

FINAL REPORT

USAID Support for Commercialization, Training and Utility Advisor for Albania

Submitted To

**Energy and Infrastructure Division
Bureau for Europe and Eurasia
U.S. Agency for International Development
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and
USAID Mission, Tirana, Albania**

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I. BACKGROUND

Power sector reform at the national level is considered a vitally important issue to the Government of Albania. It is also widely accepted that this reform should be achieved through the introduction of market mechanisms, modern operating practices, and sound infrastructure financing and management. The strengthening of institutions, through improved legislative and regulatory frameworks, is considered imperative. Restructuring of the energy sector, including the eventual privatization of some assets, is vital.

Over the last decade, load growth has increased, but generation and transmission capacities have not experienced similar growth. Unfortunately, many industry problems remain uncorrected. Examples of these problems include congestion of the transmission grid and obsolescence of local distribution systems. Effective electricity production capacity is well below the installed capacity due to a number of physical, technical, and administrative problems. Development of a sound investment program within a regional framework based on cooperation amongst the countries in the region and EU Member States is the best proposed approach.

Currently, the total installed power generating capacity in Albania is 1,659 MW, comprising 1,446 MW of hydropower and 213 MW of thermal power capacity. More than 85% of this power is generated from three hydropower plants on the Drin River Cascade. There are also some 83 small hydropower plants. Only about 35% of Albania's hydropower potential has been exploited, to date. The hydropower generation by the Albanian Electricity Corporation (KESH) was 5,300 GWh in 1998, 5,000 in 1999, 4,593 in 2000, and only 3547 GWh in 2001. Meanwhile, KESH's thermal power generation was only 144 GWh in 2000, 137 GWh in 2001, and 106.71 GWh in 2002.

Domestic hydropower generation depends upon hydrology and is expected to vary significantly from year to year. Increased use of thermal power generation is, therefore, desirable to reduce dependence on hydropower. Government has made the decision to build a thermal power plant of about 100 MW in Vlora.

Demand for power has been increasing by around 10% per year during the last decade, to 6,160 GWh (450 GWh of load shedding included) in 2000. This growth in demand is largely due to a surge in consumption by households and small businesses. In 2001, demand for power grew only by 2.3% to 6,300 GWh, of which 900 GWh was load shedding. Electricity demand for the year 2002 was 6600 GWh from which 1100 was load shedding. The mix of total supply of 5502 GWh included: hydro 3162 GWh, thermo 106.71 GWh, small hydro 6.94 GWh and import 2226.52 GWh).

The power system has been under-invested since the 1980's. Lack of adequate investment in maintenance, upgrading, and rehabilitation of generation facilities, as well as transmission and distribution networks, has put the entire system in difficulties, where grid congestions, explosions in transformers, and load shedding have been consistent problems for the past several years, especially in the winter time.

During the year 2000, power transmission and distribution losses accounted for 43.4% of electricity supplied to the grid. Of this amount, about 19% were "non-technical losses", and collections were made at a rate of 61.5% of billing. During 2001 power transmission and distribution losses fell to 38% of electricity supplied to the grid, of which about 14 percentage points were "non-technical losses". Bill collection improved to 84.5% (including payments of arrears relating to previous years' bills) in 2001. Bill collection for the year 2002 increased to 91.3%.

An electricity market does not exist in Albania. Soon the Government has to decide on the appropriate market structure, and by the end of 2005 the Albanian national electricity market is to be part of Southeast Europe Regional Electricity Market.

The sector is still highly vertically integrated under KESH management and government ownership. KESH is the national utility under state ownership and is a joint-stock company. Only few small privatized hydropower plants are producing private power and selling it to KESH. The GOA is privatizing all the 83 small hydropower plants. Together they account for around 1% of power generated during winter periods.

A Regulatory Law was enacted in 1995, and in mid-1996 the Electricity Regulatory Authority (ERE) was established. In August 1995, Parliament approved the Electricity Law, which provided for unbundling and possible privatization of the power sector, as well as the involvement of independent power producers. Two new draft laws were developed last year and are expected to basically replace the above laws soon. The new electricity law was recently approved by the Parliament.

Recently, KESH was reorganized into three departments along functional lines; Generation, Transmission, and Distribution. These separate departments are being maintained as part of KESH, with further measures planned to establish commercial relationships among them. The separation of accounts for generation, transmission, and distribution businesses is under way. Furthermore, KESH has consolidated its distribution branches from 39 into 9 branches. A further consolidation of distribution entities is foreseen. A special study is planned, which will conclude on the appropriate number of distribution companies in Albania. A similar study will be conducted that will guide the

process of introducing competition in the generation sector by splitting generation into more than one company.

Since September 2000, KESH has been provided with management assistance from ENEL, which is an Italian public power utility. ENEL has contributed in several areas, such as reorganization, establishment of computerized billing, loss reduction, and tariff reform.

Problems related to Albania's energy sector are structural, institutional, and technological. In addition, there is an imbalance between the steadily growing demand for power and the lack of growth in generation capacity, slow increase in transmission capacity, and the non-existent power market.

II. PERFORMANCE AND COMPLIANCE WITH CONTRACT No. LAG-I-98-00010-00, Task Order No. 4

II.1 Performance and Compliance with Contractual Obligations

Annex I includes the Scope of Work as included under the “USAID Support for Commercialization, Training, and Resident utility Advisor for Albania”, a USAID-funded energy sector capacity building project, under Contract No. LAG-I-98-00010-00, Task Order No. 4. The project’s overall objective was to build institutional and human capacity and develop skill sets needed to operate a modern utility. Three required areas guided CORE's overall assistance to KESH and the Ministry of Industry and Energy. These include: (i) Human Resource Development and Training, (ii) Analyses, Evaluations and Advice on Energy Issues, and (iii) Technical Assistance to KESH General Director.

Strategic advisory services and institutional capacity building assistance have been provided to KESH, the national electric utility in Albania and the Ministry of Industry and Energy (MI&E) in a number of areas, related to overall power sector reform. These areas include (i) power sector policy statement development and implementation, (ii) utility management, restructuring and unbundling, national energy strategy development, and capacity building in the fields of human resource management, utility reform and restructuring, and private sector participation issues.

Under this project CORE International, Inc. and Pierce Atwood (PA), a parallel USAID partner addressing power sector regulatory issues in Albania, jointly developed a Power Sector Policy Statement for the Government of Albania (GOA) and submitted it for discussions in February 2002. In March 2002, the Government of Albania agreed to implement the provisions of this Policy Statement and it was incorporated as a conditionality for continued IDA and other donor support to Albania. The Prime Minister issued an order in March 2002 to the newly created Ministry of Industry and Energy to begin the process of implementing the Power Sector Policy Statement (PSPS) and requested the Minister of Industry and Energy to submit an Action Plan for policy implementation, including specific activities and milestones to be achieved by KESH, MI&E, and ERE. CORE worked with the MI&E to develop and present a detailed Consolidated Action Plan for PSPS Implementation and the Prime Minister endorsed that Plan in July 2002. The next step in this process was to develop three detailed individual Action Plans one each for the Ministry, KESH and ERE, including description of activities, delineation of responsibilities, timelines and schedules, reporting structure and format. CORE worked with the Ministry and KESH (PA worked with the ERE) and these plans were developed and adopted by each institution and the Task Force chaired by the Minister at MI&E. These plans serve as the guiding documents in KESH, MI&E, and ERE for PSPS implementation.

The Government, under the leadership of the Ministry of Industry and Energy, began the process of policy implementation on July 1, 2002. The first step in this process was to establish a Secretariat within the Ministry to coordinate the policy implementation process. The Ministry has established a Secretariat for this purpose and KESH, with some delay, has now also completed the process of the institutional setup for policy implementation. Based on a request by the Ministry and KESH, USAID provided continued support to these two organizations through CORE's Task Order No.4. The focus of this assistance was in providing formal and on-the-job training and capacity building to both secretariats within the Ministry and KESH. Similar support was provided by PA to ERE under their contract with USAID.

In September 2002 CORE finalized and submitted a comprehensive Capacity Building and Training Needs Assessment extending until the year 2007, which is consistent with the planned timeframe for the Policy Statement implementation. The Capacity Building and Training Needs Assessment includes the priorities in training and capacity building needs for KESH and MI&E for the first year of PSPS implementation. A substantial part of these needs was covered by CORE International, Inc. during the period of August 2002 through July 2003.

On 15 November 2002, MI&E, on behalf of GOA, signed the Athens Memorandum, the primary objective of which is the creation of the South East Europe integrated regional electricity market. Shortly after signing the Athens MOU, the Minister of Industry and Energy requested CORE International to advise MI&E on the effort that would likely be required to meet the Transmission System Operator implementation requirement of the Athens Memorandum and whether or not this could be accomplished as scheduled. This resulted in the preparation of a preliminary "road map" for KESH restructuring that was presented to the MI&E for review. Based on MI&E feedback on the preliminary KESH restructuring "road map" and further input related to implementing the Athens Memorandum, a Roundtable on proposed reform steps was convened in Tirana on 15 January. The Roundtable focused on the decisions, planning, and implementation activities and resources that would be required to accomplish KESH restructuring to create a Transmission Systems Operator.

In more detail, CORE's specific activities have included the following:

A. Human Resource Development and Training

In meetings with USAID, both the new Minister of the Ministry of Industry and Energy and the KESH General Director have identified a lack of capable personnel and human resource development as a major impediment to the Government's efforts to reform and improve utility operations. They have requested continued US assistance in training and developing middle management personnel in financial management and providing a senior utility

executive, as an advisor to the KESH General Director for in-depth analyses and technical and general advice in supporting the policy implementation process and KESH reform and restructuring. Being responsive to the needs of Albania energy sector institutions, and in agreement with USAID, CORE International has designed and completed the following activities:

1. A Roundtable on Basic Aspects of Human Resources Management in Government Ministries and Power Utilities (March, 2003)
2. A more comprehensive five-day Training Course on Human Resources Management (June-July, 2003), targeting specific issues and problems resulting from the overall energy sector reform, and the restructuring and unbundling of KESH.

B. Technical Support to KESH General Director on the Restructuring and Unbundling of KESH

In coordination with USAID requirements and the needs of Albanian counterparts, CORE has focused on major issues, such as institutional capacity building, and advising on developing and implementing long-term corporate strategies, related to KESH's multi-year reform objectives. Under this task, CORE has designed and executed a four-day Training Course on Albania Power Sector Reform (October, 2002). Additionally, assistance has been provided throughout the process of restructuring and unbundling KESH with the following Roundtables:

1. Role of KESH in the Policy Statement and the National Energy Strategy Development (August, 2002)
2. Power Sector Policy Statement Implementation Process (September, 2002)
3. KESH Executive Management Issues, (October, 2002), (v) IPPs Issues and Contracting (November, 2002)
4. Proposed Reform Steps to be Implemented in the Aftermath of Athens MOU (January, 2003)

CORE has also provided half-day briefings and continuous based-on-need advisory support to the Albanian stakeholders and donor agencies, as well as on-the-job training and overseas site visits for Albanian experts in order to promote the process of energy sector reform.

C. Analysis, Evaluations and Advisory Services

In accordance with USAID requirements and Albania energy sector needs, CORE has provided focused analysis and evaluations on critical areas, such as restructuring and unbundling Albanian national energy utility, national energy strategy development, implementation of the Power Sector Policy Statement, analysis on policy and general approaches to private sector participation in the energy sector. CORE's value-added analysis reports cover a wide range of topics related to power sector reform, such as Institutional and Organizational Arrangements for Policy Implementation, KESH Investment and Privatization, Energy Issues and Options in Albania, and KESH Restructuring and Unbundling. CORE has provided a comprehensive consolidated Action Plan for Power Sector Policy Statement Implementation and the coordination of Individual Action Plans for the MI&E and KESH for Energy Policy Implementation in Albania. For more immediate results a proposal for the short-term restructuring of General Directorate of Power (GDE) at MI&E was developed. A first draft of a "road map" to be followed for the restructuring and unbundling of KESH was designed for step-by-step implementation by KESH. Additionally, CORE proposed Reform Steps to be implemented in the aftermath of the Athens Memorandum Roundtable, and designed an initial draft of the Athens' Memorandum Action Plan and Implementation Schedule.

Exhibit I provides a comparative documentation of the activities required under the Task order and the actual activities completed by CORE International.

**EXHIBIT I: DOCUMENTATION OF ACTIVITIES COMPLETED BY CORE AS COMPARED TO
ACTIVITIES REQUIRED UNDER THE TASK ORDER**

Task	Specific Deliverable Required	Item Delivered	Date of Delivery	Status
1. Mobilization, Project Design, Work Plan and Management	(1) One-year work plan for USAID approval within 30 days of signing the TO	(1) a) Draft Work Plan – Year 1 (Oct. 1, 2001 – Sept. 30, 2002)* b) Revised Work Plan (Oct. 1, 2001 – March 31, 2003)*	11/11/2001 6/25/2002	Completed Completed
	(2) Mobilization within 15 days of work plan approval	(2) Completed as required		Completed
	(1) Up to 3 half day briefings for KESH management, in-country stakeholders, media reps and key donor agencies on KESH Corporate Strategy	(1) a) Half day briefing for Albanian stakeholders, media reps and donor agencies* b) Half day briefing for Albanian stakeholders, media reps and donor agencies* c) Half day briefing for Albanian stakeholders, media reps and donor agencies*	12/2001 11/2002 7/2003	Completed Completed Completed
2. Training, Executive Seminars, and Improved Human Resources Capacity	(2) Up to 3 in-country training programs	(2) a) Capacity Building and Training Needs Assessment b) Training Courses* ▪ Albania Power Sector Reform ▪ Human Resources Management c) Based on needs in Albania and with approval of USAID the following Roundtables have been designed and implemented: ▪ Role of KESH in the Policy Statement and the National Energy Strategy Development	August 2002 10/1-4/2002 6/30-7/4/2003 8/28/2002 9/2/2002	Completed Completed Completed Completed Completed

Task	Specific Deliverable Required	Item Delivered	Date of Delivery	Status
	(3) 2 overseas site visits for KESH personnel (implementation by October, 2002)	<ul style="list-style-type: none"> • Power Sector Policy Statement Implementation Process ▪ KESH Executive Management Issues ▪ IPPS Issues and Contracting ▪ Proposed Reform Steps to be Implemented in the Aftermath of Athens MOU ▪ Basic Aspects of Human Resources Management in Government Ministries and Power Utilities <p>(3)</p> <p>a) Organization of a one-week training on LEAP (Long-Range Alternatives Planning System) for a group of six Albanian experts, at Tellus Institute, Boston*</p> <p>b) Participation of two Albanian experts in a SEETEC workshop on Electricity Markets in Bucharest, June 2003*</p>	<p>10/5/2002 11/6/2002</p> <p>1/12/2003</p> <p>3/24/2003</p> <p>October 2002</p> <p>June 2003</p>	<p>Completed Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p>
3. Analysis, Evaluations and Advice	Up to 3 reports on analysis and evaluations of specific KESH restructuring and commercialization topics	<p>a) Institutional and Organizational Arrangements for Policy Implementation*</p> <p>b) KESH Investment and Privatization*</p> <p>c) Energy Issues and Options in Albania*</p> <p>d) KESH Restructuring and Unbundling*</p> <p>e) Proposal for the short-term restructuring of General Directorate of Power (GDE) at MI&E</p> <p>f) Power Sector Policy Statement Implementation Monitoring System</p>	<p>January 2002 February 2002 December 2001 January 2002</p> <p>October 2002</p> <p>February 2003</p>	<p>Completed Completed Completed Completed</p> <p>Completed</p> <p>Completed</p>
4. Advisor on Corporate Strategy		<p>a) Consolidated Action Plan, Energy Policy Implementation Albania</p> <p>b) Individual Action Plans for the MI&E and KESH, Energy Policy Implementation in Albania</p> <p>c) Issues and Questions for KESH – Related to Scheduled Implementation of the Government</p>	<p>June 2002</p> <p>July 2002</p>	<p>Completed</p> <p>Completed</p>

Task	Specific Deliverable Required	Item Delivered	Date of Delivery	Status
		of Albania (GOA) Power Sector Policy d) Issues and Questions for MI&E – Related to Scheduled Implementation of the Government of Albania (GOA) Power Sector Policy g) A first draft of a roadmap to be followed for the restructuring and unbundling of KESH h) Proposed Reform Steps to be Implemented in the Aftermath of The Athens Memorandum Roundtable i) Athens' Memorandum Action Plan Preparation - Implementation Schedule Development And Required Resources Estimate (<i>Initial Draft</i>)	August 2002 August 2002 October 2002 January 2003 February 2003	Completed Completed Completed Completed Completed
5. Coordination, Tracking and Reporting	(1) Monthly, quarterly progress reports on project status (2) Mid-term report after 6 months of signing the TO (3) Final report at the end of Task Order No.4	(1) Completed as required* (2) Completed as required (delivered in the form of the revised work plan)* (3) Completed as required*	Continued -- --	Completed Completed Completed

* Contractual requirement

A comprehensive list of all deliverables completed and submitted by CORE International, Inc. under the Task Order under Contract No LAG-I-98-00010-00 is provided below:

II.2 Complete List of Major Deliverables for “USAID Support for Commercialization, Training, and Resident Utility Advisor for Albania”

A. Reports on analysis and evaluations of specific KESH restructuring and commercialization topics - Topical Papers

1. Institutional and Organizational Arrangements for Policy Implementation
2. KESH Investment and Privatization
3. Energy Issues and Options in Albania
4. KESH Restructuring and Unbundling

B. Capacity Building Activities

- a. Capacity Building and Training Needs Assessment
- b. In-Country Training Programs – Courses
 1. Albania Power Sector Reform
 - Participant Evaluation Survey Report
 2. Human Resources Management
 - Participant Evaluation Survey Report
 - Activity Completion Report
- c. In-Country Capacity Building Activities - Roundtables
 1. Role of KESH in the Policy Statement and the National Energy Strategy Development
 2. Power Sector Policy Statement Implementation Process
 3. KESH Executive Management Issues
 4. IPPs Issues and Contracting
 5. Proposed Reform Steps to be Implemented in the Aftermath of Athens MOU
 6. Basic Aspects of Human Resources Management in Government Ministries and Power Utilities
- d. Continued on-the-job training for both secretariats at KESH and MI&E

C. Action Plans, Institutional Set-Up and Reorganization Proposals, Unbundling and Restructuring – Working Documents

1. A consolidated Action Plan for Power Sector Policy Statement (PSPS) Implementation
2. Two Individual Action Plans for Power Sector Policy Statement Implementation – one for KESH and one for MI&E
3. Summary of Resource Requirement for Power Sector Reform Implementation
4. Various (yearly and quarterly) Action Plans for the Task Force Secretariat in charge of PSPS implementation coordination and monitoring, as well as the first quarterly progress monitoring report for the Task Force
5. Detailed outline of National Energy Strategy
6. Initial Comments and Recommendations on Proposed National Energy Strategy Objectives and Strategy Report Outline
7. Paper on a proposal for the short-term restructuring of General Directorate of Power (GDE) at MI&E
8. Issues and Questions for KESH – Related to Scheduled Implementation of the Government of Albania (GOA) Power Sector Policy (focused on capacity building issues)
9. Issues and Questions for MI&E – Related to Scheduled Implementation of the Government of Albania (GOA) Power Sector Policy (focused on capacity building issues)
10. A first draft of a roadmap to be followed for the restructuring and unbundling of KESH
11. A proposal to the KESH General Director's Office on "KESH's main responsibilities under Power Sector Policy Statement of GOA – Immediate steps and a proposed structure to be set up"
12. Drafts of main responsibilities and functions of the two task forces to be established – one on Albanian real estate ownership, another on water rights
13. Proposed Reform Steps to be Implemented in the Aftermath of The Athens Memorandum Roundtable
14. Athens' Memorandum Action Plan Preparation -- Implementation Schedule Development And Required Resources Estimate (*Initial Draft*)
15. Power Sector Policy Statement Implementation Monitoring System – *System design Document*

D. Overseas site visits

1. Organization of a one-week training on LEAP (Long-Range Alternatives Planning System) for a group of six Albanian experts, at Tellus Institute, Boston
2. Participation of two Albanian experts in a SEETEC workshop on Electricity Markets in Bucharest, June 2003

E. Briefings for KESH management and in-country stakeholders

1. Three half-day briefings for Albanian stakeholders, media reps and donor agencies

III. SPECIFICS OF WORK IN ALBANIA UNDER Task Order No. 4

Under the USAID Albania Task Order, CORE International has encountered an array of issues related to power sector reform, ranging from technical and restructuring problems, economic and financial issues, deficiencies in human resources management, and capacity building issues. Additionally, there was a dire need for mechanisms to implement the power sector reform and Power Sector Policy Statement, issued by the Government of Albania.

In response to the needs of KESH and other Albanian energy institutions, and in accordance with USAID contract requirements, the nature of CORE's assistance to KESH and MI&E has been action-oriented. Activities, technical support, and advisory services delivered by CORE represent issues of utmost priority within the Scope of Work of the Albania Task Order and the Training and Capacity Building Needs Assessment. Throughout the duration of the contract, CORE has followed the dynamics of the power sector reform, and responsively addressed the change in the needs of the Albanian energy utility KESH, typical of those faced by an institution undergoing the process of restructuring and unbundling.

In response to the developing and changing needs of KESH, CORE has provided topical advisory and evaluation support in the areas of Energy Issues and Options in Albania, Institutional and Organizational Arrangements for Policy Implementation, KESH Investment and Privatization, as well as Restructuring and Unbundling. CORE's function as advisor on corporate strategy has resulted in developing a "roadmap" to be followed for the restructuring and unbundling of KESH, in consideration of the needs of KESH as reflected in Issues and Questions for KESH – related to scheduled implementation of the Government of Albania Power Sector Policy.

IV. CONCLUSIONS AND RECOMMENDATIONS

Based on the feedback from KESH, the Ministry of Industry and Energy (MI&E), and the Electricity Regulatory Entity (ERE); and the extended nature and timeframe for the Albanian power sector reform, CORE recommends continued assistance by the USAID to the Albanian power sector institutions. Further analysis and technical support should be provided to KESH for the process of unbundling and privatization, for implementation of the GOA Power Sector Policy Statement, and for the establishment of the electricity market within the framework of the Regional Energy Market (REM). For maximum benefits, follow-on support and on-the-job training should also be continued in various areas of Human Resource Management.

Albanian power sector has made advancements, but, in order to keep the present pace of progress, continued assistance is needed in addressing power sector policy, reform, and market issues from the diverse aspects of power utilities, government agencies, and regulatory institutions, as well as the consumer.

Based on the Albanian power sector needs and CORE's in-country experience, focus of further assistance should be devoted primarily in the following areas:

1. Power Sector Restructuring and Unbundling
2. Utility Management
3. Electricity Market Design and Development
4. Implementation of HRM Best Practices
5. Best Practices for Private Sector Participation in the Power Sector
6. Power Sector Policy Statement Implementation Monitoring
7. Policy and Program Issues

Exhibit II presents recommended mid-term areas of assistance to KESH and MI&E.

In June 2002, at the request of USAID, CORE International prepared and submitted a Revised Work Plan to align our work more closely to the needs of KESH and the Ministry of Industry and Energy. Annex II includes this Revised Work Plan.

EXHIBIT II: RECOMMENDED MID-TERM AREAS OF ASSISTANCE TO KESH AND THE MINISTRY OF INDUSTRY AND ENERGY

Area	Contents	Type of Activity *
<p>1. Restructuring and Unbundling</p> <p>2. Implementation of HRM Best Practices</p> <p>3. Utility Management</p>	<ul style="list-style-type: none"> • Institutional restructuring issues and options • Unbundling of transmission from generation at KESH hydro and thermal operations • Rationale for disco consolidation, approaches, methodologies, and options • Role and Responsibility of TRANSCO • Address KESH professional and organizational development, within the context of improving human resource management (HRM) • Develop policies and procedures on HRM as needed • Address issues such as staffing, salary administration, and staff motivation and development and performance incentives • Build capacities for improving HRM process at KESH • Cost of Service for KESH • Relations with Regulatory Commission • Tariff design and presentations for regulatory approval • Investment evaluations and analyses for regulatory 	<ol style="list-style-type: none"> 1. Advisory Service 2. On-the-Job Training 3. Workshop 4. Roundtable 5. Training Course 6. Analysis & Working Paper 7. Assessment & Evaluation 8. Policy Development 9. Manual 10. Exchange Visits

Area	Contents	Type of Activity *
<p>4. Policy and Program Issues</p>	<p>approval</p> <ul style="list-style-type: none"> • Forecasting electricity demand • Utility finance and budgeting • Customer service and relations <ul style="list-style-type: none"> • Public Awareness Campaign • Subsidies and low-income assistance programs • Demand Side Management and Energy Conservation policy and program • Renewable Energy Program • Integrated Resource Planning • Energy Demand and Forecasting 	
<p>5. Wholesale Market Development</p>	<ul style="list-style-type: none"> • Electricity Market design and operations, market contract instruments, market management etc. • Albania and regional electricity market (REM) • Wholesale power market design, issues and considerations from utility perspective 	
<p>6. Enabling Environment for Private Sector Participation</p>	<ul style="list-style-type: none"> • Enabling environment for the attraction of small private power generation • Promotion of Investment in Energy Sector • Power sales contracts (PPAs) 	

Area	Contents	Type of Activity *
<p>7. Power Sector Policy Statement Implementation Monitoring</p>	<ul style="list-style-type: none"> • Develop a guidance for attracting IPPs • Risk allocations and guarantees • Private power generation procurement and solicitation issues. Concessions • Small hydropower plants solicitation • Project financing of private power generation • Power sector investment evaluation and analysis • Provide advice and assist both secretariats for PSPS implementation at KESH and MI&E • Assist both secretariats in improving and enhancing the PSPS Implementation monitoring system 	

* The listed types of activities show potential means for delivering the assistance. Specific type(s) of activities for each area of work need to be agreed upon with the Albanian counterparts and USAID.