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E-LEARNING FOR IMPROVING ACCESS TO INFORMATION SOCIETY FOR SMES IN THE SEE AREA

Work Package 6:

ICT TRAINING STRATEGIES

Action 6.1:

National-level ICT training strategy reports

Deliverable 1.:

Provision of information from existing national reports and policy documents (stakeholder analysis) as well as recommendations on policies and guidelines on national SME initiatives and the digital economy.

Description

The creation of 4 National Level Training Strategy Reports will be based on:

- the e-Europe 2005 recommendations
- Best practices in Europe as selected by DG Enterprise, eBSN, e-business watch etc.
- the existing national initiatives concerning SMEs and digital economy and recommendations thereof
- local business mentality
- local structure of business organizations and representatives

Activity breakdown

- identification of local structure of business organizations, representatives and existing national initiatives concerning SMEs and digital economy,
- recommendations on policies and guidelines

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Editor:	Bruno Woeran		
Contributors:	Walter Mauritsch		

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Part 1:

IDENTIFICATION SHEET

Part 1: IDENTIFICATION SHEET

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Author(s)	Albanian Business and Investment Agency
JTS Project Officer	Gavril Lasku
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Part 2:

EXECUTIVE SUMMARY

Part 2: EXECUTIVE SUMMARY

This report represents the ICT strategy and training in Albania. We must emphasise that, Information and Communication Technologies have known a significant progress in Albania so far, although more work need to be done. The country has clear objectives and strategies in relation with ICT national training and development. The ICT regulatory framework is under the whole reformulation process in close collaboration with European experts. We could say that ELISA project has been a success story for Albania. More and more small and medium businesses are becoming aware of ICT usage and benefits. Several companies have started to use and apply e-learning tools for their staff. Several more companies have started to think seriously of putting ICT in their primary activities. We can argue that the efficiency of our businesses is improved due to a wider use of ICT. The stakeholders of Elisa project were as follows:

- Albanian Business and Investment Agency (ALBINVEST)
- Institute of Informatics and Applied Mathematics
- Ministry of Telecommunications
- Albanian Chambers of Commerce and Industry (Tirana, Gjirokastra, Durresi, Vlora, etj)
- Small and Medium Enterprises Operating in Albania.

Each of these stakeholders has done a considerable job regarding the implementation of the project. ALBINVEST and Chambers of Commerce have played a bigger role in this project as they had to be the liaisons and facilitators of SMEs in term of national training and expertise provision.

In conclusion It can be asserted that Information and Communication Technologies have just started to have a bigger attention from the business community and Albanian government as well. However there is still to be done in terms of ICT infrastructure development and ICT SME usage promotion. Without a modern ICT infrastructure the business community will find itself behind their regional competitors and will not be ready to fully cooperate regionally or internationally

Big enterprises have started to adopt e-learning training tools for their staff and there is a good sign that this will increase in the near term. The majority part of small and medium business

fully understands the benefits of ICT usage but they lack the proper funding and facilities to apply ICT in their premises.

The *E-Albania* campaign that includes the most important activities and services in the country such as, e-health, e-government, e-schools, e-business, e-commerce, e-tax, e-procurement ect should be more reactive and should involve more small and medium enterprises in terms of seminars, workshops, conferences and trainings.

The government should understand that it needs to motivate more students to enrol and graduate in ICT courses. These will be good for the economy itself as it will increase SMEs skills and capacities to cope with the European and global business technological requirements.



Part 3:

National-level ICT training strategy report for

ALBANIA

Part 3: National-level

ICT training strategy report

3.1. INTRODUCTION

The Republic of Albania sees information, communication and technology (ICT) development as an essential tool in building an information society, which in turn is fundamental to the rapid development of Albania and the region. The report recognises that Albania lags behind other European countries, and despite several initiatives, has a lot of catching up to do. The national ICT strategy contributes to reducing the digital divide, the development gap between economically poorer and richer countries and particularly between Southeast Europe and the European Union. The report emphasises that the strategy must aim to develop the information society both in stimulating competitiveness and applying ICT for business.

Human capital is seen to be the major resource of the information society, and, according to this report, ICT applied in a socially inclusive way has the power to provide new opportunities for everyone, including the economically poor and disadvantaged. ICT is to be used in all sectors of life: business, transport, tourism, agriculture, environment, leisure, culture and responding to humanitarian and environmental crises. The report suggests that the information society has the potential to render the economy more competitive, more efficient and productive.

3.2. BACKGROUND

Most businesses in Albania are small and medium enterprises. The total number of businesses registered in Albania is about 75,000 until October 2007. Around 98.7% are private businesses and 1.3% are public enterprises. Micro businesses comprise about 95% of the total number of business operating in Albania. Small enterprises are just below 4 % of the total and medium and large comprise 0.8 and 0.2 % respectively. Around 75% of Albanian GDP turnover comes from SME sector. The business community is aware of adopting the Information and Communication solutions for their own use but it still lacks behind its European partners.

Penetration of ICT, telecommunications and especially of Internet is growing but mainly in major urban areas. Outside these areas, the access is poor, of low quality and of high prices not affordable from population. Liberalization and privatization of telecommunications is expected to have considerable impact in promotion of Internet usage. It is expected that adding a third mobile operator may decrease respective prices, while for fixed telephony services the impact of liberalization is disputable as result of de-facto monopoly of the actual incumbent operator. An important aspect is lack of formalized information systems and data processing methodologies in management, which creates difficulties for SMEs in preparation of business planning and management. Another important factor is limited number of trained technical people both in ICT and accounting/auditing services. As result, the web presence of

companies is either missing or of low quality. Due to infrastructure and electrical energy problems, many content providers prefer using servers outside Albania, and this is another obstacle for business use of Internet within the country. Public administration, especially in central institutions, intensively uses computers, but this usage is mainly individual, without institutional integration. Institutional applications are missing in the majority of institutions that would make more efficient the work of administration and would pave the way for e-government applications. Almost all ministries, for example, have built institutional web sites but only few of them have dynamic content automatically reflecting their institutional activities (in most cases site updates are done manually). Education is considered as fundamental for society. However, critical problems related with the infrastructure and educational materials have negative impact on quality of teaching. Poverty of a part of population makes education of children a luxury. Government, aided by different donors, is rebuilding and re-equipping many schools but its impact on real education is questionable. Full curricula for basic elements of computer use are introduced in high schools, but teaching is problematic due to lack of computers and of trained teachers. The academic staffs in general (both in teaching and research) work in difficult conditions, somehow unmotivated and neglected.

Deployment of ICT applications in Albania is increasing continuously, following trends characteristic for overall development of the country. There is strong commitment from donors and certain government circles to promote ICT applications, particularly with development and approval of the National Strategy for ICT Development. Problems related with implementation of this strategy are similar with problems the country is facing in all sectors. Their solution depends in willingness for progress of people, especially young generations; as well as the political will of country's leading circles.

3.3. EXISTING POLICY MEASURES AND DOCUMENTS ON SME INITIATIVES AND THE DIGITAL ECONOMY

Policy Objectives

The overall goal of the policy is to construct a strategy, policy and implementation plan to exploit the potential of ICT in Albania. It is believed that ICT will help support growth, sustainable development, and increase living standards, create employment, improve working conditions and motivate educated individuals to stay in the country. The strategy is based on principles of promoting human resources, equal access for everyone and a transparent and coherent policy aimed at the needs of all users, including government, business and citizens.

The ICT Strategy has to take into account several constraints, which are related to the general situation in the country. These include:

- Albania has good human capacities for ICT, but there is to a certain degree a lack of experience in using human resources for effective deployment of ICT, which has to be built up during the realisation of the Strategy;
- High social disparity in the country, with a relatively high illiteracy of the population 7% (1997 est.) and lack of knowledge of the English language;
- Lack of financial means of a considerable part of population to acquire access to ICT;
- The economic and political stability, which has to be guaranteed by the government as the general frame; and
- Irregular provision of electrical energy.

The formulation of the ICT Strategy for Albania coincides with, and should assist its transition into, the existence of a fully democratic society and market economy and the start of the process of accession to the European Union.

Strategies

Below are specific strategies outlined by this policy document to achieve the ICT objectives for different groups in the country:

- Government is seen as promoter, legislator and user of ICT. Institutional structure, policy definition and introduction of e-government services are seen as tools for the government to ensure the development of democratic structures and participatory ICT policy processes.

- Use of ICT for education, research, health and social services aims to accelerate the use of ICT for the direct benefit of citizens whilst building human capacity within the rural and urban areas.
- Building infrastructure for an open information society should make ICT accessible to all citizens and businesses, taking into account gender, age and other special needs of intended user groups.
- Generating economic growth in the private sector should assist in the development of new activities, products and services leading to more employment and industry competitiveness.
- An international ICT strategy will ensure continued and strengthened cooperation on a supra-national level which is particularly important for Albania's accession to the European Union.

Other Laws that have impact in deployment of ICT include:

Law no. 8044 dated 7-12-1995, "On competition," defines that no association or operator in a free market can have more than 40% of the market of its activity sector. The law on telecommunications, however, defines that an operator cannot get more than 25% of the telecommunications market, excluding public organizations as Altelecom SA.

Law no. 7971 dated 26-7-1995, "On public procurement", has been implemented by the Government's approval of two decisions (and the guideline no. 1, dated on 01.01.1996 "On the rules of public procurement"). One drawback of this law is that the law gives priority to the lowest price. Further, the limited number of providers may limit the competition for high quality offers. New rules were applied in 2003 that concentrated tendering procedures of all public sectors to specific ministries. These rules created a big drawback with realization of ICT investments in public sector, and favored big suppliers. The Government also considers implementation of an E-procurement system that will allow for electronic bidding by vendors; however, this Project has been delayed due to the funding constraints on the side of international donors.

Economic and financial rules for importing ICT include:

Customs duty for personal computers and other ICT is 5% except cases when they are personal effects, school equipment, and humanitarian aid or imported for assembly and re-export.

Value added tax of 20% is applied for goods and services sold by businesses in Albania which have an annual turnover of more than 8 million Lek (approximately \$73,000 in 2003).

Application of these taxes is obligatory when equipment passes through customs, even in cases of donations when VAT must be paid and reimbursed at the end of the year. A positive element is that No VAT applies to the user fees paid for network connection time in Internet cafés.

The Law considers depreciation of ICT systems at rate of 25% per year.

During 2002-2003, the Government of Albania, with assistance of UNDP and Open Society Foundation developed a national ICT strategy, together with an eReadiness report, a road map and a set of indicators. In beginning of 2003 the Strategy was officially approved by government with Decision No. 216 dated 10-4-2003. In the cabinet of the Minister of State, a sector of ICT policy has been established, to follow the implementation of the national ICT strategy. At the end of 2004, due to government changes, activities of this sector were paralyzed. Currently, there is no high-level focal point for the issues of ICT policy in the

Government of Albania, and most of routine tasks and activities related to the eSEE agenda are implemented by the Ministry of Transport and Telecommunications.

STAKEHOLDER ANALYSIS

ELISA project has been actively operating in Albania since 2 years so far. With reference to the project stakeholders we can state them as follows:

- Albania Business and Investment Agency (ALBINVEST)
- Chambers of Commerce in Albania (Tirana, Gjirokastra, Vlora, Durrësi, Shkodra etj)
- Institute of Informatics and Applied Mathematics (INIMA)
- Ministry of Telecommunications
- Different Small and Medium Enterprises in Albania.

The specific role of Alb-Invest consisted in:

- Identification of target groups through its network.
- Coordination of activities regarding information, training and awareness raising.
- Dissemination of outputs in Albania.
- Follow up with the implementation of strategies and replication of project.
- Promotion of new partnerships between business communities and relevant research institutions.
- Contribution to the organization of the High-level Workshop with Policy Makers in Albania

The specific role of the Institute of Informatics and Applied Mathematics consisted in the:

- Cooperation for the creation of national-level IT training policy measures.
- Provision of the infrastructure for the creation of the learning platform and the training material
- Provision of the infrastructure for the SME training process.
- Provision of a number of tutors (3 each) to be trained
- Participation of the actions such as current situation analysis, dissemination, evaluation for Albania.

The role of Ministry of Telecommunications is to:

- Provide technical expertise in terms of ICT law formulation for SMEs.
- Help the business community to develop and maintain a decent ICT infrastructure through its investment agencies.

The role of Chambers of Commerce will consist on:

- Assisting small and medium enterprises in their efforts to adopt ICT tools in their business operations and activities.

- Coordinating ICT training workshops and conferences between business community and training providers.

3.3.1. Stakeholder Analysis Matrix

No	Stakeholder Category & Basic Characteristics	Interests and How Affected by ELISA	Capacity and Motivation to Bring About Change	Possible Actions to Address Stakeholders Interests
	MINISTRY OF TELECOMMUNICATIONS	<ul style="list-style-type: none"> Develop policies and interventions for SMEs The regional/national ICT training Strategies & Operational reports delivered by ELISA fall into their area of jurisdiction 	<ul style="list-style-type: none"> Political Influence Decision-making power Financial resources Limited current motivation to change due to no or inflexible Funds available (difficulties in changing the content of already approved plans) 	<ul style="list-style-type: none"> Raise their awareness through seminars, public consultations, articles and publications, bilateral meetings etc. Mobilize SMEs unions and other business organizations and representatives to influence them
1.	ALBANIAN BUSINESS AND INVESTMENT AGENCY	In collaboration with the Ministry and other actors it develops right strategies and training framework for e-business Albania.	<p>Decision Making influence and power.</p> <p>Financial resources used to apply ICT training and workshops</p>	<ul style="list-style-type: none"> Raise their awareness through seminars, public consultations, articles and publications, bilateral meetings etc.
1.	CHAMBERS OF COMMERCE	Help to design policies and interventions for SMEs in the field of ICT usage.	<p>Decision making power and political influence</p> <p>Financial recourses limited</p>	Mobilize SMEs unions and other business organizations and representatives to influence them
2.	INSTITUTE OF APPLIED MATHEMATICS	Develop right strategic papers regarding the ICT use and benefits for SMEs etc	Know-how provision for SMEs and other actors	Organise seminars and workshops to reach the training objectives.

3.4. POLICY RECOMMENDATIONS & GUIDELINES

3.4.1. Development of initiatives for the digital economy and e-business in ALBANIA

There are several important initiatives being developed in Albania for improving the new economy and e-business environment. One stop shop initiative was finalised in its opening in September the 10th, 2007. Now, new businesses can register and perform all their administrative duties within one-day and even electronically. E-procurement initiative is under the process of becoming fully active and is regarded as a very efficient tool for the business vendors and the government itself. There is a new bill being drafted regarding the electronic signature. With reference to the e-banking initiatives, Albania still lacks behind its neighbouring countries. There are several banks that apply their e-banking tools and solutions for their customers. For instance, the American Bank of Albania and Credins Bank are becoming very active in providing e-services for their customers. Customers can access their accounts through the internet and even through their mobile phones. They can pay their utilities online using the banks' e-payment service. Other banks are willing to implement this service and have started to procure the necessary hardware. Other initiatives on e-business, trade portals, electronic and mobile marketing, e-trade etc are being developed and the specific bills and laws will be formulated and approved from the government in the coming months.

3.4.2. SME ICT training in Albania

Small and medium enterprises are considering that knowledge management should be the pillar of their ongoing business activities. Information and Communication Technologies development are becoming the most necessary tools in terms of knowledge management for the companies. There are a small number of training programs focused at small and medium enterprises ICT know-how and development currently operating in Albania. These training workshops and programs are focused mostly on basic hardware and software usage for micro and small companies. The staff usually get trained on the use of Office software, basic internet software etc. However, there is a lot more to be done on the training of more advanced ICT technologies for Albanian companies. As we firmly believe that our small and medium enterprises should be fully prepare and updated for the latest technological ICT developments and innovations. The Government of Albania is preparing to undertake some special ICT training activities in collaboration with businesses, CISCO Academy and Microsoft Training Centre. These special training courses are programmed to last from 2009-2010 and their aim is to equip and train the local SME-s with the full technical knowledge needed.

3.5. SWOT ANALYSIS

3.5.1. Strengths

1. The awareness campaign on ICT use and benefits has been a great success for the project and it has helped the Albanian businesses to understand the process.
2. Several companies have used ELISA to increase their know-how capacities and improve their knowledge management.
3. The project is well supported and well funded from its donors.
4. There is a strong commitment from the majority of the stakeholders to make this project a success story.
5. The importance of internet usage for the business activities is seen as mandatory for the majority of SMEs and big companies.

3.5.2. Weaknesses

1. There is not a very up to date ICT law and regulatory framework that supports different SME-s on such kind of initiatives.
2. There are some logistic problems refereeing the delivery of the information package materials to the small and medium companies especially in the northern part of Albania.
3. ICT training is seen as a luxury business activity and is not widely used among the majority part of SME-s community.
4. ICT country infrastructure is not very modern and lacks behind the neighbouring countries.
5. There is a considerable digital divide between cities in Albania. For instance, the ICT access is more common in the middle and southern part of Albania, whereas the northern part still is faced with technical problems.

3.5.3. Opportunities

1. The regulatory framework on information and communication technologies can be further improved and adopted in accordance with SME-s needs and requirements.
2. More ICT training, workshops and seminars can be organized to further improve and develop the SME-s skills and capacities.
3. New technological innovations on ICTs can help small and medium enterprises to ease the ICT use for their staff and employees.
4. The Government initiative and campaign that is based on *Electronic Albania* will increase the ICT awareness and will boost the end-users applications in the next 3-5 years.

5. Big companies have fully understood the ICT usage benefits and they are leaders of applying the technology in their business operations. This is a good sign that small and medium companies will soon follow in their steps and actions.
6. The continuous price decrease on ICT hardware and software is seen as great help and opportunity for companies to equip their premises and employees with the necessary tools

3.5.4. Threats

4. ICT infrastructure should be immediately improved otherwise it will be the biggest obstacle in developing and improving SMEs performance and efficiency.
5. The lack of detailed ICT curricula in university and higher vocational institutions linked with business education will decrease the efficiency of the companies in the near future.
6. The small number of ICT graduates in Albania is seen as a big problem for the future of the companies whose main business activities and operations will depend heavily on the extensive of the Information and Communication Technologies.

6.1. CONCLUSION

It can be asserted that Information and Communication Technologies have just started to have a bigger attention from the business community and Albanian government as well. However there is still to be done in terms of ICT infrastructure development and ICT SME usage promotion. Without a modern ICT infrastructure the business community will find itself behind their regional competitors and will not be ready to fully cooperate regionally or internationally. Big enterprises have started to adopt e-learning training tools for their staff and there is a good sign that this will increase in the near term. The majority part of small and medium business fully understands the benefits of ICT usage but they lack the proper funding and facilities to apply ICT in their premises.

The *E-Albania* campaign that includes the most important activities and services in the country such as, e-health, e-government, e-schools, e-business, e-commerce, e-tax, e-procurement ect should be more reactive and should involve more small and medium enterprises in terms of seminars, workshops, conferences and trainings.

The regulatory framework for Information and Communication Technologies is not very updated in accordance with the European Union standards but however much work is under process. The government should understand that it needs to motivate more students to enrol and graduate in ICT courses. These will be good for the economy itself as it will increase SMEs skills and capacities to cope with the European and global business technological requirements.