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# Rritje Albania / Competitive Enterprise Development

YEAR 2 WORK PLAN

APRIL 1, 2010 – MARCH 31, 2011

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## ACRONYMS AND ABBREVIATIONS

|        |   |
|--------|---|
| ACIT   | Albanian Center for International Trade   |
| APS    | Annual Program Statement  |
| BEO    | Bureau Environmental Officer  |
| BSP    | Business Service Provider   |
| CDC    | Citizen's Development Corps Development Solutions   |
| DCA    | Development Credit Authority  |
| dTS    | Development & Training Services   |
| EBRD   | European Bank for Reconstruction and Development  |
| EDEM   | Enterprise Development and Export Market Services project                                       |
| EU     | European Union  |
| GTZ    | <i>Deutsche Gesellschaft für Technische Zusammenarbeit</i> (German Technical Assistance Agency) |
| ICT    | Information and Communications Technology   |
| IT     | Information Technology  |
| KRA    | Key Results Area  |
| LGPA   | Local Governance Program of Albania   |
| MCC    | Millennium Challenge Corporation  |
| NGO    | Nongovernmental Organization  |
| PIR    | Project Intermediate Results  |
| 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    | <i>Stichting Nederlandse Vrijwilligers</i> (Netherlands Development Organization)               |
| STTA   | Short-Term Technical Assistance   |
| TBD    | To be determined  |
| 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. As contractually required, this annual work plan covers the second project year from April 1, 2010 – March 31, 2011.

This work plan builds on the knowledge, experience and feedback obtained from extensive meetings with clients, industry experts, project partners, short-term technical consultants and others encountered over the course of project year one 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 GTZ.

As the project moves into the 12 month period covered by this report, it is well-positioned to accelerate the 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 in selected regions to expand their businesses and improve competitiveness, thus contributing to the country's continued, broad-based economic growth. Its main objectives are to support the sustained growth of non-agricultural enterprises, increase household income and create profitable employment by developing and strengthening the competitiveness of existing enterprises and start-ups in targeted regions of Albania. These objectives will be achieved through three component areas of intervention:

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

Rritje Albania works with entrepreneurs, investors and other stakeholders involved in selected sectors and firms to identify constraints to competitiveness. Once identified, the project brings a mix of technical assistance, training, targeted grants and linkages to financing to help remove these constraints.

The main focus of the project is to effect positive change in competitiveness at the enterprise level as measured through two key indicators: increased sales and jobs. Over the life of the project, Rritje Albania looks to contribute to at least \$98 million USD in increased sales at assisted businesses.

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. Recently the project came across a new company in Lezha that wants to supply tools for cutting leather soles to Albanian footwear manufacturers currently supplied from Italy. Project assistance will assist this start-up firm to successfully offer this import substitution. Over the life of the project we will be on the look-out for such start-ups and offer demand-driven assistance and grants to provide the support needed to generate sustainable new income and jobs for Albanians.

It is also important that the project support the establishment of a positive image of Albanian products and services at the industry level in order to enhance the marketability and desirability of Albania products to foreign *and* domestic buyers. For example, an Albanian manufacturer of mattresses exports to a Greek buyer who re-imports some of them to Albania. The imported mattresses sold under the Greek brand are then sold at a premium price compared to the Albanian-branded product. The project will work to correct such information asymmetries currently constraining domestic sales that will on their own lead to increased sales and jobs at Albanian enterprises. In the case of tourism-related businesses the project will promote “Authentic Albania” as part of its Quality Mark standards program which will highlight the uniqueness of Albanian culture, service and products while at the same time work to improve the quality and marketability of Albanian goods to domestic and international customers.

Although 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.

### A3. Year One Challenges and Lessons Learned

As part of the year-two work planning exercise, an off-site retreat was held in Durres from January 11-13, 2010 and attended by the full field office team plus two persons from Chemonics’ headquarters: the project management unit director and a human resource employee with experience in leading work planning meetings.

Over the two weeks leading up to the retreat, the field office team held two one-half day mini-retreats in the Tirana office to begin reflecting on the first year of project implementation in order to capture the challenges, lessons-learned and possible ways forward in year two. 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 work and communication styles to improve effectiveness with one another, clients, and other stakeholders;
- Achieved a common understanding of project targets, results to date and goals for year 2 of the project;
- Refined year 2 assumptions, developed strategies and approaches to meeting the goals;
- Developed the first draft of the year 2 work plan, identifying activities, resources, timelines, milestones, and expected results.

As part of the year one analysis, project staff listed common assumptions held by the majority of team members that influenced the choice of technical activities undertaken by the project and the allocation of project resources. The assumptions thought to have the greatest influence were the following:

1. Project will offer assistance only for solutions to SME problems that result in a minimum 5:1 return on cost to project.
2. Solutions will be cost-shared with clients at a minimum of 50/50.
3. After a few short visits, clients would be willing to articulate technical assistance needs and share detailed sales and jobs figures with Business Advisors that would be captured in Client Growth Plans (CGP).
4. Industry selection was appropriate.

In hindsight, it was found that the self-imposed limit of focusing on solutions that led to 5:1 return in enterprise sales meant that industry-level exercises were not given adequate consideration. In the case of cost sharing, SMEs were resistant to assuming 50% cost sharing before being convinced that the technical assistance would be cost-effective. Also, there was resistance on the part of owners to fully divulge information on their companies until a certain level of trust was built up over time and after several visits with Business Advisors. This meant that achieving targets for signed CGPs were taking longer than anticipated. On point number 4, it was agreed that the initial five industries selected were appropriate.

Moving into year two, shared key assumptions were modified as followed:

1. Project will offer assistance (“only” was taken out) for solutions that result in 5:1 return on cost to project or higher, but exceptions can be considered such as initial STTA needs assessment visits or when implementing industry-level activities requiring a longer period of return and difficulty attributing sales and jobs increases.
2. Project clients will include those who sign CGPs as well as others that receive USG assistance but do not commit to reporting sales and jobs numbers each month over the life of the project.
3. The project will seek synergies with other donors and opportunities to leverage resources and prioritize interventions to maximize return on investments.
4. Industry selection was appropriate. There will be some revision – food processing will likely be added as well as other businesses considered on a case-by-case basis.

## A4. Project Implementation Principles

### Market-based interventions

Rritje Albania takes market demand as the starting point for all 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 scour the market looking for business and sales opportunities they learn what is needed to be competitive. They become incentivized economically to seek Rritje Albania’s assistance to improve their product and service offer through enhanced productivity measures, adaption of

new technologies and learning 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. These actions also reduce the overdependence of many Albanian SMEs on a small number of buyers.

### Local ownership and participation

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

For those SMEs wishing to receive assistance over the life of the project and are willing to divulge detailed information on their firms, the project's Business Advisors meet with them over a series of visits and complete a standardized Client Profile questionnaire that is then 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 on an annual basis and following visits by a short-term technical assistance (STTA) expert when other constraints to growth or competitiveness are identified.

While long-term clients with signed CGPs comprise the majority of Rritje Albania's clients, other Albanian enterprises that benefit from project activities are also considered to be project beneficiaries. For example, firms assisted to improve their competitiveness and increase sales and jobs through project-sponsored trainings, business to business meetings (B2B) and other technical assistance delivery mechanisms are considered clients of the project.

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 join in the effort 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 very large, covering all industries except basic agriculture, working in all major municipalities in the country 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 garment manufacturers would benefit from the acquisition of CAD/CAM cutting equipment and other advanced machinery they may lack access to finance or be unable to cover operating losses until positive cash flow is achieved. Another example, which many experts have identified, is the need to restructure all vocational educational training institutions in the country to better

respond to the workforce demands of businesses. Such an effort would cost millions of dollars and many years to accomplish, neither of which the project can provide. Therefore, 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.

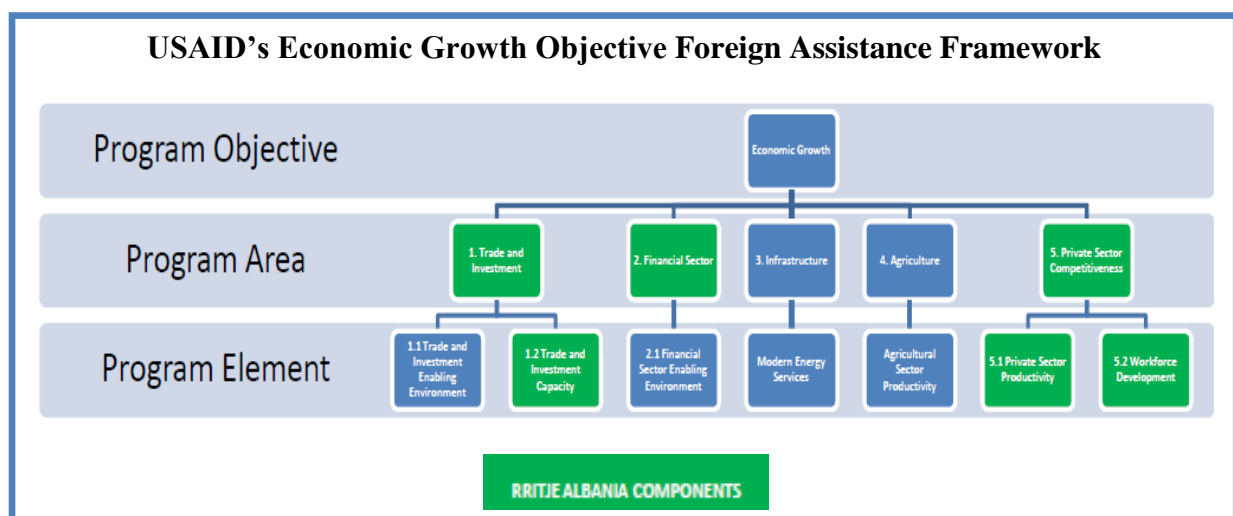
Attentive to results and implementation process

Besides managing for results using its performance monitoring plan (PMP) 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 two 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.

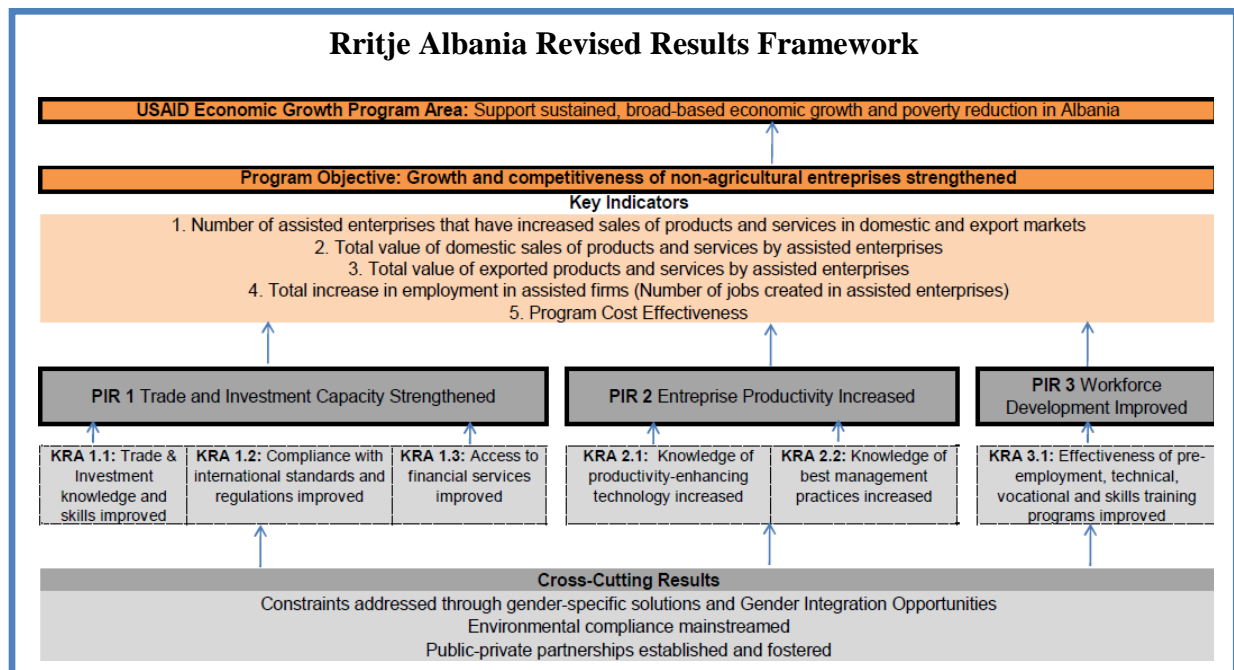
**A5. Results Framework**

During the development of the technical proposal for Rritje Albania, our team designed a results framework that aligned the activities, outputs and outcomes of our project with the Economic Growth Objective of USAID’s Foreign Assistance Framework. All work conducted in the framework of USAID’s Economic Growth Program Area supports sustained, broad-based economic growth and poverty reduction in Albania. Rritje Albania will contribute to this result through its program objective of strengthening the growth and competitiveness of non-agricultural enterprises.





Building on the draft results framework from the technical proposal and the experience in the first year of project implementation, the Rritje Albania team has revised its results framework to streamline the direct and indirect results of our work with the program elements and sub-elements of USAID Albania’s Economic Growth Area. The changes that will be proposed to USAID for approval are submitted with supporting rationales and information in the revised Performance-Based Monitoring Plan for the project, including aligning the specific indicators for the project with those used by USAID Albania.



While the main three project intermediate results (components) do not change, the Key Results Areas (KRA) have been modified to correspond directly to USAID’s Economic Growth sub-Intermediate Results, as included in the USAID Albania Performance Monitoring Plan (PMP). The specific inputs and outputs for each project component and KRA are laid out in section B3: Detailed Work Plan by Project Intermediate Result. We believe that the revised KRAs better reflect the reality on the ground and will allow Rritje Albania to plan and allocate resources better, by removing areas of overlap and more linear linkages between inputs, outputs and outcomes.

The results framework for the project also recognizes the importance of the cross-cutting themes of gender, the environment and public-private partnerships and will ensure that they are integrated into all our interventions. To that end, we have proposed the addition of another indicator to the Workforce Development component: number of public-private partnerships developed to better support the non-agricultural private sector with management, training and coaching in partnership local learning/training institutions and NGOs necessary to help develop and maintain an improved workforce.

## 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 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 that are detailed in the project's Performance-Based Monitoring Plan (P-BMP).

Although we will report results by the project's three components described in Section A4 (Workforce Development, Trade and Investment, Productivity), the precise choice of support activities that Rritje Albania supplies to build competitive enterprises in Albania are derived from market demand and industry specific expert advice, not driven by the indicator targets under each component. Nonetheless, the project is mindful of the need to offer a wide range of technical assistance, that our performance indicators capture, and will do so when opportunities present themselves. However as the reader will note, many activities planned for year two center on opening up SMEs awareness of the market by helping them to develop and implement sales and marketing strategies, materials and plans. In so doing, SMEs learn to measure themselves against competition and make improvements where necessary to meet buyer demands in order to capture new orders. The reward of new business becomes the economic incentive and motivating force to seek and follow project advice.

The following section describes what constraints have been identified to competitiveness within industries and at individual firms and also lists multi-client problems that cut across industries and municipalities. Further, it illustrates the type of assistance Rritje Albania will deliver under the three project components and the partnerships that will help us attain the depth and breadth of solutions needed to meet our goals.

## B1. Multi vs. Single-Client Solutions

In the course of year one implementation, the project identified a number of problems affecting multiple firms—in the same industry and sometimes across industries—that could best be solved by the application of multi-client solutions rather than technical assistance delivered to one client at a time. Besides the lower unit cost per business trained, the advantage of multi-client solutions also includes more control over the standard of assistance offered and an increase in the number of businesses that could be reached.

A considerable amount of time was devoted at the project's work planning seminar held in January to define what problems were amenable to multi-client solutions and how they would be developed and rolled out. The results of those discussions appear throughout the work plan under the section topics that apply. In almost all cases, the development and delivery of multi-client solutions will be driven by the Trade and Investment Advisor, the Workforce Development Advisor or the Tourism Specialist. The follow-up of the training solutions and implementation of recommendations from expatriate and local consultants will be usually assigned to the Business Advisor responsible for the assisted business.

## 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 key industries that contribute a very large portion to Albania's GDP and hold the greatest potential to substantially increase in size were defined. This list of industries underwent further analysis in the first one-half of year one when project staff visited the ten target municipalities and met with stakeholders including local chambers of commerce, regional development agencies, government officials, SMEs and others. In November, Rritje Albania and the Italian/Albanian SME Development Program (IASMEDP) joined forces to appear together at roundtables in Korca, Fier, Durres and Shkodra that were advertised by the Regional Development Agencies. Sixty-one SME participants were introduced to Rritje Albania and received information on sources of financing from IASMEDP.

In year two Rritje Albania will continue to market the project in target regions, encouraging SMEs to become clients while at the same time seeking synergies between the project and high-level local stakeholders. Along these lines, roundtables are planned in the first quarter of year two in the cities of Gjirokastra, Elbasan, Tirana, Pogradec, Vlora and Kukes. The roundtables will serve the dual purpose of exposing SMEs and key local stakeholders to the project as well as presenting information on access to finance through bank and non-bank financial institutions such as leasing companies and microfinance institutions. In addition to Rritje Albania's Chief of Party and Trade and Investment Specialist, senior representatives from financial institutions will be invited to make short presentations. Other roundtables and workshops as described elsewhere in this report will bring together technical/vocational training providers, SMEs, and business service providers (BSPs) in the localities where Rritje Albania works and serve as "viral marketing" opportunities for the project.

Five sectors have emerged as deserving Rritje Albania's attention: apparel, footwear, tourism, information communication technologies (ICT), and recycling. A sixth one, food processing, surfaced in recent months as a sector with significant growth potential and Rritje Albania has initiated discussions with USAID and the AAC project to explore this possibility. It is anticipated that selected food processing businesses in this sector that will not be directly supported by AAC will be added to Rritje Albania's client list in the latter half of year two.

The five industries were extensively profiled in the year-one work plan that was finalized and approved a little more than six months ago. Given the short time that has elapsed and the project's hands-on experience working in these sectors since the profiles were drafted, we find that the analysis and conclusions remain largely unchanged. Therefore in this year's work plan we present below only a brief summary of the sector analyses, priorities and main technical support activities needed in each sector.

## **B2a. Textile and Apparel Industry**

Albania's textile and apparel industry employs an estimated 95,000 persons, the majority of whom are women, and accounts for 57% of Albania's exports. The top export destinations were Italy (78%), Greece (16%) and Germany (6%), which represented 99.7% of all Albanian apparel exports. Over the past decade many Italian retailers, clothing designers and brokers have taken advantage of the geographic proximity of Albania, the low labor costs of Albanian manufacturers and the fact that many Albanians are fluent in Italian. In 2002 Albania had 402 registered contract apparel companies and in 2009 it had 474, showing steady growth in the sector.

If there ever was a year where long-term garment industry forecasters missed the mark, 2009 was it as the world-wide market took a full hit from the global recession. As consumers found themselves with less disposable income, clothing was one of the first purchases to be cut back. Retailers found themselves vastly overstocked, with the same or higher overheads and few customers; cash flow suffered immediately. With fewer customers and sharply reduced sales, global orders on manufacturers were slashed. Contract apparel makers who previously ran full production units had drastically fewer and smaller-sized orders from buyers. Yet, despite this backdrop, Albania garment manufacturers seemed to have survived 2009 remarkably well. Why was that?

As global garment sales plummeted, wholesale buyers cut costs, reduced order sizes to keep inventories low and slowed payments to suppliers. Albanian firms' close proximity to the European market, low labor costs and willingness to accept small orders and payments up to 60 days after receipt of goods when 10 days is standard, helped firms to stay open. They were also helped by having lower fixed cost overheads due to fully-depreciated machinery and relatively low raw material inventories thanks to running predominately fasson<sup>1</sup> operations. However, going into 2010, many find 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. This situation will be addressed by helping businesses to diversify their buyer base by moving them from being production-driven to opening themselves to the market, looking outward for new profitable sales and making necessary improvements to their competitiveness.

In November and December Rritje Albania brought two highly acclaimed garment experts to provide technical assistance to eight garment manufacturers and two textile sector associations. Both experts saw much in common between Albania's garment sector and Bulgaria in 1996 and Macedonia and Serbia in 2003. Similarities include: 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).

By using a development template similar to those employed in other countries and assisted by the technical assistance provided by Rritje Albania over the life of the project, Albanian garment producers should be able to shorten the time it takes to build a strongly competitive and dynamic garment manufacturing industry. Project technical assistance includes both customized one-on-one assistance as well as multi-client solutions described below. Firm-level assistance will be focused on dynamic firms that want to improve and are willing to invest the necessary money and time.

## **Garment Sector Recommendations and Strategies**

### Short-term

Strengthen trade and investment capacity using ICT for trade-related activities, improve trade knowledge and skills and be able to identify commercial opportunities and establish contacts with potential buyers/partners. Actions include:

1. Develop and maintain an umbrella, industry website, to be spun off before the end of the project that describes Albania's garment industry and promotes its capacities as well as its

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<sup>1</sup> 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.

competitive and comparative advantages to foreign buyers. Compile a list of garment companies and profile them on the website.

2. Assist selected firms to design, populate and maintain their own web site with links to the industry's umbrella site.
3. Run multi-client 2-day training workshops on preparing and attending trade shows.
4. Establish direct relationships between retailers in the EU and Albanian manufacturers (business-to-business (B2B), trade fairs and networks).
5. Schedule B2B meetings between Albanian firms and targeted EU buyers that match up well with local product offerings.

Identify an "elite 7 – 10 firms" with high potential and entrepreneurial drive willing to commit resources to become leaders in Albania's garment industry with project assistance.

Assistance to these firms will initially consist of:

1. Help to develop marketing and publicity materials to secure new buyers.
2. Train and prepare to attend key industry trade fairs in Europe and the Balkan region. Facilitate seller-buyer contacts and networking and instruction in the use of appropriate transaction contracts.
3. With firm level STTA, show owners how to assess their firms' operation, including such things as plant design and lay-out, and recommend changes to improve efficiencies and productivity.
4. With firm level STTA, recommend new technologies and promote their adoption at firms prepared to invest to achieve increased productivity in order to satisfy market demand for sales.

#### Long-term

1. Actively promote the apparel sector as a target for foreign and local investment through the industry web site, trade fairs, articles and press releases.
  - a. Improve competitiveness by helping firms to move up and down the value chain system. For some this may mean moving from MT to full CMT (down chain) and selling a fully-finished branded product (up chain). For others it may entail working with sales agents for the first time or bypassing agents to sell directly to wholesalers and/or retailers.
  - b. Explore the feasibility of supporting the installation of additional value-added services, such as CAD/CAM cutting facilities, product design, packaging, etc.
2. Support companies to identify and access debt and/or equity financing, from both national and international sources such as domestic banks, multi-lateral banks and/or private investors.
3. Mentor managers to develop human capital, including setting up strategies for integrating incentive-based recruitment, training and retention.
4. When SMEs are willing to contribute to the cost, support sustainable training programs as part of a Human Resource Management (HRM) function within businesses that include regular training needs assessments (TNA), identify qualified trainers, conduct training of trainers (TOT) and build linkages with existing training institutions and programs that have a special focus on public/private partnerships.
5. Coach apparel managers to leverage opportunities that develop the workforce and increase the productivity of Albanian firms through improved:
  - a. Managerial accounting and financial management systems;
  - b. Product design and development;
  - c. Upgrading production processes;
  - d. Adaptation of ICT and other technologies such as CAD/CAM and EDI.

6. Spin off Albania Apparel Web site to a local institution that will sustain and maintain it.

## B2b. Footwear Industry

Albanian's footwear sector accounts for around 14% of industrial employment, 10% of output and more than 30% of exports. In total, there are more than 96 shoe and leather companies in this sector. Taking into account the use of hand-stitched footwear outsourced by manufacturers to women working at home, total employment in the sector is conservatively estimated to be 20,000 workers – 90% of whom are women.

Italian companies are the dominant buyers of Albanian footwear, accounting for as much as 99% of all footwear exported in 2004, the most recent industry-specific data available. The sector is Italian-focused not only because many Albanians speak Italian but also because footwear is such an important industry in Italy. While garment production is spread all across Europe, footwear is by far the strongest in Italy. Until recently, Albanian companies have been happy to tie themselves only to Italy, seldom taking initiative to learn the knowledge processes, to develop communication skills and publicity materials, or look for alternative clients. However, following the global recession of 2009, support for this business model appears to be weakening. As with garment manufacturers, Albania's low cost labor, close proximity to markets and willingness to accept small production orders with low margins have kept footwear plants operating but at very low profitability levels.

In early February 2010 Rritje Albania brought in an international expert with a wealth of experience in the European leather and footwear market, including Albania, to provide short-term technical assistance (STTA) to several large footwear companies. Although his work is continuing, he observed many of the same weaknesses in management, production efficiencies, over-reliance on few buyers and the absence of serious marketing and sales departments that were noted in the garment industry. In his view, firms will be most successful in the short term by continued interactions with Italian customers 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, 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. However, it should be noted that to realize these gains, Albanian firms will need to invest in human resources by creating new positions, recruiting staff and training them to do work that is needed now but not being done.

Rritje Albania's work plan for the footwear sector is much like its plan for the garment industry and includes both customized one-on-one assistance as well as multi-client solutions. Both are described below. Efforts will be concentrated on dynamic firms that want to improve and are willing to invest the necessary money and time.

### **Footwear Sector Recommendations and Strategies**

#### Short-term

1. Develop and maintain an umbrella, industry website (to be spun off later in the project) that describes Albania's footwear industry and promotes its capacities as well as competitive and comparative advantages to foreign buyers. Compile a list of footwear companies and profile them on the website. Work with companies to help them develop their client profiles and other marketing materials.

2. Assist selected firms to design, populate and maintain their own website with links to the industry's umbrella site.
3. Work with several leading firms, committed to growth, and train them on how to prepare and attend large industry trade fairs.
  - a. Run 2-day regional training seminars on preparing and attending trade shows
  - b. Establish direct relationships between retailers in the EU and Albanian manufacturers (B2B, trade fairs and networks).
  - c. Schedule B2B meetings with targeted buyers that match up well with their product offerings.
4. Follow-up with businesses to provide the technical assistance needed to profitably fill new orders.
5. Develop a tool kit to introduce a systematic process for determining product costing.
6. Conduct study tours to model footwear companies outside of Albania.
7. Identify and bring buying agents operating in selected European countries to Albania to meet with individual manufacturers.
8. Facilitate the publication of articles on Albanian footwear companies in trade magazines.
9. Increase enterprise productivity by assessing and recommending changes to production technology, process and facilities and help clients develop new or improved product capacities.
10. With firm level STTA, show owners how to assess their firms operation, including such things as plant design and lay-out, and recommend changes to improve efficiencies and productivity.
11. With firm level STTA, recommend new technologies and promote their adoption at firms prepared to invest to achieve increased productivity in order to satisfy market demand for sales.

#### Long-term

1. Actively promote the footwear sector as a target for foreign and local investment.
  - a. Improve competitiveness by helping firms to move up and down the value chain system. For some this may mean moving to full-shoe production from uppers only (up chain) or sourcing its own leather inputs (down chain). For others it may entail working with sales agents for the first time or bypassing agents to sell directly to wholesalers and/or retailers.
  - b. Provide additional value-added services, such as product design, packaging, etc.
2. Support companies to identify and access debt and/or equity financing, from both national and international sources such as domestic banks, multi-lateral banks and/or private investors.
3. Expose businesses to basic quality standards and ISO certifications.
4. Mentor managers to develop human capital, including incentives for integrating recruitment, training and retention.
5. When SMEs are willing to contribute to the cost, support sustainable training programs as part of a Human Resource Management (HRM) function within businesses that include regular training needs assessments (TNA), identify qualified trainers, conduct training of trainers (TOT) and build linkages with existing training institutions and programs that have a special focus on public/private partnerships.
6. Coach footwear managers to leverage opportunities that develop the workforce and increase the productivity of Albanian firms through improved:
  - a. Managerial accounting and financial management systems;

- b. Product design and development;
  - c. Upgrading production processes;
  - d. Adaptation of ICT and other technologies as may be appropriate.
7. Spin off Albania Footwear website to a local institution that will sustain and maintain it.
  8. Support companies and/or a footwear association to join SATRA, UK testing and training organization for footwear.

## B2c. Tourism

The Government of Albania and several donor projects are currently working to remove the structural and infrastructure impediments to the development of tourism in Albania. Tourism in Albania has consistently increased over the past five years from a 16.9% annual growth rate in 2004 to a 40% annual growth in 2008. Tourism accounts for approximately 11% of Albania's GDP and employs over 138,000 people or 6% of the able working population. In 2008, Albania's tourism and travel industry earned 358 million Euros, accounting for 4.1% of GDP. In 2009, Travel & Tourism accounted for a direct 3.68 % of Albania's GDP, however the World Travel and Tourism Council estimates that its cumulative (direct and indirect) contribution to the country's GDP was 12.54 %.<sup>2</sup>

Despite these impressive results, 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 as well as Albania's need to improve its product offer.

Albania's tourism assets include a large geographical diversity in a relatively small area, rich and varied cuisine, dramatic landscapes, and beautiful beaches. However, a number of neighboring countries such as Montenegro, Greece, and Croatia possess similar attributes in equal or greater measure. On the plus side, Albania's most unique and marketable tourism assets are its people, culture, and history, both ancient and modern that has been largely unvisited by outsiders.

Until now, 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 this market segment is large, it is also one of the most competitive in the world. And, with an expected liberalization of the visa regime in the region, Albania will attract fewer visitors from its Southeast European neighbors as other destinations such as Bulgaria and Turkey offer better products at lower 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 year one, Rritje Albania fine-tuned its plan to support Albania's tourism sector by meeting with key local and regional tourism sector actors, donor agencies, and foreign tour operators. To achieve the project's goals of increasing jobs and sales, technical activities will concentrate on three axis of intervention:

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<sup>2</sup> [http://www.wttc.org/eng/Tourism\\_Research/Tourism\\_Impact\\_Data\\_and\\_Forecast\\_Tool/](http://www.wttc.org/eng/Tourism_Research/Tourism_Impact_Data_and_Forecast_Tool/)



1. Promote Albania as a desirable destination leading to an increase the number of foreign tourists visiting Albania;
2. Improve the competitiveness and quality of the product offer, primarily accommodations;
3. Seek and leverage synergies with other stakeholders to improve the competitiveness of Albania's tourism sector.

### **Promoting Albania as a tourist destination**

Albania is largely unknown as a tourist destination but, once exposed, visitors are overwhelmingly positive about the experience. In October 2009, Rritje Albania co-sponsored a National Conference on Tourism and Real Estate in Albania that was followed by B2B meetings and a 5-day Familiarization (FAM) tour for eight large European tour operators, most of whom had never been to Albania before. The feedback was extremely positive and every visiting company is working to add Albania to its list of featured destinations.

The project will build on its initial success by participating in the International Tourism Borse (ITB) in Berlin in March and the 2011 World Travel Market (WTM) in London. Prior to the events it will sign up to 10 CGPs with local tour operators, help prepare them for the show and set up B2B meetings with foreign operators, journalists and others. While at the fair, the project will schedule meetings and will meet and build a database of foreign tour operators that can participate in future FAM tours and be marketed directly to include Albania in their marketing plans. Three FAM tours are planned in year two, one each in April, May and September.

The project will also work closely with the Albanian Travel Association, National Tourism Board, European Consulates, Business Associations, Journalists and others to raise the profile and quality approval of Albanian tourism. The purchase and distribution of a National Geographic Travel Magazine On-sert featuring "The Western Balkan" countries that was initiated by USAID's RCI project and described elsewhere in this report is a key element of year two promotional activities. Other actions include support to industry and individual company websites and online booking mechanisms.

### **Improve the quality of Albania's tourism product**

In addition to the CGPs signed with local tour companies, Rritje Albania will sign CGPs with key hotels in major tourist destinations and deliver firm-level assistance to build competitive and profitable businesses. It will also institute a Quality Mark (QM) program in Albania through the Albanian Tourism Association (ATA) based on the model pioneered and supported by the RCI project in Croatia, Bulgaria and recently announced to begin in Macedonia. Plans to move the QM initiative have already begun and QM assessors will be selected and trained in April. By the end of project year two, up to 60 Albanian accommodations are expected to be rated.

Additional activities planned for the tourism sector include: aiding the development of proper insurance policies for tourism companies in Albania; assistance in researching and supporting the implementation of European certification systems for local tour operators; facilitating the linkage of training between local institutions and others such as the American Hotel and Lodging Association's Educational Institute and European institutions.

### **Leverage synergies with other stakeholders**

In December 2009 Rritje Albania called the first meeting of a tourism stakeholder group to bring together other donors and projects in order to pool and coordinate their efforts to assist the achievement of common goals. Participants including the ATA, GTZ, SNV, USAID, UNDP, UNESCO and others agreed such meetings were valuable and agreed to continue them on a quarterly basis.

Recently, lobbying of the Ministry of Tourism by the stakeholder group to encourage greater involvement of the private sector in tourism-related initiatives led the Minister to call a consultative meeting between representatives of the public and private sector. Because space at this meeting was limited to one donor only, Rritje Albania was not part of this initial meeting but GTZ which represented the donor community reported that the meeting went very well. It is expected that this first initiative will be followed by the establishment of smaller working groups that address specific industry issues such as tourism education, public policy, and tourism quality. Rritje Albania intends to play an active role in these public-private partnerships and dialogues and will capitalize on exposed synergies and technical assistance leveraging opportunities.

## B2d. Information and Communication Technology (ICT)

At its simplest, information technologies (IT) are defined as technologies that ensure electronic exchange of information. A more sophisticated definition of IT according to the Information Technology Association of America is: “the study, design, development, implementation, support or management of computer-based information systems, particularly software applications and computer hardware.” By any measure, ICT in Albania is at a nascent stage of development.

The International Telecommunication Union (ITU), of which Albania is a member, estimates that in 2007 there were 471,000 internet users in Albania. At 15% (total population in 2007 est. 3,087,159), internet penetration in Albania is lower compared to coverage in other European countries. Only 1.1% are broadband internet users and the slow absorption of new technology at the firm level ranks Albania 100 of 133 countries surveyed. In the area of business sophistication Albania scores 109 out of 133 and in innovation, 126<sup>th</sup>. Innovation is hindered by low levels of collaboration in research and development between businesses and universities; the Executive Opinion Survey conducted by the World Economic Forum ranked Albania last (133<sup>rd</sup> of 133 countries) in this competitiveness factor.

Despite these challenges, there is significant potential for SMEs to use ICT as a catalyst to increase market penetration, enhance productivity and develop a competitive workforce in the sectors on which Rritje Albania is focused. ICT is both a stand-alone sector as well as a cross-cutting enabling technology for other industries. As such, Rritje Albania will provide assistance to build competitiveness of ICT firms as well as help to identify and facilitate the utilization of ICT solutions to build capacities at firms in the other sectors that the project works.

In its second year, Rritje Albania will explore synergies and possible joint programs with the USAID Regional Competitiveness Initiative (RCI). In particular, the European Software Institute (ESI) in Bulgaria, a client of RCI, has run certification programs for two well-known Albanian ICT companies: InfoSoft and DM Consulting. Rritje Albania has met with ESI to

explore future training programs for Albanian ICT firms. Other collaborative opportunities to be explored include internships with ICT training institutions and public-private-partnerships with Microsoft, Cisco and HP, and joint programs with GTZ.

## **ICT Recommendations and Strategies**

### Short-term

1. Survey the ICT sector and create a database of ICT service providers classifying them by the market segment they cover:
  - a. Software development: e.g., financial, hospitality, garment, or footwear-specific;
  - b. Internet Service Providers;
  - c. Website developers and web-based applications service providers;
  - d. System integration service providers;
  - e. Hardware sales and distribution;
  - f. Other.
2. Conduct rapid appraisal of ICT firms to define support opportunities to improve competitiveness and better meet market demand. Business Advisors will work with high-potential ICT service providers to develop Client Growth Plans to address identified constraints to jobs and sales.
3. Coordinate with GTZ's Enterprise Development and Employment Promotion project (EDEP) to complement their ICT cluster development efforts and support Rritje Albania's technical components of trade and investment, productivity enhancement and workforce development.
4. Using the Global Development Alliance (GDA) approach, explore the feasibility of supporting an ICT sector incubator in cooperation with the New York University of Tirana, Microsoft and Cisco Systems along with select Albanian ICT firms.
5. Support participation in regional IT conferences and related events in order to create linkages with other IT companies and potential clients. In particular, invite relevant ICT firms to B2B events sponsored by Rritje Albania and its partners, including USAID's regional RCI project, GTZ and various local and regional business associations.
6. Develop and initiate internships with ICT training and education institutions and ICT firms to provide students with experience in preparation for entering the workforce and as an entry point for establishing effective Public Private Partnerships to improve ICT curriculum in meeting needs of ICT industry.

### Long-term

1. Study tour to Macedonia and/or Bulgaria to review models of effective use of ICT for garment companies and support its reproduction in Albania's garment and/or footwear industries.
2. Building on the RCI survey of ICT sectors in the region, conduct a feasibility study of the application of the ESI standards for ICT-focused SMEs – CMMI or ITMark standards program based on the models employed in other countries in the region.
3. Compile a database of existing e-course offerings of ICT systems and tools -- for example, financial and marketing/sales management and sector-specific software. Disseminate information to client firms and facilitate enrollment in such courses on an as-needed basis when it can be supported by anticipated increases in sales and jobs.

## **B2e. Recycling**

At first glance, recycling might not seem a high-growth industry. However, the most recent data from the industry<sup>3</sup>, at least 37 companies are involved in recycling and employ an estimated 15,000 people, many in the collection and distribution of waste.

| Potential Environmental Impacts of Working in the Recycling Industry |                             |
|--|-----------------------------|
| •  | Water quality deterioration |
| •  | Inefficient energy use      |
| •  | Wastewater                  |
| •  | Worker health hazards       |
| •  | Odor                        |

An assessment made by IFC-PEPSE in 2006 quantified the relative composition of the Municipality Solid Waste in Albania (See table below). For each of these waste materials, separate value chains have been developed including individual collectors, collecting companies, recycling processors, exporting companies and others.

**Table 1: Estimates of Annual Solid Waste Production in Albania**

|                         | Population of Albania | Urban Population | Solid Waste | Metallic Scrap | Paper & Carton | Plastic | Glass  |
|-------------------------|-----------------------|------------------|-------------|----------------|----------------|---------|--------|
| <b>TOTAL (ton/year)</b> | 3,069,275             | 1,293,838        | 388,152     | 27,171         | 66,781         | 40,756  | 17,467 |
| <b>Sector Share (%)</b> | 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 the environment and provide a platform for delivering support to minority communities overly represented in the trash collection and street-level recycling operations.

Rritje Albania has signed Client Growth Plans with two large recyclers, Everest, 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 received project assistance in year one to hire and train a sales force and develop marketing plans. It 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. For its part, Edipack has expanded supply of corrugated boxes to AAC project clients and has asked Rritje Albania for assistance in acquiring food-grade packaging certification. The IFC remains an investor in EdiPack and based on an informal conversation with them is pleased with EdiPack’s operation.

### Recycling Recommendations and Strategies

Given the current status of the recycling sector in Albania, the project will focus on client-specific solutions during the second year of implementation. These will include:

1. Support processing companies to increase market share of their final products (plastic packaging, cardboard packaging etc.) through:
  - a. B2B meetings;
  - b. Training and mentoring of sales agents;
  - c. Referrals of prospective and existing project clients.

<sup>3</sup> More recent data on recycling as industry or a value chain is not available.

2. Facilitate new investment in production lines and new technologies by helping existing firms access financing.
3. Expand existing collection strategies for recyclable materials for specific clients:
  - a. Embassies of the United States, Germany, EC and UN delegations;
  - b. Work with LGPA project and targeted CED municipal/district authorities to increase co-operation between municipalities and recycling companies through public private partnerships;
  - c. Hotels and tourism services providers;
  - d. Other CED clients.

## B2f. Food Processing

In addition to the five industry sectors listed above, Rritje Albania believes that Albania's food processing sector has a large growth potential that the project can help it to realize at a faster pace than would otherwise be possible. USAID's AAC project recently announced plans to expand the number of supported agricultural products to 20. The wide range of crops supported by AAC will help Albanian farmers to diversify their revenue streams while taking advantage of the close working relationships already established between the AAC project staff and its primary agriculture producers.

Rritje Albania hopes to capitalize on synergies between itself and AAC by helping to improve the competitiveness of firms not assisted by AAC but which are involved in the downstream processing of agricultural products. To this end, Rritje Albania will meet with USAID and the AAC project in the first quarter of the next project year to explore specific areas of the food processing value chain where Rritje Albania could assist. Once defined, Rritje Albania will conduct a rapid market appraisal to identify a prioritized list of food processing firms and develop a strategy for delivering assistance to them.

## 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 Lac and Berat were recently added so that firms from there that had requested Rritje Albania's assistance could receive project support. It can be noted that both Lac and Berat are also control municipalities for the LGPA project.

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 larger

businesses assisted by Rritje Albania than those targeted by LGPA 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 their requests for assistance when determining which firms it will 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 level.

## D. ACTIVITIES

### D1. Binding Problems Specific to Individual Businesses

Building on the approach tested in Year 1 of the project, Rritje Albania's advisors will focus on assessing, designing and delivering enterprise-focused assistance. Each business advisor (one for tourism and two for the other industries) will support enterprises selected in year one to implement the strategies, action plans and recommendations of short-term technical assistance experts who have visited each enterprise. Follow-up assistance for implementing these action plans will be delivered by Business Advisors, the Trade and Investment Advisor and the Workforce Development Advisor as determined in discussions with the management of the assisted enterprise.

### D2. Priority Binding Problems Amenable to Multi-Client Solutions

Given the potential for higher returns on project investment, Rritje Albania has designed solutions that will address the needs of several enterprises at once. Although the needs of each enterprise are unique, the framework for each solution will enable Rritje Albania advisors to adapt its delivery to the specific needs of each enterprise or groups of enterprises. To better prepare for meeting the year two targets, Rritje Albania will complete the design, development and delivery of several toolkits and training programs. The approach for each of the solutions is described in the table below.

| Components                  | PIR1: Trade and Investment Capacity Strengthened   |   |  | PIR2: Enterprise Productivity Increased   |   | PIR3: Workforce Development Improved  |
|-----------------------------|--|---|--|---|---|---|
| Key Result Areas Industries | 1.1 Trade and Investment Knowledge and Skills Improved   | 1.2 Compliance with international standards and regulations improved  | 1.3 Access to financial services improved  | 2.1 Knowledge of productivity-enhancing technology increased  | 2.2 Knowledge of best management practices increased  | 3.1 Effectiveness of pre-employment and technical/vocational training programs improved   |
| Garment                     | <ul style="list-style-type: none"> <li>Prepare for and attend <u>international trade shows</u></li> <li>Training Program on attending <u>B2B Events</u>:</li> <li>Corporate Identity Package development to include the use of ICT for trade</li> <li>Design, implement and maintain industry web sites</li> </ul> | <ul style="list-style-type: none"> <li>ISO standardization training and support when required by companies;</li> <li>Buyer-specific standards on a case-by-case basis.</li> </ul> | <ul style="list-style-type: none"> <li>Implement recommendations from VAT Reimbursement Study;</li> <li>Follow-up on VAT reimbursement online feedback tool (6 months);</li> <li>Regional access to finance roundtables held</li> <li>Need-based follow up with specific enterprises on loans and private equity applications/proposals.</li> <li>Coordination with ACIT on annual trade and investment report for Albania (April 2010)</li> </ul> | Need-based access to: <ul style="list-style-type: none"> <li>Cutting machinery;</li> <li>CAD/CAM software;</li> <li>Plotter hardware;</li> <li>CRM software.</li> </ul> | Feasibility study to explore options to utilize sales and marketing agents to increase footwear and garment sector sales, including evaluation of the Bulgarian Model to establish a marketing agency for manufacturers   | <ul style="list-style-type: none"> <li>Finalize development and testing of HRM Systems Toolkit. Provide TOT training to: business service providers and HRM Association members; and HRM Departments of colleges and universities.</li> <li>Conduct HRM awareness workshops for clients in each the regions.</li> <li>Scale up implementing HRM systems with TABITA in Korca and local NPOs in Berat, Pogradec and other areas of demand</li> <li>Develop partnerships between the Offices of Employment, BSPs, and local NGOs to ensure that pre-employment and vocational training programs respond directly to SME needs.</li> </ul> |
| Footwear                    |  |   |  | Study tour to Macedonia and/ or Bulgaria to review their models of improving access to modern technologies in the garment industry.                                     |   |   |
| Tourism                     | <ul style="list-style-type: none"> <li>Montenegro Adriatic Fair Participation</li> <li><u>Fam Tours</u></li> <li><u>Tourism B2B meetings</u> at ATA</li> </ul>   | <ul style="list-style-type: none"> <li>Quality Mark system adapted and implemented for hotels;</li> <li>European Tour Operators</li> </ul>  | <ul style="list-style-type: none"> <li>Liaise and coordinate with Raiffeisen Bank DCA authorities to increase utilization of facility</li> </ul>   | Training and support for the application of: <ul style="list-style-type: none"> <li>Hospitality management software packages;</li> <li>Online reservation</li> </ul>    | <u>Sales and Marketing Toolkit developed, piloted and disseminated:</u> <ul style="list-style-type: none"> <li>Corporate Identity development;</li> <li>Sales and Marketing Strategy;</li> <li>Sales and Marketing Skills.</li> </ul> <u>Human Resource Management Toolkit developed, piloted and disseminated.</u> | <ul style="list-style-type: none"> <li>Develop and pilot competency based internship best practices guidelines for: interns; instructors; institutions, and businesses in</li> </ul>  |

| Components                         | PIR1: Trade and Investment Capacity Strengthened  |   |  | PIR2: Enterprise Productivity Increased  |   | PIR3: Workforce Development Improved   |
|------------------------------------|---|---|--|--|---|--|
| <b>Key Result Areas Industries</b> | <b>1.1 Trade and Investment Knowledge and Skills Improved</b>   | <b>1.2 Compliance with international standards and regulations improved</b>     | <b>1.3 Access to financial services improved</b>   | <b>2.1 Knowledge of productivity-enhancing technology increased</b>  | <b>2.2 Knowledge of best management practices increased</b> | <b>3.1 Effectiveness of pre-employment and technical/vocational training programs improved</b>   |
|                                    | Annual Conference 2011<br><ul style="list-style-type: none"> <li>ITB and London 2011</li> <li>National Geographic Onsert/ Supplement Distribution Plan</li> </ul>                   | standards researched and proposal developed.                                    | <ul style="list-style-type: none"> <li>Maintain contact with SME lending facilities (public, private, quasi-public)</li> </ul> | management;<br><ul style="list-style-type: none"> <li>Online payment facilities and tools.</li> <li>Liaise between Albanian Tour Operators and Insurance providers through the ATA</li> </ul>                            |   | collaboration with other donors and education and training institutions in tourism.<br><ul style="list-style-type: none"> <li>Study tour on tour guides incentives/ remuneration system;</li> <li>Develop a partnership with an education and training institution to promote careers in tourism in collaboration with ATA and others.</li> </ul>                |
| ICT                                | <ul style="list-style-type: none"> <li>B2B meetings in Skopje, Macedonia</li> <li>Coordinate with GTZ's ICT Cluster for German market B2B events</li> <li>ICT conference</li> </ul> | Coordinate with GTZ on ICT cluster training standards                           |  | <ul style="list-style-type: none"> <li>Accounting software linkages and training;</li> <li>Coordinate with other projects to satisfy domestic demand from other clients can be met by Albanian ICT companies.</li> </ul> |   | <ul style="list-style-type: none"> <li>GDA with Microsoft on Business Innovation Centre concept paper</li> <li>Coordinate with GTZ ICT Cluster program that includes two universities.</li> <li>Initiate ICT specific internship programs where Rritje Albania supported enterprises need assistance to more effectively use ICT for decision making.</li> </ul> |
| Recycling/ Other/ Cross-Sectoral   | <ul style="list-style-type: none"> <li>Regional (Southeast European countries) B2B meetings (Tirana, Pristina, Skopje)</li> <li>Prepare and</li> </ul>                              | EBRD's BAS-TAM project partnership on ISO certification for Recycling Companies |  |  |   | <ul style="list-style-type: none"> <li>Train supported enterprises how to effectively recruit interns and employees through job fairs.</li> <li>Develop and initiate Competency-Based Internship Programs</li> </ul>   |



| <b>Components</b>                  | <b>PIR1: Trade and Investment Capacity Strengthened</b>       |   |  | <b>PIR2: Enterprise Productivity Increased</b>                      |   | <b>PIR3: Workforce Development Improved</b>  |
|------------------------------------|---|---|--|---|---|--|
| <i>Key Result Areas Industries</i> | <i>1.1 Trade and Investment Knowledge and Skills Improved</i> | <i>1.2 Compliance with international standards and regulations improved</i> | <i>1.3 Access to financial services improved</i> | <i>2.1 Knowledge of productivity-enhancing technology increased</i> | <i>2.2 Knowledge of best management practices increased</i> | <i>3.1 Effectiveness of pre-employment and technical/vocational training programs improved</i> |
|                                    | attend Milan 2010 & B2B                                       |   |  |   |   |  |

## D2a. 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 preponderance of fashion-dominated manufacturers producing goods under contract for export and/or production of partially-finished products that cannot be sold to the final end user.

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 identified through these initial contacts. Furthermore, despite an eye-catching promotional campaign with the slogan “Albania – A New Mediterranean Love,” the country remains an under-explored destination for incoming tourists as well as foreign buyers and investors. Nonetheless, a growing number of enterprises have acquired the capacity to produce greater 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 expose themselves to international markets, with special attention to Europe.

### **Trade Fairs**

The Trade and Investment Advisor, supported by industry experts, has identified a short-list of beneficial international trade fairs for the garment, footwear and tourism industries. The following International Trade Fairs were identified for 2010-2011:

- CPD in Dusseldorf, Germany (garment);
- CIFF in Copenhagen, Denmark (garment);
- Fatex in Paris, France (garment);
- Intertext in Italy (garment and footwear);
- World Travel, London (tourism);
- GDS Riva del Garda Italy (footwear)
- Hellenic Trade Fair Athens (footwear) and
- ITB in Berlin, Germany (tourism).

As many of these fairs occur more than once each year, the attendance dates and preparation schedule for some will be finalized during year two once the readiness of project client firms to attend the fairs is known. For those events that are certain to be in the year two schedule, these can be found in the Year 2 Implementation Schedule in Annex 1.

In addition to contacting potential buyers and signing supply contracts, trade fair participation can improve the understanding that Albanian enterprises have of the markets they aim to enter. During the first year of implementation, industry experts highlighted the gap between what markets need and the understanding, and ultimately the satisfaction, of demand by Albanian suppliers.

Rritje Albania will help companies select the most appropriate Trade Fair based on their manufacturing capacity, product range, target market, and ability to service the buyer once the sale is made. In helping firms get ready for fairs the project will provide training using a Trade Fair Preparation toolkit, to be developed by the project, that details what publicity materials are needed and how to design, produce and employ them. In addition, trade fair participants will receive coaching in how to conduct pre-trade fair research to identify and

schedule meetings with their best sales prospects. Lastly, they will be coached in how to follow-up on sales leads obtained at the show.

### **B2B meetings**

Business-to-Business (B2B) meetings are one of the most effective methods for establishing connections and building sales relationships between firms. Rritje Albania's B2B meetings will provide Albanian businesses with opportunities to present their products and services to new buyers in both the domestic and foreign markets. Every trade fair attended by project clients will include scheduled B2B meetings. In addition, stand-alone B2B meetings will be arranged between Albania and its Southeast European country neighbors.

In addition to the regional B2B meeting series, interested businesses will be encouraged to attend the e-matching event in Milan, Italy in November 2010. More than 2,500 companies will come together to take advantage of business matching opportunities. To help assisted firms to benefit as much as possible from participating in these events, Rritje Albania will lead a training program for B2B meetings that will:

- Provide mentoring tailored to the needs of each participant;
- Assist in the preparation of company profiles, publicity materials and other supporting documents;
- 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, prepare and coordinate events. In the process participants will improve their capacity to use ICT tools for trade-related activities. The major B2B meetings scheduled for next year can be found in the Implementation Schedule in Annex 2.

### **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.

### **Improve the image of Albanian products and services in export markets**

A common observation from outside experts is that Albania is largely unknown as a tourist destination or as a source of manufactured products. Although participation in trade fairs and B2B meetings will help to establish Albania as a world-class destination and maker of fine quality products and services, more help is needed to significantly boost sales and jobs.

Several activities are planned next year to improve Albania's image abroad. These include FAM tours, creation of new industry web sites for garments and footwear and the improvement of existing tourism web sites, support for a National Geographic Traveler Magazine On-sert featuring "the Western Balkans" and facilitation of articles on Albania in foreign publications.

- FAM Tours - Following the highly successful FAM Tour organized for foreign tour operators in October 2009 that resulted in new contracts being signed with local tour operators and commitments to market new tours to Albania in 2010 and beyond, three FAM tours are planned for 2010. Two will be held in the months of April and May and a third in September.
- National Geographic Traveler Magazine On-ert - 226,850 copies will be distributed by National Geographic in the United Kingdom, Germany and Austria. In addition, Rritje Albania will receive 3,000 copies that it will distribute at tourism trade shows, FAM tours, B2Bs and via direct mailing to European tour operators,

### **Compliance with international standards and regulations**

Compliance with international standards is increasingly part of most buyers' demands and a frequent determining factor in obtaining new business. However, few Albanian companies have undergone ISO certification, or subjected themselves to other well-known industrial standards. For the most part, meeting industry-specific or manufacturing-specific production standards for export have been sufficient. However, over the life of the Rritje Albania project, this is unlikely to be enough.

Rritje Albania will continue to be ready to respond to clients' expressed needs for assistance meeting certification standards although in the garment, footwear, recycling and ICT sector we have yet to be asked. This is likely to change when we begin to work with food processors that are commonly required to meet ISO22000 and HACCP standards.

In late 2009, the Albanian Tourism Association requested Rritje Albania's assistance to support the establishment of the Quality Mark Rating System (QM) in Albania. The project has agreed and will begin funding this activity in project year two. The QM is designed to support the tourism industry in general and hotel/lodge owners in particular, to improve their product and services, business practices and market focus. QM is a valuable tool that raises the competitiveness and sustainability of Albania's tourism sector by laying out a clear pathway to improve management skill and the quality of the product offered while helping to keep pace with international trends and traveler expectations. The project will liaise with the RCI project for guidance and support and seek co-funding from the ATA and other donors willing to support the goal and objectives of QM.

### **Access to Financial Services**

With internal staffing resources, Rritje Albania undertook a study in year one on the available sources of SME finance in Albania and concluded that most businesses are not aware of the wide variety of financial products and services, especially leasing, that are available. To overcome this information asymmetry, the Trade and Investment Advisor has summarized the findings in a document that includes full contact information of the suppliers of financial products and will make it available to businesses that we work with or those that request it. Besides posting it on the project web site once it's created in year two, the project will disseminate it through regional roundtables scheduled in April and May that will be put on with the assistance of the Regional Development Association (RDA) network. Commercial banks and non-bank financial institutions will attend to discuss their products. In this way, SMEs will be better informed of the types and sources of financing available and will be linked with sources of finance that may meet their needs.

As this work plan is being drafted, the VAT reimbursement study subcontracted to ACIT is nearing its completion. The study is meant to quantify the economic impact of delays in the reimbursement of VAT refunds in terms of lost jobs, sales, investment opportunities and higher financing costs. The study will be disseminated and discussed in February and March and an Online Response Tool that will monitor VAT reimbursements following the distribution of the study to measure any changes that may be seen.

## **D2b. Enterprise Productivity Increased (PIR2)**

In the heightened competition of the global market and drastically reduced sales revenues and profits following the global recession of 2009, the critical need to increase productivity in order to cut costs and improve profitability is self-evident.

Historically, Albanian garment and footwear firms are mostly fasson operations that sell on the basis of low-cost unit production due to their competitive advantage of low labor and transportation costs and short turnaround times. In today's market, however, this is barely enough to stay in business and the low profit margins constrain the ability of firms to invest in adequate numbers of qualified mid-level staff and the efficient production systems that are needed to deliver productivity improvements that can cut costs and increase profits.

In the first year of the project, expert consultants hired by Rritje Albania to assist garment, footwear and hotel firms had spotted the need for many of the productivity enhancements anticipated by USAID in its request for proposal. Many of these centered on the need to enhance marketing efficiency, improve production planning and quality control, and undertake production line changes to reduce waste and improve operating times; other deficiencies were noted in record keeping, costing, managerial accounting and finance.

Given the firm-specific way these needs manifest themselves in businesses, the project will continue to tackle these on a case-by-case basis through firm-level consultant visits and personalized recommendations. However, the financial burden to implement the solutions will fall largely on the business when they implement solutions that require hiring more managers or acquiring equipment, for example. Yet in these cases the project can play a facilitating role in the recruitment, retention and training of employees, identifying the equipment needed, developing management tools like costing sheets and production schedules and helping to design and implement ICT solutions.

In addition to bringing in STTA consultants, firms may seek to 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.

Besides delivering customized assistance, Rritje Albania will design and deliver multi-client solutions such as business toolkits described below.

### **Improved Management Practices**

Rritje Albania plans to develop management toolkits based on best practices and utilizing templates and sets of instructions on their use. Each toolkit will be deployed through a series of short training sessions followed by on-the-job application of the lessons-learned.

Ultimately, effective workforce development contributes to higher productivity and increased sales. The natural and practical overlap in these two areas means that all the work conducted in improving management practices and developing an appropriately skilled workforce contributes to results under both components. Once developed, the kits can be rolled out to firms through subcontracts with local business service providers and non-profit-organizations at a reduced cost per intervention.

One toolkit to increase enterprise productivity through enhancing marketing efficiency and sales and promotion practices is the Sales and Marketing Toolkit. The content will detail best practices in developing industry-specific publicity materials, attending trade fairs and B2B meetings and creation of company websites and linking them to relevant portals. It will be piloted with several high profile clients who will participate in the B2B meetings preparation program.

### D2c. Workforce Development Improved (PIR3)

Over the first year of project implementation, activities have focused on: (1) analyzing the workforce-related constraints to growth as perceived by: owners/managers, industry and workforce development experts; and, (2) developing systems that can be adjusted and adapted to multiple clients to remove those constraints. Using a scientific approach, constraints have been identified, alternative solutions examined and interventions designed and piloted.

Many of the workforce-related problems that were identified are actually shared by many clients and can be solved by applying multi-client solutions. The workforce development strategies are designed to facilitate dialogue and matches between businesses and educational institutions or local training organizations (including vocational training centers, vocational high schools, universities, business service providers that are providing training, private training organizations, and NGO/PVO/NPOs). There is a critical need for greater dialogue to help bridge the supply and demand gaps that exist and better integrate the needs of businesses into the curricula of education and training that is supplied. On the one hand, students are graduating but not finding jobs and on the other hand, businesses claim they are not able to find qualified workers.

Interviews with numerous universities, vocational institutions (secondary and post-secondary) in the first year included: New York University of Tirana (Career Development Center) , European University of Tirana (Business Department and Career Development Center); European University of Tourism; University of Korce (Economics-Tourism Director); Don Bosco Vocational Center; Korce Technical High School & Hospitality Training supported by TABITA, and organizations providing pre-employment training: TABITA, Berat Based NGOs, Intellectual Women of Pogradec (former USAID CAAHT grantees).

The findings from these interviews highlighted several areas for possible intervention to improve the quality and relevance of education and training supplied by these institutions and organizations. In summary:

- There are limited opportunities for students to get hands-on learning and real business/work experience;
- There is little evidence of institutions actively training students at the competency levels needed by industry/business;
- There is little evidence of effective management of internship programs whereby interns, instructors, institutions, and intern hosts (business or public) are adequately trained on competency based and effective learning management strategies.

On the workforce demand side, in its first year the project analyzed factors that hinder firms' competitiveness that can be traced back to insufficient employee knowledge and skills to perform their job. Firms described their needs for improved: 1) qualified marketing and sales staff, as well as training to increase sales and numbers of buyers; 2) recruitment of new qualified and motivated staff; 3) promotional marketing materials; 4) job seekers referred by employment offices and graduates of vocational training institutions.

Rritje Albania advisors and industry experts identified additional needs of client firms to increase their productivity and competitiveness: 1) Recruitment systems are weak or non-existent; 2) HRM functions and systems are also weak or non-existent, often lacking organizational structure and functions, job descriptions, and performance evaluations linked to productivity and customer satisfaction; 3) most firms lack middle management (one-man shows) with little or no delegation of responsibilities and/or authority.

In the second year of activity, emphasis will be placed on technical activities that address deficiencies in employee competency that can be corrected and whose solution can be internalized by the company and sustained over the long-term without outside subsidy. Priority will be given to developing systems that address training needs which, once identified and delivered, will have a direct favorable impact on the company's profits either through reduced costs or increased sales and will be sustainable by the firm. In all cases the focus will be on building the firm's capacity to take on the responsibility of assessing its own training needs in the future and ensuring that its employees have the necessary knowledge and skills to do their jobs. Ideally, companies will establish the internal processes, procedures and training capacities that will eliminate a large portion of their need for ongoing external training support and subsidies.

Many of Rritje Albania's workforce development solutions will be tailored and demand-driven, often directed at mid to upper-level management. These will be dealt with on a case-by-case basis and require cost-sharing on the part of the client, either on the initial exposure to the training solution or by assuming costs related to training follow-up. However, Rritje Albania also recognizes that there are multi-client problems that are best dealt with through multi-client solutions that can be designed and delivered at a reduced cost per person trained. These will involve a combination of group training using project-produced "how-to" toolkits and on-the-job application of the knowledge acquired. Some problems amenable to multi-client solutions include:

- Improved recruitment and training of new employees to reduce turnover and costly out-of-specification and inefficient production and service practices;
- HRM systems that support professional management, increase productivity and improve employee retention;
- Linking jobs with job seekers through job fairs, internships, and public private partnerships.

In planning year two activities, it is important to know what other donors are supporting in the area of vocational education and training in order to dialogue, develop complementary activities and leverage their activities. Some of the larger donor-funded projects related to vocational education and training systems include the following:

- CARDS VET 3 – EU funded and supporting instructor training – in the third phase of implementation;
- IDI Ireland -- EU funded (2 years, 2.2 m Euro); providing support to local business service providers (primarily the RDAs) and partnering with AlbInvest. Currently conducting a national training needs survey with Rritje Albania team reviewing and advising on the survey instrument and resources;
- AlbVET -- Swiss funded (second phase of 6.5 Million USD ending in 2011); investing in VET reform including internships;
- Keducation-KulturKontakt Austria NGO – (400 thousand USD/year since 1996); working primarily with secondary level vocational schools focusing on agriculture, hospitality, economics, teacher training and curricula development;
- GTZ – (2008-2010); focusing on analysis of labor market in regions, workforce requirements, qualifications, occupational fields, teacher training, curricula and upgrading teaching materials.

### **Workforce Toolkit design, development and delivery**

The workforce development person will develop and test multi-client and multi-sector toolkits that can be adapted and customized for client enterprises. The workforce toolkits will focus on the three major solutions mentioned earlier: 1) Recruitment, selection, pre-employment and orientation of new employees; 2) Retention of employees through HRM systems, including job description templates, compensation and incentive schemes for performance-based assessment systems; and 3) Hospitality/customer service training including TOT (Training of Trainers) of supervisors and management, HRM systems that reinforce and measure training in terms of effectiveness and return on investment.

The development of the toolkits is underway and will continue throughout year two to refine their effectiveness with multiple clients in multiple sectors. Each toolkit includes measurement of results that can be captured in case studies for instruction to future enterprises. In this way, the toolkits will make a strong case to clients to self-invest in training and implementing systems that will help to increase sales and jobs.

Enterprise owners and managers will be actively engaged in the process of toolkit development and delivery; firms will identify a Human Resource Manager/ Coordinator who will dedicate time and attention to support the process. This approach shares the leadership and delegation of responsibilities, thereby strengthening middle management capacity often lacking in Albanian enterprises. Lastly, enterprises will share the costs of the development and implementation of these workforce development and HRM best practices; eventually firms are expected to support 100% of the cost.

In addition to individual enterprises, our strategy will build the capacity of local service providers which can be out-sourced by local businesses to provide training. Rritje Albania's toolkits that are currently being developed and tested in partnership with TABITA in Korca



and deployed to the footwear company MAS-TORR and the Grand Hotel will be expanded to other communities and firms in year two, provided the expected results are achieved.

### **Hospitality and Customer Service Training**

The tourism industry in Albania widely acknowledges the need for hospitality and customer service training. One out of five hotels indicated that its primary need is to train staff in hospitality and customer service before it can expect to expand sales. The implementation of the Quality Mark rating system in Albania will enable lodging providers to gauge where they are in relation to international standards and provide a roadmap they can follow to self-improve. For those requiring further assistance, Rritje Albania can help them to establish the internal processes, procedures and training capacities to ensure they attain higher QM ratings in the future.

### **Linking Jobs to Job Seekers**

Assisted enterprises report difficulty in finding and recruiting qualified personnel, yet unemployed young people trying to enter the labor force are often unable to secure jobs. One solution to bridge this gap is to facilitate a more open and transparent job selection process.

One mechanism that is available is a number of job fairs that are conducted each year, mostly under the sponsorship of municipalities and/or colleges and universities. In year two, Rritje Albania will facilitate linkages between businesses and job fair organizers, including support for the development of sector-specific job fairs such as with the European University of Tourism. Other initiatives include evaluating the potential for ICT web-based job matching as well as support for the establishment of effective internship programs that could be of interest to certain clients.

## **E. RESULTS-BASED PLANNING AND MANAGEMENT**

### **E1. 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. 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; and
- 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 at the industry-level for the five key industries Rritje Albania focuses on. The information from the field informed the planning of key activities, and their initial results were used to adapt the plan and better inform Rritje

Albania's year two approach and planned activities. 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?

## **Results Framework**

To better answer these questions, proposals to revise the project's Results Framework and Indicators were informally presented to USAID/Albania for their review and comments in early February 2010. A key outcome of the proposed revision was to better align Rritje Albania's results framework and the results framework of USAID's Economic Growth Objective. The suggested revisions to the framework described below also takes on board suggestions the project received from the STTA industry experts brought in to assist firms in the tourism, apparel and footwear sectors. Furthermore, the proposed revised framework is built on a logical hierarchy linking activities and resources (inputs) with expected results through more direct cause-and-effect relationships.

### **PIR1: Trade and Investment Capacity Strengthened**

The three Key Result Areas (KRAs) of this component are:

1. *Trade and investment knowledge and skills improved;*
2. *Compliance with international standards and regulations improved;*
3. *Access to financial services improved.*

The focus on short-term technical assistance, training events and other programmatic support given under this component prepares Albanian companies to better understand the demand and markets for their products, meet international standards and requirements, and access the necessary financial products and services needed to support their businesses and penetrate new markets. The in-depth business needs surveys conducted with potential client enterprises in year one will be used as the baseline for quantifying results in this component. In year two, the Monitoring and Evaluation officer will review updated profiles of assisted enterprises to measure and assess the quality of improvements in their trade and investment capacity.

### **PIR2: Private Enterprise Productivity**

The two KRAs of this component are:

1. *Knowledge of productivity-enhancing technology improved;*
2. *Knowledge of best management practices improved.*

To meet increasing sophisticated demand from domestic and export markets, Albanian enterprises must become more productive. To that end, improved applications of technology and management practices are two key areas Rritje Albania will focus on. Industry experts have helped Rritje Albania identify industry-specific and cross-sector areas needing improvement. The annual update of client enterprise profiles will help to assess and quantify

progress firms have made in areas of technology application and improved management practices.

### **PIR3: Workforce Development Improved**

The KRA of this component is:

1. *Effectiveness of pre-employment, technical/ vocational training programs improved.*

The component of workforce development is a sub-intermediate result of USAID's Economic Growth program element of Competitive Business Environment Improved. To that end, the main proposed element in this area is the number of programs: pre-employment and vocational and technical training that are supported or facilitated by Rritje Albania to ensure that the needs of the private sector are better met by the labor force.

### **Performance-Based Monitoring System**

The focus of year one monitoring was to capture and document baseline information for all indicators, as well as record results for input and output level indicators. Although data was collected for outcome level indicators, their analysis and application for results-based management will become more relevant as the project continues to implement the year two program. Three tools are used for monitoring and evaluation:

- Performance-Based Monitoring Plan
- Enterprise Quarterly Reports and Event Reports
- Updated CGP and Client Profiles (Annual)

Data collected and analyzed through these tools is included in quarterly and annual reports and used to adapt planning and management.

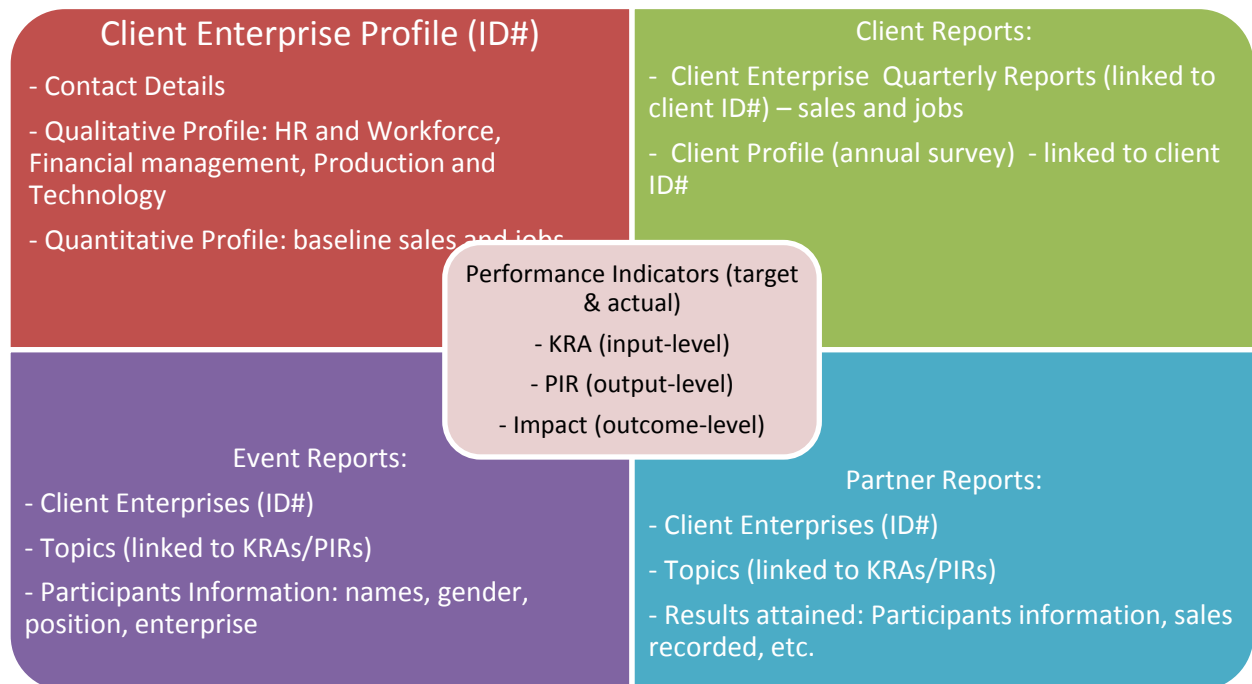
### **Performance-Based Monitoring Plan**

The P-BMP is a critical management tool that lays out the approach the project takes to systematically record, analyze and report results. Based on the input- (KRA), output- (PIR) and outcome-level (project impact) indicators included in the Results Framework, the P-BMP details the type and frequency of data collected to report on each indicator, their definitions and methodology for calculating results, as well as the annual targets the project has set to contribute to the overall goal of improving the growth and competitiveness of non-agricultural enterprises.

The proposed revised Results Framework also required revisions in the performance indicators selected, which is reflected in the P-BMP for year two of the project. This makes the P-BMP a tool that is used proactively by the project for results-based management. This annual revision process will continue in consultation with USAID/Albania Economic Growth team, M&E specialist and partners in the same field, that contribute to secondary data sources.

If the revised indicators are approved by USAID, Rritje Albania will develop a database that captures data from input and output level indicators (events, STTA, participants) and outcome-level indicators (sales and jobs). The process for setting up this database will involve the quantification of qualitative indicators, which is explained in more detail in the year two Performance-Based Monitoring Plan (Annex V). The database structure below

shows how the data sources will contribute to the different components. Disaggregation of results by gender and municipality will be possible, although the relevance of such analysis is discussed in more detail in the P-BMP accompanying this work plan.



In addition to setting up a database that records, analyzes and produces reports for the project, the Rritje Albania M&E officer, COP and Program Management Unit at Chemonics’ headquarters will work on designing and piloting a monetization methodology for one of the KRAs of the project. This pilot methodology will offer an addition to the current quantification of qualitative results, for example improved business management and access to technology. The purpose of this methodology is to complement the existing performance indicators and allow Rritje Albania to numerically measure the effect of qualitative change in the competitiveness of enterprises. The assumptions, cause-to-effect linkages and logical framework for this methodology will be developed in year two. The timeline for this pilot monitoring tool will be discussed with USAID/ Albania team in year two.

Another activity under M&E in year two will be to establish, integrate and monitor follow-up tracking mechanisms for the key technical assistance interventions and recommendations delivered by the project to assisted firms and industries. Specifically, recommendations and lessons learned from STTA experts, as well as project participants to key events such as Fam Tours, trade shows and B2B meetings will be captured, analyzed and written up. This process will not only identify and communicate success stories, but also act as a control mechanism to ensure that project is achieving results.

## E2. Administration and Finance

This next section describes the administration and financial management aspects of the Rritje Albania project and its plans for year two. 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.

## E2a. Personnel and Recruitment

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

As envisioned in the project proposal and year one work plan, the project plans to recruit a local Workforce Development person to begin work at the start of year two. This person was to work under the supervision of the Workforce Development Advisor who was programmed to leave the project at the completion of year two. However, due to personal reasons, the Advisor requested to leave early in year two and the USAID COTR was advised of this upcoming change. Various options to replace this expat position are being considered at the time of submission of this report and consultations with USAID will continue. The necessary USAID approval requests to fill the position will be filed at the appropriate time.

## E2a. Finance

This work plan has been developed based on the total \$3,982,207 in obligated funds that have been received to date. Based on monthly budget projections, the next obligation will need to be received by August 2010.

# F. CROSS-CUTTING ISSUES

## F1. Partnerships and Coordination:

In year one, 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. The following table summarizes the partnerships the Rritje Albania team has initiated in Year 1 and will continue to build on in Year 2.

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.

| <b>COORDINATION WITH OTHER PARTNERS and PROGRAMS</b>     | <b>Activities</b>   | <b>Time Frame</b>   |
|--|---|---|
| <b>FIAA (Foreign Investors Association of Albania)</b>   | <ul style="list-style-type: none"> <li>Coordinate national events and conferences in key Rritje Albania industries</li> </ul>   | Fall 2010   |
| <b>Albanian Tourism Association (ATA)</b>                | <ul style="list-style-type: none"> <li>Fam Tour Coordination</li> <li>Quality Mark proposal</li> <li>B2B event – “showcase” tourism event</li> <li>Finding new clients</li> </ul>   | On-going  |
| <b>Tourism Stakeholders Working Group</b>                | <ul style="list-style-type: none"> <li>Coordination meeting of SNV, UNDP-UNESCO, UNDP Kukës Regional Project, GTZ, and ATA.</li> <li>Quarterly Coordination Meetings</li> </ul>   | 11 Dec 09<br>Quarterly: next February 2010  |
| <b>National Tourism Agency (NTA)</b>                     | <ul style="list-style-type: none"> <li>Assist/ Support Albania’s stand at the ITB and other international fairs</li> </ul>  | On-going  |
| <b>Outdoor Albania</b>                                   | <ul style="list-style-type: none"> <li>Cooperation on training of Albanian tour guides using the International Certification Standards</li> <li>Coordinate preparation on ITB fair in Berlin</li> </ul>   | On-going  |
| <b>LGPA</b>  | <ul style="list-style-type: none"> <li>Local Economic Growth Committee</li> <li>Tourism Information Centers in Pogradec, Shkodra, Korca</li> <li>Recycling linkages in municipalities: e.g. Korca</li> </ul>  | On-going  |
| <b>AAC – Albanian Agriculture Competitiveness</b>        | <ul style="list-style-type: none"> <li>Explore linkages between Rritje recycling/ packaging clients and food packaging needs of AAC clients</li> </ul>  | On-going  |
| <b>Albanian British Chamber of Commerce and Industry</b> | <ul style="list-style-type: none"> <li>Future collaboration on improving access of Albanian firms to the UK markets</li> </ul>  | On-going  |
| <b>Post-CAAHT NGO partners</b>                           | <ul style="list-style-type: none"> <li>Vocational Training /Roma and trafficking victims (Korçë, Shkodra, Kukës, Tirana, Elbasan , Fier, Vlore, Gjirokastra)</li> </ul>   | On-going  |
| <b>SNV (Netherlands Development Organization)</b>        | <ul style="list-style-type: none"> <li>Rural Tourism Development (Tirana/ Shkoder, Kukës, Korçë &amp; Fier)</li> <li>Local Capacity Building</li> <li>Destination Management in Albania and regional products</li> </ul>  | Complementary policies and community development consistent with firm assistance needs. |
| <b>American Chamber of Commerce</b>                      | <ul style="list-style-type: none"> <li>Job Fairs</li> <li>Sourcing of new personnel</li> </ul>  | May-June 2010<br>On-going   |
| <b>Peace Corps Volunteers</b>                            | <ul style="list-style-type: none"> <li>Work with selected Volunteers to cooperate with Rritje Albania in municipalities outside Tirana, e.g. PCV in Kukës, Fier and Gjirokastra on Tourism.</li> </ul>  | On-going  |
| <b>RDA Network</b>                                       | <ul style="list-style-type: none"> <li>Possible BSP subcontractors – finding new prospect clients from different sectors;</li> <li>Deliver training and one-to-one consulting in business planning, loan application procedures etc.</li> <li>Sourcing and training of new personnel at local level.</li> </ul> | On-going<br>On-going<br>On-going  |
| <b>CBI</b>   | <ul style="list-style-type: none"> <li>Coaching program for exporting to EU for tourism companies, working with 4 Albanian tour operators.</li> <li>Market information and research</li> <li>Training on exporting to EU markets</li> </ul>   | On-going  |
| <b>GTZ</b>   | <ul style="list-style-type: none"> <li>Coordinate with Economic Development Program and Employment Promotion project in the ICT, garment and tourism industries</li> </ul>  | On-going through April 2011   |
| <b>Italian Albanian SME Development Program</b>          | <ul style="list-style-type: none"> <li>Credit Guarantee Fund – Support Rritje Albania clients access financing;</li> <li>Exchange of information on financial services</li> </ul>   | On-going  |
| <b>ALBINVEST</b>   | <ul style="list-style-type: none"> <li>Linkages with the Business Innovation Project to support new technologies for SME (EU</li> </ul>   | On-going  |

| <b>COORDINATION WITH OTHER PARTNERS and PROGRAMS</b>   | <b>Activities</b>  | <b>Time Frame</b>   |
|--|--|---|
|  | funded)<br><ul style="list-style-type: none"> <li>• Cooperation on attracting new investors;</li> <li>• Coordinate support for trade fair participation.</li> </ul>  |   |
| <b>Raiffeisen Bank</b>   | <ul style="list-style-type: none"> <li>• Coordinate on USAID's Direct Credit Authority facility (\$6 million until 2012)</li> </ul>  | On-going  |
| <b>USAID's Regional Competitiveness Initiative (RCI)</b>   | <ul style="list-style-type: none"> <li>• Tourism opportunities, e.g. National Geographic Traveler On-ert on the Southern Balkans</li> <li>• RCI Annual Conference</li> <li>• Regional ICT roundtable</li> <li>• Regional tourism roundtable</li> <li>• Workforce development roundtable</li> </ul> | On-going<br>May 2010<br>April 2010<br>Fall 2010<br>April 2010 |
| <b>Microsoft</b>   | <ul style="list-style-type: none"> <li>• USAID Albania to coordinate Business Incubator Center plans and concept paper</li> </ul>  | On-going  |
| <b>IDI (Irish Development Institute)</b>   | <ul style="list-style-type: none"> <li>• Cooperate with the project "Supporting SMEs to become more competitive in the EU Market" (EU funded project)</li> <li>• SME Training Needs Assessment and mapping of training providers</li> </ul>  | On-going throughout the 2 year project                        |
| <b>Higher Education Institutions: 1. European University of Tourism<br/>2. NY University of Tirana</b> | <ul style="list-style-type: none"> <li>• Explore the development of potential internship program related to ICT</li> <li>• Job fair</li> </ul>   | On-going<br>On-going  |
| <b>Designers' Association</b>  | <ul style="list-style-type: none"> <li>• Current situation and contribution of Albanian designers in developing "Made in Albania" products</li> </ul>  | On-going  |
| <b>Chamber of Garment Manufacturing/ GTZ</b>   | <ul style="list-style-type: none"> <li>• Concept paper on Apparel Fair in Tirana;</li> <li>• Members lists and mapping</li> </ul>  | On-going  |
| <b>Albanian IT Association</b>   | <ul style="list-style-type: none"> <li>• RCI regional IT meeting</li> <li>• Coordinate with members</li> </ul>   | April 2010<br>On-going  |

## F2. Small Grants Program

The Rritje Albania small grants program will be launched in April 2010. The value of the fund is \$500,000 over the remaining four 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 who 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 the sales and jobs of the assisted enterprise. 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 up to 50 grants over the next four years. It is expected that 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.*** Rritje Albania will release an Annual Program Statement (APS) in late March 2010. The APS will be publicized in the national newspaper and other media as appropriate. The first APS will focus on targeting potential grantees in the 10 municipalities and 5 industries that the project has selected to focus its assistance. The APS is planned to expire in December 2010 and a new APS will be released soon thereafter.

***Application assistance.*** A pre-application conference will be held in mid-April to launch the grants program, explain its objectives and provide guidance to potential grantees on the application process. Some applicants may need additional coaching from project staff in conceptualizing and presenting their applications. A business advisor will support each enterprise 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.*** Starting in June 2010, the Rritje Albania Technical Evaluation Committee (TEC) will convene on the 5<sup>th</sup> of each month to review applications received. The makeup of the committee includes the COP and two technical staff members or three technical staff members 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 a business advisor supported the conceptualization and development of the grant application proposal, they will reclude themselves from the TEC meeting that reviews that application. 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 Compliance 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, through training, mentoring, provision of accounting software, etc.

***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, spot audits, etc. The grants manager and technical team will share these oversight tasks.

***Audits.*** We 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 CFR 226 and the Mandatory and Required as Applicable Standard Provisions.



### F3. Gender

The primary focus of Rritje Albania gender integration in year one has been to assure that all data collected from client enterprises is gender disaggregated and that all activities are “gender integrated”. Year two activities will be more focused on developing recruitment, retention, and human resource management (HRM systems) that integrate gender concerns into objective criteria for recruiting, selecting, pre-employment training, and skill development as well as performance based evaluations and compensation plans. The recruitment and retention and HRM toolkits are being designed to provide gender neutral management tools that help enterprise owners and managers identify and train a HRM coordinator within the company who works with management to proactively and objectively recruit and train employees in such a way as to integrate gender considerations into the recruitment and performance evaluations of new and existing employees.

The management toolkits under development will be reviewed and 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 two Rritje Albania will continue to provide support to women owned and operated businesses with special emphasis on developing news features and case studies as a way of highlighting and encouraging additional women entrepreneurship and business success. Special attention will be given 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.

### F4. Environment

In year one, 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, information and communication technology (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 year one no negative impact (minor or major) were undertaken and it is anticipated that year two 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 two 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 in year two that may have a negative environmental impact, the Rritje Albania team will adhere to reporting and approval compliance.

# ANNEXES

## Annex I – Year 2 Implementation Schedule

| Activity  | Responsible  | Year 2      |       |       |       |
|---|--|-------------|-------|-------|-------|
|   |  | Q2 10       | Q3 10 | Q4 10 | Q1 11 |
| <b>Trade and Investment Capacity Strengthened</b>   |  |             |       |       |       |
| Prepare for and attend International Trade fairs  | Trade and Investment Advisor, COP  | X           | X     | X     | X     |
| CPD in Dusseldorf, Germany (garment and footwear)   | T&I and Business Advisors, STTA  |             | Aug   |       | Feb   |
| CIFF in Copenhagen, Denmark (garment and footwear)  |  |             |       | Oct   | Feb   |
| Fatex in Paris, France (garment and footwear)   |  |             | Jul   |       | Feb   |
| Intertext in Italy (garment and footwear)   |  |             |       |       | TBA   |
| World Travel, London (tourism)  |  |             |       | Nov   |       |
| ITB in Berlin, Germany (tourism)  | Tourism Advisor  |             |       |       | Mar   |
| B2B meetings  | Trade and Investment Advisor, COP, PMU   | X           | X     | X     | X     |
| Tirana, Albania   |  | Apr         |       |       |       |
| Pristina, Kosovo  |  |             | Jul   |       |       |
| Skopje, Macedonia   |  |             |       | Oct   |       |
| Milan, Italy  |  |             |       | Nov   |       |
| Trade Fair Preparation Toolkit Designed, Delivered and Monitored  | T&I and Workforce Development Advisors, COP, M&E/ Communications officer       | X           | X     | X     | X     |
| Focus group discussions with stakeholders on needs and contents for Sales and Marketing toolkit             | Trade and Investment Advisor   | X           |       |       |       |
| Outline and content developed   | Trade and Investment Advisor, Workforce Development Advisor, STTA, M&E Officer | X           |       |       |       |
| Develop curriculum and training package   |  | X           |       |       |       |
| Conduct, Implement, Monitor training package  |  | X           | X     | X     | X     |
| B2B Preparation Program   | T&I and business advisors, workforce advisors                                  | X           | X     | X     | X     |
| Organize FAM tours for Foreign Tour Operators   | Tourism Advisor, COP, M&E/ Communications Officer                              | May<br>June | Sep   |       |       |
| National Geographic On-Sert Distribution through events, mail order and FAM Tours                           | Tourism Advisor, COP, M&E/ Communications Officer                              |             | X     | X     | X     |
| Quality Mark standards system designed and implemented with ATA and other donors                            | Tourism and Workforce Development Advisors, COP, M&E/ Communications Officer   | X           | X     | X     | X     |
| Access to Finance Regional Roundtables organized  | T&I and Business Advisors, RDAs  | X           |       |       |       |
| Monitor online response tool for VAT reimbursement  | T&I advisor, COP, ACIT and M&E Officer   | X           | X     |       |       |
| Prepare for and support workshop on the Annual Trade Report 2009 – Disseminate findings                     | T&I advisor, COP, ACIT and M&E Officer   | X           |       |       |       |
| Design/ Set up umbrella websites for the garment and footwear industries                                    | T&I and Business Advisors, STTA  | X           | X     |       |       |
| <b>Enterprise Productivity Improved</b>   |  |             |       |       |       |
| Implement technology and management improvements for each enterprise assisted by industry experts in Year 1 | Business Advisors, BSP   | X           | X     | X     | X     |
| Grants Program launched   | Grants Manager, Technical Team   | Apr         |       |       |       |
| Grant Applications prepared, reviewed, and issued   | Grants Manager, Technical Team, USAID (approvals)                              | Jun         | X     | X     | X     |
| Develop and deliver a toolkit to introduce systematic product costing for garment and footwear enterprises  | STTA, Rritje Albania Advisors  | X           | X     | X     | X     |
| Sales and Marketing Toolkit designed, delivered and monitored   | Rritje Albania team, STTA  | X           | X     | X     | X     |
| Focus group discussions with stakeholders on needs and contents for Sales and Marketing toolkit             | Trade and Investment Advisor   | X           |       |       |       |
| Outline and content developed   | Trade and Investment Advisor, Workforce Development Advisor, STTA, M&E Officer | X           |       |       |       |
| Develop curriculum and training package   |  | X           |       |       |       |
| Conduct, Implement, Monitor training package  |  | X           | X     | X     | X     |
| Hospitality and Customer Service Training to complement Quality Mark Assessment for hotels                  | Workforce Development and Tourism Advisors                                     | X           | X     | X     | X     |
| Conduct study tours to model garment and footwear companies outside Albania                                 | Workforce Development and Tourism Advisors, STTA                               | X           | X     | X     | X     |
| <b>Workforce Development Improved</b>   |  |             |       |       |       |
| Workforce Toolkit designed, delivered and monitored   | Rritje Albania team, STTA  | X           | X     | X     | X     |
| Focus group discussions with stakeholders on needs and contents for Sales and Marketing toolkit             | Trade and Investment Advisor   | X           |       |       |       |
| Outline and content developed   | Trade and Investment Advisor, Workforce Development Advisor, STTA, M&E Officer | X           |       |       |       |
| Develop curriculum and training package   |  | X           |       |       |       |

| Activity  | Responsible                                      | Year 2 |       |       |       |
|---|--|--------|-------|-------|-------|
|   |  | Q2 10  | Q3 10 | Q4 10 | Q1 11 |
| Conduct, Implement, Monitor training package  |  | Jun    | X     | X     | X     |
| Job Fair and Internship Program   | Workforce Development and Business Advisors      | X      | X     | X     |       |
| American Chamber of Commerce  |  | May    |       |       |       |
| European University of Tourism  |  |        | Jul   |       |       |
| ICT job matching / internship program   |  |        |       | Oct   |       |
| <b>Other</b>  |  |        |       |       |       |
| Coordination with USAID's RCI   |  |        |       |       |       |
| Regional Workforce Development Roundtable   | Workforce Development Advisor, COP               | Apr    |       |       |       |
| Regional ICT Roundtable   | Trade & Investment Advisor, COP                  | Apr    |       |       |       |
| RCI Annual Conference   | COP, Advisors                                    | May    |       |       |       |
| Regional Tourism Roundtable   | Tourism Advisor, COP                             |        |       | TBA   |       |
| Tourism Stakeholder Coordination Group (quarterly)  | Tourism Advisor, COP                             | X      | X     | X     | X     |
| Facilitate the publication of articles on garment, footwear and tourism industries in Albania in trade magazines      | COP, Advisors, M&E/ Communications Officer, STTA | X      | X     | X     | X     |
| Survey the ICT sector and develop a database of ICT service providers, classifying them by products/ services offered | T&I advisor                                      | X      | X     |       |       |

## Annex II – Life-of-Project Work Plan

| 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 |   |  |                                       |
| <b>Process to Support Industries and Enterprises</b>   |                                       |                  |  |        |     |     |     |        |     |     |     |        |     |     |     |        |     |     |     |   |  |                                       |
| 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          |
| <b>PIR 1: Trade and Investment Capacity Strengthened</b>   |                                       |                  |  |        |     |     |     |        |     |     |     |        |     |     |     |        |     |     |     |   |  |                                       |
| <b>KRA 1.1: Trade knowledge and skills improved</b>  |                                       |                  |  |        |     |     |     |        |     |     |     |        |     |     |     |        |     |     |     |   |  |                                       |
| <i>Host Showcase Albania trade and investment fairs</i>  |                                       |                  |  |        |     |     |     |        |     |     |     |        |     |     |     |        |     |     |     |   |  |                                       |
| 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   |        |     |     |     |        |     |     |     |        |     |     |     | 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   |        |     |     |     |        |     |     |     |        |     |     |     | 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   | 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   | 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   | 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 |   |                   |                                 |
| <i>Preparation for participation in international trade fairs.</i>   |  |                  |   |  |     |     |     |        |     |     |     |        |     |     |     |        |     |     |     |   |                   |                                 |
| 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        |
| <i>Improve access to finance</i>   |  |                  |   |  |     |     |     |        |     |     |     |        |     |     |     |        |     |     |     |   |                   |                                 |
| 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        |
| <b>KRA 1.2: Compliance with international standards improved</b>   |  |                  |   |  |     |     |     |        |     |     |     |        |     |     |     |        |     |     |     |   |                   |                                 |
| <i>Assist companies obtain ISO Certification</i>   |  |                  |   |  |     |     |     |        |     |     |     |        |     |     |     |        |     |     |     |   |                   |                                 |
| 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        |
| <b>KRA 1.3: Use of ICT for trade-related activities expanded</b>   |  |                  |   |  |     |     |     |        |     |     |     |        |     |     |     |        |     |     |     |   |                   |                                 |
| <i>Help firms adopt ICT for promotion</i>  |  |                  |   |  |     |     |     |        |     |     |     |        |     |     |     |        |     |     |     |   |                   |                                 |
| 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        |
| <b>PIR 2: Enterprise Productivity Increased</b>  |  |                  |   |  |     |     |     |        |     |     |     |        |     |     |     |        |     |     |     |   |                   |                                 |
| <b>KRA 2.1: Adoption of innovative and modern technologies and systems promoted</b>  |  |                  |   |  |     |     |     |        |     |     |     |        |     |     |     |        |     |     |     |   |                   |                                 |
| 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   | 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  | Q | Q | Q | Q      | Q | Q | Q | Q      | Q | Q | Q | Q      | Q | Q | Q |   |                   |  |
|  |   |                  |   | 1  | 2 | 3 | 4 | 1      | 2 | 3 | 4 | 1      | 2 | 3 | 4 | 1      | 2 | 3 | 4 |   |                   |  |
| <b>KRA 2.2: Organizational and managerial capacity enhanced</b>  |   |                  |   |  |   |   |   |        |   |   |   |        |   |   |   |        |   |   |   |   |                   |  |
| 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                         |
| <b>KRA 2.3: Market-driven products and services increased</b>  |   |                  |   |  |   |   |   |        |   |   |   |        |   |   |   |        |   |   |   |   |                   |  |
| 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                         |
| <b>PIR 3: Workforce Development Improved</b>   |   |                  |   |  |   |   |   |        |   |   |   |        |   |   |   |        |   |   |   |   |                   |  |
| <b>KRA 3.1: Effectiveness of Pre-Employment and Employability Programs Improved</b>  |   |                  |   |  |   |   |   |        |   |   |   |        |   |   |   |        |   |   |   |   |                   |  |
| 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 |
| <b>KRA 3.2: Effectiveness of Technical/Vocational Training Programs Improved</b>   |   |                  |   |  |   |   |   |        |   |   |   |        |   |   |   |        |   |   |   |   |                   |  |
| 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 rule  | Gwen El Sawi / Elisabeta Mema / STTA        | Demand driven    | Client training institutions, socially and economically disadvantaged 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 |

| 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 |  |                                     |                          |  |
| <b><i>Integrate Gender and Minority Issues</i></b>  |                                      |                  |              |  |     |     |     |        |     |     |     |        |     |     |     |        |     |     |     |  |                                     |                          |  |
| 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 |  |
| <b><i>Program Management</i></b>  |                                      |                  |              |  |     |     |     |        |     |     |     |        |     |     |     |        |     |     |     |  |                                     |                          |  |
| 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   | 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   | 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   | 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 –Revised Client Enterprise Baseline

**Baseline Profile Client Name:** \_\_\_\_\_

**Name of Business Advisor:** \_\_\_\_\_ **Date Completed:** \_\_\_\_\_

## PART 1 – INITIAL VISIT

### GENERAL BUSINESS INFORMATION

|  |  |   |           |
|--|--|---|-----------|
| 1. Owner Name  |  | 2. Contact Name   |           |
| 3. Gender of Owner   | <input type="checkbox"/> Male <input type="checkbox"/> Female  | 4. Tel:   | 5. Email: |
| 6. Address: _____<br>Street _____<br>City _____<br>Municipality _____  |  | 7. Sector:<br><input type="checkbox"/> Textiles <input type="checkbox"/> Tourism<br><input type="checkbox"/> ICT <input type="checkbox"/> Footwear<br><input type="checkbox"/> Recycling <input type="checkbox"/> Other _____ |           |
| 8. How many years has the owner worked in this industry? _____ years   |  | 9. Length of business operations (year started) _____   |           |
| 10. Main Economic Activity   | Supplier <input type="checkbox"/> Production/ Manufacturing <input type="checkbox"/><br>Distribution/ Wholesale <input type="checkbox"/> Service Provider <input type="checkbox"/><br>Tourism Services Provider <input type="checkbox"/> Other _____ <input type="checkbox"/><br><i>Comments:</i> _____<br>_____ |   |           |
| 11. Is your business a partnership?<br>Yes <input type="checkbox"/> No <input type="checkbox"/>  |  | 12. Does the foreign partner have more than 51% shares?<br>Yes <input type="checkbox"/> No <input type="checkbox"/>   |           |
| If you have business partners, please describe the kind of partnership and how decisions are made.   |  |   |           |
| 13. With which associations are you involved in?<br><input type="checkbox"/> Chamber of Fassion of Albania, <input type="checkbox"/> Albanian Manufacturers Association,<br><input type="checkbox"/> ISO certification, <input type="checkbox"/> client compliance standards |  |   |           |



**PRODUCTION/ SERVICE and TECHNOLOGY**

|   |   |
|---|---|
| 14. What equipment does your business own?                                      | Production lines <input type="checkbox"/> Computers <input type="checkbox"/><br>Vehicles <input type="checkbox"/> Building <input type="checkbox"/> (_____)<br>Other _____ <input type="checkbox"/> |
| 15. How old is your principal machinery?  | _____ years   |
| 16. Is your principal machinery computer programmed?                            | Yes <input type="checkbox"/> No <input type="checkbox"/>  |
| Describe your equipment and other fixed assets:                                 |   |
|   |   |
| 17. How old is the building you operate in?<br>When was it last renovated?      | _____ years<br>_____  |
| 18. Do you have a website?  | Yes <input type="checkbox"/> No <input type="checkbox"/><br>Website: _____  |
| 19. Can you receive orders through your website?                                | Yes <input type="checkbox"/> No <input type="checkbox"/>  |
| 20. Do you use other internet and computer-based technologies in your business? |   |
|   |   |

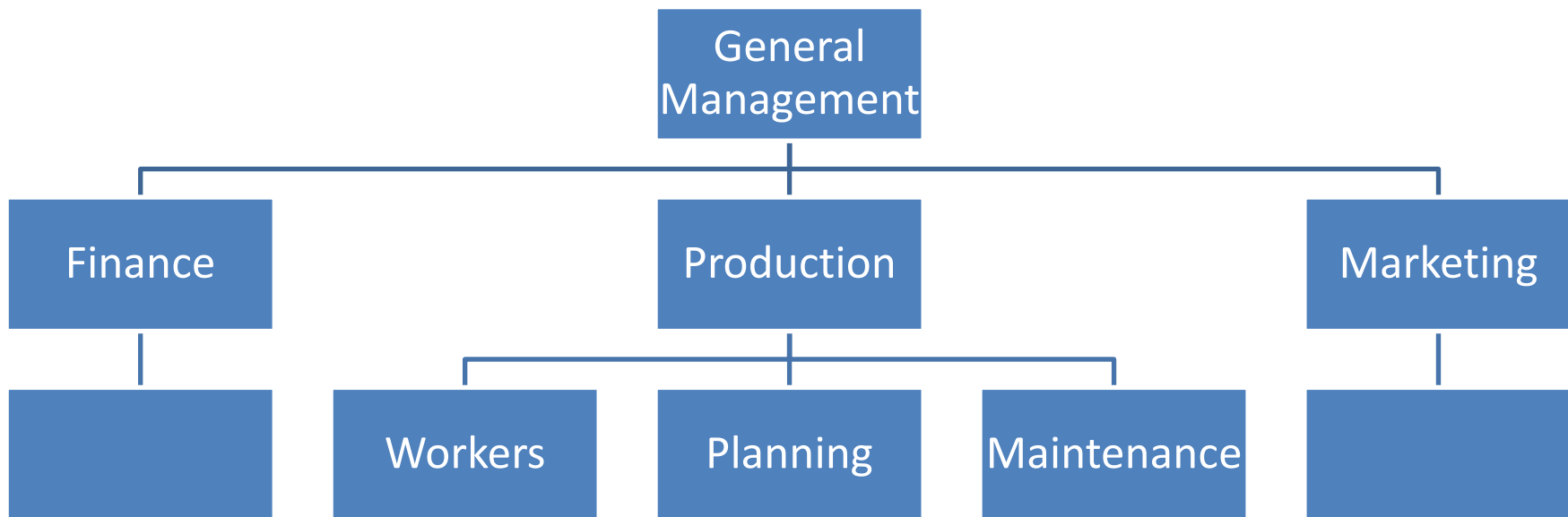
**SALES, MARKETING and DEMAND**

21. What is the geographical market for your products (National, South Eastern Europe, EU, other)? How much do you export (% of total sales)?
- 
22. How do you distribute your products to the market(s) (direct sales, distributor, retail, wholesale, etc.)?
- 
23. How do you promote your products to your current and potential clients (sales agents, media, word of mouth, etc.)?
-



## PART 3 – BUSINESS ANALYSIS

### ORGANIZATIONAL CHART/ ORGANOGRAM



Comments: \_\_\_\_\_

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## WORKFORCE DATA

24. How many members of your family are employed in the business? \_\_\_\_\_

What positions do they fill?

25. How many part-time workers do you hire? [ ] M [ ] F [ ] Total

What positions do they fill?

26. How many seasonal workers do you hire? [ ] M [ ] F [ ] Total

What positions do they fill?

### 27. RECRUITMENT

a) How many people did you hire last year? [ ] M [ ] F [ ] Total

b) Describe how you recruit new workers. (Regional Employment Office, word of mouth, vocational training centers, HR agencies, etc.?)

### 28. TRAINING

a) What training do you provide to your new staff?

b) Do you train your existing staff? Yes  No

c) What topics and how often?

### 29. RETENTION

a) How many people left/quit/ were fired last year? [ ] M [ ] F [ ] Total

b) What is your annual staff turnover? \_\_\_\_\_

c) Please describe the bonus/ incentive scheme you have in place for remunerating your staff?

### 30. PERFORMANCE

a) Do you have job descriptions for your staff? Yes  No



b) How do you evaluate the performance of your staff?

c) What salary scheme/scale do you have in place for your staff?

d) What opportunities for promotion from within and career paths are there for your staff?

31. How many people would you employ if you were producing/ serving at 100% capacity?  
 [....] M [....] F [...] total

**PRODUCTS AND SERVICES**

32. List of main products and provide the following information:

| Product/Service Type | Unit | Production Capacity (units/ _____) | Quantity Produced |
|----------------------|------|------------------------------------|-------------------|
|                      |      |                                    |                   |
|                      |      |                                    |                   |
|                      |      |                                    |                   |
|                      |      |                                    |                   |
|                      |      |                                    |                   |

33. What is your current production / occupancy rate? \_\_\_\_\_%

34. Describe your products and services (range of products, types, production levels, shifts, etc.)

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**SALES, MARKETING and DEMAND**

35. Please complete the following table with data from the last 12 months of operation from \_\_\_\_\_ to \_\_\_\_\_:

| Product/Service Type | Sales                 |                |
|----------------------|-----------------------|----------------|
|                      | Quantity (units/year) | Value (yearly) |
|                      |                       |                |
|                      |                       |                |
|                      |                       |                |

|  |  |  |
|--|--|--|
| 36. How many buyers/ contracts do you have?  |  |  |
| 37. What are the product's competitiveness advantages: price, quality, distinctiveness, volume, branding, market niche, seasonality, networking, etc.? |  |  |
| 38. Does the business have any competitors?<br>Yes <input type="checkbox"/> No <input type="checkbox"/>  | 39. If Yes, who are the main competitors for the product(s)? |  |
| 40. How do the prices for your products fluctuate (by client, by season, by country, etc.)?  |  |  |
| 41. Describe the seasonality of your business/ production.<br>Highest Season _____ Lowest Season _____   |  |  |

**FINANCIAL MANAGEMENT**

|  |   |
|--|---|
| 42. What type of external/ commercial financing do you receive to support your business?<br>(Loan, development project, grant, etc.) |   |
| If you have a loan, which institution do you receive (OR have you received) a loan from?   |   |
| 43. What kind of financing do you need for   | <input type="checkbox"/> Long-term assets |





|   |   |
|---|---|
| <p>your business to grow?<br/><i>Comments:</i></p>  | <input type="checkbox"/> Working capital<br><input type="checkbox"/> Leasing<br><input type="checkbox"/> Equity participation<br><input type="checkbox"/> other _____ |
| <p>44. What accounting system do you have in place (Accounting software, Excel, Paper system, other)?</p>   | <p>45. Who does the analysis of your financial information (self, Accountant, Financial Advisor, Other)?</p>  |
| <p>46. What kind of financial reports do you use (Balance Sheet, Profit &amp; Loss Statement, Cash flow Report, Cost Calculation, Break-Even Analysis, Other, etc.)</p>         | <p>47. How often do you prepare financial reports? Monthly, Quarterly, Annually</p>   |
| <p>48. How often do you get audited? Internal <input type="checkbox"/> External <input type="checkbox"/> None <input type="checkbox"/> Other _____ <input type="checkbox"/></p> |   |
| <p>49. How do you analyze Sales Reports and Inventories?</p>  |   |

**CLIENT GROWTH PLAN**

50. List the 3 principal business constraints in order of priority that limit sales and jobs from growing:

- 1.
- 2.
- 3.

**Comments:** .....

.....

**ANEKS 1 - SHITJET dhe TE DHENAT E FUQISE PUNETORE**

EMRI I KLIENIT

company name

Industria industry name

Data e Plotesimit date collected

| 1. Regjistrimi i shifrave te listave te pagave te punonjesve per 12 muaj, nga |          |          |          |          |          |          |          |          |          |          |          | Monthly Average |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------------|
| Muaji   |          |          |          |          |          |          |          |          |          |          |          |                 |
| Mashkull  |          |          |          |          |          |          |          |          |          |          |          |                 |
| Femer   |          |          |          |          |          |          |          |          |          |          |          |                 |
| <b>Totali</b>   | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>        |

2. Sa njerez do te punesonit nese do te prodhoni/sherbenit me kapacitet 100% [...] M [...] F [...] total

3. Xhiroja vjetore per vitin e fundit fiskal (bazuar ne raportin e audituar) ALL 0

| 4. Ju lutem regjistroni cdo muaj shitjet mujore te llogaritura ne LEK deri ne daten kur plotesoni kete formular nga |  |  |  |  |  |  |  |  |  |                |              | Monthly Average |
|---|--|--|--|--|--|--|--|--|--|----------------|--------------|-----------------|
|   |  |  |  |  |  |  |  |  |  | Total Baseline | <u>ALL 0</u> |                 |
|   |  |  |  |  |  |  |  |  |  |                |              |                 |
|   |  |  |  |  |  |  |  |  |  |                |              |                 |

Client Representative \_\_\_\_\_

Date \_\_\_\_\_

Rritje Albania Representative \_\_\_\_\_

Date \_\_\_\_\_



Annex IV – Client Growth Plan

| <p><b>CLIENT GROWTH PLAN</b></p> <p><b><u>PLANI PËR RITJEN E KLIENTIT</u></b></p> <p><b><u>ENTERPRISE NAME</u> DHE RITJE ALBANIA</b></p>   |  |
|--|--|
| <p><i>Ndërmjet</i></p> <p><b>Chemonics International Incorporated (CI)</b>, Kontraktor i USAID për implementimin e projektit Rritje Albania/Zhvillimi i Ndërmarrjeve Konkurruese (Rritje Albania), Rr. Pjetër Bogdani, Pall. 36/1, Ap. 5-6, Kati 2-te, Tiranë, Shqipëri</p> <p><i>Dhe</i></p> <p><b><u>Enterprise Name, Address</u></b></p>  | <p><i>Between</i></p> <p><b>Chemonics International Incorporated (CI)</b>, USAID contractor implementing the Rritje Albania/Competitive Enterprise Development Project (Rritje Albania), Pjeter Bogdani Str., Blvd 36/1, Ap. 5-6, 2<sup>nd</sup> floor, Tirana, Albania</p> <p><i>And</i></p> <p><b><u>Enterprise Name, Address</u></b></p>  |
| <p style="text-align: center;"><b><i>FILLIMI DHE KOHEZGJATJA</i></b></p> <p>Plani për rritjen e klientit do të fillojë menjëherë pas nënshkrimit nga të dyja palët dhe do të jetë i vlefshëm në fuqi deri në 17 Mars 2014 ose deri në përfundim të projektit Rritje Albania, cilado date të vijë më vonë.</p>  | <p style="text-align: center;"><b><i>COMMENCEMENT AND DURATION</i></b></p> <p>This Client Growth Plan Agreement shall commence immediately upon signing by both parties and shall remain in force until 17 March 2014 or the conclusion of the Rritje Albania, whichever comes later.</p>  |
| <p style="text-align: center;"><b><i>HYRJE</i></b></p> <p>Marrëveshja e PLANIT PER RITJEN E KLIENTIT (Marrëveshja) do të bëhet ndërmjet <b><u>Enterprise Name</u></b> (Klienti) dhe projektit Rritje Albania, i implementuar nga Chemonics International për USAID-in. Të dyja palët kanë rënë dakord për të firmosur këtë marrëveshje dhe për të reflektuar qëllimin e dyanshëm për të përforcuar konkurrueshmërinë e biznesit të klientit. Afatet dhe kushtet e përmendura këtu do të përcaktojnë rolet, përgjegjësitë, detyrat dhe detyrimet e palëve përkatëse të kësaj marrëveshjeje.</p> <p><b>PALET</b></p> <p><b><u>Projekti i USAID-it, Rritje Albania</u></b></p> <p>Projekti i USAID-it, Rritje Albania, ka si qëllim rritjen e qëndrueshme ekonomike në Shqipëri. Ky projekt do të ndihmojë ndërmarrjet jo-bujqësore</p> | <p style="text-align: center;"><b><i>INTRODUCTION</i></b></p> <p>This CLIENT GROWTH PLAN Agreement (the Agreement) is between The <b><u>Enterprise Name</u></b> (Client) and the Rritje Albania Project implemented by Chemonics International for USAID. Both parties have agreed to enter into this Agreement to reflect their mutual intention to cooperate to strengthen the competitiveness of the client’s business. The terms and conditions herein appearing shall govern the roles, responsibilities, duties and obligations of the respective Parties under this Agreement.</p> <p><b>PARTIES</b></p> <p><b><u>USAID’s Rritje Albania Project</u></b></p> <p>USAID’s Rritje Albania Project seeks to advance sustained, broad-based economic growth in Albania by helping non-agricultural enterprises</p> |



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| <p>për t'u bërë më konkurruese dhe të rrisin shitjet dhe punësimin e tyre. Gjithashtu, ky projekt do të ndihmojë në krijimin e punësimit fitimprurës. Projekti do t'i arrijë këto objektiva përmes zgjerimit të tregtisë dhe investimeve, rritjes së produktivitetit të ndërmarrjeve dhe krijimit të një fuqie të përmirësuar punëtoare.</p> <p>Rritje Albania u ofron kompanive kliente shërbime për zhvillimin e biznesit, për t'i ndihmuar ato të rrisin shitjet dhe nivelin e punësimit. Me anë të një mbështetjeje të përshtatur me nevojat e klientit, të përqendruar dhe efikase në aspektin e kostos, projekti Rritje Albania i ndihmon kompanitë të luftojnë problemet që pengojnë rritjen e tyre. Rritje Albania dhe Melgushi shpk këtej e tutje i referuar si Klienti, bien dakord me termat dhe kushtet e vendosura në vijim.</p> | <p>increase sales and jobs. The project will achieve those objectives by expanding trade and investment, increasing enterprise productivity, and improving workforce development.</p> <p>Rritje Albania provides business development services to client firms with tailored, focused, cost-effective support aimed at removing constraints to growth. Rritje Albania and Melgushi shpk herein after referred to as the Client, agree to the terms and conditions set out below.</p> |
| <p><b>Enterprise Name</b></p> <p>Profili</p>  | <p><b>Enterprise Name</b></p> <p>Profiles</p>  |

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| <p><b>TE DHENAT E SHITJEVE DHE PUNESIMIT</b><br/>(Shiko aneksin 1 të bashkangjitur)</p>   | <p><b>BASELINE SALES AND EMPLOYMENT</b><br/>(See attached Annex 1)</p>   |
| <p><i>Shitjet mesatare mujore bruto për 12 muajt e fundit në Lekë shqiptar (ALL):</i></p> <p>ALL XXX</p>  | <p><i>Average Monthly Gross Sales Last 12 Months in Albanian Lek (ALL):</i></p> <p>ALL XXX</p>   |
| <p><i>Punësimi mesatar mujor për 12 muajt e fundit:</i></p> <p>[XX] M [XX] F dhe [XXX] Totali</p>   | <p><i>Average Monthly Employment Last 12 Months:</i></p> <p>[XX] M [XX] F and [XX] Total</p>   |
| <p><i>Datat e fillimit dhe mbarimit për 12 muajt e fundit:</i></p> <p>Month Year – Month Year</p>   | <p><i>Last 12 Months Starting and Ending Dates:</i></p> <p>Month Year – Month Year</p>   |
| <p><b>NENI 1: QELLIMI DHE AKTIVITET</b></p>   | <p><b>ARTICLE 1: SCOPE OF ACTIVITIES</b></p>   |
| <p>Gjatë kohëzgjatjes së kësaj marrëveshjeje, Rritje Albania do të pëpiqet t'i ofrojë Klientit asistencë teknike, shërbime trajnimit dhe këshillimi të cilat u përgjigjen nevojave të shprehura nga klienti tek Rritje Albania.</p> <p>Rritje Albania do të ofrojë një asistencë të</p> | <p>During the term of this Agreement, Rritje Albania will endeavor to provide to the Client a range of technical assistance, training and advisory services that respond to the needs expressed to Rritje Albania by the Client.</p> <p>The precise assistance Rritje Albania will</p> |



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| <p>kujdesshme e cila do të varet nga fondet që USAID do t'i vërë në dispozicion projektit si edhe nga aftësia e klientit për të përdorur efektivisht asistencën e ofruar nga projekti.</p> <p>Në këtë mënyrë, Rritje Albania ka të drejtë të ofrojë të gjitha ose një pjesë të aktiviteteve të përmenduar në Marrëveshjen e Planit për Rritjen e Klientit.</p>  | <p>provide is dependent on the level and timing of funding resources made available to the project by USAID as well as the ability of the Client to effectively use the assistance provided.</p> <p>Rritje Albania thus reserves the right to provide all or part of the activities noted in this Client Growth Plan Agreement.</p>   |
| <p><b><u>1.1 Pengesat kryesore për rritjen dhe zgjidhjet:</u></b></p> <p>Në diskutimet fillestare me Rritje Albania, Klienti ka identifikuar pengesat e mëposhtme për rritjen e biznesit:</p> <ul style="list-style-type: none"> <li>• <b>Specific Constraint 1.</b></li> <li>• <b>Specific Constraint 2... X.</b></li> <li>• Sipas kushteve të kësaj Marrëveshjeje Rritje Albania dhe Klienti do të takohen të paktën dy herë në vit për të rishikuar nevojat, planet e asistencës, progresin dhe performancën. Me identifikimin e nevojave të reja, palët do të përpiqen t'i përfshijnë në këtë Marrëveshje.</li> </ul> | <p><b><u>1.1 Principal constraints to growth:</u></b></p> <p>In its initial discussions with Rritje Albania, the Client identified the following constraints to its growth:</p> <ul style="list-style-type: none"> <li>• <b>Specific Constraint 1.</b></li> <li>• <b>Specific Constraint 2... X</b></li> <li>• Over the term of this Agreement, Rritje Albania and the Client will meet at least twice per year to review needs, assistance plans, progress and performance. As new needs are identified, the parties will endeavor to incorporate them into this Agreement.</li> </ul> |
| <p><b><u>1.2 Zgjidhja e Propozuar:</u></b></p> <p>Rritje Albania do të përpiqet të ofrojë apo të lehtësojë zgjidhjet për Klientin. Këto zgjidhje mund të jenë subjekt i kufizimeve të përshkruara në këtë Marrëveshje. Këto zgjidhje mund të përfshijnë, por jo vetëm kaq, sa vijon më poshtë:</p> <ul style="list-style-type: none"> <li>• <b>Specific Solution 1.</b></li> <li>• <b>Specific Solution 2... X</b></li> </ul>   | <p><b><u>1.2 Proposed Solutions:</u></b></p> <p>Rritje Albania will endeavor to provide or facilitate solutions to the Client, subject to limitations described elsewhere in this Agreement. This may include, but is not limited to, the following:</p> <ul style="list-style-type: none"> <li>• <b>Specific Solution 1.</b></li> <li>• <b>Specific Solution 2... X</b></li> </ul>   |
| <p><b><i>PIKA 2: DETYRAT DHE DETYRIMET E PALEVE</i></b></p> <p>Klienti dhe Rritje Albania do të ndërmarrin të gjitha veprimet e nevojshme për tu siguruar që të gjitha kushtet e kësaj Marrëveshjeje do të respektohen. Palët bien d'acord se do të zbatojnë sa thuhet më poshtë:</p>   | <p><b><i>ARTICLE 2: DUTIES AND OBLIGATIONS OF PARTIES</i></b></p> <p>The Client and Rritje Albania shall take all necessary actions to ensure that the provisions of this Agreement are respected. The Parties, therefore, agree to observe the following:</p>  |
| <p><b>SHPENZIMET</b></p> <p><b>2.1</b> Të gjitha shpenzimet dhe kostot që do të</p>   | <p><b>EXPENSES</b></p> <p><b>2.1</b> Unless otherwise mutually and</p>  |



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| <p>gjenerojë secila nga palët do të mbulohet prej saj dhe nuk do të jetë e detyruar të rimburojë palën tjetër, përveç rastit kur palët bien dakord reciprokisht me shkrim për të kundërten.</p> <p>2.2 Klienti bie dakord për të kontribuar me 25% t kostos për asistencën e marrë. Kontributi mund të jetë në para dhe/ ose në natyrë.</p>  | <p>explicitly agreed upon in writing, all expenses and costs incurred by either Party shall be borned by the Party incurring the same and neither shall be obliged to reimburse the other.</p> <p>2.2 The Client commits itself to contribute to a minimum 25% cost-share for assistance received, which may be in the form of cash and/or in-kind contributions.</p>  |
| <p><b>ANGAZHIMI I KLIENTIT</b></p> <p><b><u>Klienti angazhohet të:</u></b></p> <p>2.3 Plotëson kërkesat e raportimit të Rritje Albania për të monitoruar progresin për një periudhë jo më të gjatë se 6 muaj nga data e mbarimit të kësaj Marrëveshjeje.</p> <p>2.4 T'i paraqesë Rritje Albania-s një <b>Dokument Monitorimi Performance (DMP)</b> i cili do të përfshijë shitjet mujore bruto dhe numrin e punonjësve në bolero (listën e pagës), të ndarë sipas gjinisë. DMP do të paraqitet ne formë elektronike, në format Excel-i, çdo tremujor, jo më vonë se 5 ditë pas mbylljes së çdo tremujori kalendarik (<b>Aneksi 2</b>).</p>   | <p><b>REPORTING</b></p> <p><b><u>Client Agrees to:</u></b></p> <p>2.3 Comply with the reporting requirements of Rritje Albania to monitor progress for a period not to exceed 6 months from the expiry date of this Agreement.</p> <p>2.4 Submit to Rritje Albania a completed <b>Performance Monitoring Tool (PMT)</b> that includes monthly gross sales and numbers of employees on payroll. The PMT is submitted electronically and in Excel format, on a quarterly basis, no later than 5 days after the close of each calendar quarter. (<b>Annex 2</b>)</p>  |
| <p><b>ASISTENCA TEKNIKE</b></p> <p><b><u>Palët bien dakord si më poshtë:</u></b></p> <p>2.5 Të zhvillojnë së bashku Përshkrimin e Punës (PP) për asistencën teknike të ofruar nga konsulentët dhe/ose firmat e kontraktuara nga Rritje Albania.</p> <p>2.6 Rekrutimi dhe kontraktimi i konsulentëve do të bëhet në përputhje me ligjet e qeverisë të Shteteve të Bashkuara dhe procedurave operacionale të vendosura nga CI dhe Rritje Albania</p> <p>2.7 Aprovimi final i rezultateve të konsulentëve, të përcaktuara në (PP), do të bëhet nga Rritje Albania sipas konsultimeve me Klientin.</p> <p>2.8 Klienti do të jetë në përputhje me të gjitha kërkesat dhe rregullimet ligjore duke përfshirë shëndetësinë, punën, standartet e sigurisë të</p> | <p><b>TECHNICAL ASSISTANCE</b></p> <p><b><u>The Parties agree to:</u></b></p> <p>2.5 Jointly develop and approve Scopes of Work (SOW) for technical assistance provided by consultants and/or firms contracted by Rritje Albania.</p> <p>2.6 Recruitment and contracting of consultants engaged by Rritje Albania will comply with relevant U.S. Government regulations and the established operating procedures of CI and Rritje Albania.</p> <p>2.7 Final approval of consultants' deliverable(s) as set forth in the SOW will be made by Rritje Albania in consultation with the Client.</p> <p>2.8 Comply with all legal and regulatory requirements, including environment, health, labor, and safety standards</p> |



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| <p>vendosura nga autoritet kombëtare.</p> <p>2.9 Vendimi përfundimtar për implementimin e secilit prej rekomandimeve të asistencës teknike të ofruar nga Rritje Albania, do të merret vetëm nga Klienti.</p> <p>Klienti nuk do të fajësojë Rritje Albania në rast humbjeje apo dëmsh të tjera që mund t'i ndodhin Klientit nga implementimi i rekomandimeve që vijnë nga Plani për Zhvillimin e Klientit.</p>   | <p>mandated by national authorities.</p> <p>2.9 The final decision to implement any recommendations that may be made through the technical assistance provided by Rritje Albania rests solely with the Client.</p> <p>The Client will hold Rritje Albania harmless against any losses or other damages that the Client may incur by implementing recommendations arising from this Client Growth Plan.</p>  |
| <p><b><i>PIKA 3: KOHEZGJATJA DHE PERFUNDIMI I MARRËVESHJES</i></b></p> <p>Plani për Rritjen e Klientit hyn në fuqi nga data e nënshkrimit të të dyja palëve deri në mbarim të Rritje Albania. Secila palë mund të përfundojë këtë Marrëveshje me një njoftim paraprak 30 ditor për secilin nga rastet e mëposhtme:</p>  | <p><b><i>ARTICLE 3: DURATION AND TERMINATION OF AGREEMENT</i></b></p> <p>This Client Growth Plan is effective from the date of signature by the two Parties until the end of the Rritje Albania Project. Either Party may terminate this Agreement upon 30 days prior written notice in case of any the following events:</p>   |
| <p>3.1 Në rast mospajtimi të vullnetshëm me kushtet e kësaj Marrëveshjeje kur edhe tentativat e dokumentuara për të korrigjuar situatën kanë rezultuar joefektive.</p> <p>3.2 Në rast veprimesh që konsiderohen të dëmshme për objektivat e programeve përkatëse nga palët, Qeveria Shqiptare apo Agjensia e Shteteve të Bashkuara për Zhvillim Ndërkombëtar (USAID)</p> <p>3.3 Në rast se Rritje Albania përfundon dhe/ose pezullohet nga Qeveria Shqiptare ose USAID</p>  | <p>3.1 Willful non-compliance by either Party with the provisions of this Agreement and documented attempts to correct the situation have proved ineffective.</p> <p>3.2 Acts which either party determines to be detrimental to the objectives of their respective programs, the Government of Albania, the United States Agency for International Development. (USAID).</p> <p>3.3 At any time that the Rritje Albania Project is either terminated and/or suspended by the Government of Albania or the USAID.</p> |
| <p><b><i>PIKA 4: MIREBESIMI DHE PRONESIA E PRODUKETEVE DHE ZBULIMEVE</i></b></p> <p>4.1 Rritja Albania bie dakord ta mbajë me mirëbesim të gjithë infomacionin dhe raportet mbi shitjet, prodhimin, punësimin, dhe investimin. Ato do të përdoren vetëm nga Rritje Albania dhe USAID.</p> <p>Rritje Albania mund të kërkojë verifikim të pavarur të informacionit për ta dokumentuar dhe për t'u siguruar për integritetin e tij. Klienti bie dakort të bashkëpunojë me Rritje Albania për të verifikuar rezultatet e</p> | <p><b><i>ARTICLE 4: CONFIDENTIALITY AND OWNERSHIP OF PRODUCTS AND INVENTIONS</i></b></p> <p>4.1 Rritje Albania hereby agrees to keep all sales, production, employment, and investment data reported by the Client confidential and restrict its use to Rritje Albania and USAID.</p> <p>Rritje Albania may request independent verification of data in order to document and ensure their integrity. The Client agrees to cooperate with Rritje Albania in order to verify reported results.</p>                     |



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| <p>raportuara.</p> <p>4.2 Përveç të drejtave të Qeverisë së Shteteve të Bashkuara të përcaktuara në FAR52.227-14, palët bien dakord që, sipas ligjit, të gjitha zbulimet apo risitë me potencial për tu liçensuar ose jo, janë dhe do të mbeten pronësi e palës që i krijoi këto zbulime/ risi.</p> | <p>4.2 Except as may be regulated under FAR52.227-14 with respect to the rights of the U.S. government, the parties acknowledge that to the extent permitted by law, all inventions, whether patentable or not, shall be and remain the property of the party creating such inventions.</p> |
| <p><b>NENSHKRIMI I PALEVE</b></p> <p>Plani për Rritjen e Klientit është nënshkruar në datën e dhënë më poshtë në kopje origjinale në shqip dhe në anglisht. Në rast konflikti, do të ndiqet versioni në anglisht.</p>   | <p><b>SIGNATURES OF THE PARTIES</b></p> <p>This Client Growth Plan is made on the day and year stated below in 2 originals in the English and Albanian language. In case of any dispute, the English version shall be the version followed.</p>   |

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| <b>Enterprise Name</b> |
| Address                |
| Name: _____            |
| Title: _____           |
| Signature: _____       |
| Date Signed: _____     |
| Place Signed: _____    |

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| <b>RRITJE ALBANIA/ COMPETITIVE ENTERPRISE DEVELOPMENT</b> |
| PJETER BOGDANI STR., BLD. 36/1, AP.5-6, 2ND FLOOR         |
| TIRANA, ALBANIA 1000                                      |
| Name: Victor Luboyeski                                    |
| Title: Rritje Albania Chief of Party                      |
| Signature: _____  |
| Date Signed: _____  |
| Place Signed: _____                                       |



## Annex V – Performance-Based Monitoring Plan