



ALBANIAN-AMERICAN ENTERPRISE FUND

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PRESS RELEASE

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Statement of Michael D. Granoff
Chairman of the Board
The Albanian-American Enterprise Fund (AAEF)

Thank you for coming. I will make a short statement and then take your questions. My name is Michael Granoff and I am the chair of the Albanian-American Enterprise Fund (AAEF). I am joined by Board Members of the AAEF: Dianne Blane, Cafo Boga, Doug Carlston, and Jim Duffy. I am also joined by Jeff Griffin, CEO of the Fund.

Establishment of the Albanian-American Development Foundation

Today I am very pleased to announce that the AAEF has received approval from the US Government through the Agency of International Development and the Department of State to create a new non-profit foundation for Albania, the Albanian American Development Foundation (AADF). This new foundation may become the largest non-profit institution in Albania with a beginning endowment of well over \$100 million. The new Foundation will use the earnings on its endowment to promote private sector development through programs which will support (a) education for sustainable development; (b) entrepreneurship; (c) leadership development; and (d) support for cultural tourism and eco-tourism. We believe that the single greatest need in Albania is education in its broadest sense. There is a need for education and training at virtually every level throughout Albania, from teaching basic economic concepts in secondary schools to training senior level company managers. This will be the lens through which the Foundation will set its initial course. We intend to build the activities of the new Foundation slowly and carefully as we did with the Fund. Our Foundation can make an important contribution to the development of Albania and we want to make sure we do it right. Our sole interest is in bettering the lives of Albanians. Our goal is to become the Gates Foundation for Albania.

The endowment for this Foundation is the result of the success of the AAEF over the past 14 years in investing profitably and transparently in private sector development in Albania. Future increases in the endowment of the Foundation will come as current Fund investments are realized. Over the past 14 years, the AAEF has made a major contribution to the Albanian economy, its legal structures, financial institutions and society at large. The value of our Fund has increased from the original \$30 million grant from the US Government to over

\$100 million. The AAEF is one of the most successful enterprise funds. We have received strong and consistent support from the governments of the United States and Albania and have worked in a nonpolitical way with every government. Every government and every party has realized that the Fund works to improve the lives of all Albanians and that has made our job easier.

The Fund has stimulated free markets and entrepreneurial activity by making debt and equity investments of more than \$100 million in small and medium sized enterprises. We have persevered through good times and bad. Much credit goes to the outstanding team of people who have worked for the Fund in Tirana and New York for many years, and to a dedicated Board of Directors who work without pay to make the Fund a success. The companies we have invested in have contributed over \$1 billion to the GDP of Albania and created over 5000 jobs. AAEF investments have included the American Bank of Albania, Mother Teresa International Airport, the insurance company Sigal and the biometric identity document company A/eat among many others. Companies that we have started or invested in have provided models for professional management, transparency and good governance. The Fund has implemented Western style personnel policies and benefits including tuition reimbursement programs, medical coverage, and stock option plans.

Despite its considerable accomplishments since 1992, Albania's transition to a society of legal justice, civic participation, widespread economic prosperity and democracy remains a work in progress. Many economic and social challenges are acknowledged but unresolved, while others are unaddressed. Nearly all are underfunded, in part due to a lack of resources both public and private, and in part because private philanthropy is not yet well developed.

With the support and encouragement of the President, Congress, the State Department, and USAID, the AAEF's Board of Directors is creating the Albanian-American Development Foundation to help address these concerns. The Foundation will be an enduring legacy and symbol of U.S. support for an important ally. In essence it is a partnership of the people of the United States with the people of Albania. Now is a time of great challenge and opportunity. We are ready to work together to build on the promise of Albania.