

# AL 2017 REPORT

# 2017 ANNU

Annual Report  
2017

Annual Report  
2017



Albanian-American  
Development Foundation



DURRES

KUKES

POGRADEC

LIBRAZHID

DIBRA

ELBSASAN

SARANDA

TIRANA

KORCA

SHKODRA

FIER

GJIROKASTRA

VLORA

KRUJA

BERAT



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## Message from the Chairman

Michael Granoff

**Our Foundation is establishing a brand in Albania: A brand of execution and results; a brand of honesty and transparency; a brand of creativity and social commitment; and a brand of successful team building between the private sector, local and national government and other development partners.**

On behalf of the Board of Trustees of the AADF, I am honored to welcome you to our 2017 Annual Report. The AADF was created with the help and approval of the US Government in 2009 as a legacy organization of the AAEF. We began implementing programs in 2011. The AADF has now committed over \$42 million (1.3 x the total size of the AAEF) to 40 different projects with more to come. Over 60 domestic and international donors have partnered with us, contributing an additional \$80 million to our efforts.

The AADF focuses on private sector development in its broadest context. We have three key areas of activity: Education and Leadership, Entrepreneurship, and Cultural and Eco Tourism.

Our education projects now reach 100% of the elementary schools in Albania. Over 400,000 students have benefitted from AADF projects across the entire spectrum of education, from the first grade through post university graduates. In the coming year we will work on new programs in school leadership and digital literacy.

Over 850 businesses have been assisted by our entrepreneurship projects. City center areas across Albania have been revitalized through our efforts. Our latest initiatives are in Gjirokastra and Vlora.

The AADF was instrumental in the conception, drafting and approval of a new Cultural Heritage Law working together with the Ministry of Culture and the Prime Minister. This legislation creates a new model for the management of cultural heritage sites. National heritage sites where we are active have experienced a 100% increase in visitors on average.

The challenges are significant but the opportunity is even larger. All of us associated with the AADF are grateful for the chance to contribute to the long-term development of all Albanians in the spirit of the ongoing partnership between the United States and Albania.







## Message from the Co-CEOs



**Working for the AADF has become the highlight of our lives. The range of projects, the partnerships created, the long-lasting impact, are tangible results of our work. They are supported and appreciated at large by the public, partners and friends of the Foundation. Our efforts are led and inspired by an extraordinary Board of Trustees and its Chairman, Michael, whose love and contribution for Albania are unmatched in their quality, longevity and depth.**

Aleksandër Sarapuli & Martin Mata

The success and the inspiring models we are creating would not be possible without the dedication, hard work and professionalism of the team of the AADF. Since AADF's inception, attracting talented and ambitious individuals and turning it into one of the stellar organizations in Albania has been an unchanged objective for us. We think we have made significant strides towards fulfilling that ambition.

But we also know that professionalism and noble goals alone do not make a great working environment. A thriving work place requires social bonds, trust and respect for one another. At AADF we work hard to create and cultivate such relationships.

We seek and hire people who are passionate and have an infectious positive energy in everything they do. At AADF, we define ourselves by our ability to execute the projects we undertake. We try hard to make our promises a reality.

To become and remain doers we know how important it is to be focused, disciplined in our process, fully transparent and have the utmost belief in what we do.

No matter how well-thought out and thoroughly researched a project is, we all know it takes a whole village to build trust and confidence, and no one at AADF spares the effort to make it happen. As we often conclude with each other, this is only the beginning of a life long journey and every one of us is excited about the opportunity. To each of the AADF staff and family we are truly thankful and grateful!





Albanian-American  
Development Foundation

SECTION

01



## About us

The mission of the Albanian-American Development Foundation (AADF) is to facilitate the development of a sustainable private sector economy and a democratic society in Albania.

AADF is the largest non-for-profit organization in Albania. It was established based on a 2009 joint agreement between the Albanian-American Enterprise Fund (AAEF) and the United States Government.

This agreement is part of a broader effort by the U.S. Government to help and assist the growth and progress of Albania and its people.



## Interest Areas

The AADF operates in three broad sectors where sustainable change can be created by the introduction of new models, innovative ideas with maximum transparency and first-class professionalism.

The Education and Leadership Program focuses on building and executing projects that will impact Albania's development and progress and its young generations of students and professionals for years to come.

The Entrepreneurship Program takes advantage of AAEF's long and successful legacy in supporting and growing a vibrant private sector economy.

The Cultural and Eco-Tourism Program sets a modern and contemporary goal of sharing Albania's cultural heritage and history with domestic and international audiences.



## Our Story

The success of our efforts is planted largely on a unique approach towards project management and development. AADF aims to build sustainable models and lasting partnerships.

The highlight of our work is the ability to plan, develop and execute models that bring change and hope in their respective sectors.

AADF strives to build scalable projects for nation-wide impact. This approach affects people of all ages, professions and backgrounds.



## Our Principles

As an American institution operating in Albania, AADF strongly follows the most advanced, modern philanthropic approaches in the United States, while focusing entirely in contributing to build, help and develop models on a national scale and impact.

Projects developed by AADF improve and transform the sectors it invests in. Project implementation involves a very disciplined due diligence process, research and follow-up to ensure that goals and deadlines are observed and executed.

## Our Story

Through an agreement between the U.S. Government and the AAEF, the Albanian-American Development Foundation was established to further the assistance and contribution of the United States to the people of Albania for the generations to come.

"I'm proud of everything the Fund has done to contribute to the development of a free and fair private sector in Albania. The success of this fund demonstrates what can be done when nations work together"

President  
**Bill Clinton**

"The success of the Albanian-American Enterprise Fund represents the strong partnership between the United States and Albania to advance peace and prosperity around the world. By supporting private enterprise and promoting economic development, the AAEF has helped drive Albania's economic transformation and been an important force in revitalizing the Albanian banking sector."

President  
**George W. Bush**

"By working to drive economic development and create opportunity, the Albanian-American Enterprise Fund has secured greater possibility for Albania and Europe. As you reflect on all you have achieved over the last two decades, I hope you take pride in the progress you have helped bring about."

President  
**Barack Obama**

THE WHITE HOUSE  
WASHINGTON  
October 6, 2015

I send warm greetings to all those attending the Albanian-American Enterprise Fund 20th Anniversary Dinner.

The United States and Albania have long been bound by powerful ties. Across our country Americans can trace their roots to Albania, and through our close bilateral relationship and strong alliance within NATO, our nations have expanded areas of cooperation and endeavored to shape a future of greater prosperity for all.

By working to drive economic development and create opportunity, the Albanian-American Enterprise Fund has secured greater possibility for Albania and Europe. As you reflect on all you have achieved over the last two decades, I hope you take pride in the progress you have helped bring about.

You have my best wishes for an enjoyable and memorable evening.







"A very sincere thanks to you all, not only as recognition for all the financial commitments you have put in your projects, but most importantly for supporting and inciting a new culture when it comes to the implementation of joint projects. As a matter of fact, the Foundation itself is a success story, - as Michael has mentioned not without pride and he is right in that - and all these projects that AADF is financing, are a true success story."

Prime Minister  
**Edi Rama**



"I express my deepest gratitude to Chairman Granoff, the Board and the employees of the Fund and the Foundation. Their great devotion and love for Albania turned the AAEF and AADF into the most successful stories of all the former communist countries in Europe. I have the utmost respect for the great success and impact that their projects have achieved, as well as for the serious investments that have been made by them in all sectors."

Former Prime Minister  
**Sali Berisha**

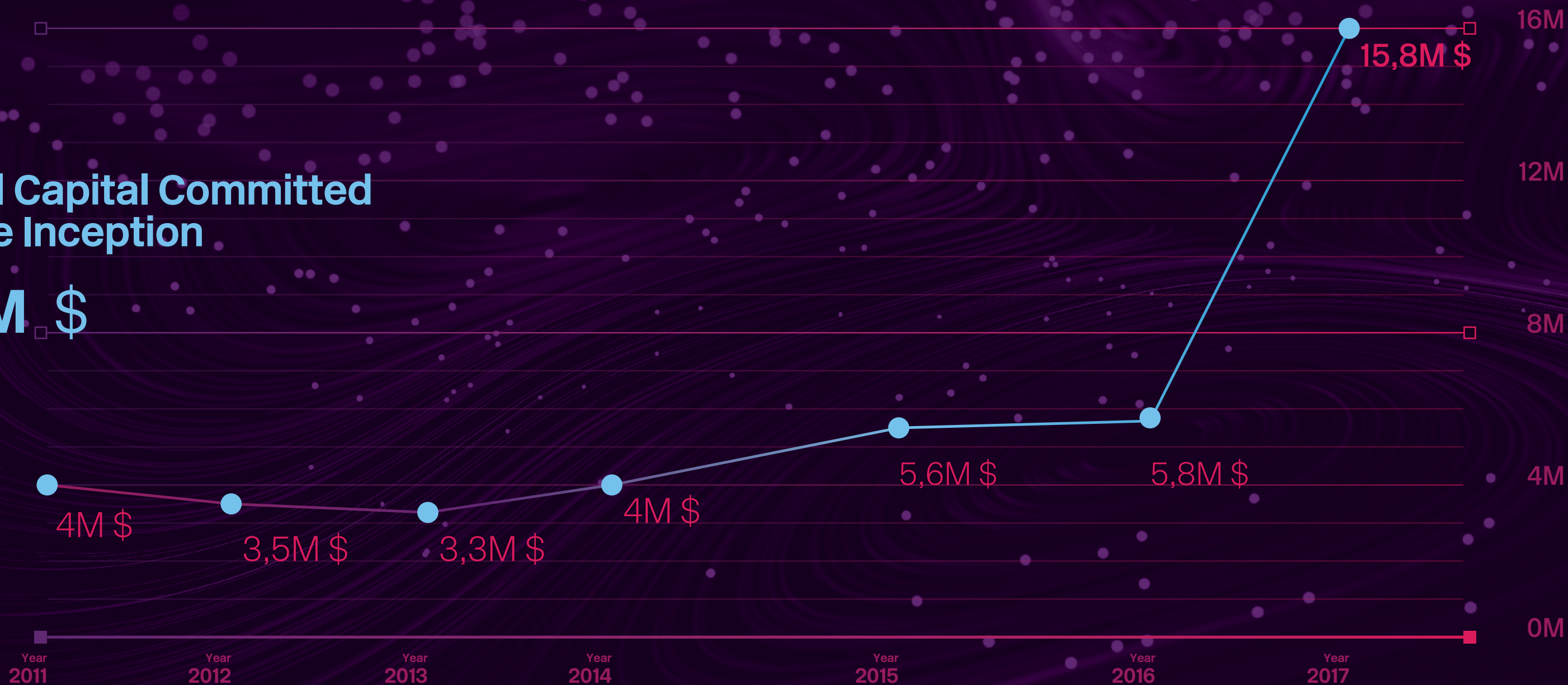


# Key Figures



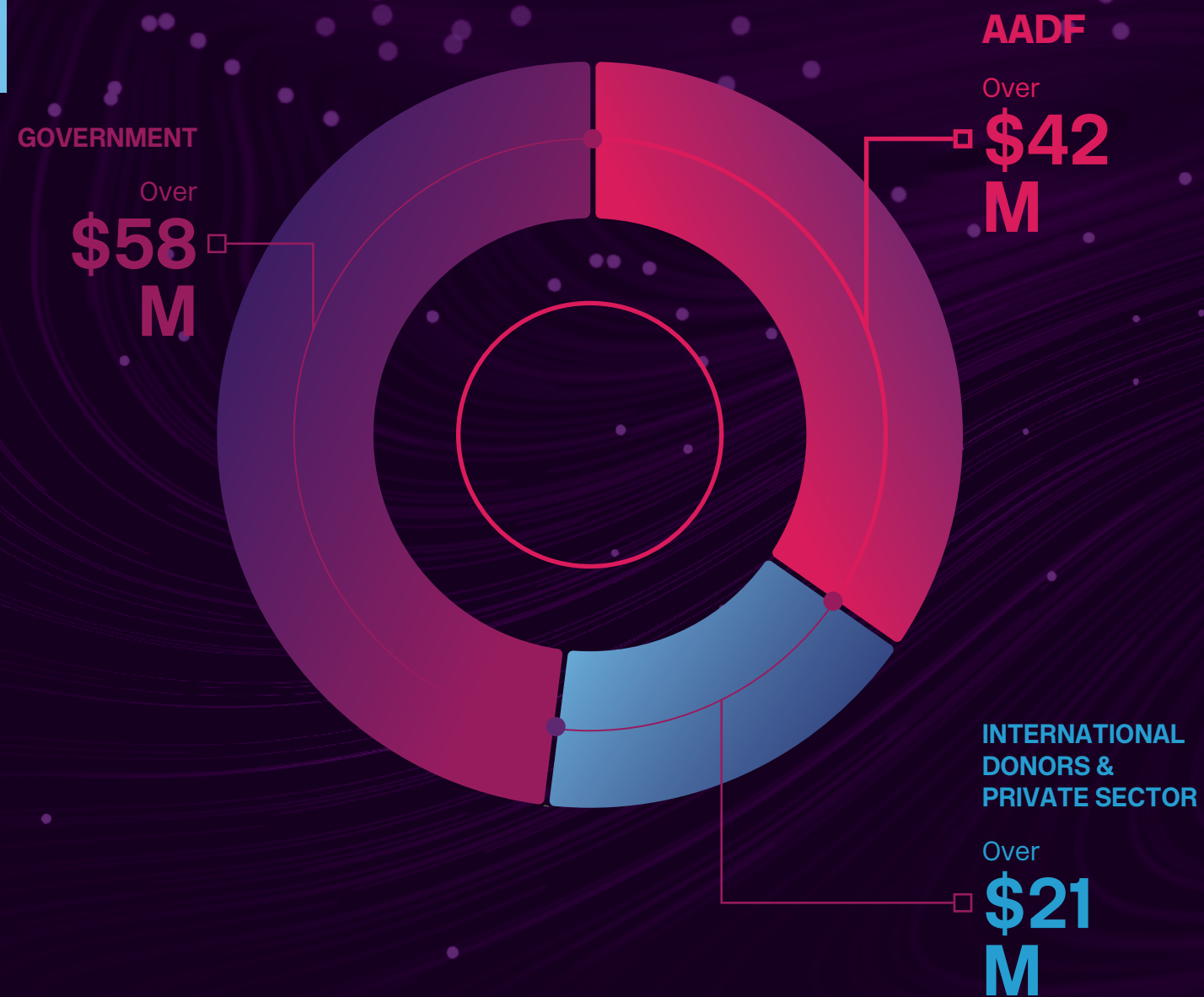
## Total Capital Committed Since Inception

42M \$



Data as of December 31, 2017  
Note: This value represents 140% of the initial capital of AAEF





The success of AADF's investments has also served as a catalyst to spur other actors to join in. More than US\$80 million in additional investments have been generated from other international and domestic partners, who have joined AADF in its efforts and projects across Albania.

# Scorecard

200,000

Pre-university students

affected by AADF's education projects

6,000

Pre-university teachers

affected by AADF's education projects

1,521

K1-K12 Schools

affected by AADF's education projects

100%

of elementary schools (K1-K9)

across Albania affected by AADF education projects

10,000

Pre-university students

introduced to the ICT Sector

60%

Increase in Revenues

for businesses affected by AADF's entrepreneurship projects

800

Businesses

affected by AADF's entrepreneurship projects

70%

Increase in Visitors

in national heritage sites after AADF interventions

60%

of all cultural heritage tourists in Albania

served by AADF projects



# Year in Review



03  
SECTION

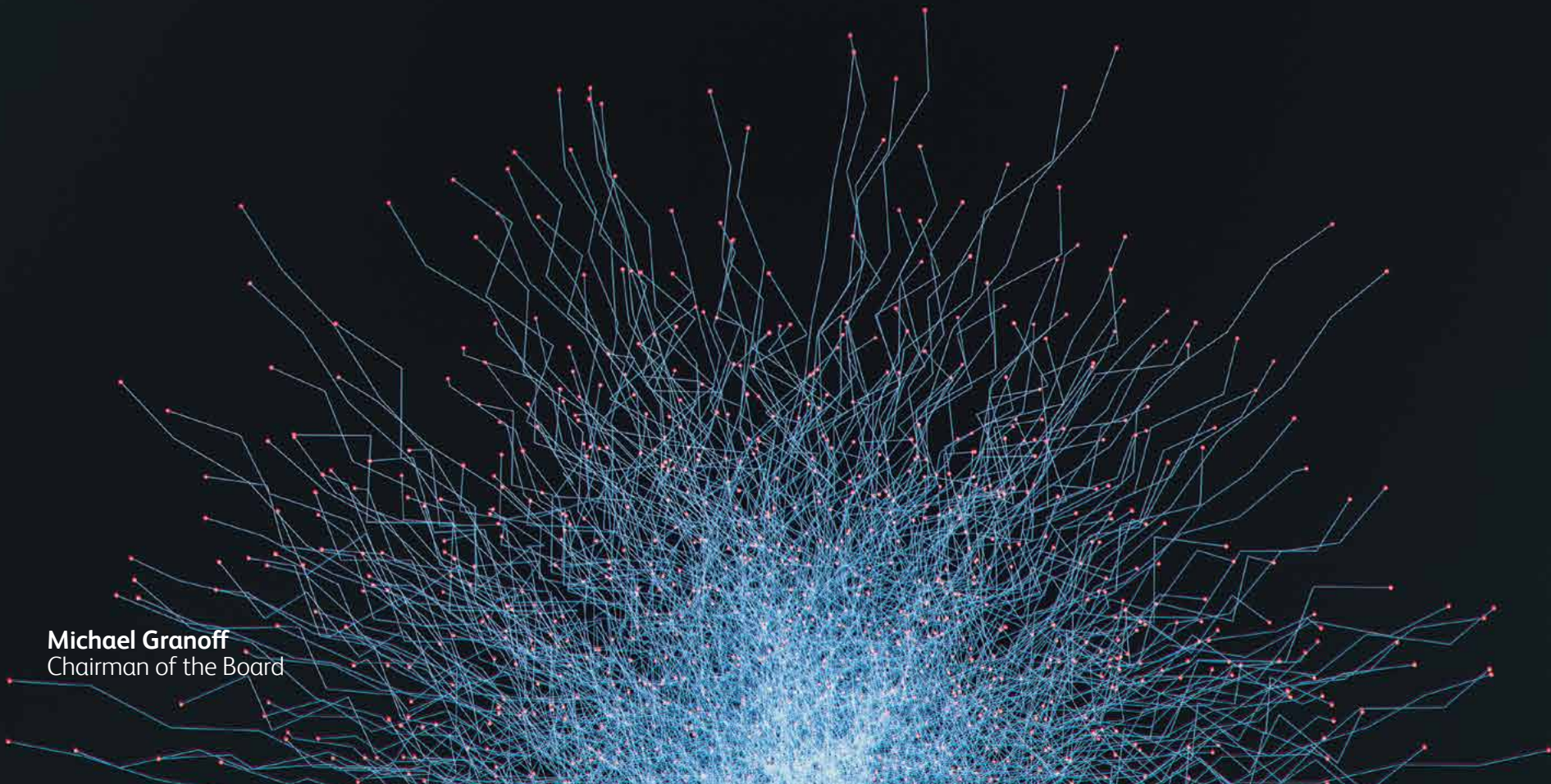


# Education and Leadership Program

**“If you want to see where Albania will be 20–30 years from now, look at how education is provided today to its new generation”**



**Michael Granoff**  
Chairman of the Board



AADF’s Education and Leadership program aims at surgical interventions in the education sector in Albania by providing capacity building opportunities for teachers and students, facilitating policy change and increasing opportunities for competitiveness and employability.

The program contributes to strengthening the role of education for improved economic growth and stimulates the creation of a transparent and creative learning process. The focus of the program is on curricula development that has wide reaching impact, as well as providing unique opportunities for a limited number of excellent performers.

**48**

**LEAD Fellows**

Advising government decisions

**13,800**

**Exams graded**

by AADF’s CleanScore project

**2**

**Curricula Reforms**

Currently in process with the Government of Albania



# Highlighted Projects



## LEAD Albania

LEAD Albania is modeled after the White House Fellows Program. It aims to provide gifted young Albanian professionals with first-hand experience in the process of governing Albania. Fellows are assigned, each year, to the offices of Albania's policy makers within the most important public institutions of the country to serve in advisory roles.

The Fellowship experience is enriched by an educational component where Fellows participate in seminars on topics related to governing and leadership.

## ' CleanScore



CleanScore is designed to improve transparency and remove potential bias in university exam scoring by introducing automatized multiple-choice question models, thus enhancing trust and transparency in the higher education system.

CleanScore provides exam grades in a quick and transparent way while also saving teachers and universities valuable time and resources. The technology also provides quantitative data in a timely fashion, that helps to better analyze student performance.

## Junior Achievement of Albania



During the past five years, Junior Achievement of Albania has contributed to creating and developing better education standards and practices by delivering entrepreneurial know-how to students of all ages, from kindergarten through the end of high school, throughout the entire Albanian education system.

By designing new programs and successfully implementing them, involving private and public partners in many of the after-school activities, conducting teacher's training and sharing best practices, Junior Achievement has significantly contributed to increased education opportunities for students all over the country.



## MIP Master's and Internship Program

AADF's "Master's and Internship Program" was established in 2017 as a means to empower Albanian professionals, from public and private sectors, and provide them with the opportunity to study and work abroad at the top of their respective fields.

The program's goal is to contribute to the advancement of the Albanian society by investing in increased professional and educational capacities of professionals that will affect key decisions and processes in the country's future.

1

# Entrepreneurship

04

SECTION



# Entrepreneurship Program

The Entrepreneurship Program strives to build on AAEF's legacy and assist the growth and development of a free-market economy in Albania by investing in key areas and skills.

AADF helps and creates successful businesses and entrepreneurs as key ingredients for the successful and prosperous growth of a free private sector. The AADF creates Initiatives that lead to innovation, community development, cooperation, which in turn generate economic growth.

The goal of the program is to provide tools, resources and support to Albanian entrepreneurs to turn their ideas into ventures, maximize their impact and build businesses which will benefit their communities.

Over  
**56M**

\$

Generated additional spending in businesses affected by AADF projects

Over  
**50%**

Increase

in property value in areas where AADF has invested

**1**

Legal Reform

the Law on Business Improvement Districts (BIDs) & Tourism Improvement Districts (TIDs)



# Highlighted Projects

## TID Tirana

“Through its investment, AADF turned the New Bazaar in Tirana into ‘the new spot of the capital’ in which every person, visitor, business and entrepreneur feels like an owner.”

Martin Mata, AADF Co-CEO

**Tirana’s “New Bazaar” was awarded in London with the price “Best Renewal Project for 2018”, by the Emerging Europe Awards.** Its revitalization instantly turned this area into one of Tirana’s most vibrant, frequented places. It has become an iconic landmark of the AADF’s transformational power, generating overwhelming optimism and positive energy. It is the meeting point for small businesses, youth, international and domestic tourists and visitors of all ages.



## TID Vlorë

TID Vlorë is the 8<sup>th</sup> intervention in the list of AADF's projects in urban areas of prime cultural heritage and tourism importance.

The historical center of Vlorë, largely neglected and abandoned during the last decades, contains numerous buildings and sites with cultural and historical significance. The revitalization program will turn this area into a powerful small business community and make it one of Vlorë's touristic destinations and landmarks.



## TID Gjirokastra

The City of Gjirokastra is a UNESCO World Heritage Site and one of Albania's most important cities embedded with deep history, tradition and culture.

The "Qafa e Pazarit" area, the City's most important spot, worn out, forgotten and neglected, has experienced a deep structural

intervention, thanks to the AADF's revitalization project. In close partnership with local businesses, local government and Ministry of Culture, the project aims to improve and expand the range of services available to tourists and extend the touristic season to a year-long activity.



## Protik ICT Resource Centre

Protik marks the first intervention of AADF into the ICT sector. It provides assistance and support to tech start-ups, training and education opportunities to the ICT community, and introduces ideas and practices to young entrepreneurs in the high-tech sector.



Protik serves as a hub for local firms and entrepreneurs to present and discuss ideas and find collaboration opportunities. This project is a result of a partnership between AADF, USAID, the Albanian Government and the ICT Association in Albania.

## Crimson Finance Fund Albania (CFFA)



CFFA, a non-banking financial institution, was established through a joint partnership agreement between AADF, Crimson Capital (operating in the Balkan Region), Norfund (Norway) and the Tirana Municipality.

Major services and products provided from CFFA include factoring and financial leasing. CFFA has specialized in currently underdeveloped services to offer access to funding and capital to SMEs and startups which are capital constrained.



## Other BIDs and TIDs

BID Berat

BID Shkodra

BID Korça

TID Kruja

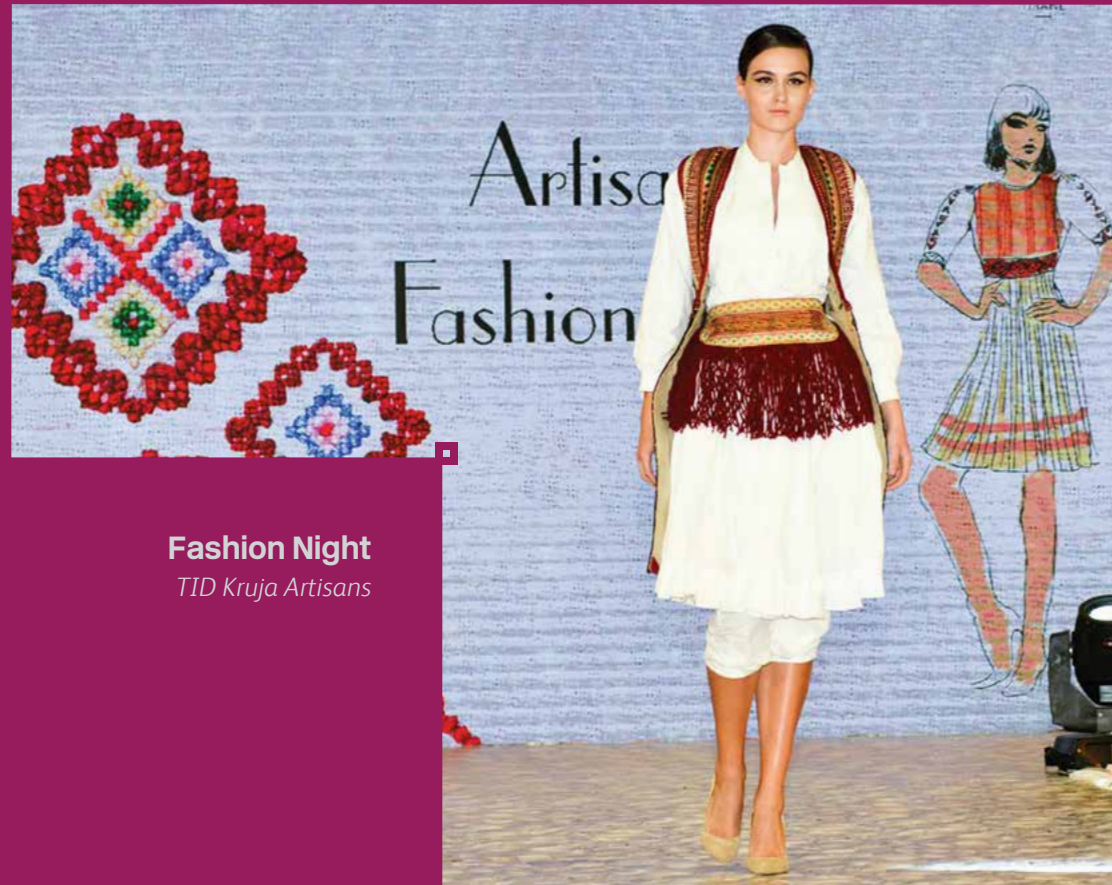
TID Korça

**TID Korça**  
*Korça Old  
Bazaar*





The AADF program of BIDs & TIDs has generated tremendous job growth, increase in asset value, visitor numbers and numbers of businesses. Moving forward, AADF is working towards establishing the financial viability of the local business associations which will continue to manage the areas in the long-run.



**Fashion Night**  
*TID Kruja Artisans*

**BID Berat**





# Cultural and Eco- Tourism



SECTION

05



# Cultural and Eco-Tourism Program

“Thanks to the cooperation with AADF, we have revolutionized and revived in the most amazing way some of Albania’s most important cultural sites. Thanks to their ever-enduring support, we are providing the country with one of the most contemporary cultural heritage laws in the whole region.”



Mirela Kumbaro  
Minister of Culture



AADF’s program on Cultural and Eco-tourism focuses on bringing to the public the rich cultural and natural heritage of Albania in a completely new, transparent way, making it more accessible, and helping surrounding communities develop and grow by utilizing these assets.

To achieve these objectives, AADF is using some of the world’s finest know-how and expertise from United States, United Kingdom and more.

1

New law

for cultural heritage and museums

8,500

Artifacts

identified for digital copying

117

Participants

in Restoration Camps



# Highlighted Projects



## Law on Cultural Heritage and Museums

The cultural heritage and museums legal reform has been a long-standing effort of AADF. The new Law approved by the Albanian Parliament on May 17th, 2018 marks the most important sustainable intervention in regulating the management, governance and development of the cultural sector in Albania since the change of systems 27 years ago.

It will provide for the sustainable, independent management of major cultural heritage sites and museums. This model, which has been successfully applied in some of the world's most renowned sites in the United States, United Kingdom, Israel and other countries, introduces some of the best museum and cultural site administration practices to Albania.



## Electronic Ticketing System



This project introduces electronic ticket systems in seven of the most visited heritage sites in Albania. The aim is to increase transparency and efficiency, boost revenues, improve work performance and enhance site experience and service for visitors.

By increasing transparency in collecting revenues from ticket sales and improving management capacities through the new cultural heritage law, AADF seeks to set new standards in the management of important heritage institutions.



## Expanding Access, Sharing Content: Empowering Museums Through Technology

**This project aims to enhance the value of museums by merging cultural heritage and technological innovations.**

Albania's most important historic artifacts are being digitized using the latest technology, to create digital 3D copies which can be shared on-site or online.

The digital copies will enable museums to increase access for visitors, enthusiasts and researchers.

This approach will provide museums with new opportunities for preservation and promotion.

Most important, it provides additional revenue streams that help museums become self-sustainable.

## Culture Corps



## “Marubi” National Museum of Photography



**Culture Corps is an initiative which aims to strengthen the cultural sector in Albania by training and empowering local cultural actors and professionals.**

Platforms such as Salzburg Global Seminar for Young Cultural Innovators Forum, where AADF has sent a selected group of participants for the last two years, and the development of cross-country Innovation Hubs, are the tools through which the project operates.

AADF's vision is to create a pool of talented cultural managers who will collaborate with each other, share knowledge and experiences, and drive change in the sector.

**The “Marubi” National Museum of Photography houses the archives of the first photographs ever captured in Albania by the Marubi family.**

Compared in importance with the French Lumière brothers, it is one of the most valuable national, cultural, historical and touristic institutions in Albania. The reconstruction of the museum by AADF created a unique space, equipped with the latest technology and standards in

preservation, security, exhibition and accessibility of photographic artifacts. Located in Shkodër, the museum's collection contains over 500,000 glass and film photo negatives dating back to 1858.



## Regional Restoration Camps

The goal is to create a pool of new restoration and preservation experts and provide them with networking opportunities with other experts in the region and beyond.

Regional Restoration Camps is a project that brings together students from Albania and neighboring countries. Camps introduce and train students in modern techniques and new approaches to understand, interpret and revitalize historic monuments and artifacts.

The Camps are conducted yearly at some of Albania's most important cultural heritage sites where students engage in real restoration work and practices.







## Prospective Plans for 2018

Our plans for 2018 and beyond are to further increase our presence and impact development in Albania through new and creative projects, increasing transparency, building partnerships and inspiring transformation.

### Drilon National Park

*Eco-Tourism Destination  
Albania*

The Cultural Heritage and Museums Law and BID & TID Law, expected to be approved during 2018, are two important interventions that will catalyze meaningful institutional change. A direct result of the cultural heritage legal reform will be a new management model for the Butrint National Park.

School Leadership Reform will be the main priority for education. It will aim at supporting the formation of a school leaders (principals) program that will serve across Albania's entire school system.

The revitalization of the Pyramid, an important architectural landmark in Tirana, and transforming it into an ICT center for youth, is fundamental to our vision for enhancing Digital Literacy in Albania and incentivizing youth entrepreneurship in the field.

A new tourism model, Eco Development Albania (EDA), will increase AADF's current portfolio of BID/TID destinations.



# Board and Management





## Board of Trustees



**AADF policy and vision are led and guided by a committed Board of Trustees.**

They provide world class leadership and guidance to management in their efforts to fulfill the mission and the objectives of the Foundation. It is due to their decades of interest and commitment that AADF has grown into a successful and effective organization.

Michael Granoff, the Chairman of the Board, and every other Trustee have been awarded some of the country's highest titles in recognition to their unique contribution to Albania's progress, their dedication and selflessness towards the country and its people.

**From left to right:**

*Ronald Cami; Jill Adler; Douglas G. Carlston; Michael D. Granoff; Domenick G. Scaglione; Dianne Blane; Cafo Boga.*



## Management and Staff



AADF is managed by two seasoned executives with decades of experience. Their transition from managing the AAEF to managing the Foundation has been both an incredible journey and a lifetime experience.

The story of AADF is all about people! Our team is comprised of a mix of young and seasoned professionals, whose goals and aspirations are to bring change, development and hope in their areas of expertise.

AADF seeks to hire the best and the brightest and uphold the highest standards of professionalism, integrity and transparency.

AADF empowers its staff to deliver measurable results towards the organization's objectives. Team effort is the recipe for its success.



# Real Stories

## LEAD Alumni



**Elfrida Bino**  
Adviser, Minister of Infrastructure and Energy

"This program gives you the opportunity to become part of positive changes for the future through commitment, increased professional and leadership capacities."

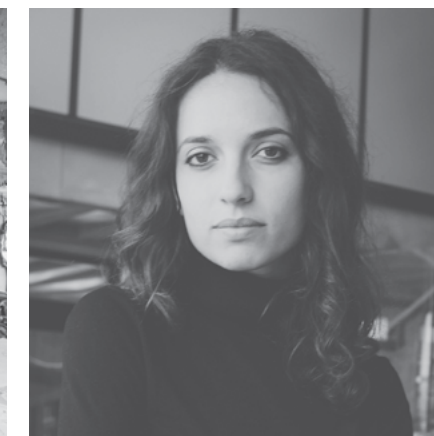
## TID Gjirakastra



**Anastas Petridhi**  
Woodcarver

"I have been working with wood for more than 20 years now and I have seen how the face of the Bazaar changed with the AADF support. Now it is the moment to support the forgotten ones, the artisans and their work. Hopefully TID Gjirakastra project will contribute further to the promotion and development of our art and bring it where it deserves to be."

## Salzburg YCI Fellow



**Bora Baboci**  
Architect, Salzburg Global Seminar Salzburg, Austria

"The experience at Salzburg Global Young Cultural Innovators Forum was a great one. The most precious part of the seminar was the contact and discussions we have between participants. I think that the interaction within the network during and after the seminar have been very influential and inspiring for our future professional development."



## MIP Master



### Orkidea Xhaferaj

**Graduate Student**, Hertie School of Governance, Berlin

“Studying at Hertie School of Governance in Berlin has proved to be an excellent experience that has provided me with high quality academics, combined with real world problem solving skills.”

## JA Albania



### Ledian Shera

**Entrepreneur**, Leader for a Day event, Tirana

“The greatest part of your success depends on your dispositions, not your circumstances. There’s only one solution, you must embrace failure; find what you’re capable; hard work and commitment are the best ways to actualize this potency.”

## MIP Intern



### Valbona Seranaj

**Architect**, The Eisen Group, Washington DC

“I strongly believe that the impact of this program is great. It provides you with extra capabilities and necessary skill to become a leader and effect future change.”

## TID Kruja



### Dëshire Maja

**Handloom**

“I have been waving kilims in handloom my entire life, but thanks to AADF projects I had the opportunity to learn the skills to create new products and contemporary designs.”

## TID Kruja



### Adi Guni

**Felt Worker**

“TID Kruja project and The Albanian American Development Foundation, helped me develop and proudly promote internationally, the craftsmanship inherited in four generations in my family. We must not forget our roots and value these handmade products, produced with passion, attention and highest efforts.”

## TID Gjirokastra



### Manjola Shehaj

**Bio/local food**

“The restored Old Bazaar, its completely refreshed face and the development perspective motivated me to open a business here. The AADF intervention is bringing a new hope in the city of stones.”

# Closing Remarks

As an initial Annual Report, this year's edition aimed to introduce the Foundation's progress since inception to this day. The report is an honest, professional effort to share with the public the main achievements and success stories and also the ever-going challenges in all the sectors in which the AADF operates.

We look forward to what is to come as the Foundation embarks on ever larger and more ambitious projects. Relying on our principles, professionalism and positive energy, we hope to be able to reach and influence an ever-growing number of people and change their lives for the better.

The hurdles to overcome are endless, but so is our determination and resolve to deal with them and provide long standing solutions.

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Albanian-American  
Development Foundation

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Foundation

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