European businesses. The Government has increased the demand by requiring online e-submission of tax and other reports it expects businesses to submit. Rritje Albania's approach to supporting the sector aims to capitalize on this latent demand by stimulating businesses to embrace ICT in their operations in order to expand their trade and investment activities, gain productivity improvements, and employ a higher skilled workforce.

To achieve the project's goals of increasing jobs and sales, Rritje Albania's strategy to support the ICT sector in Albania will concentrate on three main axes of intervention:

- Improve the competitiveness of ICT firms
  - Promote and support uptake of quality standards and certifications of ICT firms such as ITMark, CMMI, ISO and others
  - Establish and strengthen linkages between ICT companies through such local, regional and international events as B2Bs, trade fairs, regional meetings and conferences
  - Reinforce the connection between ICT companies and education /training institutions
  - Increase the soft skill and technical competencies of ICT firms' employees through training on such topics as project management, sales and marketing, software development and others

- Build key strategic partnerships at all sector levels
  - Collaborate with the various governmental bodies involved in the ICT sector
  - Support both ICT Associations (ASC and AITA) to promote the sector, improve the skills of the workforce, quality of products and networking opportunities
  - Collaborate and seek synergies with other donors and development agencies to leverage resources.

- Promote ICT products and services as a catalyst to improve the competitiveness of other industries with a special focus on Rritje Albania's target sectors
  - Expanded use of ICT Systems in administration, marketing, management and production

Year 3 ICT Sector Activities

During this year Rritje Albania aims to become a leading actor in the design of demand-driven solutions to foster the development of the ICT sector.

Following efforts of the previous year, the project is moving purposefully to support the creation of the ICT Training and Resource Center (ICT-TRC). This center is based on the Microsoft Innovation Centers' model and encompasses several activities. Overall it will act as a hub for all ICT related activities in the country that foster innovation, networking and entrepreneurship. This "hub" will bring together all major and minor players in the ICT industry to generate innovative products, trainings and initiatives. The center will offer state of the art training, technology, proof-of-concept, business incubator opportunities and host for technology demonstrations. Verbal commitments to support the ICT-TRC establishment with cash and/or in-kind donations have been made by: USAID/Rritje Albania, Government of Albania, Microsoft, CISCO, Hewlett-Packard, AlbTelekom, America Albania Development Foundation plus cell phone companies, private businesses, universities, IT associations and donors.

The ICT-TRC will be an umbrella-structure encompassing all three pillars of intervention planned for the ICT sector by assisting firms, fostering innovation and entrepreneurship and facilitating the establishment of strategic alliances that business form to realize the full potential of their investments in ICT.

Improve the competitiveness of ICT firms

Private sector utilization of ICT in Albania is in its early stages, with abundant room for expansion given the right conditions and supporting structures that encourage the development of products that can meet latent demand. Rritje Albania will support ICT companies to improve their internal processes to effectively promote their products and services in Albania and internationally. Also, the lack of ICT workforce technical knowledge and skill is an issue at the forefront of every discussion with ICT companies. Therefore, interventions at the company level will:

1. Catalyze and lead the establishment of the Albania ICT-TRC and help it to effectively operate at 100 percent capacity and meet the development needs of the ICT sector in Albania
2. Promote and support uptake of quality standards and certifications of ICT firms such as ITMark, CMMI, ISO and others, especially through the ICT-TRC
3. Increase the soft skill and technical competencies of ICT firms' employees through training on such topics as project management, sales and marketing, software development and others, also through the ICT-TRC
4. Establish and strengthen linkages between ICT companies through such local, regional and international events as B2Bs, trade fairs, regional meetings and conferences
5. Assist ICT companies to target and sell clients from sectors supported by Rritje Albania

6. Reinforce the connection between ICT companies and education and training institutions, including the utilization of internships and work-study programs

Build key strategic partnerships at all sector levels

The project will actively participate in sector meetings with government, associations, other development agencies and businesses in order to contribute to the establishment and maintenance of a proper, enabling environment for ICT development in Albania and the building of industry capacities. These efforts will be supplemented by the project work with the two ICT associations, which will add to their capacities to represent the interest of their members and the industry. Activities include:

1. Collaborate with the various governmental bodies involved in the ICT sector, including participation in the regularly-held MICTI donor stakeholder meetings chaired by the Minister
2. Support both IT Associations (ASC and AITA) to promote the sector, improve the skills of the workforce, quality of products and networking opportunities
3. Collaborate and seek synergies with other donors and development agencies to leverage resources
4. Organize industry specific activities like ICT industry conferences and fairs
5. Conduct an ICT skills inventory and gap analysis for the sector
6. Assist ICT universities and other education institutions to build career offices

Promote ICT products and services as a catalyst to improve the competitiveness of other industries with a special focus on Rritje Albania's target sectors

In order to help ICT companies sell their products and services to Albania businesses that are neither fully aware of their ICT needs nor know how to satisfy them, Rritje Albania will help to overcome the information asymmetries that are keeping supply and demand apart. Some of these "latent demand" areas the project will help stimulate are:

1. Expand use of ICT systems in administration, marketing, management and production
    - Raise awareness of management software packages
2. Collaborate with the ASC association and GIZ to conduct an ICT needs and usage assessments for the garment and footwear sectors, followed by B2B meetings between supply and demand

B2e. Recycling Industry

At first glance, recycling might not seem a high-growth industry. However, the most recent data from the industry[10], show that nationally there are several significant companies involved in recycling of plastic and paper and around 15-20 smaller formal and informal processors and collectors. Taken together, these companies indirectly employ an estimated 10,000-15,000 people, most of which are part of the low-income, highly vulnerable Roma ethnic group working in the collection and distribution of waste. The Roma are a subgroup of the Romani people who live primarily in Central and Eastern Europe and who trace their origins to India. The Romani are widely dispersed with their largest concentrated populations in Europe, especially Central and Eastern Europe.

An assessment made by IFC-PEPSE in 2006 quantified the relative composition of municipal solid waste in Albania (please see Table 1 below). For each of these waste materials, separate value chains have been developed for individual collectors, collecting companies, recycling processors, exporting companies and others.

[10] More recent data on recycling as industry or a value chain is not available.

Table 1: Estimates of Annual Solid Waste Production in Albania

	Population of Albania	Urban Population	Solid Waste	Metallic Scrap	Paper & Carton	Plastic	Glass
TOTAL (ton/year)	3,069,275	1,293,838	388,152	27,171	66,781	40,756	17,467
Sector Share (%)	100%	42%	100%	7%	17%	10.50%	4.50%

Albania has long had difficulty processing its solid waste, and vast amounts of recyclable plastic, paper, and cardboard are thrown away each year. If it were possible to expand the recycling industry in Albania, it could both improve environmental conditions and provide a platform for delivering support to minority communities overly represented in the trash collection and street-level recycling operations. The main weakness in all of the chains is the lack of sorting at the source, which results in a shortage of raw material to the recycling processing companies.

Rritje Albania has signed Client Growth Plans with two large recyclers, Everest IE, a producer and recycler of plastic film, and Edipack, a corrugated paper manufacturer and recycler of paper products. Both companies have the capacity and desire to process many more tons of recycled materials but are restrained by inadequate supply. Everest IE received project assistance in year one to hire and train a sales force and develop marketing plans. The company also participated in dialogue initiated by Rritje Albania and facilitated by the LGPA project to purchase sorted plastic waste in Korca as part of the municipality's efforts to reduce litter in the city.

Rritje Albania's Recycling Industry Strategy

The project's approach is to strengthen linkages in the paper and plastic value chains that use recyclable waste as raw material by focusing technical assistance on the larger and more consolidated recycling processing companies. These companies have made substantial investments in the last few years but their processing capacities remain underutilized. They are supplied with raw material from a network of small collectors of plastic and/or paper waste, collecting it from hundreds of individual Roma collectors. By providing technical assistance to the main recycling companies, results will be achieved in the whole value chain. The main tools to improve the linkages along the value chain will be through the development of public-private-partnerships and awareness-raising events.

Year 3 Recycling Industry Activities

1. Collaborate with the two key sector associations representing the recycling companies and Roma collectors, to increase the volume and quality of recyclable materials.
2. Identify garment/footwear companies generating waste materials and purchasing imported packaging materials and refer them to recycling/packaging companies
3. Invite recycling/packaging companies to B2Bs, conferences and other events to increase sales
4. Provide assistance to recycling companies to set up waste collection centers
5. Support efforts of collectors, associations and hotels to complete sorting at the source.
6. Work with other donors and partners to raise awareness on recycling

B3. Selection of Municipalities

During the proposal process, the technical team applied a list of criteria to identify initial municipalities to support through project activities. In cooperation with the USAID/Albania mission, ten municipalities were selected, half of which were also target municipalities of USAID's Local Governance Program in Albania (LGPA).

- LGPA municipalities: Shkoder, Kukes, Fier, Korce, Pogradec
- Non-LGPA municipalities: Vlore, Tirana, Elbasan, Durres, Gjirokaster

The municipalities of Berat, Lac, Lezha, and Saranda were added during year two implementation as firms operating in these municipalities had requested Rritje Albania's assistance. Both Lac and Berat are also control municipalities for the LGPA project. As a demand-driven project, Rritje Albania's activities in year two and the planned activities for Year 3 were guided by the needs and priorities observed among businesses in each location. When choosing to invest precious resources guided by location or priority sector, Rritje Albania has chosen to assist groups of companies from the key sectors. In the cases of Berat, which has a large number of garment/footwear companies, and Saranda, as a major center of the tourism sector, Rritje Albania has updated its plans to include roundtables and workshops in these cities alternating with their neighboring cities of Fier and Gjirokastra, which are in the project's original target list.

It was initially thought that the inclusion of both non-LGPA and LGPA municipalities would test the assumption that there would be a positive correlation between LGPA and Rritje Albania activities taking place in the same area. Although the two projects consulted frequently over the first year and explored synergistic opportunities, the inclusion of businesses assisted by Rritje Albania, which are larger than those targeted by LGPA in turnover and employment size, is likely to skew the results of the differential analysis. This is due in great measure to the fact that large companies are more affected by central government authorities, rules and regulations than those of local government, which are the target of the LGPA. Furthermore, the government is in the process of re-defining the size brackets for micro, small, medium and large (locally known as VIP) enterprises. This will not only affect the control and impact of working at the municipality-level, but also change the utility of municipality-disaggregated data collection and analysis as a tool to measure differential impact.

The Rritje Albania team will continue to focus on the dynamic potential of firms and industries and undertake a thorough review of requests for assistance when determining which firms to work with. Once the decision is taken to work with a firm, all data collected at the enterprise and activity-level will be disaggregated by municipality, and secondary data will be tabulated from relevant authorities at the municipality and central levels.

C. ACTIVITIES

C1. Binding Problems Specific to Individual Businesses

Building on the approach tested in year one and two, Rritje Albania's advisors will focus not only on assessing, designing, and delivering enterprise-focused assistance but also identifying industry-level solutions that can reach and support many companies at once. Each business advisor, two are assigned to the tourism and ICT sectors, and two are assigned to all other industries, will support enterprises selected in year one and two to implement the strategies, action plans and recommendations of short-term technical assistance experts. Best practices and successful initiatives from implementation to date will be replicated and scaled up. In year three, the project will roll out to more businesses the productivity toolkit, sales and marketing toolkit and hospitality toolkit. Whenever possible, the toolkits will be placed in local experts' hands through training-of-trainers to improve their capacity to deliver business advisory services at the individual firm level.

C2. From Firm-level to Industry-Level Solutions

Given the potential for higher returns on project investment and a need to address constraints that appear at the meso or macro levels of an industry, Rritje Albania has designed and delivered solutions

that address the needs of multiple enterprises. These initiatives, such as the development of toolkits, industry websites, public-private-partnership working groups, draft laws and regulations, and others, are tailored to meet common needs of companies operating in each sector.

Rritje Albania interventions address three main technical component areas: Trade and Investment Capacity, Private Enterprise Productivity and Workforce Development. In several cases, interventions are comprised of activities/ inputs from more than one project intermediate result area. When overlap between two project components occurs, the narrative refers to the other sections that describe the same activity.

C2a. Trade and Investment Capacity Strengthened (PIR1)

One of the key constraints to growth for Albanian enterprises is limited access to new export markets and the predominance of fasson manufacturers producing goods under contract for export. The production of partially-finished products mandates the involvement of final processing in another country and the engagement of sales/distribution agents to complete deals.

Most Albanian companies in the dominant industries of garment/apparel and footwear were established in cooperation with Italian companies and have continued to produce for markets in Italy. Furthermore, despite an eye-catching promotional campaign with the slogans ***Albania – A New Mediterranean Love*** and ***Albania – Yours to Discover*** the country remains an under-explored destination for tourists and relatively small recipient of foreign direct investment. Nonetheless, a growing number of enterprises produce increasing quantities of products and services, capitalizing on Albania's proximity to the EU markets. To that end, Rritje Albania will support Albanian companies' efforts to sell internationally, with special attention to European markets. This goal will be achieved through a combination of seven initiatives, each contributing to one of the three key results areas of the Trade and Investment Capacity Strengthened as shown in the box below:

Year 3 Trade and Investment Initiatives

1. Trade Fair Support Program for International and Albanian events, conferences and expositions;
2. B2B meetings (thematic, local and national, non-trade fair events);
3. Explore and access new markets for Albanian products and services;
4. Improve quality of Albanian goods through international standards and certification programs;
5. Promote the use of ICT to improve products, services and increase numbers of buyers;
6. Increase access to financial services.

Trade Fair Support Program

In January-March 2011, the project identified a short-list of appropriate international trade fairs for the garment, footwear, ICT, and tourism industries. In the months preceding future trade fairs, Rritje Albania will collaborate with partners to match firm profiles and interest with the appropriate fairs. Initial interest will be sparked through the development and dissemination of a set of one-page trade fair profiles for each sector. The events will also be listed on garment, footwear and tourism industry web sites. Rritje Albania will help companies select the most appropriate fair based on their manufacturing capacity, product range, target market, and ability to service the buyer once the sale is made.

In addition to international fairs, Rritje Albania will support businesses to participate and professionally present themselves in "reverse" trade fairs and industry conferences that will be organized with key partners in each sector.

However, simply attending fairs is ineffective without proper preparation and follow-up. Building on "lessons-learned" from the CIFF 2010 garment fair in Copenhagen in 2010, the project has helped more than 20 companies to develop their corporate identity and marketing materials. Taken together, this assistance forms the basis of an integrated Trade Fair Support Program that includes a combination of elements based on the needs of each company that includes:

- Design and development of a corporate identity package (logo, brochure, website) with training to best use these materials, research potential buyers and identify target markets;
- Prepare additional materials including, but not limited to, product samples, cost sheets, company profiles and folders;
- Provide training on sales, marketing and presentation skills;
- Post-trade follow-up support to send timely and professional communications and responses to requests for information, samples and prices;
- Organization of plant tours by visiting prospective buyers.

In order to expand the reach of the Trade Fair Support Program, Rritje Albania will establish a cadre of local sales and marketing consultants that can provide part-time mentoring support to companies. The local consultants will undergo a rigorous selection process, training-of-trainers (ToT), and will be equipped with a full package of *how-to* materials (toolkit) that build on Rritje Albania's experience. During the first six months (April-September 2011), an expatriate consultant will train and mentor the local consultants so that they can acquire the knowledge and skills to provide support during the second part of year three and beyond.

The table below lists the trade fairs, conferences and major industry events identified to hold potential interest for firms operating in four target sectors for the period 2011 – 2012:

Table 2: List of Trade Fairs, Conferences and Major Industry Events in 2011-2012

Sector	Trade Fair Name	City, Country	April-Sep2011	Oct 2011-March 2012
Tourism	TREAlbExpo	Tirana, Albania	14-16 April	
	World Travel Market	London, U.K.		7-9 November
	Philoxenia Travel Fair	Thessaloniki, Greece		November 2011 (TBD)
	BIT Milan Fair	Milan, Italy		February 2012 (TBD)
	ITB Travel Fair	Berlin, Germany		7-11 March 2012
Garment	Moda Prima Fair	Milan, Italy	21-23 May	
	Texprocess	Frankfurt, Germany	24-27 May	
	Texpo Eurasia	Istanbul, Turkey	28-31 May	
	CPD	Dusseldorf, Germany	24-27 July	
	FATEX	Paris, France	4-6 September	
Garment/ Footwear	InterTex	Milan, Italy		27-30 March 2012
	Garment/ Footwear National Conference	Tirana, Albania		October 2011
	Technology Sourcing Fair	TBD	TBD	TBD
Footwear	Riva del Garda	Riva del Garda, Italy	18-21 June 2011	

Sector	Trade Fair Name	City, Country	April-Sep2011	Oct 2011-March 2012
	GDS	Dusseldorf, Germany		March 2012 (TBD)
ICT	National ICT Conference	Tirana, Albania		October 2011
	CEBIT	Hannover, Germany		6-10 March 2012

Once again, the project has not pre-selected firms and targeted any of these fairs to be attended as part of this work plan. Rather, Rritje Albania will respond to client interest and demand to attend fairs of their own choosing and then provide assistance to make the best of their participation.

B2B Meetings (non-trade fair)

Business-to-business meetings are one of the most effective methods for establishing connections and building sales relationships between firms. Every trade fair, conference, and exhibition supported by the project will include opportunities for pre-scheduled B2B meetings. In addition, the project's contacts with foreign embassies and commercial officers operating in Albania that were initiated in Year 2 are expected to lead to opportunities to schedule B2B meetings with visiting trade delegations. Building on the models of the ICT needs assessment and B2B meetings in tourism organized by the Albanian Software Cluster with GIZ funding in 2010, the project will cooperate with partners to conduct a similar ICT needs assessment and ensuing B2B meetings for the garment and later, the footwear sectors.

In addition to replicating and expanding the reach of B2B meetings to date, Rritje Albania's non-trade fair B2B meetings in Year 3 will:

- Involve industry associations from the planning stage and build their capacity to organize, pre-schedule B2B meetings and help companies prepare and follow-up;
- Explore the possibility of web-based B2B meetings between Albanian companies and foreign buyers and agents.

Rritje Albania will assist partners and associations to provide a training program for B2B meetings that will: i) provide mentoring tailored to the needs of participants; ii) assist in the preparation of company profiles, publicity materials and other supporting documents, and iii) hone the participants' presentation skills. To facilitate the organization and scheduling of the B2Bs, Rritje Albania will rely extensively on the internet and web-based applications to advertise and schedule meetings. In the process, participants will improve their capacity to use ICT tools for trade-related activities. The major B2B meetings scheduled for this year can be found in the Implementation Schedule in Annex 1.

Explore and access new markets for Albanian products and services

One of the major constraints to increasing sales at Albanian firms is a passive product development cycle. In Year 3, Rritje Albania will help interested businesses to develop new products and services that meet market demand in tourism, garment and footwear, allowing companies to increase market share in existing markets and penetrate new markets.

A number of garment and footwear clients are developing, or intend to develop, products to sell into the domestic and regional markets. Industry experts have suggested that doing this successfully helps firms to gain valuable experience in a less competitive market while capturing higher value-added sales and improving their competitiveness.

Improve quality of Albanian goods through international standards and certification

Compliance with international standards is increasingly part of buyers' demands. However, few Albanian companies have undergone ISO certification or rigorously adhere to other well-known industrial standards. For the most part, meeting minimal standards for export has been the goal. However, this is unlikely to be enough. Rritje Albania is ready to respond to clients' requests for assistance to meet certification standards; although in the garment, footwear, recycling, and ICT sector we have yet to be asked.

In Year 3, the project will continue to support two international standards programs: Authentic Albania Quality Mark (AAQM) and Project Management Professionals (PMP). In addition to these two programs, which are explained in more detail under the tourism industry initiatives in Section C2c and the workforce development in Section D2c. also in Year 3, Rritje Albania anticipates supporting garment and footwear companies that already have ISO certification and request support to improve their compliance. In such cases, the project will seek co-financing for the activity from the firm to demonstrate their commitment as well leveraged funding from other donor projects, such as the EBRD-BAS program.

At the time this work plan is being submitted, the project is reviewing requests from two ICT firms, Infosoft Software Solutions and DM Consulting to help them to obtain higher levels of ITMark and CMMI certification. The Capability Maturity Model Integration (CMMI®) is an integrated model for systems and software engineering process improvement, integrated product and process development improvement and supplier sourcing. IT Mark is a new quality seal based on CMMI, which was launched due to the general perception among IT SMEs that the Quality models (CMM, CMMI®, SPICE, etc.) existing in the sector are designed for large organizations, and are not properly adapted to SMEs. If the two Albanian firms requesting assistance are prepared to meet co-pay requirements, Rritje Albania will likely engage ESI of Bulgaria to carry out this work as they have already received the IT Mark certification (basic level) from ESI in 2009.

Use of ICT for trade-related activities

In addition to using internet and web-based applications to research, prepare, and participate in trade fairs and B2B meetings, Rritje Albania will help Albanian businesses to design, populate and maintain industry portals and company websites to support their access to new markets. This will be accomplished through the use of external consultants and firms as well as through mentoring by Rritje Albania staff.

Industry ICT Usage and Needs Assessments and related activities. The level of usage of ICT in different industries in Albania varies. A recent study by the ASC and GIZ concluded that usage of ICT products and services in the tourism industry was very low compared to Germany. The study drew attention to the fact that companies are not exploiting the potential of ICT to improve their business and a B2B event was organized to increase awareness and stimulate sales. In Year 3, similar assessments of ICT needs and usage will be conducted for the garment and footwear sectors, in collaboration with GIZ and followed by dissemination events and B2B meetings.

Moreover, in the coming year the project will assist ICT companies to look into creative ways to identify cost-effective, investment-return models to come up with sector-specific ICT solutions. In the tourism sector, a review on the usage of hospitality software is planned using the GIZ assessment of ICT needs while carrying out Authentic Albania Quality Mark assessments. Rritje Albania is also making sure that businesses are aware of the project's grant facility designed to facilitate the implementation of new technologies to increase firm competitiveness.

Enhance use of ICT for productivity management. Last year, through the systematic application of the project's Productivity Enhancement Program (PEP), a productivity expert employed by Rritje Albania helped more than 20 firms to increase their usage of management information systems (MIS) to improve productivity. In order to simplify the key performance indicator (KPI) data analysis, the project will look into the possibilities of developing computer software for this purpose.

Study tours of successful regional models of increased use of ICT. Prior to opening the Albania ICT-TRC, a study tour is planned to visit the Microsoft Innovation Center of Croatia in March or April 2011 with the likelihood of visiting a second in Year 3.

Another study tour under consideration is a visit to the USAID-funded Macedonia e-biz centers (http://macedonia.usaid.gov/en/sectors/economic/ebiz.html). The e-biz centers are meant to stimulate employment in Macedonia by helping SMEs adopt high-impact ICT applications that improve competitiveness. The e-BIZ centers offer SMEs the following help: CAD/CAM-based services for garment, footwear and machine tool companies, e-commerce services for the tourism and garment/apparel sector and management training services. Rritje Albania will identify clients that could most benefit from this study tour with the aim to identify elements and activities that can be employed in Albania.

Improve access to financial services

With internal resources, Rritje Albania undertook a study in Year 1 on the available sources and type of SME financing in Albania and concluded that most businesses are not aware of the variety of financial products that are available. To overcome this information asymmetry, the Trade and Investment Advisor summarized the findings in a set of documents that was distributed at six regional events involving banks and leasing companies, which presented their services to interested businesses. In Year 3, Rritje Albania will develop a second series of informational training events focused on factoring and delivered by a new Albanian company recently licensed to offer this product in Albania.

Factoring is a multifaceted product for companies engaged in international or domestic trade that combines both finance and services. It converts accounts receivable into cash, thereby facilitating the liquidity needs of a company. The use of factoring is present in over sixty countries and supports over 750 billion Euros of world annual trade; it was originally developed to help textile companies finance their operations when other sources of finance were not readily available.

In addition, to holding the factoring training events followed by B2B meetings, the project will develop an informative package of Access to Finance (A2F) one-page guides explaining different financial services and products such as: leasing, factoring, equity finance and invoice discounting and disseminate this information at roundtables and other events.

Also, Rritje Albania is working closely with the new USAID regional project, Partners for Financial Stability (PFS), to help maximize the benefit to Albanian businesses from this project. At the time this work plan was being developed, Rritje Albania identified two areas of collaboration with PFS: regional B2B meetings with potential investors in June 2011 and collaboration to access a network of financial services consultants operating in Albania and the region.

C2b. Enterprise Productivity Increased (PIR2)

In the heightened competition of global markets and reduced sales and profits following the recession of 2009, the need to increase productivity in order to cut costs and improve profitability became paramount. Furthermore, as overall consumption dropped, garment and footwear firms moved towards a wider variety of styles and smaller order sizes. Adding to this were increases in fuel and hence transportation costs from Asian suppliers and the disruption of supply from the many textile and footwear companies located in the Middle East, especially Egypt and Tunisia.

Against this backdrop, Albanian manufacturers are well-positioned to benefit from the trend to smaller order sizes and the need for rapid turn-around times due to its nearness to the EU market and its relatively low labor cost. However, while its geographic position will not change, its low labor

costs will not last forever. And, looking at Albania's overall price competitiveness the majority of its garment and footwear companies suffer from low productivity efficiencies and in many cases dependence on low-margin, low-end garment and footwear products. In addition, Albania's pre-dominate model of fasson manufacturing means these firms are missing out on the higher value-added processes of full-cycle garment production and full-build footwear.

In the first two years of the project, expert consultants hired by Rritje Albania confirmed the need for Albanian businesses to improve marketing efficiency, production planning and quality control, reduce waste and improve operating times. Other deficiencies were noted in record keeping, costing, managerial accounting and finance. In the case of tourism, the next frontier to improve productivity is the adoption and application of web 2.0 components for marketing and management described in more detail in the tourism sector summary and the workforce development component.

In addition to benefiting from short-term technical assistance (STTA) consultants, firms may solve productivity constraints by applying for a Rritje Albania innovation and technology grant. Among other things, grants can be used to purchase equipment, computer hardware or software, develop new or improved products or support the cost of training, including the use of hiring production specialists brought in for one to three months to provide hands-on training in the factory or company premises.

Besides delivering customized assistance that address the limitations listed above, Rritje Albania will design and deliver multi-client solutions such as business toolkits and industry-level programs described below.

Improve use of technology and ICT

The main areas of work in improving access to technology, especially internet and computer-enhanced technology next year will be:

- E-commerce training for tourism businesses based on needs identified in various sub-groups of the value chain, in particular the design and implementation of web 2.0 components is foreseen;
- Finalization of industry umbrella web sites and the addition of B2B functionality and other new web-based components to engage website users to share, upload and obtain information. The development and launch of these components will be promoted through events that equip users with the skills and knowledge needed to make the best of these web-based technologies;

Productivity Enhancement Program (PEP), firm-level KPI system

After introducing PEP last year, over 70 companies received training on Key Performance Indicators (KPIs) and more than 20 received firm-level visits and assistance from technical experts by February 2011. In Year 3, Rritje will continue to support new garment and footwear clients to adopt the KPI methodology and continue to monitor the others already implementing the system. The successful partnership with the Polytechnic University of Tirana will continue as professors from the Department of Textile Engineering and other local consultants will help companies implement PEP. The stepwise approach laid out in the table below clarifies how the project intends to expand its outreach next year. Each of the five stages refers to the level of integration of the KPI system into a firm's operating practices.

Table 3: Productivity Enhancement Program Progress by Stage in Year 2 and Year 3

PEP-KPIs stage	Year 2 Companies completing or at each stage	Target Year 3 Companies (cumulative)
Stage 1 – Productivity Audit	22	40
Stage 2 – New Management Practices and Technology Used	19	40

Stage 3 – Productivity Baseline Determined and Improved MIS	16	30
Stage 4 – Accuracy of MIS improved, Targets determined for productivity and quality	11	30
Stage 5 – Productivity KPIs integrated into management routine	5	28

Rritje Albania will increase its support to garment and footwear clients to improve production line balancing and workplace efficiencies. This may include such things as shortening sewing lines to increase flexibility, improving workplace ergonomics and completing worker skill inventories to create a multi-skilled workforce. Information and skills gained from the firm-level PEP will enable each company's management to make better decisions leading to lower production costs and hence improved competitiveness. Weekly KPI reports will continue to be collected from clients and monitored by Rritje Albania and local productivity consultants will provide on-going support to firms with long-distance coaching from the international productivity expert.

PEP cost methodology and quality control systems

In addition to the KPI system, Rritje Albania will use foreign STTA to continue to support garment and footwear companies to improve existing quality control systems thereby lowering production costs. Quality systems will include the "7 Zero Quality System" introduced for the first time by the foreign expert consultant during his last assignment in Albania. Also, a series of workshops focusing on quality management is expected to be held in cooperation with the EU SME Development Project.

Increase vertical expansion in garment/ footwear value chain

Many of the initiatives discussed here contribute to both key result areas of the productivity PIR, as Albanian companies require significant improvements and upgrades in their technology and management systems to help them expand vertically in the value chain and offer higher value-added products and services.

Introduce new technologies in garment companies

In response to claims by Albanian managers that they would be more productive if only they had access to newer and more modern machinery, productivity expert, John Haycock, told clients at his workshops last year: "A new pair of soccer boots does not alone make a great football player. Eighty percent of low productivity is due to management, not equipment."

Given the concentration of responsibility at the Executive Director/owner level and the relatively low utilization of advanced management practices in Albanian businesses, Rritje Albania focused on exposing firms to PEP and its system of KPI data collection, analysis and improved decision making. However, in Year 3 we plan to consolidate the PEP management systems at businesses that employ them and add to this a second package of support (PEP-2) that aims to improve access to more advanced production technology.

As part of the integrated PEP-2, Rritje Albania will survey garment and footwear companies that are planning to upgrade their equipment to include automatic cutting, embroidery machines, and other capital assets that enhance productivity and add value to manufacturing capacities. Based on this initial survey, Rritje will also identify technology centers, equipment suppliers and equipment trade fairs where companies can source this equipment. The goal will be to help companies satisfy their needs by identifying sources of appropriate solutions.

Other activities envisioned for Year 3 include site visits to Albanian firms with advanced cutting equipment as well as the Polytechnic Department at the University of Tirana and the E-Center textile demonstration and training facility in Macedonia. The project will explore the feasibility of linking

firms or locations with available CAD/CAM automated cutters and plotters to firms that could lease time on those machines so that they can offer greater vertical production integration to their buyers. The project could also arrange specialized training on new technology equipment according to demand.

PEP Toolkit

Rritje Albania is in the process of developing a PEP-1 Toolkit that will include training materials, handouts and forms that were presented in the 14 PEP workshops delivered last year by the productivity expert John Haycock. The toolkit covers topics such as KPIs methodology for measuring productivity, quality systems, industrial engineering and costing and it is being developed in a CD-ROM format. The toolkit will enable Albanian production management staff to adjust production data-capturing forms to the firm's operating procedures and to use them for internal management purposes. The toolkit will be delivered to all companies that attended the workshops and will be applied by the local experts that deliver firm-level assistance. In addition, the toolkit will be launched through the Garment and Footwear Industry Chamber[11] who will promote it to its member companies. Therefore it is expected that the toolkit will become a resource for the whole garment and footwear industry. A group of local consultants, university professors and association representatives will be trained to provide support to companies that are interesting in adapting and adopting the system in their operations.

Identify technology needs of footwear companies

Rritje Albania will poll client footwear companies to gauge their interest to invest in new technology. Based on the findings, interested companies will be invited to attend relevant study tours, trade fairs and training sessions on up-to-date technologies. The project has heard from several footwear companies that intend to apply for project grants in order to access updated technologies.

Improving Management Practices Initiatives

Authentic Albania Quality Mark (PIR1)
- Assessment process focusing on continuous management improvement
- Management practices and skills of assessors and ATA improved

Trade Fair Support Program (PIR1)
- Sales and marketing materials and skills developed for participating companies
- B2B meeting preparation, training, and mentoring

Project Management Professionals Training (PIR3)
- Best practices shared through networking events
- Training and certification to enhance management-level human resources

In Year 3 Rritje Albania will apply the lessons it learned in its work with garment companies to footwear companies, including improvements in marketing and sales capacities and utilization of MIS to improve mid and upper-level management performance. The study of the utilization of ICT by footwear companies will help identify areas of need.

Improve management and operational systems and practices

The initiatives in the box below are described in more detail in other sections of this work plan and the results from these initiatives contribute to the on-going improvement of management systems and practices.

The following sections describe activities not covered elsewhere:

[11] Although there are currently two associations, the Chamber of Garment and Footwear Manufacturers and the National Chamber of Fasson Producers, they are in the process of merging into one unified organization. Until the merger is complete, Rritje Albania is cooperating with both chambers and is supporting the unification process.

- Improve productivity management systems and practices, including costing methodology
- Improve capacity to source raw materials internationally
- Increase usage of Albanian-sourced raw materials (dies, leather, packaging, etc.)

Productivity management systems

It has been seen that few garment and footwear companies make extensive use of locally produced software to manage information and measure productivity, using it mainly to measure output and for payment purposes. Rritje will conduct a review of the locally available software and work with software developers to modify/enhance existing software to record KPI data and automatically analyze it and generate reports. This will help companies to make fewer data transcription errors and make management information readily available to enhance decision-making. With many users the software should be available at an attractive price, without subsidy.

Improve capacity to source raw materials in garment/footwear

The sourcing of raw materials requires high-level management ability to identify, procure at the right price, certify the quality of materials received and manage inventory levels and reorder points. It also dramatically increases a company's cash flow requirements and risk due to changing fashion and market prices of raw material. In Year 3, Rritje Albania will support companies in its target industries that want to move to full-package production and must build their competencies in these areas.

To quantify the current and potential market demand, the project will compile a listing of garment and footwear companies that already purchase raw materials. Parallel to this work, information on potential sources of raw materials and key trade fairs that should be attended by the companies will be developed and shared with interested companies.

Rritje Albania will also collaborate with the Polytechnic University of Tirana to enable companies to use its raw materials testing facilities. The Textile Department of the Polytechnic University of Tirana operates the only laboratory accredited in the country for testing the quality of fabrics and leather. The laboratory is capable of completing 40 types of tests. As most companies produce on contract manufacturing and receive raw materials and accessories from buyers, they are not aware of the facility. Rritje Albania and the University will organize an open house at the University and conduct training workshops for garment and footwear companies.

Increase sales of Albanian-sourced raw materials

Rritje has identified sources of raw materials produced in the country including producers of footwear dies in Lezha and leather in Korca. In the coming year, the project will consider supporting these producers to improve their product quality and facilitate commercial linkages between them and footwear companies.

Following the successful linkage between the paper packaging producer, Edipack, and two footwear clients, the project will help link this firm with other buyers. And, as noted in the recycling section, the project will promote the sorting at source of paper and plastic waste to increase the supply of raw material to the recycling processing companies.

C2c. Workforce Development Improved (PIR3)

In its third year, Rritje Albania will build on its prior experience and focus on two categories of workforce assistance: reducing the gap between workforce supply and demand and promoting competency-based training within companies. This will be primarily carried out through the following activities:

- Training programs on international certifications
- Training of Trainers and toolkit roll-outs
- Bridging the workforce gap
- Establishing the ICT Training and Resource Center (ICT-TRC)

The following sections cover each of the above activity groups in detail. In implementing these initiatives, the project will seek and leverage the involvement of local partners: associations, consultants, universities and government institutions to promote a wide reach and sustainability.

Training programs on international certification

A deficit of knowledgeable and skilled workforce in Albania is seen across all sectors and levels of workers. One of the ways to ensure that potential employees have the skills they claim is through internationally recognized certification programs. Certifications can provide a guarantee to the employer and a passport to the job market for the employee. Many certification programs are developed by vendors selling to the sector and equip the trainee with the exact skills required in a particular industry and/or market. Fueled by demand from companies and aiming to direct the development of workforce towards where the market will be in the future, the project this year will focus on three certification initiatives: (i) Project Management Professional (PMP) (ii) ICT certifications and (iii) various tourism sector certifications.

PMP essentials training and certification

The Project Management Professionals (PMP) and Certified Associate in Project Management (CAPM) programs are two professional certifications issued by the Project Management Institute (PMI) in America. In collaboration with the Albanian IT Association (AITA) in year two, 45 professionals were trained in project management skills. The project is following their progress and needs while they continue with online training and eventually sit for exams. The project is also assisting AITA to create a network of PM professionals and eventually a PMP Chapter in Albania. This will be done through meetings, study groups and networking activities organized every 2-3 months. On an alternating basis, Rritje Albania and AITA will prepare informational materials on test dates, topics for future study and test preparation support for those interested in taking the certification exams.

ICT certification initiative

IT companies in particular have expressed a high interest in a certified workforce in order to improve their software, systems and other management processes. In order to target the market properly the project will conduct an ICT Skills Inventory and Gap Analyses to identify professional ICT training needs in Albania. The project will then work with the ICT-TRC, local trainers and other educational institutions to schedule and help market appropriate demand-led training.

Certification initiatives in the tourism industry

In order to satisfy the increasing number of tourists visiting Albania, businesses will need to offer consistent quality products that conform to international standards, especially recent trends in *green*

tourism. Some of the training topics requested by project partners that may be offered in Year 3 as Training of Trainers sessions include:

- Certified Hospitality Trainer (CHT) Program from American Hotel & Lodging Educational Institute
- Tourist Guide Certifications
  - Developed and delivered through the National Albanian Tourist Guide Association (NATGA)
  - Training for outdoor activity guides with the National Outdoor Leadership School http://www.nols.edu
- Dive Master training based on international diving certification programs of Professional Association of Diving Instructors (PADI) or National Association of Underwater Instructors (NAUI)

As explained in the tourism and new product development section of PIR1 – Trade and Investment, the establishment, training and certification of a core group of Master Divers is the first step towards offering cultural and sport diving in Albania. The interest in being among the first to explore Albania's rich underwater sites is high, as evidenced by a recent front cover story in the US-based Archeology Magazine http://www.archaeology.org/0907/underwater/albania.html

ToT Programs

In order to cost effectively reach a larger number of trainees, the project will, as much as possible, deliver its workforce development and training programs using the Training of Trainers (TOT) methodology. Most of the TOT initiatives are listed in the adjacent box and described in detail below and in other sections of this work plan.

Year 3 Training of Trainers (TOT) Initiatives

- Certified Tourist Guide training from AHLA-EI
- First-ever Certified Tourist Guide programs and training through NATGA
- TOT to Roll Out Toolkits
  - Productivity toolkit for local productivity consultants, associations, university professors and local business service providers (BSP);
  - Sales and Marketing toolkit for a pre-screened group of local consulants;
  - Hospitality Toolkit implemented through the AAQM Assessors;
  - E-commerce for tourism businesses;
  - HRM toolkit for local BSPs

ToT on Rritje Albania toolkits

The project has initiated the development of a number of toolkits to capture the essence of training led by short-term consultants hired by the project. While the toolkit topics differ, their development and usage is similar:

- The toolkits stem from the work of short term consultants that provided firm-level assistance to clients and/or led multi-client training workshops;
- Linked training topics are combined into a package of materials that include presentations and practical tools to apply the lessons in the workplace;
- A group of local consultants are trained and/or mentored in the contents of the toolkit and how to use it;
- The local consultants employ the toolkits bringing the material to clients through classroom training and/or firm-level visits;
- The project together with partners monitor the use of the toolkits;
- Wherever possible, the project will introduce and make available the toolkits to universities or other training organizations for use in the classroom to enhance existing curricula.

Develop a multi-skilled manufacturing workforce

Across all sectors and industries in Albania, graduates coming out of educational institutions frequently lack the full set of skills required by the job market. This gap negatively affects companies as well as graduates as time and money is needed to train these new employees. Bridging this gap between supply and demand is a priority under the project's workforce development component.

Review models (regional, international) on workforce development for garment/ footwear companies. One problem at garment and footwear companies is the high turnover rate and investment required to hire and train new employees to a minimum level of proficiency. Many garment and footwear line employees are female, working only when necessary, and due to low wages and family demands, are prone to quitting. The project will work with experts and clients to help improve the initial selection, training and incentive plan to try and increase labor retention rates.

Encourage skill inventories of garment and footwear employees. In order to build flexible production lines able to respond to shifting products and frequent line style changes, international experts recommend the development of a multi-skilled workforce able to operate a variety of machines and product manufacture. These experts recommend that this multi-skilled workforce be developed by integrating training programs at the workplace in each company. The first step is to establish a baseline of current worker skill levels. Identifying workers with skills most available and those having skills in short supply will help line managers to reassign workers when employees depart or new products are introduced. A training skills inventory tool introduced at the PEP workshops will be included in the PEP-1 toolkit. Local consultants will be trained to help line managers conduct skills inventories using this tool.

Improve the skills of the Albanian ICT workforce. As described earlier, the project will have access to an ICT needs and usage assessment for tourism, garment and footwear. Using this information, ICT companies and the project will be able to target appropriate training needed to effectively use ICT at firms.

Promote an increase in the number and effectiveness of internships. One of the ways to bridge the gap between supply and demand in the labor market is to improve the link between training institutions and businesses and an effective way to do this is through internships. For this reason, the project has developed the "Creating Effective Internships Guidelines" geared towards the three parties responsible for the creation of a successful internship: the education/training institutions, the host organization and business and the intern. The guidelines will be disseminated to education/ training institutions, companies, organizations and related donor projects.

Rritje Albania will assist the Polytechnic University of Tirana to use the Internships Guidelines and also help train a Career Coordinator/ Career Counselor at the Department of Textile and Fashion. The project will work with companies and the University to improve the flow of information between them so as to better respond to the needs of the market.

Research challenges with job placements and opportunities for tourism students.
Many tourism businesses report difficulties to find appropriately trained staff, while students graduating from tourism schools face hurdles to find jobs. In order to better understand and minimize these challenges, the project will mobilize students in the tourism sector to collect information on the demand-supply gap in Albania's tourism industry. The process will involve:

- Develop a questionnaire together with tourism students as part of thesis/ coursework;
- Survey students, finalize report then disseminate it to stakeholders;
- Describe an action plan with stakeholders to bridge the gap;
- Strengthen linkages between universities and tourism businesses.

ICT Career Fair and follow up activities. In order to bring ICT graduates and students closer to potential employers the project will organize an ICT Career Fair, which will bring together ICT companies, students, graduates and professionals.

Support the establishment of the ICT Training and Resource Center. The establishment of a functioning and sustainable ICT-TRC Center will have an enormous impact on the development of human capital in the field of ICT. The center will be a hub connecting the largest and small start-up businesses and everything in between as well as universities, researchers and multinational software, hardware and communication companies. The center will provide access to the latest technology from different vendors and the opportunity to get training on subjects that have not been commercialized yet, through state of the art training programs developed by a mix of international and local trainers. The center will also serve as an incubator for new businesses and professional gathering point for entrepreneurs.

At the time this work plan is being written, the project is completing a business plan for the ICT-TRC with the assistance of an international expert. If all goes according to plan, the center will be operating in the second half of Year 3.

D. RESULTS-BASED PLANNING AND MANAGEMENT

D1. Planning, Monitoring and Evaluation

In order to plan and manage for results, the process of Monitoring and Evaluation is consistently integrated into all facets of implementing Rritje Albania. A web-based database has been set up to record, manage, analyze and share the considerable volume of qualitative and quantitative information collected through various project activities. In project Year 3, as in years one and two, the regular collection, analysis and review of results contribute to:

- **Best Practices** – Identify and replicate successful approaches to improve the performance and effectiveness of specific activities;
- **Lessons Learned** – Document results of interventions and revise the approach as needed, plan new objectives, results packages and activities based on results. This also includes management on whether to abandon under-performing activities, strategies or objectives;
- **Reporting and Communications** – Document and report findings on the impact of assistance for internal and external purposes.

The first year of implementation focused on collecting and analyzing baseline information at the firm-level from non-agricultural enterprises and secondary-level data at the industry-level for the five key industries Rritje Albania focuses on. Year 2 focused on improving the quality and timeliness of the data collected from each company, as well as the processes through which they were collected, verified and analyzed. In Year 3, the focus will be to solidify these internal processes and procedures and maintain a disciplined flow of information from an ever-increasing number of companies.

A second focus for Year 3 will be to explore methods to include the effects and results of industry-level initiatives. The set of indicators described in the project contract,[12] measure firm-level changes such as: sales, jobs, improvements made at the firm-level, participating firms, and people trained. In the next year, Rritje Albania will continue to report on these indicators and when possible, identify causal models that link industry-level initiatives to firm-level results. In cases when this is not possible, the project will capture the qualitative changes achieved through the industry-level initiatives in project reports, success stories, press releases, and other communications materials.

[12] As the P-BMP details, the project indicators were revised in January 2011. The main purpose of the revision was to match contract report timing with USAID's FY. As a result, the revised indicators of the project continue to measure change at the firm, not industry level.

In addition to the on-going and quarterly analysis conducted to review progress, develop reports and communicate success stories, Rritje Albania uses information from the field to plan and adjust activities to exploit opportunities and respond to demand. An internal mid-term review in October 2010 plus a series of planning sessions held in December-January 2011 provided the project with a solid foundation to build upon during the work planning session held at the end of January 2011.

Rritje Albania's monitoring and evaluation function answers the following questions:

- **For the Rritje Albania team** – How is our program doing? What activities can be modified to strengthen the overall impact of the program? How can we prioritize resources to improve our performance?
- **For Rritje Albania-supported enterprises** – How well are we supporting target enterprises and sectors to grow and become more competitive? What should be our priority initiatives and interventions to maximize our performance?
- **For USAID** – Is Rritje Albania achieving its goals and objectives? What are the measurable results of the project? Can the project's performance be improved?

Performance-Based Monitoring System

The monitoring and evaluation system comprises several components that are explained in more detail in the Performance-Based Monitoring Plan in Annex III. In addition to including the targets for the period, the PBMP is the overarching framework that ties together the following elements to ensure results-based management:

- Baseline data from CGPs, Authentic Albania Quality Mark Applicants;
- Enterprise Quarterly Reports: sales, jobs, and qualitative improvements/ changes;
- Event Reports: participant lists, pre-workshop questionnaires, evaluation forms, B2B meetings forms;
- STTA reports on industry-level and multi-client initiatives.

Data collected and analyzed through these tools is included in quarterly and annual reports and used to adapt planning and management accordingly. Given the volume of activities and work implemented, the project can and will use the web-based database to review progress towards indicators on a monthly basis.

D2. Administration and Finance

This next section describes the administration and financial management aspects of the Rritje Albania project and its plans for its third year of implementation. 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 D.C.

D2a. Personnel and Recruitment

At the end of project year two, Rritje Albania is fully staffed in all positions, including the four key personnel positions of: Chief of Party, Trade and Investment Specialist and two Competitiveness Specialists (Business Advisors). Other technical positions include the Communications/Monitoring and Evaluation Officer, Tourism Advisor, ICT Advisor/Workforce Specialist and Grants Manager. These persons are supported by an administration staff consisting of an Office Manager, Accountant, Receptionist/Translator and two drivers.

D2a. Finance

This work plan has been developed based on the total $5,482,236 in obligated funds that have been received to date and are anticipated to carry the project through September 2011.

E. CROSS-CUTTING ISSUES

E1. Partnerships and Coordination

In years one and two, Rritje Albania explored opportunities with several potential partners and donors where our project activities could interconnect to maximize project impact, integrate cross-cutting considerations, and enable the project team to tackle issues that could not be undertaken alone. Key members of the team have worked with previous USAID-funded projects, such as the Small Business Credit and Assistance project (SBCA) and the Enterprise Development and Export Market Services project (EDEM), contributing crucial institutional memory from these projects, including in-depth knowledge of issues faced by industries in Albania and a variety of clients that need Rritje Albania support. In year two, Rritje Albania explored working partnerships with over 75 organizations and institutions to identify those partnerships most likely to result in leveraging resources for higher impact. During the work planning workshop that took place in January 2011, the full team conducted a crucial stakeholder mapping analysis, using a matrix that organized stakeholders by importance and interest in four groups:

- High interest, low importance
- High importance, high interest
- Low interest, high importance
- Low interest, low importance

The initial mapping resulted in an extensive and intricate network of partnerships that the project team has successfully established and continues to nurture, and a prioritization exercise was conducted to apply resources effectively. In Year 3, Rritje Albania will **maintain** relationships with all high interest/ high importance partners and focus on **building/ strengthening** relationships with partners in the highlighted boxes in the tables below:

Table 5 – High interest / High Importance: All Priority Stakeholders

Tourism	Garment/Footwear	ICT and Workforce	Recycling and Other
IDRA	Polytechnic University of Tirana	ICT-TRC	Recycling Association
ATA	Chamber of Fasson and National Chamber of Garment and Footwear Producers	AADF	USAID's LGPA
BAS EBRD	Equipment suppliers	TABITA	USAID's RCI
NTA	Association of Stylists	Microsoft	Chemonics HO/PMU
National Geographic	Business service providers (local)	Polytechnic University	
MTCYS	Manufacturers	AKSHI	
GIZ	Packaging suppliers	H-P	
RCI	GIZ	CISCO	
GSTC		GIZ	

Tourism	Garment/Footwear	ICT and Workforce	Recycling and Other
		UNYT	
		AITA	
		TETRA	
		ALBTELE-COM	

Table 6 – Low Interest / High Importance Stakeholders

Tourism	Garment/Footwear	ICT and Workforce	Recycling and Other
AHLA	AIDA	**ASC**	**USAID Albania and Washington**
University (tourism branch)	METE	Ministry of IT and Innovation	UNDP
UNWTO	INSTAT	ATA	Municipalities
		Cacttus	
		Telco's	
		Infosoft	

In addition to partnering with other donor projects, Rritje Albania will work with industry associations as avenues through which multi-client solutions can be developed and delivered in order to enhance the reach of our work. By choosing to support initiatives through business associations, Rritje Albania will contribute to their sustainability, reinforce the achievement of their goals and objectives and enable their members to access solutions that can help them to grow and become more competitive.

E2. Small Grants Program

The Rritje Albania small grants program was launched in January 2011 with the release of an Annual Program Statement (APS) and a grants awareness event in early February 2011. The value of the fund is $500,000 over the remaining three years in the contract. Grants issued through the program will support the activities of all three principal components: strengthening trade and investment capacity, improving enterprise productivity and workforce development. Grants will be provided to selected entrepreneurs and organizations that can demonstrate the need for new technologies and machinery that address a specific constraint to productivity and quality of products and services, or that facilitates the development of new products – all of which will translate into increases in sales and jobs at assisted enterprises. As part of the project's strategy to strengthen businesses, Rritje Albania will enter into Client Growth Plans (CGPs) before each grant is signed. CGPs establish the relationships between Rritje and clients and specify how technical assistance will contribute to increasing sales and jobs.

The project intends to fund 50 grants over the next three years. It is expected that the average grant size will be around $10,000, and the maximum amount per grant will not exceed $25,000. However, grants applications will be reviewed on a case-by-case basis to determine if exceeding the threshold it acceptable within Rritje Albania program requirements.

Grant-making and management processes

Below we describe key elements of our grants management processes. Grants will be tracked in a database from the application phase through closeout.

Solicitation. The 2011 Grants Annual Program Statement (APS) was finalized in December 2010 and was released in January 2011. Rritje Albania advertised in two national newspapers a call for

expression of interest for grant applications as well as emails to over 100 of CED's client contact list and known associations. All grant materials, including the APS, Grant Application forms, Grantee Instruction Manual and other materials were posted on the Rritje Albania website in both English and Albanian. All materials may be downloaded or requested by email. An official email address grants@rritjealbania.com has been set up to post questions and send replies. Although the due date for submission of grants applications for this round of grants is March 4, 2011, unsolicited grant application may be accepted and reviewed throughout the year. Based on interest expressed at the grants awareness event, the project expects to review over 20 applications in the March – December 2011 period.

Application assistance. A pre-grant awareness/information session was held on February 2, 2011 at Tirana International Hotel. The session, attended by 80 representatives of private businesses and organizations helped potential grantees understand grants requirements, eligible areas and activities that the scheme will support, the cost-sharing process, budget and other issues. Following the session, the project planned to accept applications for four weeks through March 4, 2011. The first APS focused on targeting potential grantees in the five target industries: garment, footwear, tourism, ICT and recycling. The APS will expire in December 2011 and a new APS will be released soon thereafter. Some applicants may need additional coaching from project staff in conceptualizing and presenting their applications. A limited assistance will be provided to each enterprise from Rritje Albania business advisors to ensure that their application proposal addresses a constraint to growth and can be best addressed through the solutions covered by the grants program.

Review and evaluation of applications. The Grants Manager will screen the grant applications to identify the eligibility or ineligibility of the applications, according to criteria stated in the Grants Manual and Applicants Instruction Manual. Starting in March 2011, the Rritje Albania Technical Evaluation Committee (TEC) will convene to review applications received. The makeup of the committee includes the COP and two technical staff members, or three if the COP is not available. The selection process will be transparent and based on the evaluation criteria stated in the APS. In cases when team members supported the conceptualization and development of the grant application proposal, they will recluse themselves from the TEC meeting. Once the committee makes an award recommendation, Rritje Albania will seek the required USAID approval and vetting of recipient.

Pre-award responsibility determination. Prior to awarding a grant the Grant Manager will make a determination as to the applicant's capability to successfully manage grant funds. The formality of this assessment will be appropriate to the value and type of grant. Additionally the grant manager will ensure that the applicant has signed all required certifications, and that the applicant puts into place the necessary financial management controls (e.g. segregated accounting). If an applicant is lacking in financial or management capacity the project may provide support to bring their capacity up to a minimum standard.

Oversight of grant implementation. A number of mechanisms will be put in place to continually monitor implementation of grants and provide for early identification and rectification of any problems. These mechanisms may vary according to the type and value of the grant and nature of the activity, but will include periodic reports (programmatic and financial) required from the grantee, visits to grant performance sites, periodic performance-based payments and spot audits. The grants manager and technical team will share these oversight tasks.

Audits. The project will periodically audit grantees to ensure that the appropriate accounting procedures are being implemented and that the grantee is compliant with the terms and conditions of the grant agreement including, 22 CFFR 226 and the Mandatory and Required as Applicable Standard Provisions.

E3. Gender

Rritje Albania has ensured that all data collected from client enterprises is gender disaggregated and that all activities are "gender integrated." At times, this has involved holding a training event in a specific location during times appropriate for female employees to attend.

The management toolkits under development will incorporate gender integration best practices. For example, if high turnover is occurring in a company of mostly women employees, assistance to help identify the issues causing the turnover that may be gender oriented will be analyzed and a system developed and implemented that meets needs, such as providing day care if that is the issue needing attention.

Additionally, in Year 3 Rritje Albania will continue to provide support to women owned and operated businesses with special emphasis on encouraging additional women entrepreneurship and business success. Special attention will be give to assuring that women owned firms are provided with targeted assistance and that they have equal access to support, grants, and technical assistance. Feature stories and case studies will be developed that highlight successful women owned and operated businesses as a way to encourage additional women business owners and entrepreneurs.

E4. Environment

In the first year of project implementation, an 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, shoe manufacturing, tourism, ICT, recycling and food processing as the industries upon which the project would focus.

A categorical exclusion was recommended for activities under Trade and Investment and Workforce Development Components because they mostly contain activities that are training and capacity building, educational and technical assistance in nature. These initiatives would not affect environmental concerns of air, water, land, biodiversity, or human health.

Activities under Component 2, "Increasing Enterprise Productivity" that include training to improve technical knowledge and skills, demonstrating new technologies to promote their adoption; training in production planning and quality control; conducting assessments of enterprises operation and making recommendation for efficiency improvement and similar activities that 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, that 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 Client Growth Plans 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. In years two and three no negative impact (minor or major were undertaken) and it is anticipated that year three will be similar as a high priority within the project is put on avoiding activities that have negative environmental impact.

The grants program implemented in Year 3 will contain the same process of review and examination to assure the activities are not undertaken that will 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.

ANNEXES

Annex I – Year 3 Implementation Schedule

Tasks: Initiatives and Activities	Resources/ Partners	April-June 2011	July-Sep 2011	Oct-Dec 2011	Jan-March 2011
TOURISM Industry-Level Initiatives					
1. Legal Reform support to MTCYS (Ministry Trade, Culture, Youth and Sports)					
1.1 Draft Law on Tourism completed and approval process supported	STTA, ATA, MTCYS	X	X	X	
1.2 Legal support to draft and enact diving regulations		X			
2. Support tourism businesses and ATA lobbying efforts with legal advice on tax issues	ATA, RrA, STTA	X			
3. Actively participate in the Public Private Advisory Board chaired by the Minister MTCYS to coordinate on tourism law and all other activities and support to sector	RrA	X	X	X	X
4. Support to NTA (National Tourism Agency) activities: travel trade fairs, promotional materials, industry events					
4.1 Produce and collaborate on promotional materials for tourism products/services	RrA, ATA	X	X	X	X
4.2 Produce brochure on underwater cultural heritage sites	RrA, Auron expeditions	X			
4.3 Solicit airlines to write inflight magazine articles in collaboration with partners such as RCI	NTA, ATA, Airline Companies		X	X	X
5. Support ATA in implementation of Authentic Albania Quality Mark Award Program (AAQM) through IDRA assessments, Awards Committee and assessor training	ATA, RrA, IDRA	X	X	X	X
5.1 Develop the AAQM identity and collateral package: logo design, marketingg materials, PR campaign, website, facility catalogue	RrA, ATA, local BSP	X	X		
5.2 Support the accreditation of the AAQM through GSTC (Global Sustainable Tourism Council)	RrA, ATA, GSTC		X	X	
6. Strengthen the Nat'l Assoc of Tourist Guides of Albania through TOT training programs, website content	NATGA, ATA, STTA	X		X	
7. Albanian Component of the National Geographic (NG) GeoTourism Maps for Western Balkans					
7.1 MOU with RCI, National Geographic and Rritje Albania signed	NG, RCI, Rritje Albania, MTCYS, NTA, ATA	X			
7.2 Introductory presentation of NG GeoTourism Map content for the MTCYS PP Advisory Board	NG, RCI, RrA, MTCYS, NTA, ATA	X			
7.3 Develop a national-level plan and coordinate regionally to develop	NG, RCI, RrA, MTCYS, NTA, ATA	X			
7.4 Working group established and functioning to develop the Albanian content for NG GeoTourism Map Guide (text/content, maintenance, other issues)	NG, RCI, RrA, MTCYS, NTA, ATA		X	X	X
8. Tourism Stakeholders quarterly meetings to coordinate activities, leverage resources and achieve greater impact	RrA, ATA, SNV, UNDP-UNESCO, GIZ, NTA, LGPA, UNDP	X	X	X	X
8.1 Coordinate initiatives and activities among tourism stakeholders		X	X	X	X
8.2 Coordinate with partners organizing FAM tours, media tours, and B2B meetings to leverage resources and increase effectiveness and impact. (RrA to participate only if co-funding exists)	RrA, NTA, DMO, RCI, ATA, SNV	X	X	X	X

Tasks: Initiatives and Activities	Resources/ Partners	April-June 2011	July-Sep 2011	Oct-Dec 2011	Jan-March 2011
9. Diving Center in Albania					
9.1 Support diving regulations in Albania as part of the by-laws or other regulations included in new tourism law	Rritje Albania, Albanian Center for Marine Research (ACMR), MTCYS, STTA				
9.2 Support establishment of the first diving center in Albania	Rritje Albania, Albanian Center for Marine Research (ACMR)				
10. Support the accreditation of the Authentic Albania Quality Mark Program through GSTC	Rritje Albania, RCI, GSTC				
GARMENT AND FOOTWEAR Industry-Level Initiatives					
1. Create and participate in Working Group of Garment/ Footwear Stakeholders	RrA, METE, AIDA, INSTAT, Dept Textile UT, GIZ, G&F Assoc., Styling Assoc.	X	X	X	X
2. Support unification and effective functioning G&F assoc.					
2a - Local facilitator to assist 2 associations to dissolve and reform as new unified G&F assoc.	RrA, HDPC (local sub), GIZ, 2 associations	X			
2b - Albanian Footwear Website content finalized	RrA, DM Consulting, STTA (J Parchman)	X			
2c - Press Conference announcing new united G&F assoc + footwear & garment sites launch	RrA, DM Consulting, GIZ, G&A assoc.	X			
2d - Support to unified G&A assoc	RrA, GIZ, G&A assoc.	X	X	X	X
2e - Promote and help maintain industry portals with G&F assoc (**www.albaniangarment.com and www.albanianfootwear.com)**	RrA/STTA, G&A assoc	X	X	X	X
2f - Use F&G assoc to disseminate info to garment and footwear sectors, participate in research, and help deliver multi-client assistance to firms (trainings, trade fairs, B2B, STTA)	RrA, G&A assoc, others	X	X	X	X
3. Organize Garment and Footwear Conference to promote the industry and stimulate PPPs, plenary sessions, technical panels and B2B meetings	RrA, G&F ssoc, GIZ, Dept Textile UT, METE, SIPPO		X	X	
4. Research - domestic market (gap analysis of the garment sector)	SIPPO (lead), RrA, GIZ	X			
INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) Industry-Level Initiatives					
1. Participate in GoA Ministry Innovation & IT (MIIT) / donor meetings		X	X	X	X
2. Coordinate and establish ICT Training and Research Center (ICT-TRC)					
2.1 Address any still open issues regarding MOU with ICT-TRC stakeholders	AADF, USAID, Msoft, GoA, AlbTelecom,	X			
2.2 Help to draft and facilate signatures on other bi-party MOUs as may be needed	ICT-TRC, AADF, CISCO, HP, others	X	X		
2.3 Explore and facilitate finalization of funding mechanisms between investors and ICT-TRC	RrA, USAID, AADF, others	X	X		
2.4 Study tour to similar centers in the region for the centers donors and managers	RrA, USAID, AADF, GoA, ICT-TRC	X	X		

Tasks: Initiatives and Activities	Resources/ Partners	April-June 2011	July-Sep 2011	Oct-Dec 2011	Jan-March 2011
2.5 Take leading role to coordinate and implement the ICT-TRC business plan	RrA, USAID, AADF, others	X	X	X	X
2.6 Support ICT-TRC operations and programs	RrA, USAID		X	X	X
2.7 ICT-TRC Opening Ceremony				X	
3. Conduct ICT sector skill inventory and gap analysis					
3.1 - Tender for local consultant/firm to conduct ICT skill inventory and gap analysis study	RrA, local STTA/sub		X		
3.2 Event to disseminate the findings and promote the ICT-TRC programs and services					
3.3 Promote IT certification programs (e.g Cisco, Microsoft, PMP certification etc)	local IT firms, ICT-TRC, AITA, ASC			X	X
4. Strengthen linkages between educational institutions and ICT companies through internships, job fairs, work studies, mentoring, etc.	STTA (local)	X	X	X	
5. Conduct ICT supply and demand assessments in high potential sectors to increase use of ICT	STTA, AITA, ASC, GIZ	X			
6. Support ICT Associations: Albanian IT Association (AITA) and Albanian Software Cluster (ASC)					
6.1 Use AITA and ASC to disseminate info, participate in research, and help deliver multi-client assistance to firms (trainings, trade fairs, B2B, STTA)	AITA, ASC	X	X	X	X
6.2 Support Project Management Professional (PMP) training through AITA and the establishment of a PMP network/ chapter in Albania	AITA	X	X	X	X
6.3 Contribute to industry web site content development	RrA, local STTA/sub	X	X	X	X
7. ICT Industry Conference/ Fair with B2B meetings					
7.1 Describe conference goals, objectives, schedule and events	AITA, ASC, RrA	X	X		
7.2 Conduct conference/trade fair preparations for ICT companies	AITA, ASC, RrA, local STTA		X	X	
7.3 Support at event with exhibit space, B2B meeting facilitations and technical agenda	AITA, ASC, RrA, other stakeholders			X	
RECYCLING Industry-Level Initiatives					
1. Strengthen recycling association	RrA, Recycling assoc.	X	X	X	X
2. Reinforce value chain linkages from sources, collectors, processors, and packaging producers	RrA, GoA, LGPA	X	X	X	X
3. Foster PPP (local governance, businesses, donors)	RrA, GoA, LGPA	X	X		
4. Support development of new products from waste leather and textile (see T&I)				X	X
5. Raise awareness of importance of recycling to increase raw materials for leading producers	UNDP, LGPA, FORECAST, ATA			X	X
PIR1 - TRADE AND INVESTMENT CAPACITY STRENGTHENED					
1 - Trade Fair Support Program					
1. Disseminate Trade Fair Information/ Profiles by Sector/ Product		X		X	
2. Match firm profiles & interest with appropriate trade fairs (by sector and product)	STTA, advisors	X	X	X	X

Tasks: Initiatives and Activities	Resources/ Partners	April-June 2011	July-Sep 2011	Oct-Dec 2011	Jan-March 2011
3. In response to demand, provide RrA's Trade Fair Support Program to firms desiring to attend the fairs below, or other fairs as may be identified throughout the year		X	X	X	X
INTERNATIONAL FAIRS					
Moda Prima Fair - Milan, Italy (Garment)		21-23 May			
Texprocess - Frankfurt, Germany (Garment)		24-27 May			
Texpo Eurasia - Istanbul, Turkey (Garment)		28-31 May			
CPD - Dusseldorf, Germany (Garment)		24-27 May			
Riva del Garda - Riva del Garda, Italy (Footwear)		18-21 June			
FATEX - Paris, France (Garment)			4-6 Sep		
World Travel Market - London, U.K. (Tourism)				7-9 Nov	
Philoxenia Travel Fair - Thessaloniki, Greece (Tourism)				Nov	
BIT Fair - Milan, Italy (Tourism)					Feb
ITB Travel Fair - Berlin, Germany (Tourism)					7-11 March
InterTex - Milan, Italy (Garment/ Footwear)					27-30 March
Technology Sourcing Fair - TBD (Garment/ Footwear)	STTA				
GDS - Dusseldorf, Germany (Footwear)			August		March
CEBIT - Hannover, Germany (ICT)					6-10 March
ALBANIAN FAIRS/CONFERENCES/EXPOS					
FIAA TREALBEXPO Fair 2nd edition (Tourism and Real Estate Expo)	FIAA, ATA, NTA	14-16 April			
Garment and Footwear Conference, reverse fair and B2Bs	GIZ, association			X	
ICT Conference and B2Bs	AITA, GIZ, ASC			X	
3. Pre-fair preparation for firms suppprted: logo, brochures, websites plus training: sales and marketing skills, buyer research, B2B meetings prep (4 months before each trade fair)		X	X	X	X
3a - Corporate identity package developed: logo, brochures, web sites	local design companies (print and web)	X	X	X	X
3b - Training: online research, contact management, sales and mktg, B2B skills	RrA + local consultants/firms	X	X	X	X
3c - Additional materials preparation when needed: samples, cost sheets, company profiles	Firm, RrA	X	X	X	X
4. Post-trade fair follow-up: email & letter correspondence to all B2B contacts made, responses to requests for samples, prices, plant tours (to Albania)	Firm, RrA, STTA (as needed)	X	X	X	X
5. Sales and Marketing Toolkit (also used in trade fair preparation)					
5a - Recruit and contract qualified local consultants with sales & mktg skills	IDI EU project, TAM-BAS	X			
5b - Develop mktg & sales toolkit structure & content	local STTA, STTA, RrA	X	X		
5c - TOT for local consultants: Sales and Marketing training	STTA, IDI EU project, TAM-BAS		X		
5d - Pilot multi-client training with toolkit for firms preparing for trade fairs/B2Bs	STTA (expat, local); G&F Assoc		X		

Tasks: Initiatives and Activities	Resources/ Partners	April-June 2011	July-Sep 2011	Oct-Dec 2011	Jan-March 2011
5e - Deploy local STTA to use toolkit to give firm-level training	local consultants, STTA		X	X	X
6. Design and publish one-page profiles for firms in tourism, garment, footwear and ICT sectors	sector associations, STTA (local, expat)	X	X		
7. Develop and post new content to industry websites (especially before and after fairs)	DM Consulting, associations	X	X	X	X
2 - B2B Meetings (non-trade fair)					
1. B2B prep before every B2B event using the toolkit/ checklist through associations	All sector associations				
1a - Energy Efficiency B2B's (Albanian and Austrian companies) followed by a study tour (tourism) of best practices in Austria ***- dependent on ADA plans***	Austrian Development Cooperation (ADA)	X			
1b - B2B between ICT companies and target sectors					
Garment – ICT	ASC, GIZ, RrA	X		X	
Footwear – ICT	ASC, RrA		X	X	
Tourism – ICT	ATA, ASC, AITA	X		X	
1c - Tourism - Albanian tour operators and hotels/restaurants	ASC, GIZ, RrA	X		X	X
2. B2Bs with non-sectoral chambers, AmCham, BritishCham, CCI, UCCI, etc.		X	X	X	X
3- Explore & Access New Markets for Albanian Products and Services					
1. Convention Bureau Feasibility Study					
1.1 Study tour to see Convention Bureau operations (potential Serbia and/or Slovenia)	NTA, ATA, RrA, STTA		X		
1.2 Feasibility Study on Albania's potential to develop MICE (meetings, incentives, conferences, exhibitions) tourism products	NTA, ATA, STTA, additional donor		X		
1.3 Event to share findings and increase information on market access	NTA, ATA, RrA			X	
2. Promote development of diving as a new tourism product and start-up businesses					
2.1 Finalize diving regulations	NTA, ATA, STTA	X			
2.2 Organize Dive Master training together with partners	NTA, ATA, STTA. AMRC		X		
2.3 Develop promotional materials: itineraries, brochure, etc.	NTA, ATA, STTA. AMRC		X	X	
3. Advise companies on new product development from waste raw materials: leather and textiles	STTA, advisors			X	
4. Increase domestic sales of Albanian garment and footwear products					
4.1 Research opportunities/distribution channels and support linkages of existing garment/ footwear products in domestic markets	STTA, advisors		X		
4.2 Disseminate research findings to interested companies				X	X
4.3 "Blej Shqip/ Buy Albanian Products" Event - B2B meetings with distributors, customers, etc	STTA, advisors			X	
4 - Improving Quality of Albanian Goods Through International Standards and Certification Programs					
1. Authentic Albania Quality Mark Award Program (AAQM)					
1a - AAQM assessments continuing in groups based on applications submitted	RrA, IDRA, ATA	X		X	X
1b - Marketing collateral materials designed and prepared	RrA, ATA, local design firm	X			
1c - AAQM Awards Committee meet and distribute first awards at public event	Rritje Albania, ATA	X			

Tasks: Initiatives and Activities	Resources/ Partners	April-June 2011	July-Sep 2011	Oct-Dec 2011	Jan-March 2011
1d - AAQM web site designed, developed, launched	NTA, ATA, Local BSPs, EBRD's BAS, RrA		X	X	
1e - AAQM print directory prepared in time for 2012 season	NTA, ATA, Local BSPs, BAS, RrA		X	X	
4. Promote export-enhancing certification for improved management and accessing EU markets					
4a - Identify ISO certified firms in target sectors, especially those with export focus	RrA advisors, STTA		X	X	
4b - Screen ISO-certified firms for those seeking CE and OHAS certification			X	X	
4c - Support CE, OHAS, other export-enhancing certification at pilot companies				X	X
5. PMP network/ chapter supported through AITA (more under Workforce Development)	AITA				
5 - Promote the Use of ICT to Improve Products, Services and Increase Number of Buyers					
1. Assess ICT needs in garment and footwear					
1a - Conduct assessment together with partners in garment and footwear sectors (lead footwear sector)	Rritje Albania, GIZ, associations	X			
1b - Disseminate findings and hold B2B meetings		X	X	X	
2. Study tour of successful regional models in increased ICT use in sectors					
2a - ICT center in Croatia Study Tour follow up (management on technical issues)		X			
2b - ICT promotion and access to cutting/ CAD-CAM technology for garment/footwear: study tour and follow-up to regional sites (e.g. USAID/Macedonia project)				X	
3. Enhance use of ICT for productivity management					
3a - Review existing productivity management software in use at garment companies and ICT companies that supply/develop them	ASC, GIZ, RrA	X			
3b - Review use of these software and how productivity indicators reports are generated	ASC firms, RrA,		X		
3c - Upgrade functionality of software to include productivity KPIs and analysis	ASC firms			X	
3d - Extend/ provide technical assistance to users of ICT software packages in garment/ footwear	ASC firms				X
4. Improve use of ICT products and services in tourism businesses					
4a - Follow up on B2B meetings with ICT and tourism companies **(initiated by GIZ in 2010)**	ASC, GIZ, RrA	X		X	
4b - Review usage of hospitality software from GIZ's ICT needs assessment and AAQM assessments		X	X		
4c - Work with ICT software providers to offer additional or extend training for tourism businesses				X	X
6 - Increased Access to Finance Services					
1. Increase awareness on financial services and products: Factoring		X			
1a - Develop Access to Finance 1 pg guides for factoring	STTA, AFS	X			
1b - Hold training/roundtables to disseminate A2F and factoring information	STTA	X			
1c - Follow-up at firm level	RrA, AFS		X	X	X
2. Develop and disseminate A2F one-page guides for financial services and products: leasing, equity finance, invoice discount	STTA	X			

Tasks: Initiatives and Activities	Resources/ Partners	April-June 2011	July-Sep 2011	Oct-Dec 2011	Jan-March 2011
3. Coordinate with USAID's PFS to increase access to finance, including investment opportunities	PFS, RrA	X			
PIR2 - ENTERPRISE PRODUCTIVITY IMPROVED					
1 - Improved Use of Technology					
1. E-commerce training for tourism businesses: tour operators, hotels, information offices, ATA regional offices in new management practices, new technology) - include web 2.0 features					
1.1 Review toolkit and prepare/adapt materials	STTA		X		
1.2 Workshops/ training events to promote usage of web 2.0 features of tourism websites	STTA, ATA			X	
1.3 Design and develop websites (web 2.0 - user-based)	grants, STTA				X
2. Promote uptake of ICT products in tourism businesses (details under T&I)	RrA, GIZ, ASC, AITA				
3. Upgrade the functionality of G/F industry websites to improve buyer-to-seller linkages		X			
3.1 Design and develop the website B2B component (web 2.0 - user-based)	Grants/STTA, G&F Assoc		X		X
3.2 Workshops/ training events to promote web 2.0 features of industry/ company websites	STTA			X	
4. Productivity Enhancement Program PEP (firm-level KPI system)					
4.1 Introduce KPI system to new G&F clients	STTA (local/expat)	X			X
4.2 Improve quality control systems at firms implementing KPIs (7-zeros and other)	Haycock/ STTA	X		X	X
4.3 Review trends in KPIs submitted wkly to RrA to improve management decision-making	remote STTA (JH)	X	X	X	X
4.4 Improve line balancing and use of technology based on KPI analysis	STTA (local/expat)	X		X	X
2 - Vertical Expansion of Garment and Footwear Firms in Sector Value Chains					
1. Introducing New Technologies in Garment					
1.1 Survey technology employed at garment firms currently using or planning to acquire cutting and/ or CAD/CAM capabilities and other new technologies	advisors, STTA	X			
1.2 Study visit to Macedonia CAD/CAM industry training center for firms planning to upgrade	Firms, G&F assoc, RrA			X	
1.3 Support Univ Tirana Polytechnic to expose their CAD/CAM services to more garment firms	G&F assoc, Univ Tir	X			
1.4 Firm-level programs to improve cutting procedures and technologies		X		X	X
1.5 Facilitate participation of Albanian companies in technology/ equipment fairs			X	X	X
2. Review technology needs of Footwear companies				X	
2.1 Devise ways to increase technology use in footwear	G&F assoc, STTA		X	X	
2.2 Participate in technology/ equipment fairs	STTA expat/				X
3 - Improved Management Practices					
1. Authentic Albania Quality Mark Award Program					
1.1 Complete assessments and one-on-one consultation at end of assessment	RrA, IDRA, Assessors,	X		X	
1.2 Group training for AAQM assessors based on toolkit developed for Grand Hotel Korca.	ATA, IDRA, RrA		X		
1.3 Tourism management TOT for local assessors and other tourism consultants ***(dependant on EBRD)***	EBRD-BAS, ATA, RrA	X			
2. Improved productivity management systems and practices			X		X

Tasks: Initiatives and Activities	Resources/ Partners	April-June 2011	July-Sep 2011	Oct-Dec 2011	Jan-March 2011
2.1 Support companies to improve production line balancing to meet smaller orders					
2.2 Introduce quality control systems in garment and footwear companies (7-zero system)	STTA, G&F Assoc	X		X	X
2.3 Review use of ICT in management systems (financial mgmt, cost control, etc.) and recommend improvements		X			
2.4 Prepare a how-to-guide for costing methodology and preparation of costing sheets (start G&F)		X	X		
2.5 Disseminate best practice costing methodology at company level				X	X
3. Improve capacity to source raw materials internationally					
3.1 Identify firms purchasing raw materials/textiles & leather (parallel with technology survey)	RrA advisors, STTA	X			
3.2 Identify possible sources of raw materials	STTA	X			
3.3 Training workshop on incoming raw materials testing (details in T&I)	Polytechnic Univ Tir, STTA	X		X	
4. Increase usage of Albanian-sourced raw materials (dies, leather, packaging, other)					
4.1 Identify sources of Albanian raw materials	RrA advisors, STTA		X	X	
4.2 Disseminate information to companies and B2B meetings/ company visits				X	X
4.3 Link recycling firms to garment companies to facilitate waste reprocessing and local purchase of packaging materials	BA Advisors	X	X	X	X
4.4 Assist recycling firms to set up waste collection centers & sorting at source	Grants, local STTA	X	X		
PIR3 - WORKFORCE DEVELOPMENT IMPROVED					
1 - Training Programs Based on International Certification					
1. Certified Hospitality Trainer (CHT) Program from American Hotel & Lodging Educational Institute (TOT)	RrA, STTA, ATA, Forecast				X
2. Tourist Guide Certifications - Outdoor and Diving					
2.1 Certified Tourist Guide training through the National Albanian Tourist Guide Association (NATGA)	RrA, ATA, Forecast			X	X
2.2 Training outdoor activities guides with international standards from National Outdoor Leadership School (TOT)	RrA,Forecast, NATGA, ATA, STTA		X		
2.3 Dive Master training based on international diving certification programs (following PADI, NAUI or other international diving system	RrA, Albanian Center for Marine Research (ACMR), STTA, Forecast		X		
3. Project Management Professional (PMP) training program					
3.1 Survey interest in follow up PMP training and certification	AITA	X			
3.2 Support PMP classroom training	AITA, RrA, RCI		X		X
3.3 Support PMP certification exams: study groups, online review, registration dates	AITA, RrA, RCI	X		X	X
3.4 Coordinate meetings of the PMP chapter/network including topical sutyd groups, etc.	AITA	X	X	X	
2 - Training of Trainers (TOT) Programs					
1. Complete and roll-out the Hospitality Toolkit					
1.1 Experts finalize materials based on feedback and piloting	RrA, Tabita, STTA		X		
1.2 TOT of consultants (ToT) on the use of the toolkit	RrA, STTA.			X	

Tasks: Initiatives and Activities	Resources/ Partners	April-June 2011	July-Sep 2011	Oct-Dec 2011	Jan-March 2011
1.3 Help link firms to toolkit consultants through AAQM and other information dissemination	RrA, EBRD BAS			X	X
1.4 Introduce the toolkit to Tourism VET schools and institutions	RrA, local BSP's				X
1.5 Explore linkages with the Internship Program Guidelines	RrA, local institutions				X
2. Complete and roll-out the HRM Toolkit in cooperation with local partner organization					
2.1 Expert finalize materials based on feedback and piloting	RrA, TABITA, STTA	X			
2.2 ToT of consultants (ToT) on the use of the toolkit	RrA, STTA	X			
2.3 Indentify firms where toolkit could be implemented	RrA, Partners	X			
2.4 Introduce the toolkit to universities	RrA, local BSP's			X	
2.5 Explore linkages with the Internship Programs Guidelines	RrA, local institutions	X			X
3. Tourism Management Training (TOT) for Quality Mark Assessors and tourism consultants	RrA, ATA, EBRD BAS	X			
4. Train Albanian Tour Operators on marketing and e-business solutions (same as in T&I)	RrA	X			
5. Support handicrafts associations to improve skills of artisans (see Productivity)					
5.1 Handicraft product design and development training in Shkoder, Pogradec, Gjirokaster.	local STTA, grants	X	X		
5.2 Artisan training/ to participate in local/ national fairs	local STTA, grants	X	X		
5.3 Training in handicraft skills to increase quantity and quality of handicraft products.	local STTA, grants	X	X	X	
6. Productivity Toolkit Roll Out					
6.1 TOT for Polytechnica Univ professors, consultants, BSPs on PEP toolkit (KPIs, quality control, etc.)	STTA	X	X		
6.2 Polytechnic Univ curriculum enhanced with PEP toolkit sections		X	X	X	X
7. Support firms in target industries to develop multi-skilled workforce					
7.1 Review models (regional, international) on WFD for garment/ footwear companies and share with G&F Working Group	RrA, G&F assoc		X		
7.2 Assist firms to conduct employee skills inventories for target industries	AITA, ASC, G&F assoc, STTA			X	
7.3 Support firms to increase staff skill and varied competencies					X
8. Sales and Marketing Toolkit Roll Out					
8.1 TOT for Sales and Marketing Consultants	STTA		X		
8.2 Firm-level training using sales & marketing toolkit	STTA				
8.3 Website maintenance training for firms with new company websites, multi-client training	STTA		X	X	
3 - Bridging Workforce Supply and Demand Gap					
1. Expand internship program at Polytechnic Univ					
1.1 Information dissemination between firms and Univ	RrA, Polytechnic professors	X	X	X	X
1.2 Define legal environment for internships (responsibilities, tax and other liabilities, etc…)	STTA	X			
2. Research challenges with job placements and opportunities for tourism students					
2.1 Develop questionnaire with tourism students as part of thesis/ coursework	university profs	X	X		
2.2 Survey students, draft report, disseminate to stakeholders	RrA			X	
2.3 Implement improvements/ linkages between educational institutions and tourism businesses				X	X

Tasks: Initiatives and Activities	Resources/ Partners	April-June 2011	July-Sep 2011	Oct-Dec 2011	Jan-March 2011
3. Creating Effective Internships Guideline Roll Out					
3.1 Roundtable on "Promoting Internships" to discuss roles and creation of career guidance offices and use of Internship Toolkit plus B2B meetings		X			
3.2 Support effective functioning of career guidance offices					
3.3 Facilitate implementation of the Creating Effective Internships Guideline materials					
4. Improve Albanian ICT workforce knowledge and skills					
4.1 Conduct ICT skills inventory in the Albanian Market	STTA		X		
4.2 Disseminate results of ICT skills study to promote ICT certification programs (e.g Cisco, Microsoft, PMP certification etc)	RrA, AITA, ASC, ICT-TRC	X	X	X	
4.3 ICT Career Fair and B2B meetings	RrA, AITA, ASC, GIZ, STTA	X			
4.4 Firm-level follow-up to ASC/GIZ/RrA ICT needs in garment, tourism, footwear sectors	RrA, AITA, ASC, GIZ, STTA	X	X	X	X
4 - Establish and Support ICT Training and Resource Center (ICT-TRC)					
1. Study visit to MS Innovation and CISCO Entrepreneurship programs in region		X			
2. Implementation of ICT-TRC Business Plan	STTA	X			
3. ICT skills inventory and gap analysis (see above)	STTA		X		
4. Business incubator services offered				X	X
5. TOT and certification programs included in ICT-TRC curricula				X	X
GRANTS					
1. Encourage grant applications and assist applicants within grant manual procedures		X	X	X	X
2. Review grant applications, submit qualified proposals to USAID for approval		X	X	X	X
3 Release approved grants		X	X	X	X
4. Monitor and evaluate grants released		X	X	X	X
5. Close out completed grants			X	X	X

Annex II – Life-of-Project Work Plan

	Resources			Year 2				Year 3				Year 4				Year 5				Expected Results or Milestones	Expected Timeline	Baseline Data
Activity	**Description**	**Estimated Amount**	**Counterparts**	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4			
Process to Support Industries and Enterprises																						
Identify new clients satisfying 5:1 rule	Technical staff	ongoing	SMEs	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Promising clients identified	Ongoing	
Sign Client Growth Plans	Technical staff	ongoing	SMEs	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	CGPs signed	Ongoing	Sales and jobs from previous year
Implement Client Growth Plans	Technical staff	ongoing	SMEs	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Actions in CGPs taken	Ongoing	
Monitor and Evaluate results from CGPs	Elona Toska	ongoing	SMEs	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Sales and jobs results tallied, analyzed and shared	Ongoing	Results, reports and success stories
Identify, analyze, and reform policies, norms, regulations, etc. constraining sales and job growth	ACIT	demand driven	depends on policies in question	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	policies analyzed and changed	ongoing	baseline built into analysis
PIR 1: Trade and Investment Capacity Strengthened																						
KRA 1.1: Trade knowledge and skills improved																						
Host Showcase Albania trade and investment fairs																						
Perpare Textile/apparel reverse trade fair/B2B	T&I advisor and other technical staff	2 Quarters	International guests, USAID, municipalities, local governments, training providers, and business community			x	x							x	x					preparation completed	quarters 3 and 4 in the second and fourth year	SME sales and jobs from previous year
Participate in textile/apparel reversed trade fair/B2B	T&I advisor and other technical staff	3 days	International guests, USAID, municipalities, local governments, training providers, and business community				x								x					event held	quarter 4 in second and forth year	
Follow up on textile/apparel reverse trade fair/B2B	T&I advisor and other technical staff	ongoing					x	x	x	x	x	x	x	x	x	x	x	x	x	support provided to SMEs	ongoing	results reports, success stories

Activity	Resources		Counterparts	Year 2				Year 3				Year 4				Year 5				Expected Results or Milestones	Expected Timeline	Baseline Data
	Description	Estimated Amount		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4			
Perpare ICT reverse trade fair/B2B	T&I advisor and other technical staff	2 Quarters	International guests, USAID, municipalities, local governments, training providers, and business community					x	x											preparation completed	quarters 1 and 2 in the third year	SME sales and jobs from previous year
Participate in ICT reverse trade fair/B2B	T&I advisor and other technical staff	3 days	International guests, USAID, municipalities, local governments, training providers, and business community						x											event held	quarter 2 and the third year	
Follow up on ICT reverse trade fair/B2B	T&I advisor and other technical staff	ongoing							x	x	x	x	x	x	x	x	x	x	x	support provided to SMEs	ongoing	results reports, success stories
Perpare tourism reverse trade fair/B2B	T&I advisor and other technical staff	2 Quarters	International guests, USAID, municipalities, local governments, training providers, and business community							x	x							x	x	preparation completed	quarters 3 and 4 in the third and fifth year	SME sales and jobs from previous year
Participate in tourism reverse trade fair/B2B	T&I advisor and other technical staff	3 days	International guests, USAID, municipalities, local governments, training providers, and business community								x								x	event held	quarter 4 in the third and fifth year	
Follow up on tourism reverse trade fair/B2B	T&I advisor and other technical staff	ongoing									x	x	x	x	x	x	x	x	x	support provided to SMEs	ongoing	results reports, success stories
Perpare footwear reverse trade fair/B2B	T&I advisor and other technical staff	2 Quarters	International guests, USAID, municipalities, local governments, training providers, and business community									x	x							preparation completed	quarters 1 and 2 in the fourth year	SME sales and jobs from previous year
Participate in footwear reverse trade fair/B2B	T&I advisor and other technical staff	3 days	International guests, USAID, municipalities, local governments, training providers, and business community										x							event tells	quarter 2 in the fourth year	
Follow up on footwear reverse trade fair/B2B	T&I advisor and other technical staff	ongoing											x	x	x	x	x	x	x	support provided to SMEs	ongoing	results reports, success stories
Perpare recycling reverse trade fair/B2B	T&I advisor and other technical staff	2 Quarters	International guests, USAID, municipalities, local governments, training providers, and business community													x	x			preparation completed	quarters number 1 and 2 in the fifth year	SME sales and jobs from previous year
Participate in recycling reverse trade fair/B2B	T&I advisor and other technical staff	3 days	International guests, USAID, municipalities, local governments, training providers, and business community														x			event held	quarter 2 in the fifth year	
Follow up on recycling reverse trade fair/B2B	T&I advisor and other technical staff	ongoing															x	x	x	support provided to SMEs	ongoing	results reports, success stories

Activity	Resources		Counterparts	Year 2				Year 3				Year 4				Year 5				Expected Results or Milestones	Expected Timeline	Baseline Data
	Description	Estimated Amount		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4			
Preparation for participation in international trade fairs.																						
Identify appropriate international trade fairs for clients for which lack of access to trade fairs is a binding constraint	T&I adviser and technical staff	Demand driven	Client SMEs	Ongoing: The timing of this activity will be dependent on the schedule of appropriate of international trade fairs																Appropriate trade fairs identified	Demand Driven	baseline built into CGPs
Organize and hold group based and individualized capacity building exercises	T&I adviser and technical staff	Demand driven	Client SMEs																	Capacity building exercises organized and held	Demand Driven	baseline built into CGPs
Help participating firms attend the identified trade fairs	T&I adviser and technical staff	Demand driven	Client SMEs																	Client firms more prepared for trade fair and have greater success	Demand Driven	baseline built into CGPs
Improve access to finance																						
identify financial instruments for clients for which finance is a binding constraint	Roland Bagaviki and Other technical staff	Demand driven	Client SMEs	Ongoing: The timing of these activities will be demand driven.																instruments identified	Demand Driven	baseline built into CGPs
Assist SMEs with commercial loan applications through banks and NBFIs	Roland Bagaviki and Other technical staff	Demand driven	Client SMEs, NBFIs and banks																	SMEs access commercial loans	Demand Driven	baseline built into CGPs
KRA 1.2: Compliance with international standards improved																						
Assist companies obtain ISO Certification																						
Identify and deliver targeted technical assistance to clients for which ISO certification is a binding constraint	Andi Stefanllari and other technical staff	Demand driven	Client SMEs	Ongoing: The timing of these activities will be demand driven.																technical assistance delivered	Demand driven	baseline built into CGPs
Provide market driven certification assistance for selected industries for which certification is a binding constraint	Andi Stefanllari and other technical staff	Demand driven	Intervention industries and client SMEs	Ongoing: The timing of these activities will be demand driven.																Intervention industries achieve internationally recognized certification	Demand Driven	baseline built into CGPs
KRA 1.3: Use of ICT for trade-related activities expanded																						
Help firms adopt ICT for promotion																						
Identify appropriate ICT assistance for clients for which ICT is a binding constraint	technical staff	Demand driven	Client SMEs	Ongoing: The timing of these activities will be demand driven.																Client SMEs adopt "basic" ICT features to business	Demand Driven	baseline built into CGPs
Deliver ICT assistance	technical staff	Demand driven	Client SMEs	Ongoing: The timing of these activities will be demand driven.																Client SMEs adopt "applied" ICT features to business	Demand Driven	baseline built into CGPs
PIR 2: Enterprise Productivity Increased																						
KRA 2.1: Adoption of innovative and modern technologies and systems promoted																						
Increase access to new equipment and technology for clients for which such access is a binding constraint	technical staff/STTA/CDC volunteers	Demand driven	Client SMEs	Ongoing: The timing of these activities will be demand driven.																New equipment and technologies accessed by client SMEs	Demand Driven	baseline built into CGPs
Conduct competitions for and award small grants to clients satisfying the 5:1 rule	technical staff/STTA/CDC volunteers	Demand driven	Client SMEs			x				x				x				x		new equipment and technologies accessed by client SMEs	Demand Driven	baseline built into grants/CGPs
Help improve production planning and quality control for clients for which such is a binding constraint	technical staff/STTA/CDC volunteers	Demand driven	Client SMEs	Ongoing: The timing of these activities will be demand driven.																New abilities in production planning and quality control acquired by SMEs	Demand Driven	baseline built into CGPs

Activity	Resources		Counterparts	Year 2				Year 3				Year 4				Year 5				Expected Results or Milestones	Expected Timeline	Baseline Data
	Description	Estimated Amount		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4			
Preparation for participation in international trade fairs.																						
Identify appropriate international trade fairs for clients for which lack of access to trade fairs is a binding constraint	T&I adviser and technical staff	Demand driven	Client SMEs	Ongoing: The timing of this activity will be dependent on the schedule of appropriate of international trade fairs																Appropriate trade fairs identified	Demand Driven	baseline built into CGPs
Organize and hold group based and individualized capacity building exercises	T&I adviser and technical staff	Demand driven	Client SMEs																	Capacity building exercises organized and held	Demand Driven	baseline built into CGPs
Help participating firms attend the identified trade fairs	T&I adviser and technical staff	Demand driven	Client SMEs																	Client firms more prepared for trade fair and have greater success	Demand Driven	baseline built into CGPs
Improve access to finance																						
identify financial instruments for clients for which finance is a binding constraint	Roland Bagaviki and Other technical staff	Demand driven	Client SMEs	Ongoing: The timing of these activities will be demand driven.																instruments identified	Demand Driven	baseline built into CGPs
Assist SMEs with commercial loan applications through banks and NBFIs	Roland Bagaviki and Other technical staff	Demand driven	Client SMEs, NBFIs and banks																	SMEs access commercial loans	Demand Driven	baseline built into CGPs
KRA 1.2: Compliance with international standards improved																						
Assist companies obtain ISO Certification																						
Identify and deliver targeted technical assistance to clients for which ISO certification is a binding constraint	Andi Stefanllari and other technical staff	Demand driven	Client SMEs	Ongoing: The timing of these activities will be demand driven.																technical assistance delivered	Demand driven	baseline built into CGPs
Provide market driven certification assistance for selected industries for which certification is a binding constraint	Andi Stefanllari and other technical staff	Demand driven	Intervention industries and client SMEs	Ongoing: The timing of these activities will be demand driven.																Intervention industries achieve internationally recognized certification	Demand Driven	baseline built into CGPs
KRA 1.3: Use of ICT for trade-related activities expanded																						
Help firms adopt ICT for promotion																						
Identify appropriate ICT assistance for clients for which ICT is a binding constraint	technical staff	Demand driven	Client SMEs	Ongoing: The timing of these activities will be demand driven.																Client SMEs adopt "basic" ICT features to business	Demand Driven	baseline built into CGPs
Deliver ICT assistance	technical staff	Demand driven	Client SMEs	Ongoing: The timing of these activities will be demand driven.																Client SMEs adopt "applied" ICT features to business	Demand Driven	baseline built into CGPs
PIR 2: Enterprise Productivity Increased																						
KRA 2.1: Adoption of innovative and modern technologies and systems promoted																						
Increase access to new equipment and technology for clients for which such access is a binding constraint	technical staff/STTA/CDC volunteers	Demand driven	Client SMEs	Ongoing: The timing of these activities will be demand driven.																New equipment and technologies accessed by client SMEs	Demand Driven	baseline built into CGPs
Conduct competitions for and award small grants to clients satisfying the 5:1 rule	technical staff/STTA/CDC volunteers	Demand driven	Client SMEs			x				x				x				x		new equipment and technologies accessed by client SMEs	Demand Driven	baseline built into grants/CGPs
Help improve production planning and quality control for clients for which such is a binding constraint	technical staff/STTA/CDC volunteers	Demand driven	Client SMEs	Ongoing: The timing of these activities will be demand driven.																New abilities in production planning and quality control acquired by SMEs	Demand Driven	baseline built into CGPs

Activity	Resources		Counterparts	Year 2				Year 3				Year 4				Year 5				Expected Results or Milestones	Expected Timeline	Baseline Data
	Description	Estimated Amount		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4			
KRA 2.2: Organizational and managerial capacity enhanced																						
Help SMEs develop business plans and marketing strategies when that is a binding constraint	Technical staff / BSPs / RDAs	Demand driven	Client SMEs	Ongoing: The timing of these activities will be demand driven.																Business plans and marketing strategies developed by client SMEs	Demand Driven	baseline built into CGPs
Help lead firms establish corporate governance practices when that is a binding constraint	Technical staff / BSPs / RDAs	Demand driven	Client SMEs	Ongoing: The timing of these activities will be demand driven.																Corporate governance practices established	Demand Driven	baseline built into CGPs
Promote strong marketing practices when that is a binding constraints	Technical staff / BSPs / RDAs	Demand driven	Client SMEs	Ongoing: The timing of these activities will be demand driven.																Marketing practices established	Demand Driven	baseline built into CGPs
Train SMEs to adopt modern human resources and hiring policies when that is a binding constraint	Technical staff / BSPs / RDAs	Demand driven	Client SMEs	Ongoing: The timing of these activities will be demand driven.																Modern human resources and hiring practices adopted	Demand Driven	baseline built into CGPs
KRA 2.3: Market-driven products and services increased																						
Help Albanian firms develop "own brands" when it helps meet the 5:1 test	Technical staff / BSPs / RDAs	Demand driven	Client SMEs	Ongoing: The timing of these activities will be demand driven.																Own brands established	Demand Driven	baseline built into CGPs
Help Albanian SMEs to take advantage of untapped market opportunities when it helps to meet the 5:1 test	Technical staff / BSPs / RDAs	Demand driven	Client SMEs	Ongoing: The timing of these activities will be demand driven.																Advantage taken of untapped market opportunities	Demand Driven	baseline built into CGPs
PIR 3: Workforce Development Improved																						
KRA 3.1: Effectiveness of Pre-Employment and Employability Programs Improved																						
Promote linkages between job seekers, enterprises and training providers when likelihood is high of satisfying the 5:1 rule	Gwen El Sawi / Elisabeta Mema / STTA	Demand driven	Client training institutions	Ongoing: The timing of these activities will be demand driven.																Key linkages between SME employers and VET providers created	Demand Driven	baseline built into CGPs of affected enterprises
Develop and enhance curriculum for pre-employment/employability programs when likelihood is high of satisfying the 5:1 rule	Gwen El Sawi / Elisabeta Mema / STTA	Demand driven	Client training institutions	Ongoing: The timing of these activities will be demand driven.																Curriculum for pre-employment / employability programs developed	Demand Driven	baseline built into CGPs of affected enterprises
KRA 3.2: Effectiveness of Technical/Vocational Training Programs Improved																						
Training of Trainers (ToT) when likelihood is high of satisfying the 5:1 rule	Gwen El Sawi / Elisabeta Mema / STTA	Demand driven	Client training institutions	Ongoing: The timing of these activities will be demand driven.																Increase in Albanian ToT's	Demand Driven	baseline built into CGPs of affected enterprises
Develop communities of practice when likelihood is high of satisfying the 5:1 rule	Gwen El Sawi / Elisabeta Mema / BSPs / RDAs	Demand driven	Client training institutions	Ongoing: The timing of these activities will be demand driven.																Communities of practice developed	Demand Driven	baseline built into CGPs of affected enterprises
Promote learning and income generation through real-life projects in vocational training when likelihood is high of satisfying the 5:1 rule	Gwen El Sawi / Elisabeta Mema / STTA	Demand driven	Client training institutions	Ongoing: The timing of these activities will be demand driven.																Learning and income generation projects promoted	Demand Driven	baseline built into CGPs of affected enterprises
Engineer reverse OJT: VET instructor-private sector employee "temporary job exchange" program when likelihood is high of satisfying the 5:1 rule	Gwen El Sawi / Elisabeta Mema / STTA	Demand driven	Client training institutions	Ongoing: The timing of these activities will be demand driven.																VET instructor-private sector employee "temporary job exchange" program established	Demand Driven	baseline built into CGPs of affected enterprises
Design vocational programs with special focus on the socially and economically disadvantaged when likelihood is high of satisfying the 5:1 ruleoilman	Gwen El Sawi / Elisabeta Mema / STTA	Demand driven	Client training institutions, socially and economically disadvantage Albanians	Ongoing: The timing of these activities will be demand driven.																Vocational programs with special focus on the socially and economically disadvantaged established	Demand Driven	baseline built into CGPs of affected enterprises

	Resources			Year 2				Year 3				Year 4				Year 5				Expected Results or Milestones	Expected Timeline	Baseline Data
Activity	**Description**	**Estimated Amount**	**Counterparts**	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4			
Integrate Gender and Minority Issues																						
Identify targeted gender and minority-related technical assistance when necessary for successful implementation of CGPs	Technical staff/Kara Nichols Barrett	Demand driven	Client SMEs	Ongoing: The timing of these activities will be demand driven.																Gender and minority Concerns taken explicitly into account	Demand Driven	baseline built into CGPs
Deliver targeted gender and minority related technical assistance	Technical staff/Kara Nichols Barrett	Demand driven	Client SMEs	Ongoing: The timing of these activities will be demand driven.																Gender concerns addressed	Demand Driven	baseline built into CGPs
Program Management																						
PMP reporting and updating	Elona Toska / James Riordan	Monthly		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	PMP reporting conducted and updated	Ongoing	
Reports (quarterly, annual, final)	James Riordan	Ongoing		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Reports submitted	quarterly, annual	
Financial reports (quarterly)	HO Manager	5 days		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Reports submitted	quarterly, annual	
Quantitative and qualitative assessment of CED	STTA / USAID	20 days	USAID													x	x					
Demobilization Plan	Home Office Manager	5 days																x		Demobilization plan submitted	Year 5, month 10	

Annex III – Performance-Based Monitoring Plan