



Albanian-American
Development Foundation

10th anniversary
edition

Annual Report 2018

SHKODER

KORCE

GJIROKASTER

VLORE

KRUJE

BERAT

ELBASAN

FIER

KUKES

DURRES

POGRADEC

SARANDE

LIBRAZH

DIBRA

TIRANA



Albanian-American
Development Foundation

Annual Report 2018

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Message from the Chairman

Michael Granoff

Chairman of the Board

“The AADF has become an important part of the relationship between the United States and Albania. We are now the largest non-profit organization in Albania. Our work on private sector development focusing on leadership, education, entrepreneurship and cultural and eco-tourism touches the entire geography of Albania and a majority of its population”



Welcome to the 2018 Annual Report of the Albanian-American Development Foundation (AADF). On behalf of the Board of Trustees, I want to thank all of our employees, program partners, co-investors and everyone who contributed to our efforts over the past year. 2018 was a year of significant progress for the Foundation. The AADF has become an important part of the relationship between the United States and Albania. We are now the largest non-profit organization in Albania. Our work on private sector development focusing on leadership, education, entrepreneurship and cultural and eco-tourism touches the entire geography of Albania and a majority of its population. Since inception, the AADF has committed over \$55 million to over 50 projects. Over \$85 million has been added by a range of program partners including national and municipal government. Many of our initiatives are multi-year projects which will further scale over time.

During 2018, the AADF approved a second multi-million-dollar investment in LEAD Albania (our version of the White House Fellows program), a groundbreaking new program to provide after school digital education to be housed in the famous Pyramid in central Tirana, and the expansion of our CleanScore program to further educational transparency, among other programs.

The Foundation inaugurated a new Tourist Improvement District in Gjirokastër and also began drafting the Butrint Integrated Management Plan.

Overall, our programs reach 100% of elementary, middle and high school students across Albania. Over 400,000 students have benefitted to date. Over 900 business have been assisted by our entrepreneurship programs and over 80% of all visitors to Albania’s cultural sites are served by AADF projects. The Foundation plays an important role in public policy and has uniquely assisted with the legislative drafting, passage and implementation of three national laws, Cultural Heritage and Museums, Pre-University Education System and a pending law on Business Improvement Districts.

All of this activity is against the backdrop of a challenging economic and political environment in Albania. Our job is not an easy one but it provides us an opportunity to make a positive difference to the people of Albania every day.

Message from Co-CEO's

“Through our projects and efforts, we have seen how ordinary citizens all over Albania, from different backgrounds, professions and walks of life, have been given opportunities where few thought they existed”



Martin Mata
CEO



Aleksander Sarapuli
CEO

It's been a significant year for all of us at AADF. We moved projects ahead, executed and learned, enjoyed and shared experiences and knowledge with each other, partners and friends. Above anything else, we worked to uphold the trust and the expectations of the people of Albania.

As we often say, for both of us, leading AADF is the highlight of our professional lives. We're blessed to work with the best team in the country, be guided by the most committed Board of Trustees and we are excited to embrace the opportunity to touch and improve the lives of so many people. Through our projects and efforts, we have seen how ordinary citizens all over Albania, from different backgrounds, professions and walks of life, have been given opportunities where few thought they existed.

2018 was an important year in the growth and consolidation of the Foundation. With more projects and more funds committed than ever before, we also know this is just the beginning. Each of us at AADF are proud, motivated and ready to take our efforts to the next level. As this annual report coincides with the 10th anniversary of the Foundation, our promise is that we will spare no effort to make the next decade ever more meaningful, more transformational and more memorable.

On a final note, our deepest appreciation and gratitude go to the talented, hardworking members of the AADF team. We are proud of their work, commitment and results. Their contagious enthusiasm and dedication make our job exciting and rewarding.

Section 01

10 years of AADF

Our story begins with the Albanian-American Enterprise Fund, a foreign assistance initiative of the U.S. government targeting the development of a strong private sector in post-communist Albania. AAEF's successful strategy spans a number of industries, generating over \$2 billion in GDP while employing over 7000 people. Over a quarter of a century, the AAEF became the de facto business school of Albania and introduced models, standards and an entrepreneurial spirit that will continue to serve Albania for many years to come.

While the Fund is close to completing its mission, its legacy lives on through the Albanian-American Development Foundation. Established in 2009, the Foundation continues the mission of the AAEF by focusing in four key sectors: leadership, education, entrepreneurship and cultural and eco-tourism.

The AADF's programs aspire to improve the physical and human capital in Albania, introduce new ideas and technology, and serve as a standard for transparency while remaining true to our entrepreneurial spirit. Our goal is to create sustainable growth by collaborating with domestic and international partners. The enthusiasm and work ethic that made AAEF a success story are now beginning to bear fruit with the Foundation.

Focusing on measurable objectives, long-lasting and sustainable change, and execution of complex projects, have made the AADF the partner of choice and has earned public trust and appreciation. At AADF we recognize that such status brings great responsibility, each of us is committed to help improve Albania and the life of its citizens.

Yet, this is only the beginning of our story.

The AADF’s upward trajectory during the first ten years is inspiring. The path onto the next ten years is bright and promising!



In our first decade, we studied and applied some of the world’s most advanced and innovative models, methods and technologies in our four focus areas. Our goal was to initiate scalable projects, proven to achieve long-lasting impact when properly executed.

The AADF’s programs have improved lives and brought hope to local communities throughout Albania. The seeds we planted during our first ten years have now become full-fledged, nation-wide programs helping to transform the country.

As we look into the future, our goal is to remain true to our roots and principles, sparing no efforts to grow and deliver.

“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.”

Michael Granoff
Chairman of the Board

“As Albania continues on its journey to full European integration, with all the strains and pressures that entails, I share the confidence of our Albanian colleagues at the AADF that Butrint will remain an unspoiled treasure for the enjoyment of many future generations”

Lord Rothschild



Butrint
UNESCO World Heritage Site

13

Section 02

Key figures

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Key Facts

The Foundation is establishing a brand of

- Transparency, integrity and execution
- Creativity, innovation and social commitment
- Long-lasting partnerships with government, local communities, public agencies and international donors

51 Projects in total

32 Active Projects

- Impact on a national scale affecting students, businesses, professionals, tourists and more
- Adapt successfully proven global models
- Revolutionize sectors through an innovative and sustainable approach

AADF Committed Value

OVER

55M

US\$

Additional Capital Committed by partners

OVER

95M

US\$

Overall Economic Impact

OVER

240M

US\$

Scorecard

Leadership Development

Providing talented young professionals the opportunity to study, work with and influence decision makers and public policy at the highest level

65%

Masters & Internship

100%

of LEAD Albania Fellows, modeled after the White House Fellows, are now in top management positions

opportunities at elite universities, companies, and public agencies in the U.S.

of school principals to be trained and certified through the School Leadership project

Education for Sustainable Development

Introducing new models and curricula, while improving trust and transparency in the education system

100%

of the students in the pre-university system benefit from new entrepreneurial and IT programs introduced through Junior Achievement Albania and ICT Curricula

National Examination Center

25%

Will provide new, up-to-date services for pre-university exams, from test banks to grading

of university exams are electronically graded, and growing to 80% over the next 3 years through the CleanScore project

Scorecard

Entrepreneurship Eight of Albania's most important historic centers have been transformed and revitalized following the Business Improvement District (BID) model

Support for Cultural and Eco Tourism Transforming Albania's main cultural heritage sites into financially self-sustainable institutions to serve as engines of local development and growth



Butrint Archeological Park

A new management model for Albania's most important UNESCO heritage site

Digitizing Albania's vast collection of cultural and historic artifacts

80% of visitors in cultural heritage sites served through new E-Ticketing platforms, minimizing corruption and improving oversight

Eco-Tourism New revitalization concept will be applied in areas of natural beauty

21

Section 03

A

Year in review

New Projects

22

“The Center for School Leadership that we are creating thanks to AADF’s assistance will provide not only the best, up-to-date, models in the world for education and school leadership, but on the other hand it will be an added quality assurance because it will enable the training and certification of all school principals and vice-principals”

Lindita Nikolla

Minister of Education
2013 - 2018

Center for School Leadership

The Center for School Leadership is one of AADF’s most ambitious undertakings in the area of education. In partnership with the Rothschild Foundation - funded Avney Rosha education institute based in Israel and the Albanian Ministry of Education, AADF is establishing an education program that will train and certify school principals based on successful proven curricula.

The Center will guarantee that only professionals who have undergone the training and acquired the right certification will be eligible to become school principals.



Center for School Leadership

Project launch ceremony



Continuous Professional Development

will be provided to certified principals after completing the training program

100% of school principals and vice principals across the pre-university education system to be trained and certified by the new Center for School Leadership

Butrint Integrated Management Plan

AADF's most enduring effort in cultural heritage management began with the approval of the new cultural heritage law by the Albanian Parliament in April 2018. This crucial law has facilitated the creation of a new management structure which will enable Butrint, the crown jewel of Albania's heritage, to become the first independently managed cultural site in Albania.

AADF is working closely with a team of international experts to draft management and business plans that will serve the site for years to come. The team is led by Prince + Pierce, a British consultancy firm operating in the field of cultural heritage, which has vast experience in managing and running some of Britain's most important historical and cultural heritage sites.

“Thanks to the AADF's work at Butrint, the site has now a management plan and business plan. This is important because tourism is growing phenomenally and cultural heritage assets, which attract visitors, have to be protected and have to be managed like any bank account”

Richard Hodges

British archaeologist,
President of the American
University of Rome



SCAN ME

210,000
visitors in 2018

Over 20%
of the total visitors in cultural
heritage sites

Butrint

A 3000-year-old
UNESCO World
Heritage Site

“AADF is a real pleasure to work with: a results-oriented, highly creative operation with a level of efficiency rarely seen in the sector. The way they facilitated our entry into Albania was a prime example of effective development work”

Pegor Papazian

Head of TUMO
Center for Creative
Technologies

TUMO TIRANA The Pyramid



TUMO Albania, an after-school digital learning center for children aged 12-18, will mark a major AADF effort in ICT. At TUMO Albania, teens will be given tools and know-how to reach their maximum potential. Following its worldwide success, TUMO will be hosted in the Pyramid. This iconic landmark of Tirana will undergo a makeover by international renowned architectural firm MVRDV. AADF is partnering with the Government of Albania and the Municipality of Tirana to deliver this challenging project.

2500 per month
TUMO Tirana's student
capacity

**The TUMO
Portofolio of
training courses
will include:**

3D Modelling
Animation
Drawing
Filmmaking
Graphic Design
Motion Graphics
Music
New Media
Photography
Programming
Robotics



SCAN ME



The Pyramid
redevelopment
render by MVRDV

“Through LEAD Albania dozens of talented young professionals have become part of the central and local government following a rigorous competitive selection process. Their talent, abilities and contributions are valuable additions to our public institutions”

Edi Rama
Prime Minister

LEAD ALBANIA

LEAD Albania, inspired by the White House Fellowship program, is one of AADF’s first projects and continues to be one of its most successful. Fifty-eight fellows have served as advisors to key policy-makers, bringing new ideas and vision while assisting their host institutions.

A majority of the fellows have been retained in key positions beyond their fellowship period, with their expertise and skills deemed a valued addition to host institutions. Due to LEAD’s popularity and the increasing need for qualified staff to serve in Albania’s public institutions, the AADF’s Board of Trustees approved a five-year extension in July 2018.

58
current or previous
Fellows have served as
advisors, with 50 more
expected to join in the
next five years

65%
of current fellows in top
management positions in
private or public sector



CLEAN SCORE

“ University of Durrës "Aleksandër Moisiu" appreciates the cooperation with the Albanian-American Development Foundation (AADF) on the CleanScore project as important for meeting the ambitious goals and further development of higher education institutions in our country. As the second largest university in the Albania, we think that AADF is an important partner for further strengthening of staff capacities, but also for the improvement of teaching capabilities and technological infrastructure”

Prof. Dr. Kseanela Sotirofski

Rector,
"Aleksandër Moisiu" University of Durrës



SCAN ME

CleanScore's electronic grading has improved transparency and increased trust and quality in the testing process. It has reduced the number of complaints, and saved valuable time for professors.

AADF is taking CleanScore nation-wide. The objective for the next three years is to introduce the grading system across all universities in Albania.

New textbooks and an e-book platform will be made available for students and professors. They will introduce the most advanced knowledge and technology in their fields.

40,000 exams
graded across the country

85%
Target of students nationwide
to be affected by the
CleanScore expansion

Section 03

B

Year in review

Key Milestones

Master and Internship Program (MIP)

“Through the Professional Internship program, the Albanian-American Development Foundation is making a high-impact investment designed to further the careers of selected interns, enhance the results of their Albanian employers, and develop a national network committed to creating economic and professional opportunity for AADF alumni and their colleagues”

Laura Lyons
Director,
Exchange Foundations CIEE, USA

This fellowship equips young professionals with technical expertise, leadership abilities, and acquaintance with U.S values – skills which they will make the best use of upon returning to Albania.

Individuals with graduate degrees and established professional careers are offered a six-month internship while working in U.S. based companies, institutes, or public agencies. Young professionals on the other hand, are provided with scholarships to complete a master’s degree at elite U.S universities.

To deliver this project, AADF has partnered with CIEE and American Councils for International Education. Both U.S. based organizations have a long and successful experience in the field of international education.



19 Professional fellowships have been completed or are currently in process

10 fellows -selected as part of the first student cohort during 2018. They will begin their studies in Fall 2019

TID Gjirokastra



TID/BID sites have become Albania’s most recognizable tourist destinations. During 2018, TID Gjirokastra was added to the portfolio. Located in one of the country’s most picturesque cities and a UNESCO World Heritage Site, AADF’s intervention revitalized the city’s most important historic neighborhood. The World Bank partnered with AADF in providing financing for infrastructure related works on site.

The increase in visitor numbers and new businesses make TID Gjirokastra the next success story of this portfolio. In the next four years, AADF will provide a number of business support services to ensure the site’s long-run sustainability.



SCAN ME

50%
increase in private property value after the intervention

130%
increase in visitor numbers in the area after the intervention

OVER \$3.7 M
in further private investment in the area as a result of AADF's intervention

TID Gjirokastra

Electronic Ticketing Systems in Cultural Heritage Sites

39

Building on a successful first phase, an online ticketing system is currently being set-up. It will further facilitate pre-booking and check-in process, while making the sites more appealing to foreign visitors.

Apollonia
Archaeological
Park



The project's initial intervention installed electronic ticketing and observation systems in Albania's ten most important cultural and historical heritage sites. The goal was to improve transparency, facilitate the check-in process for visitors, and ultimately increase site revenues. A year after the installation was complete, the initial objectives have been met and surpassed, resulting in a substantial increase of revenue and visitor numbers.

- Ten sites currently served by electronic ticketing
- Berat Castle
 - Gjirokastra Castle
 - Shkodra Castle
 - National Historical Museum
 - Marubi Museum of Photography
 - Skenderbeg Museum in Kruja
 - Ethnographic Museum Kruja
 - Onufri Museum Berat
 - Butrint National Park
 - Apollonia Archaeological Park

44%
increase in official visitor numbers after the installation of electronic ticket counters



40

30%
increase in revenue after the installation of electronic ticket counters

Section 03

C

Year in review

Upcoming Projects



SCAN ME

National Examination Center

The project's ultimate vision is to introduce international standards in assessment that will guarantee and improve transparency, integrity, time processing and costs. The Center for Educational Services (CES) will be the sole authorized institution to conduct assessment for all National High-Stake Exams and Regulated Professions Licensure Examinations. AADF is working with Cambridge Assessment International Education, a worldwide leader in the field, to improve and update the center's current capabilities.

In the future, relying on its data warehouse, CES will provide statistical insight and drive policy changes in the education sector. A new legal framework for CES is envisaged. It will ensure that the center operates as a self-sufficient and autonomous institution.

TID Vlora

TID Vlora will become the latest addition to the TID-BID portfolio. Following ongoing transformational works, the project is restoring and revitalizing a historical, centrally located, yet neglected area of Vlora – one of Albania's most important summer tourist destinations.



Works are ongoing to improve and renovate the area's historic buildings. By adding another attraction besides the city's waterfront, the project aims to increase tourism related activities and revenues across the entire city of Vlora.

The project is a collaboration of AADF with the Government of Albania and the Vlora Municipality.

AADF's infrastructure intervention includes restoration works in two main areas, totaling 68 buildings. The underground works and the road infrastructure will be financed by public agencies.

As in other sites, AADF is providing support and know-how for the businesses' association.

ECO-TOURISM DESTINATION ALBANIA

Drilon, Tushemisht

“Tourism is not against everyday life. Drilon Park will be an innovative space experience, a prototype as a model for the future. I congratulate AADF for undertaking such a project and I am happy to work with them in delivering such an exceptional project with particular importance in the improvement of tourism in Southeastern Albania”

João Ferreira Nunes

Director,
PROAP Landscape Architecture

Eco-Destination Albania (EDA) marks the evolution of AADF's interventions from urban destinations to areas of outstanding natural beauty.

Inspired by a worldwide trend, EDA is the first attempt to build a modern ecotourism model in the country. Located on the waterfront of Lake Ohrid, recently added to the UNESCO World Heritage Sites, EDA will provide a number of attractions while preserving and enhancing the surrounding natural habitat. AADF has partnered with international landscape architecture firm PROAP to create a unique, world-class and first-of-its-kind site.



Section 03

D

Year in review

Maturing Projects

DEVELOP ICT IN PRE-HIGHER EDUCATION

Nationwide Online Learning Platform
to support teachers and provide students with continuously updated learning materials

New ICT Curricula
prepared and delived for K4, K5, K9 and K12 levels to be used across all schools in Albania

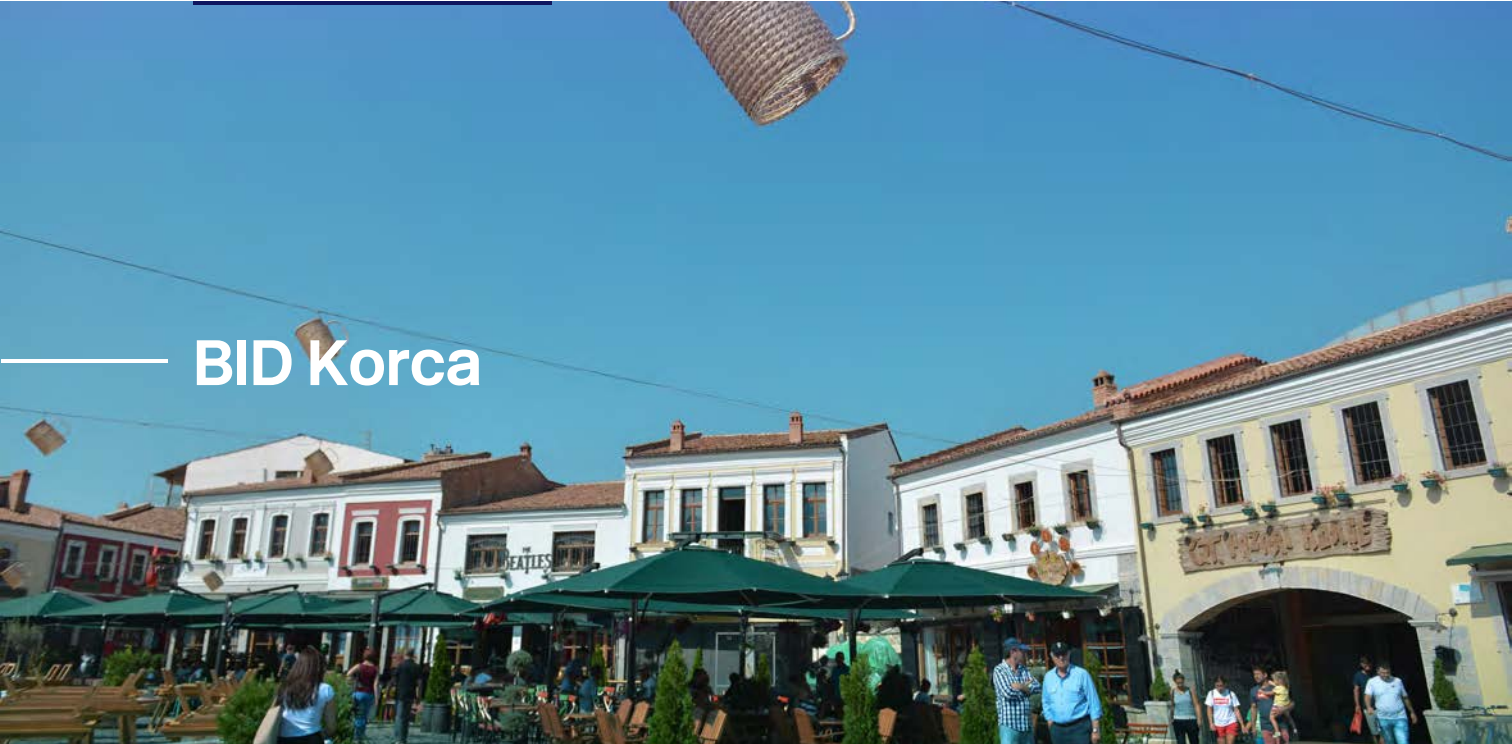
240
newly trained ICT teachers nationwide

Developing the ICT sector in Albania is not possible without a substantial reform of currently outdated pre-university curricula. AADF teamed with a number of renowned international experts to assist these reforms.

Such efforts consisted in developing new curricula, providing a model for continuous professional development for ICT teachers, and establishing a Teacher's Learning Platform (TLP) - an online tool enriched with digital content and resources.

The reformed curricula have now been approved, new text books have been introduced to schools nationwide, and the TLP is fully functional, with full access for newly trained ICT teachers.





BID Korca

An international successfully proven model, BID-TID was executed by AADF for the first time in Shkodra and Korça. These sites were dramatically transformed, leading to growth in visitor numbers, job opportunities, and became immediate tourist attractions. As a next step, local businesses' associations were set up and tasked with the management of these areas. AADF provided support and know-how through grants and training schemes for start-ups and existing businesses.

66 %

increase in private property value after the intervention

85 %

increase in visitor numbers in the after the intervention

\$10 M

Additional public and private investment following AADF's intervention



BID Shkodra

Their success led the Foundation to apply the model in six further urban and historical sites. The local business communities have taken over the independent management of the sites based on the BID model. AADF's catalytic intervention will now continue on an advisory and monitoring level.

63 %

increase in private property value after the intervention

122 %

increase in visitor numbers in the after the intervention

\$9 M

Additional public and private investment following AADF's intervention

Section 04

People

- Board and Management
- Staff
- Thank you note

Board
and Management



**Michael
Granoff**
Chairman
of the Board



**Jill
Adler**
Trustee



**Dianne
Blane**
Trustee



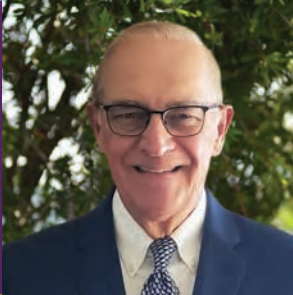
**Cafo
Boga**
Trustee



**Ronald
Cami**
Trustee



**Douglas
G. Carlston**
Trustee



**Steve
Eastham**
Trustee



**Elisabeta
Gjoni**
Trustee



**Aida
Repishti**
Trustee



**Martin
Mata**
Co-CEO



**Aleksander
Sarapuli**
Co-CEO

Staff



2018 was a year full of challenges, some foreseen and some unexpected. At AADF we never spared an effort to address them, provide solutions and get goals accomplished. None of this would be possible without the continuous support and cooperation of our partners. From the U.S. government agencies, USAID, to the Albanian government and mayors, to the international financial agencies and institutions, to the Albanian business associations, companies, communities, partners and friends, 2018 provided to each of us a rare opportunity to reach and impact every corner of Albania. We are grateful and take great pride in the trust and relationships we have built with each of you. Together we can become the catalytic power of change and transformation that Albania so much needs!

THANK YOU!

Glossary of Terms

- AADF** - Albanian-American Development Foundation
- AAEF** - Albanian-American Enterprise Fund
- BID** - Business Improvement District
- CIEE** - The Council on International Educational Exchange
- ICT** - Information and communications technology
- MIP** - Master and Internship Program
- TID** - Tourism Improvement District

The AADF is a legacy organization of the Albanian-American Enterprise Fund, a non-political, not-for-profit US corporation established pursuant to the Support for East European Democracy Act of the US Congress, 1989



ALBANIAN - AMERICAN
ENTERPRISE FUND



USAID
FROM THE AMERICAN PEOPLE

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SHKODRA KORCA GJIROKASTRA VLORA KRUJA BERATI ELBASANI FIERI KUKESI DURRESI POGRADECI SARANDA LIBRAZHDI DIBRA **TIRANA**