

ALBANIA

RESULTS REVIEW

AND

RESOURCE REQUEST

USAID/Albania
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PART I. OVERVIEW AND FACTORS AFFECTING PROGRAM PERFORMANCE

A. Introduction

U.S. Foreign Policy Interests

The United States's Strategic Plan for International Affairs (SPIA) outlines seven fundamental national interests of which USAID's program directly addresses four: (1) economic prosperity; (2) democracy; (3) national security; (4) and humanitarian response.

Economic Prosperity

Strategic Objective 1.3—Accelerated Development and Growth of Private Enterprises, and Strategic Objective 1.4—a More Competitive and Market-Responsive Private Financial Sector—work together to strengthen private sector contributions to the Albanian economy. Results from work with agricultural private producers and trade associations generated \$12.6 million in sales of U.S. agricultural inputs in 1997 that contributed to economic prosperity both in Albania and in the U.S. USAID/Albania works with both the public and private financial sectors to help the Albanian government move from state banking into sound financial management based on market principles.

Other activities focus on private credit to the private sector and technical assistance and training in business and technical skills. Trade and producer association lobbies, as well as strategically placed advisors, will work to improve the business climate. USAID/Albania works in close collaboration with its partners in the government and in the donor community to implement a common strategy for economic prosperity. A strong private sector, bolstered by a strong private financial sector, will open more markets for U.S. goods, and more opportunities for U.S. investment.

Democracy

SO 2.1—Increased, Better Informed Citizens' Participation in Political and Economic Decision Making, SO 2.2—Legal Systems that Better Support Democratic Processes and Market Reforms, and SO 2.3—More Effective, Responsive and Accountable Local Government all interrelate to strengthen democracy in Albania. SO 2.1 invests in strengthening the information and skill base of the major democratic institutions as vehicles to involve citizens. Those vehicles include political party outreach, NGO involvement with and/or challenges to government, a free press, a transparent parliament and educational institutions. NGOs played a leadership role in surmounting the 1997 crisis, and the elections which followed it were rated as "adequate and acceptable" by OSCE.

For SO 2.2, USAID/Albania has a three pronged approach: (1) changes in the legal system to increase the independence of the judiciary and law enforcement; (2) increasing the skill and knowledge levels of professionals; and (3) citizen involvement in redefining rules and redressing grievances. The government has agreed to present a new constitution to the public in a referendum, thereby involving the entire voting public in defining a basis for the legal system.

SO 2.3 addresses policy issues necessary to transfer power and authority to local government and provides technical assistance, knowledge and skills to help local governments apply increased authority for good governance. That means competent fiscal and project planning, improved service delivery, local economic development and citizen involvement. A potential partner for achieving results in these areas is the National Association of Albanian Mayors, which is pursuing a legislative reform agenda with the central government.

National Security

The transition from communism to democracy in Albania started later and was more chaotic relative to most other CEE countries. The first ever multi-party election took place in 1991. Of the subsequent elections in 1992, 1994, 1996 and 1997, three of the four either sparked riots or occurred in the wake of social unrest churned into anarchy. Recent disturbances in Kosovo raise the specter of what appeared to be a local condition spilling into other Balkan countries, where worldwide security interests are already threatened by ethnic and nationalist conflicts. From 1993 through 1996, average GDP growth was 8 percent until anarchy in 1997 pushed the rate to -7 percent. USAID and other donor programs aimed at building stable democratic institutions will promote economic assistance and lay the foundation for stability and regional security.

Humanitarian Response

SO 3.2—Improved Sustainability of Social Benefits and Services—is directed at improving a medical care system that has seriously deteriorated over the past 10-15 years. The government can no longer afford to provide free medical care to the population or to invest in medical care services, as was the case under communism. USAID/Albania provides assistance with health planning and finance options to introduce fee-for-service and health-insurance alternatives for health care finance. At the same time, health professionals are trained to practice preventive medicine, family planning, the quality of hospital services and improved health administration.

During the critical months of the civil unrest in 1997, USAID/Albania remained in operation and was able to implement a food-relief program through the World Food Programme. The food relief effort consisted of 5,000 metric tons of wheat and medical supplies to local hospitals.

The single external factor that had the most impact on USAID/Albania's program was the economic and social collapse that occurred in the early months of 1997. During that period, about 2,000 people lost their lives, the entire prison population of 1,309 people escaped, and more than a million weapons passed from military arsenals to private hands. Nearly a year later, public security remains a daunting task.

Albania's Development Needs

Albania lags far behind in its transition bid relative to other countries in Central and Eastern Europe (CEE). Moreover, its economy is structurally different from those of most, if not all, transition economies. In fact, on the development continuum, Albania in many respects more closely resembles a low-income developing country, rather than a transition economy.

A major challenge for USAID/Albania is, therefore, to address the country's transition needs as well as its more basic developmental needs. Additional needs stem from the political crisis that occurred in March-June 1997.

B. Factors Affecting Program Performance

The considerable achievements that were made in the early years following the demise of the communist regime in Albania masked the fragile economic and social conditions that have prevailed since 1992.

Following the 1992 election, Albania made significant progress in economic reforms that led to impressive macroeconomic performance. Privatization in agriculture and small-scale non-agricultural enterprises was relatively quickly and comprehensively accomplished. About 8 percent of agricultural land and virtually all small-scale enterprises are now private. Almost all prices were decontrolled. Remaining controls and subsidies apply to public transport, rail fares, postal tariffs, electricity, and water supplies. A market-oriented exchange rate prevailed, supported (in the absence of a well-functioning formal banking sector) by an active informal market. Non-tariff barriers to trade were abolished except for a few on exports, and tariffs were reduced to moderate levels.

From 1993 through 1996, the economy expanded by 8 percent or more each year, far outpacing performance on this score in even the Northern Tier countries of CEE. However, President Berisha became increasingly viewed as authoritarian, and his unpopularity grew. The defeat of a referendum on a proposed constitution in November 1994 was one indication of widespread dissatisfaction with Berisha and his government.

In May 1996, the DP-led government of Prime Minister Meksi, with strong support from President Berisha, won a controversial second election term in a campaign that was characterized by bitter attacks on the opposition SP party. The SP, in turn, continued to

be led by the imprisoned Nano, who by now was publicly stating that he embraced the general path of reform and alliance with the West. This election was widely perceived as illegitimate, both by domestic and foreign observers. The result sparked rioting in Tirana, repression by DP-loyalists and the police, and hunger strikes and boycotts of Parliament by SP deputies.

Meanwhile, "get-rich-quick" investment pyramid schemes had been expanding rapidly during 1995 and 1996 with at least tacit support of the government. A substantial amount of financial resources in the form of savings and remittances was absorbed by these schemes. The pyramid schemes collapsed in late 1996 and early 1997, initiating a slide into anarchy. As many as one million weapons were looted from government arsenals and military bases, and armed conflict broke out in March 1997. An Italian-led Multinational Protection Force was invited to help restore order.

Elections were successfully held in June 1997 and the SP, under the leadership of Fatos Nano, gained an overwhelming majority of the popular votes and seats in the parliament. The DP, which won only 26 percent of the vote, became the official opposition. Berisha maintained leadership of the DP, despite his alleged contribution to the ruinous events of the previous year.

Since June 1997, the political process has been characterized by violence and instability, with fights, one shooting, and hunger strikes among Parliamentary representatives. Since fall 1997, the opposition DP party has been slow to participate in parliament and in the Parliamentary Commission charged in September 1997 with drafting a new constitution. Law and order are yet to be restored, particularly outside Tirana.

Of particular note is Albania's relatively underdeveloped institutions and infrastructure, including the transport, telecommunications, electricity and water systems. The institutional capacity to carry out basic functions of government, such as preservation of law and order, definition and protection of property rights and other judicial functions, central banking and fiscal management, and other means to support private-sector activity is also severely limited.

Nevertheless, international support has been significant. Donors met in October 1997 to consider an emergency aid program, and the IMF, the World Bank and the major donors, including USAID, have begun such programs. Moreover, the new government seems to have significant will to reform. Hence, while the challenges to reform in the current climate are many, significant opportunities exist.

C. Challenges and Opportunities of the Post-1997 Conflict

As previously noted, the collapse of the pyramid schemes that occurred at the end of 1996 and in the first months of 1997 led to unrest, disorder, looting, and destruction of government buildings and commercial private property. Economic consequences of the

crisis included high inflation, disrupted trade, interruption or withdrawal of foreign direct investment, and a ballooning budget deficit as government revenue collection largely ceased.

The Albanian economy began to recover over the summer of 1997 as the political situation stabilized and order was gradually restored. The Albanian Lek recovered some of its value and imports boomed as traders satisfied pent-up demand and took advantage of non-collection of customs duties and other taxes.

The Nano government has consistently espoused development of a market economy integrated into Europe. Under the Nano government, Albania instituted conservative fiscal reforms, including a near-doubling of the value-added tax to 20 percent and increases in excise taxes. Tax increases and revenue collections, together with foreign assistance, brought the budget deficit under control. Albania also reached agreement with the IMF on an Emergency Post-Conflict Facility.

While successive Albanian governments have broadly espoused policies favoring economic freedom and development, most of the opportunities associated with Albanian's transition to a market economy remain ahead. The country still lacks an adequate banking system to mobilize savings for investment. Property rights and security interests are not reliably enforced and elements of the judicial system are generally viewed as corrupt and ineffective. The World Trade Organization (WTO) working party on Albania's accession has met twice, but considerable reforms will be required to confirm Albania's membership. Association with the EU, an overarching goal for both major political parties, is dependent on WTO membership.

Albania also remains by far the poorest country in Europe, with per capita GDP estimated at only \$826 in 1996. Basic human needs, such as reliable supplies of potable water and electricity and adequate education and health care, remain unmet throughout the country, including Tirana, the capital city.

It is important to note that USAID/Albania's assistance program was not suspended in 1997. Program activities continued, though, at a greatly reduced pace due to the absence of advisors and the inability to travel outside Tirana.

In response to the crisis, USAID implemented an emergency program consisting of humanitarian assistance (food aid), followed by support to new parliamentary elections as part of an internationally-supported effort to re-stabilize the country and initiate a process of democratic normalization. In addition, USAID reprogrammed \$7 million of the FY 1997 Operational Year Budget in support of the World Bank's and IMF's post-conflict Quick Impact Program.

A major proportion of USAID/Albania's assistance continues to focus on the agricultural sector, which represents more than 50 percent of GDP. Efforts have supported increases

in agricultural production by assisting suppliers to obtain credit to import fertilizer, seeds and other vital inputs that cannot be produced locally. With USAID's assistance, over 92 percent of the land is now in private hands.

These efforts will be expanded through a new natural resources management program, which will focus on watershed management to curb soil erosion and serious deforestation. With USAID assistance, over 26,000 potential entrepreneurs have been trained in various fields. As of September 30, 1997, the Albanian-American Enterprise Fund (AAEF) has committed, in signed legal agreements, to invest \$3,525,900 and has disbursed \$3,102,300 to Albanian clients. The AAEF will open a new, model bank in 1998.

Also in 1998, USAID will launch a four-year \$3 million activity to provide microcredit to entrepreneurs and establish an Albanian credit institution. USAID efforts will also include completion of privatization of larger state enterprises, capital markets development, a sound, efficient banking sector, improved quality of urban and infrastructure services, and sound government policies relating to taxes, government budget and debt management.

Our program will also focus on reinforcing democratic practices and institutions. We will continue our critical support to the development and institutional strengthening of non-governmental organizations (NGOs) involved in democracy, the environment, economic growth, and social safety nets. Rule of law issues, reform and training of the judiciary, and support to independent media will remain priorities. Key objectives include the drafting and passage of a national constitution to replace the interim laws passed in 1991 and 1992.

Our commitment to social stabilization will continue. Two areas of emphasis will be health care administration and management, and women's reproductive health care to lower maternal and child mortality rates and reduce the prevalence of abortion.

**PART II. PROGRESS TOWARD OBJECTIVES
SUMMARY TABLE**

Objective Name	Rating	Evaluation Findings
SO 1.3: Accelerated Development and Growth of Private Sector Enterprises	Short of expectations	<p>1. Albania Dairy Improvement Campaign, Phase II. The project did not come to a standstill during the conflict, but was thrown off-track in terms of progress. The project is expected to make significant contributions toward the SO.</p> <p>2. Albania Private Forestry Development Program. The project paved the ground for achieving major results. A two-year extension is recommended.</p> <p>3. Support for Agricultural Restructuring in Albania. Suggested mid-course corrections and suggested areas for future USAID support Albanian Agriculture (credit, marketing, agribusiness).</p>
SO 1.4: A More Competitive and Market-Responsive Private Financial Market	Short of expectations	NA
SO 2.1: Increased, Better-Informed Citizens' Participation in Political and Economic Decision-Making	Short of expectations	<p>Professional Media Program. The evaluation concluded that there were seven main constraints to the development of independent media in Albania. ProMedia can address the problems by focusing on five activity areas: media law; association development; university curriculum modernization; technical and business management training; and equipment grants. Following the assessment report, The Albania Democracy Commission recommended that a resident media specialist be recruited and that a balanced program be developed in a revised workplan placing emphasis on three priority areas: media law development; business management training; and education of future journalists and broadcasters.</p>
SO 2.2: Legal Institutions that Better Support Democratic Processes and Market Reforms	Short of expectations	NA
SO 2.3: More Effective, Responsive and Accountable Local Government	Short of expectations	NA
SO 3.2: Improved Sustainability of Social Benefits and Services	Short of expectations	NA
Percent Funding through NGOs and PVOs: FY98=13%; FY99=12%; FY00=4%		

PART II. PROGRESS TOWARD OBJECTIVES

A. STRATEGIC OBJECTIVE 1.3: ACCELERATED DEVELOPMENT AND GROWTH OF PRIVATE ENTERPRISES

1. Performance Analysis

As with most of the other SOs, SO 1.3 suffered major setbacks and *fell short of expectations* due to the breakdown of civil order in 1997. Macroeconomic indicators dropped as a result of the flight of foreign capital and foreign investors, destruction of productive capital, and raiding of the stocks of many enterprises. Productive enterprises that shut down in 1991 were slow to start up again. The ensuing unemployment, together with consumption of pillaged stockpiles, resulted in depressed demand. However, since most of the violence was directed at the state and since the state owned little agricultural land, the agricultural sector fared better than other sectors during the riots. This feature helps to explain why many of USAID activities that focused on the agricultural sector met or exceeded targets despite the general setback for SO 1.3.

There is agreement that significant soil erosion and forest degradation occurred in recent years. The overall commercial business environment deteriorated due to political instability and insecurity. Both domestic and foreign investment declined due to a loss of faith in government actions. Due to many factors that will be detailed under SO 1.4 below, the private financial sector was not a major contributor to private-enterprise growth.

One indicator of progress for this SO is **real GDP growth**. Measured by this indicator, results for 1997 were very disappointing (a decline of 7 percent versus a projected 5 percent increase). The target for the second indicator was a 13 percent **unemployment rate**. Government estimates indicate that unemployment remained stable at 15 percent. However, there is evidence to suggest that the unemployment rate was much higher because this indicator (measured by the number of people requesting social assistance) has a built-in delay in measuring unemployment. The number of **new private-sector enterprises legally registered** (the third SO indicator), projected to increase from 56,000 in 1996 to 68,000 in 1997, did not exceed 62,000.

IR 1.3.1—Commercial Business Regime Improved. In prior years, Albania achieved major reforms by accident as well as by design. The uprising accomplished a *de facto* agrarian reform when the population took possession of the land, animals and state-owned equipment. In 1991, the government introduced reforms that legalized much of what had occurred during the conflict. Most prices were liberalized by 1993. However, two major constraints should be noted. First, land tenure issues have yet to be resolved and a land market to be established. Second, some of the large (industrial) state enterprises have yet to be restructured and/or privatized.

Political instability and insecurity have been a major factor in the poor performance of this IR. Available data indicate that the **annual investment from domestic sources** in 1997 was only \$14 million for the public sector. It is highly likely that the \$990 target was not met. Similarly, **annual investment from foreign sources** was \$42 million against a target of \$90 million.

In FY 1997, the Albanian Fertilizer Agriculture Development Association led a successful lobbying effort to remove the turnover tax on fertilizer and customs duties on wheat seed imports. This is an example of a USAID-assisted private association that has positively affected the commercial business regime. As part of improving the overall business environment, USAID also invested in government-operated technical and regulatory centers to improve quality control of agricultural products. In coming years, USAID will devote additional resources to activities aimed at trade-association strengthening (see below). Even though results for 1997 (as measured by the **number of business groups with lobbying success**) were well below target, such results stand as evidence that success in this area can be achieved.

Albania has made progress in resolving critical land tenure issues. USAID assistance helped establish 34 offices for registration of land titles. Although 2,000 titles ahead of the 1996 target, the 203,000 titles issued in 1997 are far short of the 1997 target. Based on more recent developments, it is estimated that the entire country will have land titles by 2001. It is also worth noting that USAID assisted the IMF and the World Bank in their effort to establish the value-added tax, now in operation.

IR 1.3.2—Business Support Services Improved. In spite of the evacuation and the long period of travel restrictions imposed on USAID contractors, this particular IR has, on balance, met expectations. Many USAID activities have reached a significant number of clients willing to pay for service, suggesting that business support services are improving.

The first indicator for this IR is **revenue from service fees paid by customers of USAID-assisted activities**. Actual revenue was \$48,000, significantly below the target of \$95,000. Though below target, this result is somewhat satisfactory given the limitations on travel for USAID personnel during much of last year. The number of active business clients was 1,255 men and 1,401 women, compared to a target of 700 clients. Those figures include 318 members of agricultural producers associations, 18 companies trained through a USAID-funded program in business finance, and 2,320 employed or self-employed students who acquired business skills in a USAID-financed technical school.

The indicator for **IR 1.3.2.3—number of entrepreneurs using identified technologies**—reached 4,446, compared to a target of 4,000. New seedling technology, first introduced under USAID-funded on-farm research, is now being more widely disseminated to farmers through the Vegetables and Potatoes Institute. Of the entrepreneurs using new

technologies, 3,900 were women dairy farmers. Male farmers were either dairy farmers or egg producers. Work with improved fertilizer, seed varieties, and agricultural processing with 10 other producer associations specializing in wheat, edible oils, meat processing and horticulture reached such large numbers that USAID began tracking impact through sales of modern inputs. There are 18 dairy plants associated with milk producers, and about 30 egg producer groups. There are also several groups engaged in horticulture, meat processing, wheat milling, edible oil production, and fertilizer distribution, whose market share range from 60 to 90 percent.

Implementing organizations (USAID Albania's direct partners) work in a complementary and collaborative fashion. While each has the lead in a specific sector, the others provide technical assistance on an as-needed basis. Many collaborate very closely with donor partners. For example, Land O Lakes is providing technical assistance and training to NOVIB (Dutch foreign aid agency) personnel in the northern part of Albania under a program aimed at dairy and vegetable producers. NOVIB duplicated USAID-funded training materials for work with over 900 women. The links being formed between business associations (trade and/or producer associations) and local and national governments are two of the three pillars of the New Partnerships Initiative.

Training is the underpinning of all results in this SO. The number of active and potential entrepreneurs trained and retained in Albania in 1997 was 13,858. All contractors are involved in training of one kind or another. Most of the training is centrally managed by one contractor who serves the others as customers. Training is focused on achievement of results designed to have a material effect on IR indicators.

2. Expected Progress through FY 2000 and Management Actions

A major feature in USAID/Albania's new five-year strategy is increased emphasis on trade associations (**IR 1.3.3—Trade Associations Active in Supporting Private Agriculture**) and elevation of that IR to the first level. Success of the trade associations will be measured by their membership, credit services provided to members, and sustainability. USAID/Albania's target is 1,000 members and 55 percent sustainability by 2000.

Performance in strengthening trade associations was better than expected in 1997, indicating that trade associations hold promise for improving the **commercial business regime (IR 1.3.1)**. Development and implementation of commercial law will be emphasized in SO 1.4. Land titling is also an important component of an improved commercial business environment. It is expected that the entire country will be covered by about 3 million titles to immovable property by 2001.

Compliance with health standards, as well as effective regulations, certification, grading, licensing, and taxation of agricultural product are expected to improve significantly by the turn of the century. Similar progress is expected to occur in the area of increased membership and effective lobbying.

IR 1.3.2—Business Support Services improved—will continue to be tracked by the number of active business clients and the amount of fees paid for services. By 1999, we expect over 4,400 clients to be paying \$280,000 annually. Technical assistance to facilitate adoption of new technologies will be supplemented by a new IR, **IR 1.3.2.3—Improved Access to Sustainable Non-Bank Credit**.

Non-bank credit tied to close knowledge of the productive enterprise concerned worked in 1997 and early 1998. We intend to build upon this early success with non-bank credit through financial institutions, credit unions at the trade association level and through micro-credit programs. Our target is to reach \$21.7 million in loans to some 80 customers by 2000. If we enter the market for microfinance, we will adjust our targets accordingly.

In response to the degradation of the agricultural resource base, USAID has decided to include **SO 1.6—Increased environmental management capacity to promote sustained economic development**, in its portfolio. If approved during the Strategic Plan review, the Albanian Private Forestry Development Program, previously contributing to SO 1.3 will be managed under the new SO, along with other new activities.

A critical assumption for SO 1.3 is that other donors will invest in infrastructure—including irrigation systems, and secondary and feeder roads. One of USAID/Albania's interventions will be to strengthen trade associations and agribusiness associated with the new infrastructure.

Close coordination with the two strategic objectives relating to financial markets (SO 1.4) and environment (the new SO 1.6) will be of critical importance. Investment in agriculture requires improved financial services. Certain non-bank credit programs will be developed under SO 1.3, but their success and the level of their involvement in agricultural investment are likely to be strongly linked to the performance of the banking sector (SO 1.4). Environmental activities will be largely directed toward raising returns of non-agricultural, natural resource-based productive systems, thus sharing the objectives emphasized under SO 1.3. Furthermore, environmental activities are likely to affect agriculture directly by improving the timing and quality of irrigation water, through livestock production in forest areas, as well as through numerous other interactions.

Level	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS													
				Year	Value	996		1997		1998		1999		2000		2001		2002	
						Targ.	Act.	Targ.	Act.	Targ.	Act.	Targ.	Act.	Targ.	Act.	Targ.	Act.	Targ.	Act.
IR 1.3.1	Commercial business regime improved	1. Quantity of domestic investment	Definition: Total investment from domestic sources in past year Unit: Dollars (millions) * Actual 97 figure is for public sector only	93	509	900	835	990	14	1,080	1,180	1,290							
				91	10	80	70	90	42	100	110	120							
		2. Quantity of foreign investment	Definition: Total investment from foreign sources in past years Unit: Dollars (millions)	1998	TBD	151+st	Basela	TBD		TBD	June	TBD	June	TBD	June	TBD	June	TBD	
		3. Progress in privatization	Definition: Proportion of state-owned enterprises identifi USAID that are privatized by USAID defined criteria. Proportion is by total number on list Unit: Percent	1998	TBD	151+st	Basela	TBD		TBD	June	TBD	June	TBD	June	TBD	June	TBD	
		4. Improved adjudication of commercial law	Definition: Repossession of collateral Unit: Percent applications adjudicated	1998	TBD	151+st	Basela	TBD		TBD	June	TBD	June	TBD	June	TBD	June	TBD	

Level	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA ⁹¹		TARGETS AND ACTUAL RESULTS														
			Year	Value	1996		1997		1998		1999		2000		2001		2002		
					Targ.	Act.	Targ.	Act.	Targ.	Act.	Targ.	Act.	Targ.	Act.	Targ.	Act.	Targ.	Act.	
IR 1.3.1.1	1. Number of related policies approved, and laws and decisions enacted with USAID input	Definition: Contractors define which policies, laws and regulations to track. Appropriate documentation required to count. Must meet 80% of predefined criteria Unit: Policies/laws/decisions	91	1	12	11	14	8	17		19		TBD FY99		TBD FY99		TBD FY99		
			91	0	800	201	1,900	203	1,400		2,500		2,875		3,000		NA		NA
			96	40	Base	40	50	50	60		80		100		NA		NA		NA
IR 1.3.1.2	1. Established administrative structure for registering property rights 2. Effective regulations, certification, grading, licensing, taxation of agricultural products 3. Rate of agro-industry compliance with health standards	Definition: Number of districts having self-financed offices for registration of immovable property. Base is 34 districts Unit: Number Definition: Rating by USAID contractors, based on coverage, transparency and speed Unit: Rating on scale of 1-10 Definition: Expert opinion on proportion of agro-industry processors complying with minimum health standards Unit: Rating: percent estimate	91	34															
			97	2.5	NA	NA	BASE	2.5	4.5		5.5		6.5		TBD FY99		TBD FY99		TBD FY99
			97	29.5	NA	NA	BASE	29.5	33.57		36.43		41.0		TBD FY99		TBD FY99		TBD FY99

Level	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS													
				Year	Value	1996		1997		1998		1999		2000		2001		2002	
						Targ.	Act.	Targ.	Act.	Targ.	Act.	Targ.	Act.	Targ.	Act.	Targ.	Act.	Targ.	Act.
IR 1.3.3	1. Agricultural trade association membership, by gender	Definition: Total dues paying members in agricultural trade associations Unit: Number a) male b) female c) mixed	97																
			a)	49	Base	49	140	185	247										
			b)	0		0	130	200	250										
			c)	137		137	405	451	489										
	2. Sustainable credit services provided through agricultural trade associations	Definition: Quantity of credit provided through trade associations at commercially viable terms Unit: Dollars (thousands)	98	0	NA	NA	NA	Base	0	45	65								
	3. Sustainability of agricultural trade associations	Definition: Proportion of agricultural trade associations expenditure derived from domestic sources Unit: Percent	97	35	NA	NA	Base	35	43	54	TBD								

Comments / Notes:

B. STRATEGIC OBJECTIVE 1.4: A MORE COMPETITIVE AND MARKET RESPONSIVE PRIVATE FINANCIAL SECTOR

1. Performance Analysis

Economic and political chaos during the second and third quarters of FY 1997 affected SO 1.4 in a fundamental way. As the deficiencies of the financial sector were a central element of the crisis that erupted in 1997, it is understandable that *Overall performance under this SO was far below expectations.*

Funds available to the private sector were considerable in the informal market, including the pyramid schemes. The informal sector suffered a shock with the collapse of the pyramid schemes; both deposits and T-bill purchases increased as a result. The formal financial sector is still dominated by public banking. Although public lending to the private sector increased dramatically, the three state banks are technically insolvent.

Two state banks passed non-performing branches and assets to the Savings Bank as a step towards restructuring, but did not make the necessary reforms to achieve GOA goal of foreign bank partnerships. Some branches of the state banks were destroyed during the riots and any relative improvement in a particular bank's position may have been lost. Bank deposits responded to yields matching inflation at 35 percent for 3-month time deposits at the end of FY 1997. Treasury bills were 2 points higher and absorbed a considerable amount of funds.

The private banking sector remains small with a capital position of \$12 million at the end of September, 1997. There is no capital debt or equity market. The three instruments traded are T-bills, government bonds, and government-issued privatization vouchers. Most trading is among banks, and vouchers are traded at 2 to 3 percent of face value.

There were no policy advances during FY 1997. (1996 advances included the Banking System Law that established the role of the Bank of Albania [BOA] as the Central Bank, and the regulations that defined bank supervision). The Government has agreed to World Bank terms for taking action with regard to the restructuring and/or liquidation of the pyramid scheme companies. USAID supported resolution with technical assistance, recognizing the importance of transparent restructuring and liquidation in the informal market as a step towards building confidence in a transparent and accountable formal financial market.

The first indicator at the SO level—**amount of funds available in the private sector**—had a target of \$11.5 million. At the end of FY 1997, it reached \$11.05 million. That figure was to include lendable funds, stocks, debt securities, secondary market T-bills, and would be limited by BOA-imposed credit limits. Through the first quarter of 1997, the informal market had the lion's share of national savings and only after the shock to the informal sector did deposits grow in the banking system. As there is neither a

secondary market in T-bills nor a capital market, the above figure represents only the credit available as of September. This indicator has now reads - **amount of credit extended** and will now only report the amount of loans extended. The capital markets influence is minimal and therefore, will be excluded for the time being.

The target was 75 percent for the second indicator—**percent of credit funds extended used by private enterprises**. The percent of the banking system's lendable assets in loans to the private sector at the end of FY 97 was 83 percent, exceeding the target. This apparent achievement should be tempered by BOA's rating of 44 percent of the loans to the private sector as non-performing. The **percent of private enterprises using formal financial sector funds** was 62, against a target of 20 percent. The major problem with the banking picture is that state banks have to come to terms with the balance sheet.

Private banking must gain lendable assets, compared to state banks. This effort requires the restructuring of state banks for privatization. Pyramid schemes must be brought under government regulation. Capital markets have yet to be developed to compete with the informal (pyramid scheme) market. The three indicators of the strategy to achieve a more competitive and market-responsive private financial sector made some contribution to the SO.

IR 1.4.1—Public and Private Financial Institutions Functioning Efficiently. The first indicator is the **dollar level of equity capital** for both private and public banks. As of the end of FY 1997, the equity capital sum of the private and public banks was minus \$113 million, compared to the target of \$80 million. The reason for this decline is the negative balance sheets for public banks. Private banks have an equity capital level of \$12 million. State banks have not been sufficiently restructured, are not functioning efficiently, and still dominate the banking sector. Transparency requires adoption of standard accounting rules, and that has yet to occur. In reality, the balance sheets of the three state banks are all negative. But since each bank used a different accounting method for reporting, one bank reported liabilities as assets. Bank supervision requires standard accounting and a discipline which has yet to develop. As of September, there were six private banks, each with an initial capital of \$2 million.

IR 1.4.1.1—Financial Institutions, Other than State Banks, Active. A major contributor to efficiency in the formal financial sector is competition between state banks and other financial institutions. On this front there is progress. **The number of legally registered financial institutions actively making loans** moved from 1 in 1995 to 6 in 1997, against a target of 3. They are the Tirana Bank, Italian Bank, Islamic Albania Bank, Dardania Bank, National Bank of Greece and Malaysian Bank. The Albanian American Enterprise Fund (AAEF) plans to start a private bank and to generate a sufficient amount of performing loans to interest additional foreign banks in the market. AAEF has taken equity positions as well as debt in order to increase management control over investments. USAID's agriculture development program under SO 1.3 enjoyed

considerable success by tying credit to inputs for productive agricultural enterprise. It facilitated \$3 million in private credit by the end of FY 1997.

IR 1.4.2—Capital Markets Developed. The target was to have 4 **Number or types of instruments existing in formal market** by 1997. Three types of instruments were developed, including T-bills, government bonds, and government-issued privatization vouchers; consequently, there are no companies listed on the exchange. Treasury bills developed quickly because they are a high priority for government finance and the Central Bank maintains legal and financial control of the Stock Exchange. Social unrest and the change in government delayed progress on this IR for about nine months.

In addition to the evacuation, USAID experienced delays due to the health situation of the advisor selected. However, an electronic share registry is installed and the Albanian Securities Commission is organized and trained to govern operation of the market. The informal capital market demonstrated that the potential is there. However, the formal market must gain the public trust and serve the investor market with transparency.

IR 1.4.3—Policy, Legal and Regulatory Framework in Place. The policy framework for privatization was in place in FY 1996. In spite of economic chaos, time lost during the uprising and change of government, the Ministry of Finance has focused on the privatization objective. The transfer of non-performing branches and assets from the Rural Commercial Bank and the National Commercial Bank to the Savings Bank was described as a restructuring strategy, though its real intent may have been to improve the capital position of the two commercial banks. The transfers occurred in the first quarter of FY 1997 against the advice of the World Bank and other economic advisors. The looting and destruction of bank branches may have countered any gain in capital position achieved by the transfers. Under World Bank supervision, a second restructuring occurred in the first quarter of FY 1998 with the intent to focus on the Savings Bank for privatization by 2000.

The policy and regulatory framework was in place during the 1996 reporting period for bank supervision. Implementation improved considerably, but it still has a long way to go. Overall country risk, slow progress toward restructuring, non-transparent (non-standard) accounting, unfamiliarity with corporate governance, and lack of experience with supervision—all stand in the way of performance. The target was 13 **selected laws, policies and regulations identified, considered, drafted, reviewed, enacted and/or implemented.** During the FY 1997 reporting period, the number enacted and/or implemented (in which the U.S. Treasury advisor had input before evacuation) was only 6.

2. Expected Progress through FY 2000 and Management Actions

There is consensus that a more competitive and market-responsive private financial sector has become much more difficult to achieve with the economic and social collapse. The

challenge is to create institutions that merit public faith after betrayal of what little faith there was. To respond to such a challenge most effectively, USAID/Albania has revised the results framework for this SO.

First, USAID/Albania will build on its successes and, in collaboration with donor partners, will confront the issues head on. The successes of our credit programs are in non-state bank sources of credit. Those credit programs tie lending to known productive enterprises. One of our main approaches will, therefore, be to expand existing programs, extending the concept to credit programs managed by producer associations and to micro-lending schemes. Activities in this area will be tracked under SO 1.3.

A major problem is liquidation of the pyramid-scheme companies in a transparent manner that recognizes the rights of investors. This issue has been elevated to a first level IR in the revised results frameworks for SO 1.4: **IR 1.4.6—Insolvent non-bank financial schemes liquidated.** World Bank conditionality is tied to this result and we will provide technical assistance in close partnership with this conditionality.

The situation with state banks so dominates the formal financial sector that their restructuring is elevated to a first level IR, **IR 1.4.3—Publicly-owned banks restructured.** Our technical assistance will support the efforts of our partners—the World Bank and the Bank of Ireland—to privatize the Savings Bank by 2000. Technical assistance in support of this IR will also focus on accounting standards, transparency in reporting, and corporate governance to open the possibility of foreign management contracts and/or joint ventures. Insolvency in the state banking system is partially due to non-performing loans as the result of poor risk assessment and a lack of recourse for default.

IR 1.4.5—Collateral Law Implemented—will achieve its first indicator of success in 1998 with the passage of the collateral law, a requisite for stimulating expanded and more productive lending on the basis of secured assets. We expect to see significant application of the law by 2000 and actual recourse for default. A renewed effort on capital markets will put us on the track of achieving in 1998 the targets set for 1997, but with a more modest level of effort and the result remaining a first-level IR.

The prior **IR 1.4.1—Public and Private Financial Institutions Functioning Efficiently**— has been divided into two IRs focusing on bank institutions and fiscal management. The first new IR, **IR 1.4.1—A Sound, Regulated and Efficient Banking System Developed**—will focus on overall bank performance and the supervisory role of the Bank of Albania.

The second new IR, **IR 1.4.2—Ministry of Finance Functioning Effectively**—will focus on fiscal health with normal indicators on revenue collection, tax compliance, cost of borrowing, and budgetary discipline. Indicator data are presently at 30 percent or less of ideal and we expect to reach at least 50 percent of ideal by 2000. The state needs

revenue from taxes to allow it to reduce its role in the formal financial market. If the public sector performs its role responsibly, the private sector will become more efficient and market-responsive with competition.

Finally, **IR 1.4.4. Capital Markets Developed-** will now be **IR 1.4.4 Component Capital Market Institutions in Place-** to reflect a more modest level of effort based on Albania's current circumstances and progress in establishing the basic institutions necessary for a capital market to develop. This result remains as a first level IR. Analysis of this SO is based on two critical assumptions: (1) that the government will have the political will to close bad banks; and (2) that a competent judicial system will resolve disputes according to law. How the government deals with the insolvent non-bank pyramid companies will be an indicator of whether the resolve exists to confront state bank restructuring/privatization. The other assumption is that the courts will enforce collateral law. We intend to monitor the two assumptions very attentively and, should they prove invalid, we will consult with our partners and revise activities accordingly.

3. Performance Data Table

Level	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS													
						1996		1997		1998		1999		2000		2001		2002	
				Year	Value	Targ	Act	Targ	Act	Targ	Act	Targ	Act	Targ	Act	Targ	Act	Targ	Act
SO 1.4	More competitive and market-responsive private financial sector	1. Amount of credit extended	definition: Lek amount of credit extended Unit: Dollars (in millions)	1995	5.0	6.0	5.5	11.5	11.05	17.5		23.5		29.5					
		2. Percent of above credit funds extended used by private enterprises	Definition: Proportion of credit funds listed above used by private sector as of September of FY Unit: Percent	1995	58	69	67	75	82.7	80		85		90					
		3. Percent of private enterprises using formal financial sector funds	Definition: Proportion of registered firms receiving credit or (in capital market) Unit: Percent	1995	5	10		20	data not available	40		50		70					
IR 1.4.1	A sound, regulated and efficient banking system established	1. Non-performing loans (90 days past due)	Definition: Amount compared to total loans outstanding Unit: Percent a) loans to public sector b) loans to private sector	1997															
				a)	25				25	TBD June 1998		TBD June 1998		TBD June 1998		TBD June 1998		TBD June 1998	
				b)	44				44										

Note: New activities begun 3/98 so "TBD" by June 1998

Level	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS											
				Year	Value	996		1997		1998		1999		2000		2001	
				Targ	Act	Targ	Act	Targ	Act	Targ	Act	Targ	Act	Targ	Act	Targ	Act
IR 1.4.2.1	Improved public awareness of benefits from paying taxes	Survey questions to measure public view on benefits of taxation	Definition: Survey question(s) appending to existing survey instrument. Score equals 0 - 100 Unit: Percent over base year score	1998	TBD June 1998												
IR 1.4.3	Publicly owned banks restructured	1. Private bank capital compared to public bank capital 2. Number of bank deals (privatization or liquidation) closed	Definition: Ratio not reduced Unit: ratio Definition: Deals are transfers of buildings, assets, and/or liabilities of part or whole of each bank for purposes of privatization Unit: number of agreements	1997	$\frac{12}{-1.25}$	NA	NA	Base	$\frac{12}{-125}$	$\frac{18}{-125}$	$\frac{22}{-75}$	$\frac{28}{0}$	NA	NA	NA	NA	NA
				1995	0	0	0	1	2	1	1	TBD based on performance from prior years	NA	NA	NA	NA	NA

Level	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS													
				Year	Value	1996		1997		1998		1999		2000		2001		2002	
						Targ	Act	Targ	Act	Targ	Act	Targ	Act	Targ	Act	Targ	Act	Targ	Act
IR 1.4.4	3. Appropriate legal reforms made	Definition: Legal reforms targeted by USAID that are published with appropriate documentation Unit: Number	1997	0	NA	NA	Base	0	2	1	1	1	1	1	NA	NA	NA		
			1997	5	NA	Base	5	100	100	50%	100	100	100	100	100	NA	NA	NA	
	4. Legal reforms implemented	Definition: Proportion of legal reforms targeted by USAID that are implemented Unit: Percent	1996		Yes	No	Yes	No	Yes	No	Yes	Yes	Yes	Yes	TBD	TBD	TBD	TBD	
			1996		Yes	No	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	TBD	TBD	TBD	TBD
Component Capital Market Institutions in Place	1. Trading Mechanism in place that is not for-profit, member-owned, and financially viable	Definition: Fully functioning Tirana Stock Exchange Unit: Yes/No	1996		Yes	No	Yes	No	Yes	No	Yes	Yes	Yes	Yes	TBD	TBD	TBD	TBD	
	2. Independent Securities Regulator in Place including comprehensive securities laws enacted	Definition: Fully functioning Albanian Securities Commission Unit: Percent	1996		Yes	No	Yes	No	Yes	No	Yes	Yes	Yes	Yes	TBD	TBD	TBD	TBD	

C. STRATEGIC OBJECTIVE 2.1: INCREASED, BETTER-INFORMED CITIZENS' PARTICIPATION IN POLITICAL AND ECONOMIC DECISION-MAKING

1. Performance Analysis

SO 2.1 suffered a major setback in 1997 and *fell short of expectations*. The 1997 conflict has provided ample evidence that Albania's transition to democracy has far to go. While substantial gains in democratic freedoms occurred at the outset of the transition, there has since been measurable backsliding in both civil liberties and political rights.

In 1996, Albania—alongside Croatia, Georgia, and Kyrgyzstan—ranked 15th among the 27 transition economies in its progress towards developing political freedoms and civil liberties according to Freedom House. By this standard, only Bosnia-Herzegovina and Yugoslavia (Serbia & Montenegro) had fewer democratic freedoms than Albania in CEE. 1996 witnessed a deterioration in political rights, highlighted by the flawed May 1996 elections. Deterioration was apparent in 1997 in both political rights (with a largely dysfunctional parliament stemming from violence and opposition boycotts) and civil liberties (in light of the anarchy that prevailed in much of 1997 and, more broadly, the growth of crime and corruption in private and public life).

In its *Nations in Transit 1997* (April 1997), Freedom House disaggregated democratization trends into five sectors: (a) political process; (b) civil society; (c) media; (d) rule of law; and (e) governance and public administration. By this assessment, media, rule of law, and governance and public administration are least developed in Albania, while political process and civil society are relatively more developed. Still, Albania lags considerably across the board relative to CEE standards, and, in fact, is even below NIS standards.

IR 2.1.1—More Representative Political Parties. The indicator for this IR was **more women run for office**. At the time of the last R4, no targets had been set for the indicator. The USAID partner most directly engaged in this IR is the International Republican Institute. After the violence of 1997, there was an absence of an American IRI representative in the country until early 1998. As a result, project activity was slowed. IRI has conducted workshops with Albanian parties with the objective of stimulating more women to run. It will be difficult to measure progress until the next Parliamentary elections, which are scheduled for 2000. As this indicator is considered important, it has been retained for the new USAID strategy period (1998-2002).

There were two sub-IRs regarding political parties, improved intra-party communications and local party outreach to the public. However, activity on both were insufficiently developed before the unrest to define the baseline or targets.

IR 2.1.2—Free and Fair Elections. The targets for the two indicators for this IR have been met. The first was that **donor recommendations to improve the electoral process be adopted by the GOA.** A number of USAID partners, including IFES, IRI and NDI, worked successfully to achieve the result. For example, IRI sent 13 observers to the May 1996 Parliamentary elections. This group developed 31 recommendations related to the process. A two-day conference was then convened of representatives of the main political parties, national and local governments. Following this conference, the government and the parties agreed on such topics as election hours, media rules and non-partisan behavior for the police. For the October, 1996 local elections, NDI sent a preelection assessment delegation to observe the campaign environment and made recommendations for having election results publicized on a polling-station by polling-station basis.

The second indicator was **rating of elections by monitors as free and fair** by various international and local monitors. NDI helped establish and continues to develop Albania's first independent election monitoring organization (SDC). SDC mobilized over 3,000 local election observers throughout the country and conducted a media monitoring campaign. The SDC has a network of volunteers in 36 districts around the country. SDC observes the electoral process, conducts its own quick count and reports the results to the public. SDC's reports are widely circulated both domestically and abroad. With the experience of elections held over the past two years, it is generally agreed that the government and the parties now strive for free and fair elections to be the norm for Albania.

IR 2.1.3—NGOs Promote Citizens' Participation in Political, Social and Economic Decision-Making. Given the short history of NGO development in Albania, progress on this IR has been impressive. The first indicator for this result was the **number of target NGOs participating.** Through the ORT Democracy Net program, ORT provided an integrated package of technical assistance, training and financial grants to develop the capacity of Albanian NGOs to engage in public-policy oriented activities in four priority sectors—democracy, environment, economy and social safety net.

The results have been impressive. Some Tirana based NGOs have become truly national, with locally-based representation and regional branches. Locally-based NGOs have also been established to address issues at a community level. A core group of 35 NGOs has begun to participate in the formulation of public policies and engage in substantive policy dialogue with national and local government.

Most recently, a group of 47 NGOs has worked with ORT to collect data and opinion about the economic, social and political factors leading to the 1997 crisis and consider ways to resolve the lingering effects. The survey results will enable NGOs to design civic education and service delivery programs, as well as to formulate needed policy recommendations. By November 1997, NGOs working with ORT had drafted 12 laws and amendments that they are now advocating to government and Parliament.

To counter Albania's tradition of civic passivity, NDI has worked with SDC to involve citizens in the political process. These efforts have included educational initiatives on the rights and responsibilities of individuals with regard to the political life of the country. They have also included issue-specific initiatives to inform the public on topics of relevance to their lives. SDC has conducted educational campaigns in the areas of privatization of property, local government, women in politics, human rights and the constitution. SCD has used its network of local clubs to hold public meetings throughout the country and distribute civic education materials

The second indicator was the **number of new or modified government decisions**. The target of 10 decisions was substantially met, with ORT grantees having led to at least 9 new or amended government decisions in such areas as NGO law, media, criminal law minority rights, environment and health. ORT sponsored events have also led to effective working relationships between NGOs and a number of government ministries and city mayors.

IR 2.1.4—Media Furthers Public Debate. The political turmoil of 1997 and the evacuation of Americans resulted in virtually no activity on this IR during the reporting period. However, due to the importance of developing independent, professional media, USAID will continue to explore appropriate means to contribute (see Section 2 below).

IR 2.1.5—Increased Transparency of Parliament and Government (Local and National). The indicator at this result level was an increase in the **number of proceedings that are public**. Due to the political turmoil of 1997, here again no progress can be reported.

2. Expected Progress through FY 2000 and Management Actions

The 1996 R4 contained three indicators for measuring the strategic objective: number of municipalities with public participation in annual budget process; number of publicly-convened and open-town meetings per year; and level of participation in national and local elections. This R4 proposes two new more readily available summary indicators using Freedom House rating on Albania's political rights and Freedom House rating on Albania's civil liberties.

The coverage, quality and reliability of reporting by all media outlets in Albania have not effectively served the information needs of citizens. Independent broadcast media have arisen only in the past year, following passage of enabling legislation. A number of private radio and TV stations have been established in the past six months and media outlets, in general, have enjoyed increased freedom and government tolerance. Nevertheless, Albania's independent media face serious constraints on professional development.

A recent assessment concluded "that the quality of journalism is generally poor and Albanians are not being provided enough news and information for them to make informed economic and political decisions." Underlying problems relate to lack of familiarity with sound business practices, the inadequate knowledge base of recent journalism graduates from the University of Tirana, lack of professional integrity, and weak professional associations. For most Tirana radio stations, survival is the paramount concern. Based on this analysis, IR 2.1.4 was modified in this year's R4 to become **Independent Media Strengthened**, with an indicator that will focus on **increased public access to information from private radio and TV**.

In November, 1997 ProMedia conducted an assessment of Albanian media to determine areas for future intervention. Based on the assessment report, USAID will focus its assistance on private broadcast media, which offer the best prospects for success. Assistance will focus initially on contributing to the draft of a new electronic media law, in particular to ensure safeguards against government influence. A related effort will support organizational development of an association of independent radio operators, including its role in lobbying for improved media legislation.

This year's R4 has introduced two new IRs: **IR 2.1.6—Increased Demand for Transparent and Accountable Political and Economic Decision-Making**, and **IR 2.1.7—Increased Participatory Instructional Practices Adopted in Education System**.

Pervasive corruption breeds cynicism and loss of confidence in government institutions. USAID's program will work with selected NGOs to help citizens realize they have a right to information on government operations, mobilize public concern about corruption, focus attention on corrupt practices, and press government offices to take corrective action. This NGO "transparency initiative" will complement activities in other strategic objectives to strengthen the rule of law, regulate financial institutions, and upgrade media coverage.

The success of democratic reforms, including adoption of a constitution, an improved electoral system, and a more active role for NGOs in public affairs, depends largely on people's understanding of the rights and responsibilities arising from the reforms. Current instructional methods in primary and secondary schools in Albania discourage independent thought and ill-prepare Albanian youth for an active, participatory role in a democratic society and market economy. USAID's program will support pedagogical reforms leading to greater pupil participation in the teaching-learning process and to greater emphasis on learning skills, problem solving, and critical thinking, as well as greater community involvement in education.

Even though the institutions/processes that encourage and mobilize citizens' participation in Albania are at an early stage of development, our contributions to this strategic objective will be made with a view toward sustainability. It is evident that we do not foresee achievement of this strategic objective by the year 2000. However, within

political institutions, we anticipate significant improvements in organizational capabilities, democratic structures, openness to public views and involvement, and established channels of public information and participation. It is expected that electoral institutions, the Parliament, and political parties will make important steps toward maturity. The sustainability of democratic reforms would then in large part depend upon the ability of local NGOs, such as the Society for Democratic Culture, to promote democratic reforms from within.

For civil society development and media strengthening, sustainability will require USAID involvement beyond the year 2000. In both areas, sustainability is associated with a supportive legislative and regulatory environment, expanding the number and geographic coverage of effective organizations, improving their organizational capabilities and program quality, stabilizing their financial base, and establishing Albanian associations and support organizations that can sustain the reform effort. Similarly, both educational/pedagogical reform and NGO-based anti-corruption efforts will require changes in long-established patterns of behavior, suggesting that achievement in this area will require USAID assistance beyond the year 2000.

3. Performance Data Table

Level	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS													
						1996		1997		1998		1999		2000		2001		2002	
				Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
SO 2.1	Increased, better informed citizens' participation in political and economic decision-making	1. Freedom House rating on Albania's Political Rights	Definition: Unit: Freedom House rating	1996	4		4		4	3		3		3		3		3	
		2. Freedom House rating on Albania's Civil Liberties	Definition: Unit: Freedom House rating	1996	4		4		4	3		3		3		3		3	
IR 2.1.1	More effective political parties	More women run for office	Definition: women who run for office for Parliament from four parties: PD, PS, PR, PSD Unit: women	1992	20	15	21	*1)		*1)		*1)		40		*2) NA		*2) NA	
IR 2.1.1.1	National Parties reach out to the Public	Number of public outreach activities by major parties at the regional level	Definition: party members' opinion about the extent to which communication flows up the hierarchy as well as down in two major parties Unit: standard opinion survey measures, principal survey indicators	1998	ORT survey data July 98					+10%		+10%		+10%		+5%		+5%	

Level	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS													
				Year	Value	1996		1997		1998		1999		2000		2001		2002	
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
IR 2.1.2	Free and fair elections	1. Participation in national and local elections is certified by monitors as free and fair	Definition: IRI report on May 26, 1996 elections Unit: recommendations adopted	1995	0	10	0	10	TBD June 1998	TBD June 1998	TBD June 1998	TBD June 1998	TBD June 1998	TBD June 1998	TBD June 1998	TBD June 1998	TBD June 1998		
IR 2.1.2.1	CEC (Central Elections' Commission) operates as a professional non-politized permanent agency	1. CEC develops written documents outlining internal policies, operational procedures, organizational chart, and objectives for term of commission	Definition: qualitative report covering four areas: adherence to election law, normalcy of campaign environment, normalcy of election environment, congruence of election number results. Unit: yes/no with qualitative report attached	1992	Yes	Yes	No	Yes	TBD June 1998	TBD June 1998	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
IR 2.1.3	NGOs participating in political, social and economic decision-making	1. Number of NGOs participating in policy formulation and implementation 2. Number of new or modified government decisions	Definition: NGOs that build constituencies around issues Unit: NGOs Definition: Number of decisions influenced by NGOs working with ORT Unit: decisions	1995	4	29	18	40	47	47	50	55	55	55	55	55	55	55	

Level	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS															
				Year	Value	1996		1997		1998		1999		2000		2001		2002			
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
		2. NGOs informed of the enabling environment	Definition: number of NGOs receiving information from Democracy Network program Unit: NGOs	1995	0	60		120	0	0	60		60	60		60		60		60	
		3. Implementation of the enabling legal framework	Definition: Rating system for 1=restrictive through 3=implementation fully achieved Unit: Rating	1997	2+			2+	2+	2+	2+		2+	2+		3-		3			
IR 2.1.4	Independent Media strengthened	1. Increased public access to information from private radio and TV Unit: radio stations within/ outside of Tirana	Definition: non-government owned and unaligned with a political party; radio, TV Unit: Rating	1995	0	1		4/4	4/4	6/10	6/10		6/10	6/10		6/10		TBD June 1998		TBD June 1998	
		2. Increased public access to information from private publications	Definition: Unit: circulation of private newspapers	TBD 1998																	
IR 2.1.4.1	Media legal/regulatory framework improved	1. Media laws comply with international laws, norms, and standards	Definition: Unit: Yes/No	1998	NA			NA		Yes	Yes		Yes	Yes		Yes		Yes		Yes	

TARGETS AND ACTUAL RESULTS																			
Level	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		1996		1997		1998		1999		2000		2001		2002	
				Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
		2. Public Relations Office established in Parliament	Definition: Unit: Yes/No	1998						Yes		Yes		Yes		Yes		Yes	
		3. Parliamentary Commissions adopt rules facilitating public attendance and testimonies	Definition: Unit: yes/no	1998						Yes		Yes		Yes		Yes		Yes	
IR 2.1.6	Increased demand of transparent and accountable political and economic decision-making	TBD	Definition:	TBD	August 1998														
IR 2.1.7	Increased participatory instructional practices adopted in educational system	TBD	Unit:	TBD	July 1998														

Comments/Notes: *1) Next parliamentary election is year 2000. *2) Following election is planned in 2005

D. STRATEGIC OBJECTIVE 2.2: LEGAL SYSTEMS THAT BETTER SUPPORT DEMOCRATIC PROCESSES AND MARKET REFORMS

1. Performance Analysis

As with all other elements of USAID/Albania's program, *the adverse political and social situation in 1997 caused progress towards achieving this SO to fall short of expectations.* Albania's legal system is rated by Freedom House at 4.75 out of 7, with 7 being the least able to ensure the rule of law. Since this rating was based on data collected prior to the civil unrest of 1997, the current status of the legal system is undoubtedly more distressing. As Albania tries to restore public order and reduce criminality in the aftermath of the proliferation of weapons that occurred as part of the civil unrest, the problems affecting the criminal-law system are particularly critical. Another great challenge will be to devise the ground rules for political participation, as competition for power will need to be embodied in a constitution adopted through a transparent and participatory process.

The single indicator at the SO level was the **adoption of a democratic constitution.** Albania currently operates under an interim constitution. The target date for adopting a democratic constitution is the year 2000.

The Central and East European Law Initiative (CEELI) is the primary USAID partner working directly on the issues of a new constitution. Following the disturbances and the change of government in June 1997, CEELI resumed its involvement in the constitutional process by providing direct assistance to the Administrative Center for Coordination of Assistance and Public Participation (ACCAPP). One aspect of CEELI's role has been to shepherd the issue of the judiciary from the stage of collecting popular input to the stage of presentation of such information at workshops of foreign and national constitutional scholars and members of Albania's political parties.

CEELI, ACCAPP and the ORT NGO strengthening program often work in concert to ensure broad citizen participation in the constitutional development process. In December 1997 CEELI held an NGO forum on the judiciary. In January, it held the first focus group discussion to investigate issues raised at the December forum. CEELI is also assisting the constitutional process by drafting short concept papers on a variety of constitutional issues. The concept papers are distributed to the participants in the NGO forums and focus group discussions.

IR 2.2.1—Improved Training for Legal Professionals. The first indicator for this IR—**magistrates school begins to function**—was successfully achieved with the creation of the school in 1996. CEELI sponsored the participation of an American judge in meetings with Albanian judges and ministry officials, as well as with West European judicial training experts to develop the school's organizational structure. CEELI also

sponsored training visits for the school's director. The Magistrates School opened its doors for its first semester in October 1997.

CEELI liaisons are currently teaching at the school in conjunction with Albanian faculty as part of a train-the-trainers effort. With CEELI's assistance, the school is now developing a continuing legal education (CLE) curriculum for judges with less than five years experience. The first CLE series will occur in the summer of 1998.

Increased professionalism of jurists. CEELI and its local partners have offered a variety of Continuing Legal Education courses to Albanian practitioners as part of their efforts to achieve this result. Topics have included international joint ventures, contracts under Albania's new civil code, customs, and taxes. Since the initiation of the CLE activities in 1995, over 120 judges and lawyers have participated. In collaboration with local partners, CEELI has offered a variety of CLE courses to Albanian practitioners. Courses have varied in length from one-day seminars to courses of several weeks in duration. Topics have included contracts under Albania's new civil code, customs, taxes, the new civil procedures code, administration of NGOs, and the value-added tax.

IR 2.2.2—Increased Flow of Information about Current Law and Legal Reform Issues. To ensure **distribution of legal codes, statutes, regulations, and law books to the legal community** (the first indicator for this IR), CEELI is helping address the serious lack of access by the legal community to Albanian laws. In 1995, CEELI initiated a project to distribute free copies of Albanian legal codes to judges, prosecutors and attorneys nationwide. In 1996, 5,600 copies were distributed. Unfortunately, many of the codes located in courthouses were burned during the civil unrest of 1997.

CEELI also developed a project with the Professional and Business Women's Association, in which a group of attorneys reviewed all existing laws and identified provisions related to legal rights and protection for women and girls. An information booklet was prepared and is currently being published. In addition, over the course of its presence in Albania, CEELI has performed assessments of numerous draft laws and circulated them to relevant groups.

A **law library accessible to the entire legal community** (the second indicator for IR 2.2.2) was opened in 1997 at the Court of Cassation (the Supreme Court). To help with this effort, CEELI donated Albanian codes and English language legal textbooks. The library is available to all members of the Albanian legal Community and is actively being used.

IR 2.2.3—Strengthened Legal Associations. In 1996, CEELI provided the **National Chamber of Advocates (COA)** with sample models of foreign bar governing statutes and prepared a comparative analysis of the organizational structures of various foreign laws governing the legal profession. CEELI sent a bar development specialist to Albania, where he consulted COA officials and participated in a working retreat at which COA new organizational statute and ethics code were adopted by the General Assembly. In

1997, CEELI assisted COA in publishing 1,800 copies of an "Advocates' Book," which contains both the statute and ethics code. CEELI and the COA have distributed approximately 400 copies to date.

CEELI helped the **Albanian Association of Judges** (AAJ) procure funding for and produce the inaugural edition of a new legal Albanian Jurisprudence, which included scholarly articles and copies of significant court decisions. AAJ has now produced six volumes of this journal. However, due to political pressure, it has not held regular meetings and for the time being it is largely inactive.

Association of Women Jurists (WJA). In December, 1995, a group of women lawyers joined together to promote the creation of a women's bar association. The group worked quickly to draft its governing statute, to elect officers and a board of directors, and to file its registration papers with the local court. In March 1996, WJA was recognized as a legal entity. Initially formed with 41 members, the association has now a membership of 73. WJA's major initiative to date has been the establishment of a free legal clinic for women. WJA has gained strength over the past two years, attracting funds from NOVIB (Dutch aid agency) to cover its first two years of operation. The clinic has two full-time staff attorneys and CEELI plans to post a legal specialist in 1998.

IR 2.2.4—Administrative Improvement of the Court System. Due to the disturbances of 1997, activities to achieve this IR have yet to be initiated. Administrative improvement of the court system will be launched as part of the modifications discussed in Section 2 below.

IR 2.2.5—Improved Law Enforcement. Although USAID/Albania had included this IR in its program planning, a combination of policy issues with the GOA and the unrest of 1997 resulted in no activity being initiated during the reporting period. An initiative to upgrade the training, professional standards and performance of the Albanian National Police began in November 1997 with the arrival of three resident ICITAP advisors. Work to date has focussed on a reorganization plan, modified operating procedures to conform with the relatively new criminal code and related procedures code, improved personnel administration and development of a code of conduct. These and similar activities fall under new IRs designed to increase the number of competent legal professionals and establish an independent police (see Section 2 below).

2. Expected Progress through FY 2000 and Management Actions

Given the major developments of the past two years, it has been determined that USAID/Albania will develop a new five-year strategy to be submitted in May 1998. The strategy has introduced significant modification to SO 2.2. The number of IRs has been reduced from five to three, placing more emphasis on higher-level results. The **new IR 2.2.1—More Competent Legal Professionals** hypothesizes that public actors in the legal system are generally not familiar with current Albanian law. A second hypothesis is that

current actors do not behave according to international standards because they do not possess the necessary skills to perform their tasks.

A number of activities to alleviate the problems associated with competence will be supported by USAID and others donors. These activities are grouped under three lower-level IRs: (1) more legal professionals trained in current Albanian law; (2) increased flow of information about current land- and legal-reform issues; and (3) improved investigative skills. To achieve these results, USAID/Albania will finance many continuing education opportunities to improve the capacity of the indigenous training institutions associated with the legal system. Prominent among these are the Magistrates School and the Police Academy.

The second new IR is **IR 2.2.2—Legal System Restructured in the Direction of International Norms**. The hypothesis underlying this IR is that Albania will draft and adopt a new constitution (the process is already underway) that will provide for an independent judiciary and a police that is independent of the military. It is also expected that the constitutional drafting process will provide for citizen participation and will result in a referendum on the new constitution.

To complete restructuring of its legal system, Albania will need continued technical assistance from USAID and other donors. Assistance for the planning period will focus on such topics as judicial qualifications, judicial discipline, and law enforcement ethics. The new constitution may be in place before all components of the IRs are completed. As the expected restructuring moves ahead, USAID will need to address its SO indicator and change the mix of its activities in light of the new developments.

IR 2.2.3—Citizens Have Legal Recourse—addresses both access and informational issues. Activities will include a means for citizens to register complaints about police, the continuation of a special legal assistance for women, and general public education and training of citizens in basic legal issues.

3. Performance Data Table

Level	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS													
						1996		1997		1998		1999		2000		2001		2002	
				Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
SO 2.2	Legal systems that better support democratic processes and market reforms	1. Legal framework and viable legal institutions in place	<p>Definition: Implementing laws in place for: Civil Code, Civil Procedure Code, Criminal Code, and Criminal Procedure Code</p> <p>Viable Institutions: Independent Judiciary, Independent Prosecutor General, Civilian Democratic Police Force</p> <p>Unit: yes/no</p>	1998	No						No	NA		NA		Yes			
				1998	No					No	Yes		Yes		Yes		Yes		Yes
IR 2.2.1	More competent legal professionals	1. Increased public use of the legal system.	<p>Definition: Public opinion survey to be used (Albanian Center for Economic Research)</p>	1998	TBD June 1998							TBD June 1998		TBD June 1998		TBD June 1998		TBD June 1998	
IR 2.2.1.1	More legal professionals trained in current Albanian law and procedures	1. Magistrates' School begins to function	<p>Definition: School for judges and prosecutors.</p> <p>Unit: yes/no</p>	1995	No	Yes	No	Yes	Yes										
		2. # of new prosecutors and judges attending Magistrates' School or extensive CLE	<p>Definition:</p> <p>Unit: # of prosecutors and judges</p>	1998	0	0	0	0	0	20		20+		20+		20+		20+	

Level	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS													
				Year	Value	1996		1997		1998		1999		2000		2001		2002	
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
		2. Women's Legal Rights handbook available in all Albanian districts	Unit: Yes/No	1995		Yes	No	Yes	No	Yes	Yes								
		. # of cases presented to the Women's Legal Clinic	Unit: # of cases	1996				No	No	75				100	150			175	200
		. # of citizens receiving training in legal issues	Unit: # of citizens	1997				100	100	150				200	200			200	200
Comments/Notes:																			

E. STRATEGIC OBJECTIVE 2.3: MORE EFFECTIVE, RESPONSIVE AND ACCOUNTABLE LOCAL GOVERNMENT

1. Performance Analysis

Collapse of the pyramid schemes in 1997 caused widespread civil unrest and a cessation of program activities. The violence resulted in substantial destruction of infrastructure, including municipal buildings and files. The evacuation of Americans from Albania meant that all USAID efforts to promote local government were halted. Original USAID program assumptions included that other donors would provide funding for infrastructure, and those activities were also suspended.

It is, therefore, not surprising that *only limited progress at the SO 2.3 level can be noted*. The first target for 1997 was that two of five pilot cities were to have initiated public participation in the annual budget process. Three municipalities demonstrated receptivity to this activity. However, the civil unrest resulted in the destruction of all municipal records in two of those cities and disrupted the process in the third. The budgets were reconstructed during the evacuation and adopted since the establishment of the new government.

The second target was that the five pilot cities were to have convened open town meetings. Given the atmosphere of fear and violence that prevailed in 1997, it is understandable that that target could not be achieved. However, two municipalities have progressed with the appointment of economic development planning commissions and have held public meetings.

IR 2.3.1—Increased Autonomy and Home Rule. Performance for this IR was to be measured by the increase in revenue as a percent of total budget. The target was 15 to 23 percent in 1997. The actual result is unknown. Since local governments lost significant assets during the unrest, it is probable that local revenue as a percent of total budget was even less than the 12 to 20 percent estimated for 1996.

However, a number of activities were undertaken successfully—suggesting that future progress is likely. A formerly inactive national association of mayors began meeting regularly to pursue a legislative reform agenda with the central government. The new elected central government is pursuing a program of fiscal decentralization and increased local autonomy.

IR 2.3.2—Increased Confidence in Local Government Integrity and Authority. Progress in this area was to be measured through a standard public opinion survey. However, baseline data were not collected before the turmoil of 1997. Indirect evidence indicates that political instability and widespread insecurity throughout Albania over the past year has slowed progress in this area below original expectations. For instance, efforts to strengthen municipal administration, economic development planning, and

public participation in local government affairs, were expanded to eight cities in 1997. However, security conditions limited access to several pilot cities targeted for assistance.

2. Expected Progress through FY 2000 and Management Action

The collapse of the partnership between local government and central authority in 1997 and the continuing security problems outside the capital city suggest that an incremental approach, along with more realistic expectations, will be two essential elements in USAID/Albania's strategy under this SO. In the short-run, policy work will be a primary focus and "hands-on" assistance will be provided to municipalities as security conditions permit. As the security situation improves and USAID partners are allowed to travel with greater regularity throughout Albania, the network of municipalities will be expanded and successes replicated.

It should also be noted that USAID/Albania has revised its results frameworks for this SO in light of last year's setback. SO 2.3 now consists of five IRs, as outlined below.

IR 2.3.1—Central Government Transfers Responsibility and Authority to Local Government. Albania is pursuing a broad legislative agenda to improve the organization, authority, and financial base of municipalities, including a draft constitution that will, *inter alia*, set out legal parameters for local government.

USAID assistance will be directed at fostering an informed and non-partisan dialogue about decentralization between local governments and central ministries, at strengthening local governments' ability to advocate and ensure implementation of reforms (particularly through the recently-formed Association of Albanian Mayors), and at ensuring that essential authorities are incorporated in revised legislation.

Progress will be measured by cities having greater control over their property and with the authority to issue business licenses.

IR 2.3.2—Local Government Capable in Budgeting, Managing, Planning, Implementing, and Reporting. Capacity building will initially be concentrated on a limited number of pilot cities. It is expected that three cities will be able to implement budget procedures based on priorities by the end of next year. Over the life of the five-year strategy, increased attention will be given to modest expansion of the pilot city network, disseminating best practices to other municipalities, and establishing an Albanian institutional capability to provide long-term support to the local-administration improvement effort.

The increase in the number of cities implementing budget procedures based on priorities will be used to measure progress.

IR 2.3.3—Local Government Provides Improved Services. Building on the most successful experience to date, USAID’s program will be directed at improvements in land management, water, sewer, solid waste, and roads in selected municipalities. The objective of this effort will be to extend replicable models, establish effective management arrangements, and attract donor financing for major infrastructural improvements.

To the extent that such improvements require ministerial collaboration, assistance will be directed at developing multi-jurisdictional agreements and action plans to accomplish specific objectives. Since this approach has proven successful in work on land management in Tirana, the Tirana experience and its participatory elements will be extended to other communities. It is expected that at least four cities will show a 50 percent increase in hours of water service delivery in 1998. It is also expected that lek 40 million will be invested in municipal services in 1998.

IR 2.3.4—Increased Openness of Local Government. Citizen confidence is contingent upon demonstrated results, public access to decision-making, and dialogue with government officials. USAID’s assistance will feature techniques that can be used by local government to responsibly seek citizens’ participation on a regular basis. It will also help to institutionalize channels of public communication on community issues and needs.

Planning for economic development will be a primary instrument for initiating community involvement in local government decision-making, particularly through planning commissions. Public participation will also be featured in plans to improve service delivery. It is expected that two cities will feature public participation in the annual budget process in 1998. Progress will also be monitored through implementation of open town-meeting policies.

IR 2.3.5—Local Government Support for Economic Development. USAID’s assistance to the local government program will continue to promote public-private partnerships to stimulate business opportunity, job creation, and support to municipal services. Joint planning will ensure opportunities for local businesses and NGOs to communicate their interests to local decision-makers. Technical assistance and training will focus on such options as establishment of economic development departments, use of economic commissions with citizen appointees, public hearings on important planning issues, and regional planning cooperation among several municipalities.

USAID will also identify opportunities for cooperation in local development planning across strategic objectives, bringing together municipal government, business associations, and non-governmental organizations in identifying and acting on local priority needs. Progress will be measured through two indicators: adoption and implementation of economic development plans; and the number of public/private economic development planning groups established.

3. Performance Data Table

Level	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS													
						1996		1997		1998		1999		2000		2001		2002	
				Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
SO 2.3	More effective, responsive and accountable Local Government	1. Legal framework in place for local government autonomy	Definition: 1. Constitution supports decentralization 2. Statutes in place that allow decentralization Unit: Laws, statutes	1995	0		0	2	0	3		4		5		TBD FY 99		TBD FY 99	
		2. Fiscal autonomy at local level	Definition: 1. Percent of government expenditures under the control of cities. 2. Percent of revenues collected and under control of cities. Unit: Per cent	1995	0		0	5	0	7		9		10		TBD FY 99		TBD FY 99	
IR 2.3.1	Central Government transfers responsibility and authority to local government	1. Control and/or ownership of public property, including public utilities	Definition: Cities having greater control of their property such as control of occupancy, title to property Unit: Yes/No	1995			No	Yes		Yes		Yes		Yes		TBD FY 99		TBD FY 99	
		2. Authority of cities to issue new business licences	Definition: Unit: Yes/No	1998						Yes		Yes		Yes		TBD FY 99		TBD FY 99	

F. STRATEGIC OBJECTIVE 3.2: IMPROVED SUSTAINABILITY OF SOCIAL BENEFITS AND SERVICES

1. Performance Analysis

Similar to the other SOs, *SO 3.2 fell short of expectations in 1997*. However, following the temporary setback last year due to the civil unrest and the greatly increased levels of violence throughout the country, Albania has shown some positive signs of stability and restoration of order—which in turn will allow the health care delivery system to begin to function normally. Nevertheless, there remain considerable long-term and immediate problems which will need to be addressed.

There are three indicators of progress at the S.O. level. The first is the rate of infant and maternal mortality measured by the number of infant deaths per 1000 live births and the number of maternal deaths per 100,000 births. These indicators have seen a clear reduction since 1994 and are expected to achieve their respective targets of 25 and 20 by the year 2000. As indicators of improvement in the financial sustainability of the health sector, USAID/Albania is looking toward a substantial increase in the number of contributions to the Health Insurance Fund, as well as an increase in collections and payouts by the Health Insurance Fund.

IR 3.2.1 Health Services Sector Improved. Two American International Health Alliance (AIHA) partnerships have been established in Albania. A hospital partnership program between Butterworth Hospital of Grand Rapids, Michigan and three Tirana hospitals (the University Hospital Center, the Trauma Hospital and the Maternity Hospital) has begun a program of training and exchanges of medical personnel. During FY 1997, some progress was made in both of the partnership programs, although it fell short of expectations due to the civil crisis and the evacuation of program staff. During the evacuation, the program was able to continue due to its ability to bring some Albanians to the United States and to third countries for conferences, training, and exchange visits.

IR 3.2.2 Health Administration and Management Improved. Leading officials within the Albanian government and the Ministry of Health have sought to design health reforms based on sound analysis. However, it was noted that the Ministry did not have senior staff with formal training in policy analysis and the most knowledgeable senior officials had virtually all their time consumed by ongoing line responsibilities as well as coping with immediate crises.

To remedy this situation, a Health Management Education partnership program was developed between New York University's Wagner School of Public Service and the Albanian Ministry of Health and the University of Tirana. In furtherance of this partnership, NYU and the Health Ministry have sought to establish a small analysis unit. In 1997, one senior Ministry staff member completed a graduate degree at New York

University in policy analysis and returned to Tirana to become the head of the new Unit. A second professional is currently studying for the same degree in New York, and is expected to complete her studies in the summer of 1998 to also staff the Unit.

The request to establish the Policy Unit is awaiting an expected official approval by the Council of Ministers. The first topics to be analyzed by the Unit have been identified and they include determining the methods for compensating hospital-based physicians, and alternative salary payment plans including relating payments to productivity.

Albania has no career-entry programs for health management. The NYU partnership program at the University of Tirana includes both the introduction of a basic health management course for all medical and nursing students, and a graduate specialization in health management. The program is jointly sponsored by the Faculty of Medicine and the Faculty of Economics. Two faculty members, one from each Faculty, were named to teach a basic course in health management.

Progress has been slower than anticipated in reaching the goal of establishing a graduate program to educate a new generation of health care managers. The current timeline for the creation of the graduate program is during the academic year 1998-99 and the first group of students is not expected to enroll until September 2000.

Space at the Faculty of Medicine was identified for an HME Resource Center and renovation will begin in 1998. The Center will include several computers for instructional use, as well as books and journals on health management. The two faculty members teaching the undergraduate course will be housed in this department. In addition, Learning Resource Centers were established last year at the Ministry, at the Institute of Public Health and at two of the three partner hospitals.

An additional program to strengthen health administration and hospital management is being implemented by the U.S. Department of Health and Human Services at the Ministry of Health and within the hospitals.

In the field of family planning, the Service Expansion and Technical Support (SEATS) activity, along with local partners have developed and tested basic materials for service providers to use when counseling clients, a quarterly newsletter for service providers, and a national promotion of quality family planning services.

2. Expected Progress Through FY 2000 and Management Actions

IR 3.2.1 Modern Reproductive Health Services Improved. Given the greater emphasis now being placed upon modern family planning services in Albania, an Intermediate Result and other measures were defined to reflect its growing importance in our program. At present, accurate Contraceptive Prevalence Rate (CPR) statistics are extremely

difficult to obtain in Albania; nevertheless, the CPR is considered to be the most appropriate measure of success in any family planning activity and it is expected that when statistical gathering techniques become more effective in the next few years, this technique will be utilized. Another measure is "access to reproductive health information" which is reflected in the number of people exposed to reproductive health messages as well as by the number of Service Delivery Points (SDP) that disseminate reproductive health information. These SDPs include polyclinics, pharmacies, health centers and maternity hospitals. By the end of FY 2000, it is expected that gradually more emphasis will be placed in this IR and greater attention placed upon primary, preventative health care programs.

The quality of the services provided also needs to be improved so that the number of trainers and service providers being trained, as well as the number of active SDPs can be enumerated. The family planning program is now expanding the training of service providers beyond the confines of the Tirana-Durres corridor. While contraceptives will not be provided by the USAID activity, a policy of sustainable private sector distribution of contraceptives by pharmacies and other private outlets is being encouraged and monitored.

IR 3.2.2 Hospital Services Improved in Tirana. The Hospital Partnership Program is aimed at improving hospital services, specifically hospital administration, maternal/child care, nursing services, emergency medical treatment, and infection control. Progress will be measured by a reduced hospital-acquired infection rate and a reduced number of post-surgical complications.

The quality of overall hospital services will be improved (IR 3.2.2.1) as indicated by an increased knowledge and skills in targeted clinical areas, the number of new technologies introduced, the standards adopted for health care service delivery/treatment and treatment protocols, and improved infection-control practices and outcomes.

Nursing services will be strengthened and improved hospital management concepts and practices will be established. Nursing care protocols, job descriptions for nurses, and nurse/doctor teams will be established. Important measures of success will be the reduction in average length of stay at the hospitals and the elimination of institutional financial deficits.

A second sub-IR will be an improved emergency medical services (EMS) capability established in Tirana (IR 3.2.2.2), which will be measured by a decrease in accident-related deaths. An EMS training program will be initiated and new EMS policies will be developed and promulgated. An EMS curriculum will be adopted by the medical school and the number of individuals to be trained in EMS techniques will be significantly augmented. It is expected that by year 2000 this IR 3.2.2 will be phased out to focus more attention on primary health care activities.

IR 3.2.3 Health Administration and Management Improved. The Partnership among New York University, the Ministry of Health and the University of Tirana is aimed at strengthening health management education in Albania. Progress will be measured by the number of hospitals calculating bed occupancy and by the number of staff per acute care bed. A health insurance system will be made operational (IR 3.2.3.1), as indicated by a growing number of health insurance subscribers, by the percentage of patients covered by the insurance system, and by the number of primary care physicians under contract to the Ministry of Health.

A second sub-IR (IR 3.2.3.2) will show new capacity in health management by the establishment of a health policy unit at the Ministry of Health, as well as the establishment of health management education resource centers. The third sub-IR (Health Management Education Capability Established) will be indicated by the number of graduates from a degree program in health management and by the number of health management workshops being provided by the training faculty. Similarly, it is expected that by year 2000 IR 3.2.3 will gradually change focus as USAID/Albania's program emphasizes primary health care activities.

SO 3.2: Improved Sustainability of Local Benefits and Services

Level	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS													
						1996		1997		1998		1999		2000		2001		2002	
				Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
SO 3.2	Improved sustainability of social benefits and services	1. Infant and maternal mortality	1. Number of infant deaths per 1,000 live births	1994	35.7	34		31		29		27		25					
			2. Number of maternal deaths per 100,000 births	1994	40.6	35		30		26		23		20					
		. # of contributors to Health Insurance Fund/estimated # covered	Definition: Unit: Percent	1996			11		9		15		16		17		18		19
		3. Total Annual Health Insurance Collections	Definition: Unit: In millions of lek	1995	5		1,453	1,737		2,233		2,350		2,625		2,650		2,700	
IR 3.2.1	Modern reproductive health services improved	1. Couple Years of Protection	Definition: Weighted average of modern contraceptive methods used Unit: Couple years	1998	15,000						15000	25000		35 000		45 000		55 000	
IR 3.2.1.1	Access to reproductive health information improved	1. # of people exposed to reproductive health messages	Definition: Unit:	1995	4,000	5,000		30,000		30,000		35 000		40 000		45 000		50 000	
		2. # of SDPs (Service Delivery Points) that disseminate reproductive health information	Definition: polyclinics, pharmacies, health centers, maternity hospitals Unit: SDPs	1995	0	25		205	240	300		350		350		350		350	

Level	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS													
				Year	Value	1996		1997		1998		1999		2000		2001		2002	
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
IR 3.2.1.2	Reproductive health services quality improved	1. # of trainers and service providers trained in reproductive health techniques	Definition: Total (accumulative) number of professionals (midwives, doctors, nurses) trained Unit: nurses/midwives (accum.) Unit: doctors	1996		20	23	100	90 in the information logistics	140		200		230		250		275	
		2. # of SDPs actively providing Reproductive Health Services	Definition: polyclinics, pharmacies, health centers, maternity hospitals Unit: # of SDPs (not including pharmacies)	1995	2	10	18	20	30	40	60	70	80	90					

Level	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS												
				Year	Value	1996		1997		1998		1999		2000		2001		2002
				Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
IR 3.2.1.3	Access to reproductive health services improved	1. # of client visits	Definition: at SDFs being assisted by USAID, polyclinics, pharmacies, health centers, maternity hospitals Unit: Visits by year	1998														
IR 3.2.1.3.1	Reliable access to modern contraceptive commodities	2. # of private sector pharmacists providing modern contraceptive counseling	Definition: Trained pharmacists with reproductive health communication materials through USAID assistance Unit: Pharmacists	1997	240	240	240	240	240	240	240	240	240	240	240	240	240	
		1. Government policy encourages development of sustainable distribution	Definition: Unit: Yes/No															
										TBD	July 1998							

Level	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS													
				Year	Value	1996		1997		1998		1999		2000		2001		2002	
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
IR 3.2.3.1	Health insurance system operational	1. # of health insurance subscribers	Definition: Unit:	1996	342	342	305	342	503	525	550	600	630						
		2. Primary care physicians under contract to MOH	Definition: Unit: # of physicians	1996	1600	1600	1565	1800	1800	1825	1825	1825	1825	1825					
IR 3.2.3.2	New capacity in health management established	1. Health policy unit at MOH established	Definition: Unit:	TBD June 1998															
		2. Health management education resource centers established	Definition: Unit:	TBD June 1998															
IR 3.2.3.3	Health management education capability established	1. # of graduates from degree track health management program	Definition: Unit:	TBD June 1998															
		2. # of health management workshops provided by Albanian training faculty	Definition: Unit:	TBD June 1998															

Comments/Notes: *) MOH has set no targets for private offices or laboratories but project will track actual numbers, a) all regional hospitals, b) district hospitals, c) all major hospitals

G. STRATEGIC OBJECTIVE 4.1: SPECIAL INITIATIVES

1. Performance Analysis

In FY 97, these USIA programs which include our English Teaching, Educational Reform, and Ron Brown Fellowships activities were disrupted by the civil unrest and the temporary suspension of all participant training and exchanges. Moreover, USIA facilities in Tirana were closed from March 1997 through the end of the fiscal year and there was no American in Albania to direct the program. Nevertheless, five persons were sent to the United States under the Ron Brown Fellowship Program before activities were suspended. They are currently in the U.S. studying public policy, education administration, law, journalism and economics.

2. Expected Progress Through FY 2000 and Management Actions

The Educational Reform activity is coming to an end in FY 99 with the last obligation of \$100,000. In effect, this program is being continued in an expanded form in the new Education Reform activity under S.O. 2.1. English Teaching will continue at \$200,000 per year and Ron Brown Fellowships will continue at \$300,000 per year until the end of the SEED Act in FY 2002. In addition, in FY 99 the USAID expects to provide a \$10 million Cash Transfer to Albania for balance of payments purposes. This ESF program will be designed at the end of FY 98 and early FY 99. Conditionality for the release of the funds will be determined at that time.

H. STRATEGIC OBJECTIVE 4.2: CROSS-CUTTING PROGRAMS

1. Performance Analysis

In FY 97, the Participant Training program only sent 9 Albanians to the United States. The program was brought to a temporary halt with the evacuation of all Americans in March 1997 and was not resumed until FY 98. Most of the \$740,000 obligated in FY 97 was carried over for expending in the following year. The \$509,000 obligated in FY 97 under the Project Support activity was used to fund preliminary design work for the new Anti-Corruption and Education Reform activities, several purchase orders for surveys of Albanian public opinion, and the 11-month personal services contract for the new Democracy Officer PSC.

2. Expected Progress Through FY 2000 and Management Actions

The participant training program under TRANSIT-Europe is funded at \$750,000 per year through the end of the SEED Act program. This will be sufficient to fund approximately 90 trainees in the United States or a larger number of trainees if less expensive training in Eastern Europe is used. Trainee costs can also be reduced if a larger number of groups

(as opposed to individual placements) are sent. The Project Support activity is funded at \$366,000 in FY 99 and at \$300,000 for FY 2000. These levels will be used to help complete the designs of new activities in our portfolio.

I. ENVIRONMENTAL COMPLIANCE

USAID assistance to Albania consists of technical assistance, training, and commodities. As the Albania program does not anticipate any authorization of capital construction, no requirement for environmental assessments or examinations is expected.

PART III. STATUS OF THE MANAGEMENT CONTRACT

If approved during the Strategic Plan review, USAID/Albania will add a new SO to its results framework: SO 1.6—Increased Environmental Management Capacity to Promote Sustained Economic Growth. Some of the activities contributing to SO 1.3 results would be managed under SO 1.6.

Some of the other SOs have been revised to account for the effects of the major economic and political crisis that erupted in 1997. In particular, since the deficiencies of the financial sector were a central element of the upheaval, revisions were made to SO 1.4—a More Competitive and Market-Responsive Private Financial Sector. For instance, issues pertaining to the restructuring of state banks have been elevated to a high-level IR. Two new IRs have also been added to the SO, including IR 1.4.3—Insolvent Non-Bank Financial Schemes Liquidated—to account for the difficulties associated with liquidation of the pyramid-scheme companies.

There have been some changes in the structure of SO 1.3—Accelerated Development and Growth of Private sector Enterprises—primarily due to the introduction of SO 1.6 and the increased emphasis on trade associations. Two new IRs were introduced to SO 2.1—Increased, Better-Informed Citizen's Participation in the Political and Economic Process. The two IRs emphasize civic education and the need to increase demand for transparent and accountable political and economic decision-making.

Modifications have been introduced to SO 2.2—legal Systems that Better Support Democratic Processes and Market Reforms—whose number of IRs has been reduced from five to three.

The civil unrest of 1997 resulted in substantial destruction of infrastructure, including municipal buildings and files, and in the collapse of the partnership between local government and central authority. To reflect the adverse effects of these setbacks, revisions have been made to SO 2.3—More Effective, Responsive and Accountable Local Government—which now consists of five IRs, instead of three.

Given the greater emphasis now being placed upon modern family planning services in Albania under SO 32, a new IR was introduced and other modifications were made to reflect their growing importance in USAID/Albania's program.

PART IV. RESOURCE REQUEST

A. Financial Plan

1. Budget Table by SO: FY 1998 - 2000 (See Budget Table #1)
2. Budget Table By Project: FY 1998 - 2000 (See Budget Table #2)
3. ENI Program Funding Tables FY 1998 - 2000 (See Attached Tables)

B. Prioritization of Objectives

The following prioritization of USAID/Albania's Strategic Objectives was based on the analysis of assessing strategic interests and importance of activities in the different objectives; past performance of financed activities by SO; and the needs and opportunities for transitional and developmental assistance in Albania.

A special emphasis was taken to determine those Strategic Objectives that would eventually become part of a Sustainable Development program as outlined in the Mission's Strategic Plan for FY98 - FY2002.

<u>USAID/Albania Objectives</u>	<u>Priority(1- High, 4 - Low)</u>
SO 1.3 Private Enterprise Growth	1
SO 1.4 Private Financial Sector	1
SO 2.1 Citizens' Participation	1
SO 2.2 Rule of Law	2
SO 2.3 Local Government	2
SO 3.2 Sustainable Social Services	3
SO 4.1 & 4.2 Special Initiatives & Cross-Cutting	3

Our SO 1.3 Private Enterprise Growth continues to be the most critical strategic objective in the portfolio. Private sector business growth has single handedly become the most dynamic factor in Albania's ongoing efforts towards economic recovery and growth. Rural and agriculture-based economic production continues to be the foundation on which the population depends for employment and sustenance. Given this importance, there is

no doubt that this SO will continue to be our number one priority. Increased emphasis on trade associations in developing agriculture and agribusiness industry will be a major thrust in this SO.

Given the collapse of the pyramid schemes which practically ruined the financial sector in 1997, our SO 1.4 has been given higher priority. This priority includes special focus on bank supervision as a key element in establishing a sound banking system. Apart from the immediate need of dismantling the failed schemes, a functioning banking sector is essential to the development of private sector businesses. In the out-years, as discussed in our Strategic Plan, new interventions will focus attention on promoting sustainable microenterprise and savings mechanisms.

The democracy SOs will also continue to be a high priority. Albania's slow progress towards an open and functioning democracy was evident during the setbacks in 1996-97. The role of non-governmental organizations is still not completely accepted, and therefore, is of the highest priority among our democracy SOs; an independent judicial sector is still in its infancy; and an effective, accountable and responsive local government will take some time to establish.

Efforts in the social services will be one area where funding priorities will shift. Greater emphasis will be placed on establishing sustainable systems for the delivery of modern and effective family planning services. The mission intends to go beyond the current pilot stage and expand to a nationwide impact. This will mean reductions in the current assistance to service delivery and health management in the hospital network in the out-years. Eventually, as our program evolves into a more sustainable development program, greater emphasis will be placed on providing assistance to primary health care programs.

Finally, the mission's special initiatives and cross-cutting objectives will continue receiving support but with no relative increase in funding during the R4 period. Participant training, fellowships and general project support will generally carry the most emphasis. Phase out of our USIA program in the education area will be effective by FY2000.

C. Global Field Support Table

GLOBAL FIELD SUPPORT									
Objective Name	Field Support: Activity Title & Number	Priority	Duration	Estimated Funding (\$000)					
				FY 1998 Obligated by:		FY 1999 Obligated by:		FY 2000 Obligated by:	
				Operating Unit	G Bureau	Operating Unit	G Bureau	Operating Unit	G Bureau
SO 1.3	Privatization 180-0014	High	6 months			500		500	
SO 1.4	Collateral Law 180-0014	High	9 months	250		200			
SO 1.6	IPM CRSP936-2418	High	3 years	200		200		200	
SO 3.2	SEATS-Women's Reproductive Health 936-30.48	High	4 years	600		500		750	
SO 4.1	TRANSIT 936-45.01	High	4 years	750		750		750	
Grand Total: 6,150				1,800		2,150		2,200	

D. Workforce and Operating Expenses

Background

USAID/Albania has a USDH ceiling of 6, a FSNPSC ceiling of 15 and a USPSC ceiling of 2 at this time according to Albania personnel levels.

USAID/Albania is a small post, with four residences at the Rilindja Ridge compound. Office space is located in one of Tirana's more modern buildings, the International Cultural Center. The offices consist of 452 square meters on the third floor of this building. Our program dollar level for FY 98 is \$30 million and for FY 99 is \$35 million.

Our approved budget for FY 98 is \$900,000; for FY 99 is \$600,000; for FY 20 is \$800,000.

Assumptions

Post Assignment Travel:

FY 98: Both the Mission Director and the PDO will depart and be replaced in FY 98. We assume replacements will consist of the following compositions: Mission Director - family of five with no children at post, Project Development Officer - family of four with one child of primary school age and one child of high school age. We assume the General Development Officer's family will consist of a family of four with one child of primary school age and one child of high school age, and the Democracy Officer's family will consist of a family of three with one child of primary school age.

FY 99: No change

FY 2000: We will fill our seventh USDH position. Assumptions are a family of four with one child at post and one at boarding school.

Education Allowance:

FY 98: seven children (five at post, two away from post)

FY 99: seven children (five at post, two away from post)

FY 20: nine children (six at post, three away from post)

Home Leave:

FY 98: PDO: family of four

FY 99: DIR: family of five
PROG: family of two

FY 20: GDO: family of four
Democracy Off. - family of three
PDO: family of four

R&R

FY 98: Not more than two families

FY 99: DIR: family of five
PROG: family of two
PDO: family of four
GDO: family of four
Democracy Off: family of three
EXO: one

FY 20: DIR: family of five
PROG: family of two
PDO: family of four
GDO: family of four
Democracy Officer: family of three
New Officer: family of four
EXO: one

Other Significant Costs:

Under OCC 11.8, we anticipate a 20% increase in FSNPSC salaries. We also anticipate hiring three more OE funded FSNPSCs, moving us from 10 to 13 OE employees on-board and two more Program Funded FSNPSCs. Total number of FSNPSCs will be 15 which is our approved ceiling.

We expect ICASS increases in FY 98 in utilities, guard services and other areas. In addition, we will have to rent in FY 98 two residences in town and make ready those residences to meet U.S. standards. This will be a significant cost for FY 98, which, to date, has not been incurred as we have four owned residences on the Embassy compound. The costs will include purchase of large-size residential generators and water pumps, items necessary due to the poor water and power situation which continues in town.

OCC 21.0, Training Travel, includes training of new staff. We anticipate taking advantage of some regional training programs to keep costs down. OCC 21.0 includes

conference travel to the U.S. for five USDH employees. This is also included across the board for all other fiscal years as are the training costs.

As for ADP hardware and software purchases, we are budgeting in FY 98 to purchase three new PCs with agency platform (Pentiums).

In accordance with the six year, 60,000 mile rule, one mission vehicle is due to be replaced in FY 99.

Additional Comments

FY 98: No new residential units will be bought this fiscal year, and the funds budgeted for this purpose are available. However, additional funds are needed for off-compound residential housing and for upgrading those houses to U.S. standards. The previous level of \$900,000 has been reduced to \$820,000.

FY 99: The \$80,000 not used in FY 1998 have been added to FY 1999.

FY 2000: With the increase of our USDH ceiling, one more USDH will arrive FY 2000. To provide for post assignment costs, educational allowance, etc., the earlier level of \$764,000 has been increased to \$800,000.

LOTUS TABLES -- e-mail attachment files: PF-22182.wk4, R4budget, R4budgt2,OE-22182.wk4, and WF-22182.wk4.

USAID FY 2000 BUDGET REQUEST BY PROGRAM/COUNTRY

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Country/Program:USAID/Albania
Scenario: Base Level

S.O. # , Title	Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 99	Estimated Total	FY 2000										Est. Expend. FY 00	Est. Total Cost life of SO	Future Cost (POST 2000)	Year of Final Oblig.	
					Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G					
SO1.3 Accelerated Development and Growth of Private Enterprises																			
		Bilateral	14,000	13,190	1,000	5,985										13,000	90,530	20,000	02
		Field Spt		500													1,000		
		Total	14,000	13,690	1,000	5,985	0	0	0	0	0	0	0	0	0		91,530	20,000	
SO1.4 A More Competitive and Market-Responsive Private Financial Sector																			
		Bilateral	2,500	3,050												3,500	19,437	7,300	02
		Field Spt		0													758		
		Total	2,500	3,050	0	0	0	0	0	0	0	0	0	0	0		20,105	7,300	
SO1.6 Increased Environmental Capacity to Support Sustainable Economic Growth																			
		Bilateral	1,350	2,000								2,000			2,000	16,350	8,000	02	
		Field Spt		200								200				600	0		
		Total	1,350	2,200	0	0	0	0	0	0	0	2,200	0	0		16,950	8,000		
SO2.1 Increased, Better-Informed Citizens' Participation in Political and Economic Decision-Making																			
		Bilateral	4,921	4,060										0	4,060	4,000	25,810	9,000	02
		Field Spt		0															
		Total	4,921	4,060	0	0	0	0	0	0	0	0	0	4,060			25,810	9,000	
SO2.2 Legal Institutions that Better Support Democratic Processes and Market Reforms																			
		Bilateral	2,000	2,050											2,050	2,000	11,080	4,100	02
		Field Spt		0															
		Total	2,000	2,050	0	0	0	0	0	0	0	0	0	2,050			11,080	4,100	
SO2.3 More Effective, Responsive and Accountable Local Government																			
		Bilateral	2,400	2,400											2,400	2,250	15,505	4,800	02
		Field Spt		0															
		Total	2,400	2,400	0	0	0	0	0	0	0	0	0	2,400			15,505	4,800	
SO3.2 Improved Sustainability of Social Benefits and Services																			
		Bilateral	464	250												1,000	3,100	3,700	02
		Field Spt		750			750										5,950		
		Total	464	1,000	0	0	750	0	0	0	0	0	0	0			9,050	3,700	
SO4.1 & 4.2 Special Initiatives and Cross-Cutting																			
		Bilateral	782	800			300									1,000	6,026	3,100	02
		Field Spt		750													5,080		
		Total	782	1,550	0	300	0	0	0	0	0	0	0	0			11,106	3,100	
		Total Bilateral	28,417	27,800	1,000	300	0	0	0	250	0	2,000	8,510				*		
		Total Field Support	0	2,200	0	0	750	0	0	0	0	200	0						
		TOTAL PROGRAM	28,417	30,000	1,000	300	750	0	250	0	2,200	8,510					201,136	60,000	

FY 2000 Request Sector Totals -- DA	
Econ Growth	
[Of which Microenterpris	0
HCD	
PHN	
Environment	
[Of which Biodiversity]	
Democracy	0
Humanitarian	

FY 2000 Request Sector Totals -- ESF	
Econ Growth	
[Of which Microenterprise	0
HCD	
PHN	
Environment	0
[Of which Biodiversity]	0
Democracy	0
Humanitarian	0

FY 2001 Target Program Level 30,000
 FY 2002 Target Program Level 30,000
 FY 2003 Target Program Level 0
 *Total LOP for SOs exclude FY92-FY95 levels

USAID FY 1999 Budget Request by Program/Country

15-Sep-98
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Country/Program: USAID/Albania
Scenario: Base Level

S.O. #, Title	Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 98	Estimated Total	FY 1999										Est. Expend. FY 99	Est. Total Cost life of SO	Future Cost (POST 2000)	Year of Final Oblig.	
					Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G					
SO1.3 Accelerated Development and Growth of Private Enterprises																			
		Bilateral	10,520	15,639	1,000	4,645										12,570	90,530	20,000	02
		Field Spt		500													1,000		
		Total	10,520	16,139	1,000	4,645	0	0	0	0	0	0	0	0	0		91,530	20,000	
SO1.4 A More Competitive and Market-Responsive Private Financial Sector																			
		Bilateral	500	3,725												2,050	19,437	7,300	02
		Field Spt		200													758		
		Total	500	3,925	0	0	0	0	0	0	0	0	0	0	0		20,195	7,300	
SO1.6 Increased Environmental Capacity to Support Sustainable Economic Growth																			
		Bilateral	2,350	2,000									2,000			3,000	16,350	8,000	02
		Field Spt		200									200				600	0	
		Total	2,350	2,200	0	0	0	0	0	0	0	2,200	0	0			16,950	8,000	
SO2.1 Increased, Better-Informed Citizens' Participation in Political and Economic Decision-Making																			
		Bilateral	2,921	5,560									0	5,560		3,500	25,810	9,000	02
		Field Spt		0													0		
		Total	2,921	5,560	0	0	0	0	0	0	0	0	0	5,560			25,810	9,000	
SO2.2 Legal Institutions that Better Support Democratic Processes and Market Reforms																			
		Bilateral	2,270	2,060										2,060		2,000	11,080	4,100	02
		Field Spt		0													0		
		Total	2,270	2,060	0	0	0	0	0	0	0	0	0	2,060			11,080	4,100	
SO2.3 More Effective, Responsive and Accountable Local Government																			
		Bilateral	3,782	2,400										2,400		2,400	15,505	4,800	02
		Field Spt		0													0		
		Total	3,782	2,400	0	0	0	0	0	0	0	0	0	2,400			15,505	4,800	
SO3.2 Improved Sustainability of Social Benefits and Services																			
		Bilateral	914	500												1,450	3,100	3,700	02
		Field Spt		500				500									5,950		
		Total	914	1,000	0	0	500	0	0	0	0	0	0	0			9,050	3,700	
SO4.1 & 4.2 Special Initiatives and Cross-Cutting																			
		Bilateral	782	966				366								1,500	6,026	3,100	02
		Field Spt		750													5,080		
		Total	782	1,716	0	0	366	0	0	0	0	0	0	0			11,106	3,100	
Total Bilateral			24,039	32,850	1,000		366	0	0	0	0	0	500	2,000			*		
Total Field Support			0	2,150	0		0	500	0	0	0	0	0	200					
TOTAL PROGRAM			24,039	35,000	1,000		366	500	0	0	0	500	2,200	10,020			28,470	201,136	60,000

FY 1999 Request Sector Totals -- DA	
Econ Growth	
[Of which Microenterpris	0]
HCD	
PHN	
Environment	
[Of which Biodiversity]	
Democracy	0
Humanitarian	

FY 1999 Request Sector Totals -- ESF	
* Econ Growth-FY99ESFcash transfer	10,000
[Of which Microenterprise	0]
HCD	
PHN	
Environment	0
[Of which Biodiversity]	0]
Democracy	0
Humanitarian	0

FY 2001 Target Program Level	0
FY 2002 Target Program Level	0
FY 2003 Target Program Level	0
*Total LOP for SOs exclude FY92-FY95 levels	

USAID FY 1998 Budget Request by Program/Country

15-Sep-98
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Country/Program:USAID/Albania
Scenario: Base Level

S.O. #, Title	FY 1998																Future Cost (POST 2000)	Year of Final Oblig.
	Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 97	Estimated Total	Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G	Est. Expend. FY 98	Est. Total Cost life of SO		
SO1.3 Accelerated Development and Growth of Private Enterprises																		
	Bilateral	23,090	12,570	900	3,550										12,570	90,530	20,000	02
	Field Spt		0													1,000		
	Total	23,090	12,570	900	3,550	0	0	0	0	0	0	0	0	0		91,530	20,000	
SO1.4 A More Competitive and Market-Responsive Private Financial Sector																		
	Bilateral	1,504	1,800												2,500	19,437	7,300	02
	Field Spt		250													758		
	Total	1,504	2,050	0	0	0	0	0	0	0	0	0	0	0		20,105	7,300	
SO1.6 Increased Environmental Capacity to Support Sustainable Economic Growth																		
	Bilateral		4,350									2,250		2,000	16,350	8,000	02	
	Field Spt		200									200			600	0		
	Total	0	4,550	0	0	0	0	0	0	0	0	2,450	0		16,950	8,000		
SO2.1 Increased, Better-Informed Citizens' Participation in Political and Economic Decision-Making																		
	Bilateral	1,741	3,680									0	3,680	2,500	25,810	9,000	02	
	Field Spt		0															
	Total	1,741	3,680	0	0	0	0	0	0	0	0	0	3,680		25,810	9,000		
SO2.2 Legal Institutions that Better Support Democratic Processes and Market Reforms																		
	Bilateral	640	2,050										2,050	420	11,080	4,100	02	
	Field Spt		0															
	Total	640	2,050	0	0	0	0	0	0	0	0	0	2,050		11,080	4,100		
SO2.3 More Effective, Responsive and Accountable Local Government																		
	Bilateral	3,632	2,150										2,150	2,000	15,505	4,800	02	
	Field Spt		0															
	Total	3,632	2,150	0	0	0	0	0	0	0	0	0	2,150		15,505	4,800		
SO3.2 Improved Sustainability of Social Benefits and Services																		
	Bilateral	614	850											1,150	3,100	3,700	02	
	Field Spt		600				600				850				5,950			
	Total	614	1,450	0	0	0	600	0	0	0	850	0	0		9,050	3,700		
SO4.1 & 4.2 Special Initiatives and Cross-Cutting																		
	Bilateral	782	750			290									1,500	6,026	3,100	02
	Field Spt		750													5,080		
	Total	782	1,500	0	0	290	0	0	0	0	0	0	0		11,106	3,100		
Total Bilateral																		
		32,003	28,200	900		290	0	0		0	850	2,250	7,880		*			
Total Field Support																		
		0	1,800	0		0	600	0		0	0	200	0					
TOTAL PROGRAM																		
		32,003	30,000	900	0	290	600	0	0	850	2,450	7,880	7,880	24,640	201,136	60,000		

FY 1998 Request Sector Totals -- DA	
Econ Growth	
[Of which Microenterprise]	0
HCD	
PHN	
Environment	
[Of which Biodiversity]	0
Democracy	0
Humanitarian	

FY 1998 Request Sector Totals -- ESF	
Econ Growth	
[Of which Microenterprise]	
HCD	
PHN	
Environment	0
[Of which Biodiversity]	0
Democracy	0
Humanitarian	0

FY 2001 Target Program Level 30,000
 FY 2002 Target Program Level 30,000
 FY 2003 Target Program Level 0
 *Total LOP for SOs exclude FY92-FY95 levels

Budget Table #1
USAID Albania Program Budget by Field SO and ENI/Project Activity (in thousands of US dollars)
FY 00 Results Review, Resource Request

	<u>FY98</u>	<u>FY99</u>	<u>FY 99 ESF</u>	<u>FY00</u>
SO1.3 Accelerated Development and Growth of Private Enterprises				
180-0014 Privatization		500		500
180-0026.05 Commerce: Government to Government	170			
180-0024.22 Agriculture Trade Associations	1000	2400		2000
180-0002.16 Fultz School	800			
180-0010.07 Enterprise Funds	6000	6000		3200
180-0023.11 EMED	200	200		
180-0023.13 Micro-Enterprise Lending (OInternational)	1000	1000		
180-0024.01 VOCA Grant	550	550		550
180-0024.07 Dairy Farming (LOL)	1000	595		435
180-0029.01 Management Trng. Large Grants	750	750		750
180-0029.02 Management Trng. Small Grants (USIA)	100	350		350
180-0039.11 Albania Forestry				
180-0046 Agriculture Development Program (Albania)	1000	1100		
180-0049 Restructuring Albanian Agriculture				3000
Other New Initiatives		2694		2905
Sub-Total	12570	16139		13690
SO 1.4 A More Competitive and Market-responsive Private Financial Sector				
180-0014.04 Banking Supervision	873	900		900
180-0014.04 Collateral Law (SEGIR)	250	200		
180-0014.05 Fiscal/ Regional/other (3E Network)	200	100		
180-0027.01 TA/Financial Services (Treasury)	625	1425		950
180-0027.02 FSVC Grant	102	200		200
New Initiatives (Micro-credit)		1100		1000
Sub-Total	2050	3925		3050
SO1.6 Increased Environmental Management Capacity to Support Sustainable Economic Growth				
180-0039 New Natural Resource/Watershed Management Activity	2050	2000		2000
180-0039.11 Albania Forestry	2300			
180-0024 IPM Crisp	200	200		200
New Initiatives				
Sub-Total	4550	2200		2200
SO 2.1 Increased, Better-informed Citizens' Participation in Political and Economic Decision-Making				
180-0021.05 Political orgs. (incl. elect. monitoring)	600	2000		1000
180-0032.09 Democracy Networks	1000	1000		
180-xxxx Trans. to USIA for Democ. Com.	200	100		100
180-xxxx Media Training (USIA transfer)	155	60		60
180-0022.03 Professional Media Program	400	400		400
180-0021.17 New Anti-Corruption Activity	425	1000		500
180-0021.15 New Education Reform Activity	900	1000		1000
Other New Initiatives		0		1000
Sub-Total	3680	5560		4060
SO 2.2 Legal Institutions that Better Support Democratic Processes and Market Reforms				
180-0020.02 ABA Grant	450	450		450
180-0020.03 AOJ/DOJ	600	600		600
180-xxxx Anti-Crime/ICITAP	1000	500		
Other New Initiatives		510		1000
Sub-Total	2050	2060		2050
SO 2.3 More Effective, Responsive and Accountable Local Government				
180-19.07 Public Administration	1550	1400		1400
180-34.02 Urban Development	600			
New Initiatives (Municipal/Business Partnerships)		1000		1000
Sub-Total	2150	2400		2400
SO 3.2 Improved sustainability of social benefits and services				
180-0038 Health Markets/Hospital Partnerships	850	500		250
180-xxxx Women's Reproductive Health	600	500		750
Sub-Total	1450	1000		1000
4.1 Special Initiatives and 4.2 Cross-Cutting Programs				
180-xxxx English teaching (USIA)	150	200		200
180-0021.01 Educational Reform (USIA)	0	100		
180-0045.06 Ron Brown Fellowships (USIA)	300	300		300
180-xxxx ESF Cash Transfer			10000	
Sub-total	450	600	10000	500
Cross-Cutting				
180-0045.01 TRANSIT (training)	750	750		750
180-0249.02 Project Support field & general	290	366		300
180-xxxx Parking Fines	10			
Sub-Total	1050	1116		1050
TOTAL	30000	35000	10000	30000

Budget Table #2
USAID Albania Program Budget by ENI Bureau Project (in thousands of US dollars)
FY 00 Results Review, Resource Request

ENI Project/Activity	FY98	FY99	FY99ESE	FY00
A. Strengthening Democratic Institutions				
180-0019.07 Public Administration	1550	1400		1400
180-0020.02 ABA Grant	450	450		450
180-0020.03 Democ & Law: DOJ	600	600		600
180-0021.15 New Education Reform	900	1000		1000
180-0021.05 Political orgs.	600	2000		1000
180-0021 New Anti-corruption	425	1000		500
180-0022.03 Professional Media Program	400	400		400
180-0032.09 Democracy Networks	1000	1000		
180-xxxx Media Training (USIA transfer)	155	60		60
180-xxxx Trans to USIA Dem. Com. Sm. Gr	200	100		100
180-xxxx ICITAP/DOJ anti-crime	1000	500		
180-xxxx NEW INITIATIVES		1510		3000
B. Economic Restructuring.				
180-0014 Privatization		500		500
180-0014.04 Banking Sector	1123	1100		900
180-0014.05 Fiscal Reform, other	200	100		
180-0023.11 EMED	200	200		
180-0023.13 New Micro-Enterprise Lending	1000	1000		
180-0026.05 Commerce(CLDP)	170			
180-0027.02 FSVC	102	200		200
180-0010.07 Albania Enterprise Fund	6000	6000		3200
180-0002.16 Fultz School	800			
180-0045.01 TRANSIT/World Learning	750	750		750
180-0027.01 Transfer to USTreasury	625	1425		950
180-0029.01 Management Training Large Grants	750	750		750
180-0029.02 Management Training Sm. Gr (USIA)	100	350		350
180-0024.01 VOCA	550	550		550
180-0024.07 Dairy Farming(LOL)	1000	595		435
180-0024 Integrated Pest Management (IPM)	200	200		200
180-0024.22 New Agriculture Trade Assoc.	1000	2400		2000
180-0046 Agriculture Development Program	1000	1100		
180--0049 Restructuring Albania Agriculture				3000
180-xxxx NEW INITIATIVES		3794		3905
C. Improving the Quality of Life				
180-0034.02 Urban Development	600			
180-0038 Promotion of Health Markets	850	500		250
180-0039 New Natural Res. Mgnt/Watershed	2050	2000		2000
180-0039.11 Albania Forestry	2300			
180-xxxx Women's Reproductive Health	600	500		750
D. Miscellaneous				
180-0249 PSCs, Proj Sup Field, Gen	290	366		300
180-xxxx Parking Fines	10			
180-xxxx English Teaching (USIA)	150	200		200
180-0045.06 Ron Brown Fellowships (USIA)	300	300		300
180-xxxx ESF Cash Transfer			10000	
180-0021.01 Educ. reform (USIA)		100		
Total All Programs	30000	35000	10000	30000

Operating Expenses

Org. Title:		USAID/Albania				Overseas Mission Budgets											
Org. No.:	182	FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request			
OC		Dollars in Thousands	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH				0.0			0.0			0.0			0.0			0.0
	Subtotal OC 11.1		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.3	Personnel comp. - other than full-time permanent		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH				0.0			0.0			0.0			0.0			0.0
	Subtotal OC 11.3		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.5	Other personnel compensation		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH				0.0			0.0			0.0			0.0			0.0
11.5	FNDH				0.0			0.0			0.0			0.0			0.0
	Subtotal OC 11.5		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.8	Special personal services payments		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries		52.0		52.0	90.0		90.0			0.0	92.0		92.0			0.0
11.8	FN PSC Salaries		76.0		76.0	86.0		86.0			0.0	95.0		95.0			0.0
11.8	IPA/Details-In/PASAs/RSSAs Salaries				0.0			0.0			0.0			0.0			0.0
	Subtotal OC 11.8		128.0	0.0	128.0	176.0	0.0	176.0	0.0	0.0	0.0	187.0	0.0	187.0	0.0	0.0	0.0
12.1	Personnel benefits		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances		88.0		88.0	109.8		109.8			0.0	125.5		125.5			0.0
12.1	Cost of Living Allowances				0.0			0.0			0.0			0.0			0.0
12.1	Home Service Transfer Allowances				0.0			0.0			0.0			0.0			0.0
12.1	Quarters Allowances				0.0			0.0			0.0			0.0			0.0
12.1	Other Misc. USDH Benefits		8.8		8.8	8.8		8.8			0.0	9.1		9.1			0.0
12.1	FNDH Benefits		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Payments to the FSN Separation Fund - FNDH				0.0			0.0			0.0			0.0			0.0
12.1	Other FNDH Benefits				0.0			0.0			0.0			0.0			0.0
12.1	US PSC Benefits		62.0		62.0	64.0		64.0			0.0	130.0		130.0			0.0
12.1	FN PSC Benefits		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Payments to the FSN Separation Fund - FN PSC				0.0			0.0			0.0			0.0			0.0
12.1	Other FN PSC Benefits		9.5		9.5	9.5		9.5			0.0	10.0		10.0			0.0
12.1	IPA/Detail-In/PASA/RSSA Benefits				0.0			0.0			0.0			0.0			0.0
	Subtotal OC 12.1		168.3	0.0	168.3	192.1	0.0	192.1	0.0	0.0	0.0	274.6	0.0	274.6	0.0	0.0	0.0
13	Benefits for former personnel		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13	FNDH		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13	Severance Payments for FNDH				0.0			0.0			0.0			0.0			0.0
13	Other Benefits for Former Personnel - FNDH				0.0			0.0			0.0			0.0			0.0
13	FN PSCs		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13	Severance Payments for FN PSCs				0.0			0.0			0.0			0.0			0.0
13	Other Benefits for Former Personnel - FN PSCs				0.0			0.0			0.0			0.0			0.0

Operating Expenses

Org. Title:		USAID/Albania			Overseas Mission Budgets														
Org. No:		182			FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
OC		Dollars in Thousands	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total		
	Subtotal OC 13.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
21	Travel and transportation of persons		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		
21	Training Travel		10.4		10.4	10.0		10.0			0.0			0.0			0.0		
21	Mandatory/Statutory Travel		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		
21	Post Assignment Travel - to field		23.4		23.4			0.0			0.0	7.2		7.2			0.0		
21	Assignment to Washington Travel				0.0			0.0			0.0			0.0			0.0		
21	Home Leave Travel				0.0	8.5		8.5			0.0	18.0		18.0			0.0		
21	R & R Travel		4.0		4.0	30.6		30.6			0.0	34.8		34.8			0.0		
21	Education Travel		5.0		5.0	5.0		5.0			0.0	6.0		6.0			0.0		
21	Evacuation Travel				0.0			0.0			0.0			0.0			0.0		
21	Retirement Travel		2.1		2.1			0.0			0.0			0.0			0.0		
21	Pre-Employment Invitational Travel				0.0			0.0			0.0			0.0			0.0		
21	Other Mandatory/Statutory Travel				0.0			0.0			0.0			0.0			0.0		
21	Operational Travel		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		
21	Site Visits - Headquarters Personnel				0.0			0.0			0.0			0.0			0.0		
21	Site Visits - Mission Personnel		3.0		3.0	4.0		4.0			0.0	5.0		5.0			0.0		
21	Conferences/Seminars/Meetings/Retreats		18.0		18.0	18.0		18.0			0.0	18.0		18.0			0.0		
21	Assessment Travel				0.0			0.0			0.0			0.0			0.0		
21	Impact Evaluation Travel				0.0			0.0			0.0			0.0			0.0		
21	Disaster Travel (to respond to specific disasters)				0.0			0.0			0.0			0.0			0.0		
21	Recruitment Travel				0.0			0.0			0.0			0.0			0.0		
21	Other Operational Travel		6.0		6.0	7.0		7.0			0.0	8.0		8.0			0.0		
	Subtotal OC 21.0		71.9	0.0	71.9	83.1	0.0	83.1	0.0	0.0	0.0	97.0	0.0	97.0	0.0	0.0	0.0		
22	Transportation of things		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		
22	Post assignment freight		100.0		100.0			0.0			0.0	25.0		25.0			0.0		
22	Home Leave Freight				0.0	12.0		12.0			0.0	12.0		12.0			0.0		
22	Retirement Freight		13.9		13.9			0.0			0.0			0.0			0.0		
22	Transportation/Freight for Office Furniture/Equip.		5.0		5.0	3.0		3.0			0.0	3.0		3.0			0.0		
22	Transportation/Freight for Res. Furniture/Equip.		5.0		5.0			0.0			0.0			0.0			0.0		
	Subtotal OC 22.0		123.9	0.0	123.9	15.0	0.0	15.0	0.0	0.0	0.0	40.0	0.0	40.0	0.0	0.0	0.0		
23.2	Rental payments to others		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		
23.2	Rental Payments to Others - Office Space		45.2		45.2	45.2		45.2			0.0	48.0		48.0			0.0		
23.2	Rental Payments to Others - Warehouse Space				0.0			0.0			0.0			0.0			0.0		
23.2	Rental Payments to Others - Residences		42.0		42.0	24.0		24.0			0.0	24.0		24.0			0.0		
	Subtotal OC 23.2		87.2	0.0	87.2	69.2	0.0	69.2	0.0	0.0	0.0	72.0	0.0	72.0	0.0	0.0	0.0		
23.3	Communications, utilities, and miscellaneous charge		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		
23.3	Office Utilities		0.5		0.5	2.0		2.0			0.0	2.4		2.4			0.0		
23.3	Residential Utilities		20.0		20.0	24.0		24.0			0.0	30.0		30.0			0.0		
23.3	Telephone Costs		12.0		12.0	9.0		9.0			0.0	12.0		12.0			0.0		
23.3	ADP Software Leases				0.0			0.0			0.0			0.0			0.0		
23.3	ADP Hardware Lease				0.0			0.0			0.0			0.0			0.0		

Operating Expenses

Org. Title:	USAID/Albania			Overseas Mission Budgets														
Org. No:	182			FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
OC	Dollars in Thousands	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total		
23.3	Commercial Time Sharing			0.0			0.0			0.0			0.0			0.0		
23.3	Postal Fees (Other than APO Mail)	0.2		0.2	0.2		0.2			0.0	0.2		0.2			0.0		
23.3	Other Mail Service Costs	0.1		0.1	0.2		0.2			0.0	0.2		0.2			0.0		
23.3	Courier Services	2.5		2.5	2.4		2.4			0.0	2.4		2.4			0.0		
	Subtotal OC 23.3	35.3	0.0	35.3	37.8	0.0	37.8	0.0	0.0	0.0	47.2	0.0	47.2	0.0	0.0	0.0		
24	Printing and Reproduction	2.4		2.4	2.7		2.7			0.0	3.0		3.0			0.0		
	Subtotal OC 24.0	2.4	0.0	2.4	2.7	0.0	2.7		0.0	0.0	3.0	0.0	3.0	0.0	0.0	0.0		
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
25.1	Studies, Analyses, & Evaluations			0.0			0.0			0.0			0.0			0.0		
25.1	Management & Professional Support Services			0.0			0.0			0.0			0.0			0.0		
25.1	Engineering & Technical Services			0.0			0.0			0.0			0.0			0.0		
	Subtotal OC 25.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
25.2	Office Security Guards	16.0		16.0	20.0		20.0			0.0	22.0		22.0			0.0		
25.2	Residential Security Guard Services	16.0		16.0	17.0		17.0			0.0	18.0		18.0			0.0		
25.2	Official Residential Expenses	2.8		2.8	3.0		3.0			0.0	3.2		3.2			0.0		
25.2	Representation Allowances	1.2		1.2	2.4		2.4			0.0	2.4		2.4			0.0		
25.2	Non-Federal Audits			0.0			0.0			0.0			0.0			0.0		
25.2	Grievances/Investigations			0.0			0.0			0.0			0.0			0.0		
25.2	Insurance and Vehicle Registration Fees	0.7		0.7	0.8		0.8			0.0	0.8		0.8			0.0		
25.2	Vehicle Rental	0.3		0.3	0.3		0.3			0.0	0.3		0.3			0.0		
25.2	Manpower Contracts			0.0			0.0			0.0			0.0			0.0		
25.2	Records Declassification & Other Records Services			0.0			0.0			0.0			0.0			0.0		
25.2	Recruiting activities			0.0			0.0			0.0			0.0			0.0		
25.2	Penalty Interest Payments			0.0			0.0			0.0			0.0			0.0		
25.2	Other Miscellaneous Services	2.0		2.0	2.0		2.0			0.0	2.0		2.0			0.0		
25.2	Staff training contracts	7.0		7.0	8.0		8.0			0.0			0.0			0.0		
25.2	ADP related contracts			0.0			0.0			0.0			0.0			0.0		
	Subtotal OC 25.2	46.0	0.0	46.0	53.5	0.0	53.5	0.0	0.0	0.0	48.7	0.0	48.7	0.0	0.0	0.0		
25.3	Purchase of goods and services from Government ac	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
25.3	ICASS	260.0		260.0	280.0		280.0			0.0	300.0		300.0			0.0		
25.3	All Other Services from Other Gov't. accounts			0.0			0.0			0.0			0.0			0.0		
	Subtotal OC 25.3	260.0	0.0	260.0	280.0	0.0	280.0	0.0	0.0	0.0	300.0	0.0	300.0	0.0	0.0	0.0		
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
25.4	Office building Maintenance	2.0		2.0	2.0		2.0			0.0	2.4		2.4			0.0		
25.4	Residential Building Maintenance	9.0		9.0	9.0		9.0			0.0	5.0		5.0			0.0		
	Subtotal OC 25.4	11.0	0.0	11.0	11.0	0.0	11.0	0.0	0.0	0.0	7.4	0.0	7.4	0.0	0.0	0.0		

Workforce

Org. USAID/Albania (182) FY 1998 On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	1	1.5	0.5		0.5			3.5	1		1			0.5	2.5	6
Other U.S. Citizens: 1/ OE Internationally Recruited								0		1				1	2	2
OE Locally Recruited Program	1	1						2							0	2
FSN/TCN Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited Program	2	0.5	0.5					3		1	0.5			8.5	10	13
	1	1						2							0	2
Total Staff Levels	5	4	1	0	0.5	0	0	10.5	1	2	1.5	0	0	10	14.5	25
TAACS								0							0	0
Fellows								0							0	0

1/ Excluding TAACS and Fellows

Workforce

Org. USAID/Albania (182) FY 1999 Target On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	1	1	1		0.5			3.5	1		1			0.5	2.5	6
Other U.S. Citizens: 1/ OE Internationally Recruited OE Locally Recruited Program	1	1						0 0 2		1				1	2 0 0	2 0 2
FSN/TCN Direct Hire: OE Internationally Recruited OE Locally Recruited								0 0							0 0	0 0
FSN/TCN Non-Direct Hire: OE Internationally Recruited OE Locally Recruited Program	2 1	0.5 1	0.5					0 3 2		1	0.5			8.5	0 10 0	0 13 2
Total Staff Levels	5	3.5	1.5	0	0.5	0	0	10.5	1	2	1.5	0	0	10	14.5	25
TAACS Fellows								0 0							0 0	0 0

1/ Excluding TAACS and Fellows

Org. USAID/Albania (182) FY 1999 Request On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire								0							0	0
Other U.S. Citizens: 1/ OE Internationally Recruited OE Locally Recruited Program								0 0 0							0 0 0	0 0 0
FSN/TCN Direct Hire: OE Internationally Recruited OE Locally Recruited								0 0							0 0	0 0
FSN/TCN Non-Direct Hire: OE Internationally Recruited OE Locally Recruited Program								0 0 0							0 0 0	0 0 0
Total Staff Levels	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAACS Fellows								0 0							0 0	0 0

1/ Excluding TAACS and Fellows

Workforce

Org. USAID/Albania (182) FY 2000 Target On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	1	1	1		1			4	1		1			1	3	7
Other U.S. Citizens: 1/ OE Internationally Recruited								0		1				1	2	2
OE Locally Recruited Program	1	1						0							0	0
								2							0	2
FSN/TCN Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited	2	0.5	0.5					3		1	0.5			8.5	10	13
Program	1	1						2							0	2
Total Staff Levels	5	3.5	1.5	0	1	0	0	11	1	2	1.5	0	0	10.5	15	26
TAACS								0							0	0
Fellows								0							0	0

1/ Excluding TAACS and Fellows

Org. USAID/Albania (182) FY 2000 Request On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire								0							0	0
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited Program								0							0	0
								0							0	0
FSN/TCN Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program								0							0	0
Total Staff Levels	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAACS								0							0	0
Fellows								0							0	0

1/ Excluding TAACS and Fellows

Workforce

Org. USAID/Albania (182) FY 2001 On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	1	1	1		1			4	1		1			1	3	7
Other U.S. Citizens: 1/ OE Internationally Recruited								0		1				1	2	2
OE Locally Recruited Program	1	1						2							0	2
FSN/TCN Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited Program	2	0.5	0.5					3		1	0.5			8.5	10	13
	1	1						2							0	2
Total Staff Levels	5	3.5	1.5	0	1	0	0	11	1	2	1.5	0	0	10.5	15	26
TAACS								0							0	0
Fellows								0							0	0

1/ Excluding TAACS and Fellows

Workforce

Org. USAID/Albania (182) Summary On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
FY 1998:																
U.S. Direct Hire	1	1.5	0.5	0	0.5	0	0	3.5	1	0	1	0	0	0.5	2.5	6
OE Internationally Recr	0	0	0	0	0	0	0	0	0	1	0	0	0	1	2	2
OE Locally Recruited	2	0.5	0.5	0	0	0	0	3	0	1	0.5	0	0	8.5	10	13
Total OE Funded Staff	3	2	1	0	0.5	0	0	6.5	1	2	1.5	0	0	10	14.5	21
Program Funded	2	2	0	0	0	0	0	4	0	0	0	0	0	0	0	4
Total FY 1998	5	4	1	0	0.5	0	0	10.5	1	2	1.5	0	0	10	14.5	25
FY 1999 Target:																
U.S. Direct Hire	1	1	1	0	0.5	0	0	3.5	1	0	1	0	0	0.5	2.5	6
OE Internationally Recr	0	0	0	0	0	0	0	0	0	1	0	0	0	1	2	2
OE Locally Recruited	2	0.5	0.5	0	0	0	0	3	0	1	0.5	0	0	8.5	10	13
Total OE Funded Staff	3	1.5	1.5	0	0.5	0	0	6.5	1	2	1.5	0	0	10	14.5	21
Program Funded	2	2	0	0	0	0	0	4	0	0	0	0	0	0	0	4
Total FY 1999 Target	5	3.5	1.5	0	0.5	0	0	10.5	1	2	1.5	0	0	10	14.5	25
FY 1999 Request:																
U.S. Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Internationally Recr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE Funded Staff	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Program Funded	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FY 1999 Request	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FY 2000 Target:																
U.S. Direct Hire	1	1	1	0	1	0	0	4	1	0	1	0	0	1	3	7
OE Internationally Recr	0	0	0	0	0	0	0	0	0	1	0	0	0	1	2	2
OE Locally Recruited	2	0.5	0.5	0	0	0	0	3	0	1	0.5	0	0	8.5	10	13
Total OE Funded Staff	3	1.5	1.5	0	1	0	0	7	1	2	1.5	0	0	10.5	15	22
Program Funded	2	2	0	0	0	0	0	4	0	0	0	0	0	0	0	4
Total FY 2000 Target	5	3.5	1.5	0	1	0	0	11	1	2	1.5	0	0	10.5	15	26
FY 2000 Request:																
U.S. Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Internationally Recr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE Funded Staff	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Program Funded	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FY 2000 Request	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FY 2001 Estimate:																
U.S. Direct Hire	1	1	1	0	1	0	0	4	1	0	1	0	0	1	3	7
OE Internationally Recr	0	0	0	0	0	0	0	0	0	1	0	0	0	1	2	2
OE Locally Recruited	2	0.5	0.5	0	0	0	0	3	0	1	0.5	0	0	8.5	10	13
Total OE Funded Staff	3	1.5	1.5	0	1	0	0	7	1	2	1.5	0	0	10.5	15	22
Program Funded	2	2	0	0	0	0	0	4	0	0	0	0	0	0	0	4
Total FY 2000 Target	5	3.5	1.5	0	1	0	0	11	1	2	1.5	0	0	10.5	15	26

Workforce

MISSION :

Albania (182)

USDH STAFFING REQUIREMENTS BY SKILL CODE

BACKSTOP (BS)	NO. OF USDH EMPLOYEES IN BACKSTOP FY 98	NO. OF USDH EMPLOYEES IN BACKSTOP FY 99	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2000	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2001
01SMG	1	1	1	1
02 Program Off.	1	1	1	1
03 EXO	1	1	1	1
04 Controller				
05/06/07 Secretary				
10 Agriculture.				
11Economics				
12 GDO	1	1	1	1
12 Democracy	1	1	1	1
14 Rural Dev.				
15 Food for Peace				
21 Private Ent.				
25 Engineering				
40 Environ				
50 Health/Pop.				
60 Education				
75 Physical Sci.				
85 Legal				
92 Commodity Mgt				
93 Contract Mgt				
94 PDO	1	1	1	1
95 IDI				
Other*			1	1
TOTAL	6	6	7	7

*please list occupations covered by other if there are any