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USAID KOSOVO PRIVATE ENTERPRISE PROGRAM

FINAL REPORT

Implemented by: Booz Allen Hamilton

Contract No. EEM-I-07-00007-00

Task Order No. 2

Covering the period from September 22, 2008 through February 21, 2013

USAID Kosovo Office of Economic Growth

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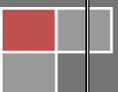


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EXECUTIVE SUMMARY

BACKGROUND

The United States Agency for International Development (USAID) Mission in Kosovo awarded the Kosovo Private Enterprise Program (KPEP) to Booz Allen Hamilton and its consortium of implementing partners under a SEGIR GBTI II Task Order on September 15, 2008, for a Period of Performance of September 22, 2008 to September 21, 2012.

During the course of the past year, the Task Order was modified two times – once to extend the end date until December 21, 2012 (countersigned June 18, 2012) and the second time to extend the end date until February 21, 2013 (countersigned December 20, 2012).

At award, the original ceiling price was \$17,837,249. The final ceiling price, after multiple modifications in U.S. Dollars and in Euro currency, is \$20,311,008 plus €1,250,000. Consortium partners at award were Land O’ Lakes Inc., CHF International, DevTech Systems Inc., International Fertilizer Development Center, and JE Austin Associates Inc. In the first two years of the program, the contractor relied heavily on U.S.-based partners and technical assistance. In the final two years of the program, the contractor used little-to-none U.S.-based Level of Effort and instead subcontracted or engaged technical assistance locally in Kosovo.

KPEP IN THE USAID FRAMEWORK

In the context of the USAID Kosovo Strategic Plan 2010-2014, KPEP was the centerpiece of Assistance Objective 2: Increasing Private Sector-Led Economic Growth. KPEP fell into Intermediate Result 2.1: Private Sector Growth and Investment is Increased, and more specifically into IR 2.1.2: Targeted Sectors More Competitive in Domestic and International Markets.

PURPOSE OF THE PROGRAM, GOAL, AND OBJECTIVES

The goal of KPEP was “to stimulate private sector competitiveness of Kosovo’s economy.”

KPEP focused on four sub-objectives: 1) private sector support in targeted sectors with potential for growth and competitiveness (pre-identified and required sectors were agriculture and construction); 2) strengthened business support services (BSS) that support the competitiveness of targeted sectors; 3) a business enabling environment (BEE) that fosters the competitiveness of targeted sectors; 4) workforce development (WFD) and training that encourages modernization, entrepreneurship, and innovation.

The targeted sectors for KPEP were Agriculture (including Livestock, Dairy and Poultry; Fruit and Vegetables; Non Wood Forest Products), Forestry (including Forests and Wood Processing), Construction (including Road Construction and Construction Materials), Information Communications Technology, Tourism and Recycling.

A fifth activity area or Objective was added during the course of Year 3 – economic growth support in North Kosovo. In order to add the North Kosovo component of work, the Task Order was

modified on three occasions to increase the ceiling price. During the course of the past year alone, the Task Order was modified two times – once to extend the end date until December 21, 2012 (countersigned June 18, 2012- increasing the ceiling price by €500,000 (\$675,265) and extending the POP by three months) and the second time to extend the end date until February 21, 2013 (countersigned December 20, 2012- no increase in ceiling price, extending POP by 2 months).

KPEP also addressed several crosscutting areas, including gender, youth and minority development, as well as the use of ICT in interventions and raising awareness of energy efficiency. The program delivered assistance through long-term, local national technical advisors, short-term international advisors, and through grants and subcontracts under a Strategic Activities Fund (SAF) in support of all components valued at approximately \$7,033,052 (surpassing the Task Order requirement that the value of SAF must be, at a minimum, 20 percent of the ceiling price). Activities of the SAF were guided by the Initial Environmental Examination and determinations made for each individual grant or subcontract.

BACKGROUND TO THE DEVELOPMENT CONTEXT

At the time of KPEP’s program design, Kosovo’s economy was growing at approximately 3 percent. Unemployment was 40 percent, and 30,000 jobseekers entered into the economy annually. Kosovo had a massive trade imbalance (a deficit of approximately 1BN EUR annually). Ninety-eight percent (98 percent) of enterprises in Kosovo had fewer than 9 employees, and fewer than 1,000 firms had more than 10 employees. Enterprises in Kosovo faced an unreliable electricity supply, insufficient transportation corridors, often cost-prohibitive financing rates, inconsistent product quality and standards, poor contract enforcement, and weak economic demand from a poor populace. The domestic economy was dominated by small-scale retailers and there was little production. Large infrastructure projects, such as highway construction, were anticipated but not confirmed.

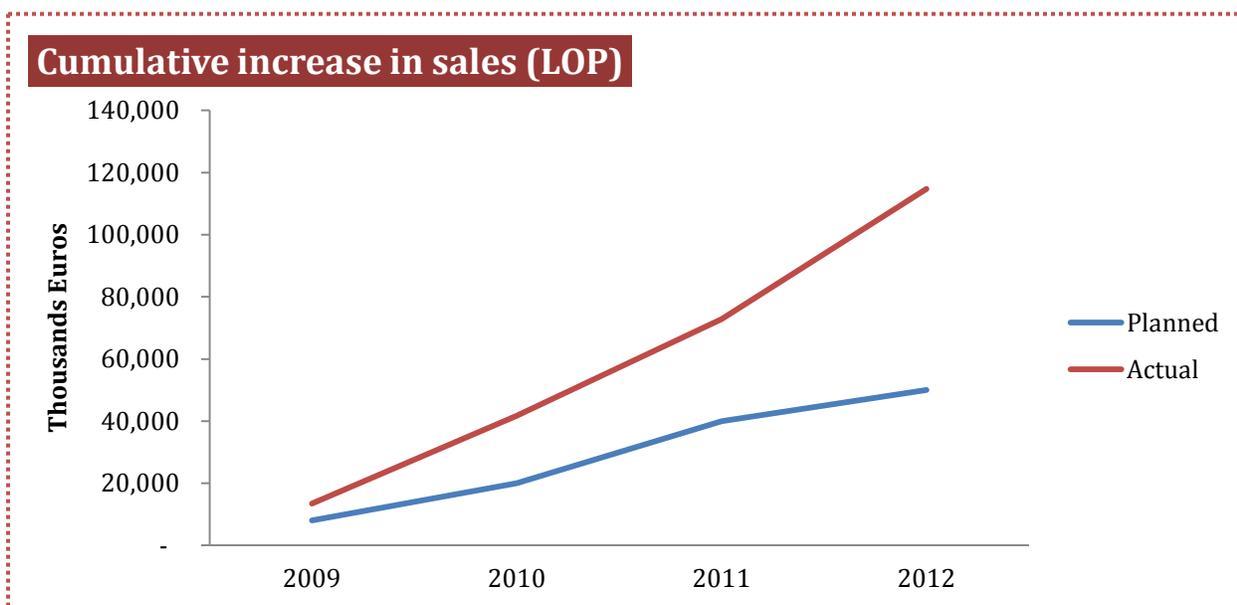
A significant concern for the economy was the poor system of preparing future workers in Kosovo (both the general education and vocational education systems). The educational system was severely handicapped during oppressive political regimes in the 1990s, and has been slow to catch up. Kosovo needed (and still needs) a market-oriented education system with strong linkages to the private sector. USAID designed KPEP to follow the \$20M Kosovo Cluster and Business Support (KCBS) program, leveraging its success and shifting focus to new directions wherever necessary. Finally, KPEP was launched in the year that Kosovo declared independence and became the world’s newest country.

PERFORMANCE AGAINST INDICATORS SUMMARY

KPEP surpassed all key performance indicators developed under the Performance-Based Management System, as presented on the table on the following page:

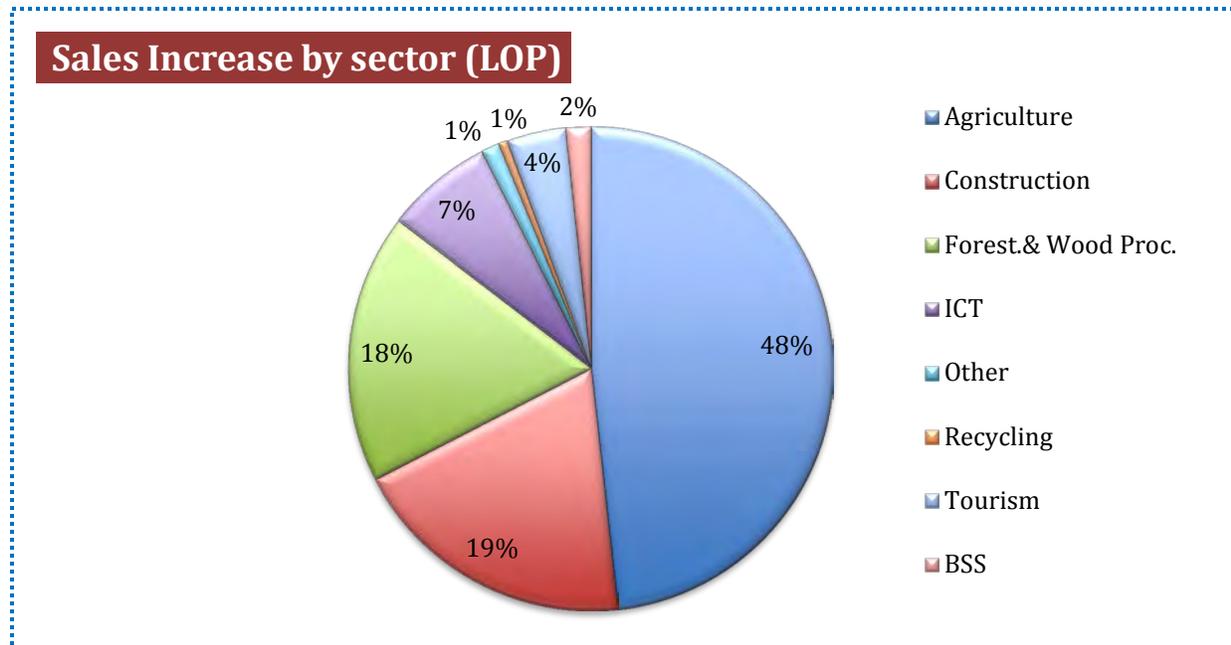
Table 1. Progress summary on key performance indicators

Indicator	LOP Target	LOP Actual
Increase in sales, million Euros	50.2	114.7
Increase in investment, million Euros	20.0	33.5
Increase in exports, million Euros	-	29.7
Increase in number of full-time jobs	5,036	6,727
Number of enterprises assisted in KPEP database	180	288
Number of people trained	3,000	8,215



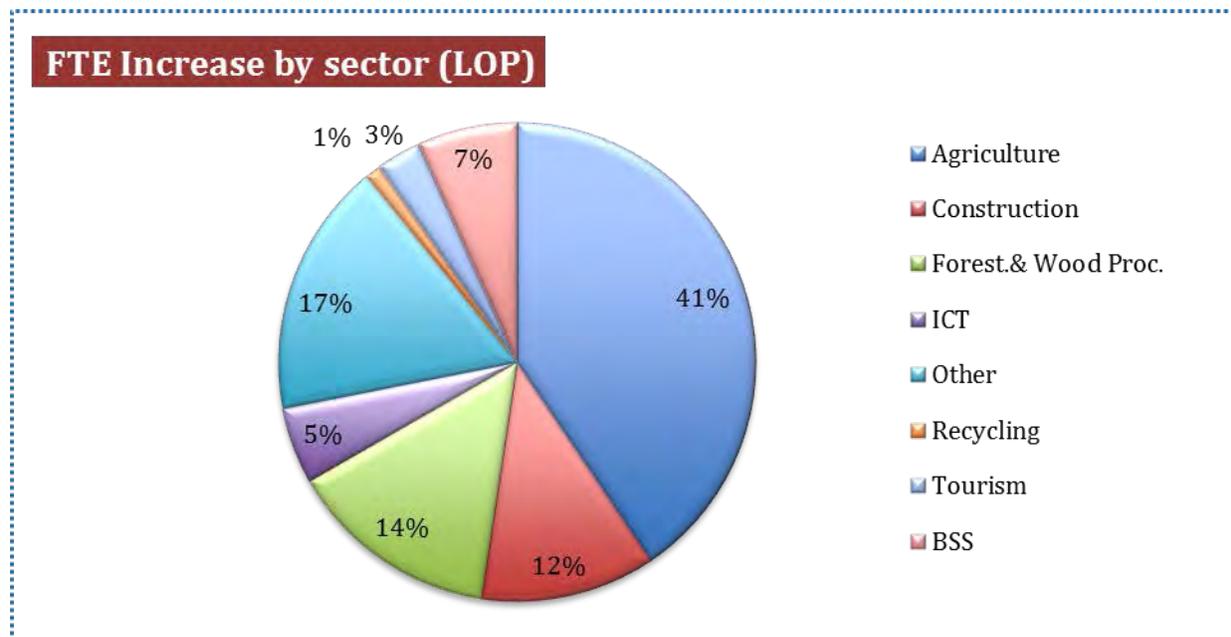
Cumulative increase in sales for the LOP is presented in the graph above. The total increase in sales reached €114.7 Million (\$154.9 Million), both in enterprises under Component One (agriculture, construction, forestry and wood products, ICT and tourism) and BSPs, under Component Two. KPEP has achieved a 52.9 percent growth in sales compared to the baseline. The target increase was set in the beginning of the project at 23.4 percent over the annualized baseline.

The graph below presents cumulative increase in sales by sector:

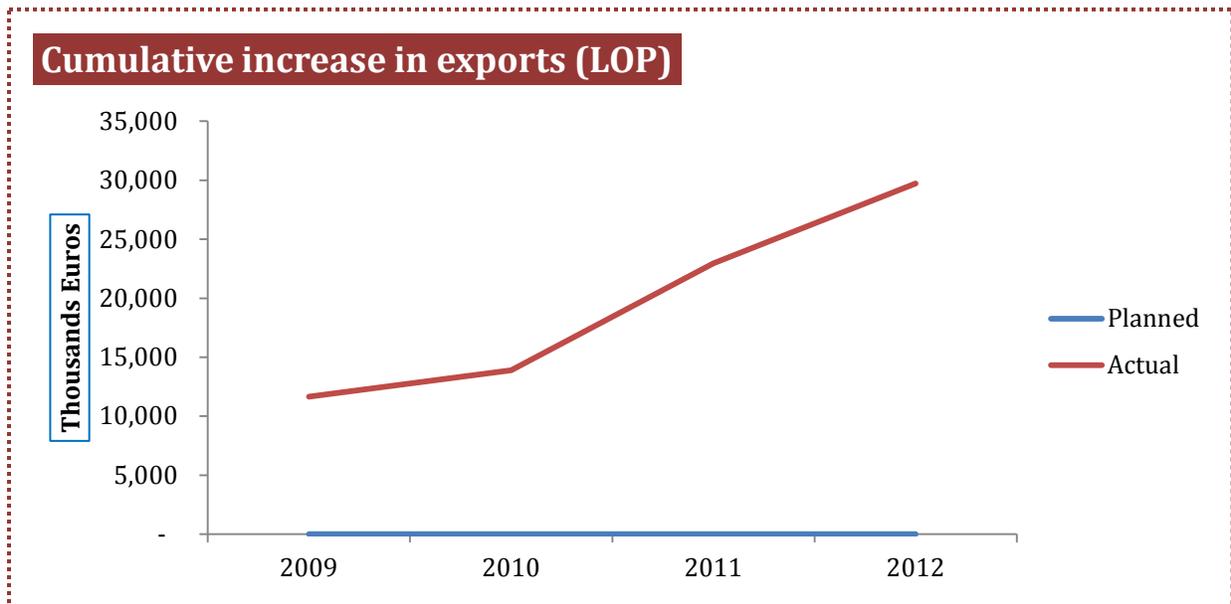


Cumulative increase in full-time equivalent jobs for the LOP is presented in the graph below. The LOP target increase was set at 5,036 FTE jobs. To date, there has been an increase in FTE jobs of 6,727, of which 6,271 were created in enterprises in Component One and 456 in the business service providers of Component Two.

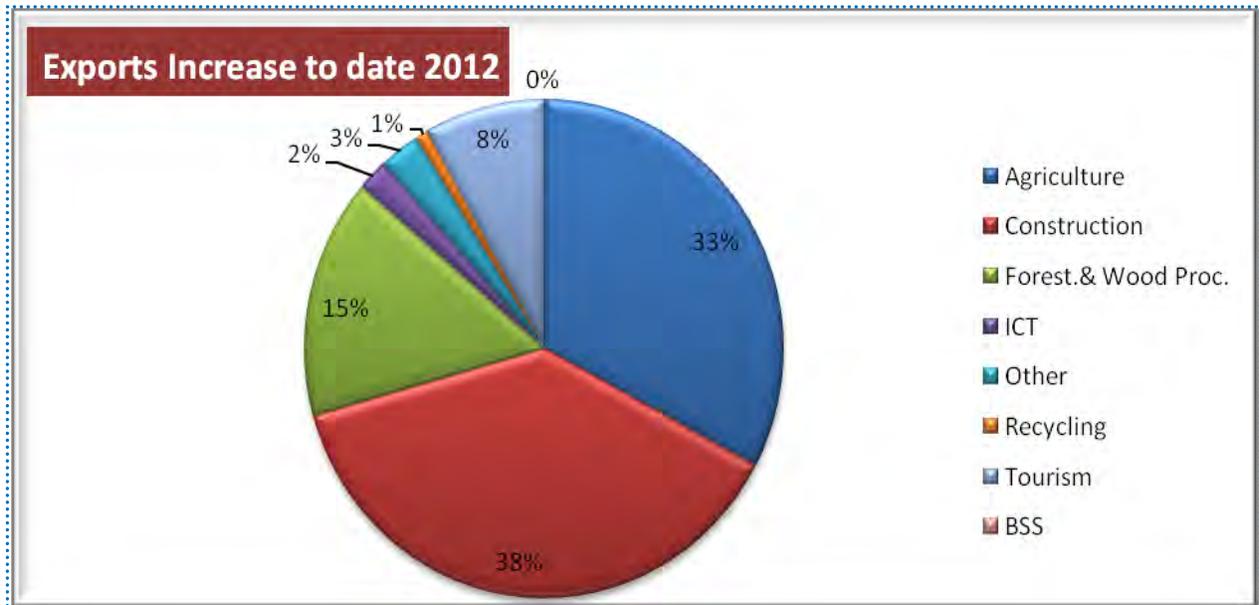
The graph below presents cumulative increase in FTE by sector.



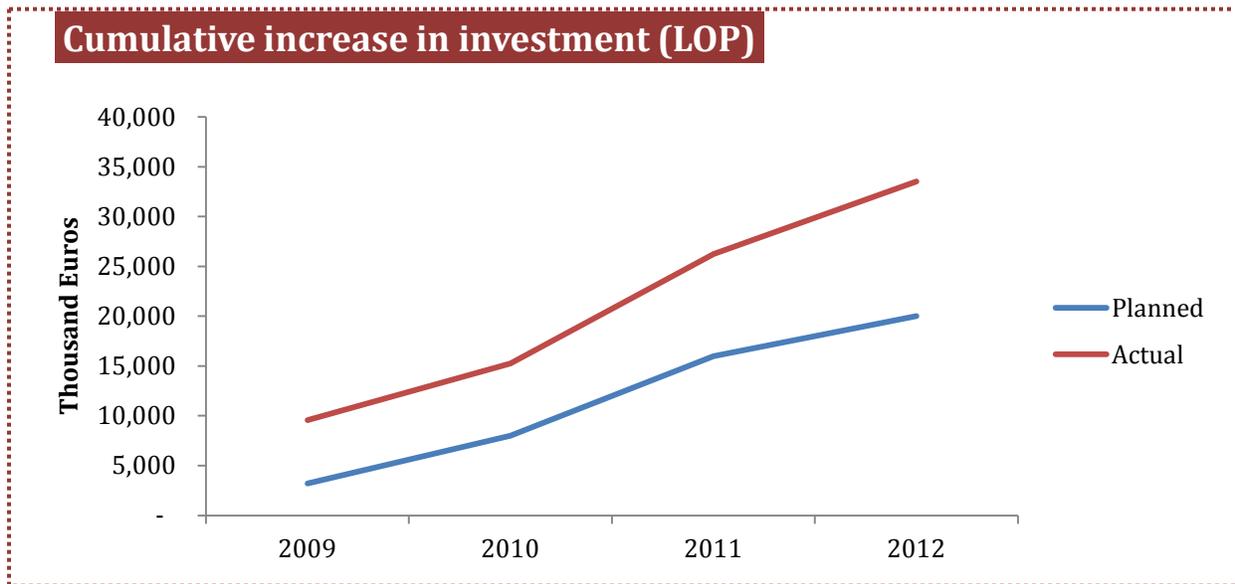
Cumulative increase in exports for the LOP is presented in the graph below. The increase in exports to date for the LOP is €29.7 Million (\$40.1 Million). No target was set for this indicator, since it was a contextual indicator.



The graph below presents the cumulative increase in exports by sector:



Cumulative increase in investment for the LOP is presented in the graph below. The total value of investments reached €33.5 Million (\$45.2 Million), thus exceeding the LOP target of €20 Million (\$27 Million).



The graph below presents cumulative increase in investment by sector for the LOP:

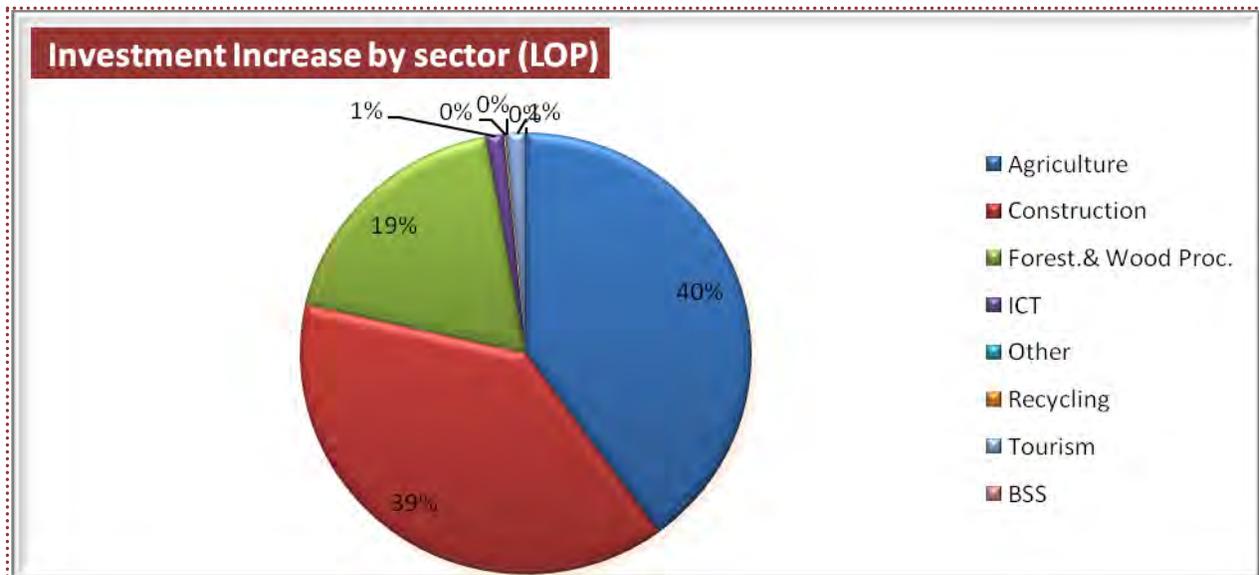


Table 2. Progress summary on key performance indicators by sectors and sub-sectors

Sector	Sub-sector	Increase in sales	Increase in exports	Increase in FTE	Increase in investment
Agriculture		€5,340,887 \$74,739,480	€9,747,380 \$13,164,121	2,727	€13,398,576 \$18,095,167
1	Dairy	€29,549,352 \$39,907,261	€1,563,946 \$2,112,155	663.36	€5,908,254 \$7,979,269
2	Fruits and vegetables	€25,967,629 \$35,070,040	€8,022,447 \$10,834,548	1,321.21	€4,959,151 \$6,697,478
3	Non-wood forest products	€(1,133,482) \$(1,530,800)	€159,987 \$216,067	522.58	€2,224,071 \$3,003,673
4	Poultry meat processing	€957,388 \$1,292,980	€1,000 \$1,351	219.40	€307,100 \$414,747
Construction		€21,988,991 \$29,696,773	€11,255,241 \$15,200,531	797	€12,950,077 \$17,489,456
5	Construction Materials	€3,665,365 \$4,950,182	€705,181 \$952,367	379.31	€6,553,865 \$8,851,186
6	Road Construction	€18,323,626 \$24,746,591	€10,550,060 \$14,248,163	417.39	€6,396,212 \$8,638,271
ICT		€8,241,792 \$11,130,780	€616,466 \$832,555	349	€423,509 \$571,961
7	ICT	€8,241,792 \$11,130,780	€616,466 \$832,555	348.64	€423,509 \$571,961
Tourism		€4,527,643 \$ 6,114,714	€2,411,528 \$3,256,839	202	€455,897 \$615,702
8	Tourism	€4,527,643 \$6,114,714	€2,411,528 \$3,256,839	201.66	€455,897 \$615,702
Recycling		€668,677 \$903,068	€256,012 \$345,752	73	€40,928 \$55,274
9	Recycling	€668,677 \$903,068	€256,012 \$345,752	73.34	€40,928 \$55,274
Forestry & Wood Processing		€20,677,607 \$ 27,925,711	€4,636,255 \$6,261,397	966	€6,243,755 \$8,432,373
10	Wood Processing	€19,788,653 \$ 26,725,152	€4,635,275 \$6,261,397	896.98	€5,743,025 \$7,756,123
11	Forestry	€888,954 \$ 1,200,558	€980 \$1,324	69.14	€500,730 \$676,250

Sector	Sub-sector	Increase in sales	Increase in exports	Increase in FTE	Increase in investment
Other		€1,414,479 \$ 1,910,295	€812,617 \$1,097,463	858	€20,000 \$27,011
12	Other	€1,414,479 \$ 1,910,295	€812,617 \$1,097,463	1,157.97	€20,000 \$27,011
Other		€1,882,378 \$ 2,542,206	-	456	-
13	BSS	€1,882,378 \$ 2,542,206	-	456.34	-
Grand Total		€14,742,454 \$ 154,963,027	€9,735,498 \$40,158,656	6,727.31	€33,532,742 \$45,286,945

REPORTS AND DELIVERABLES: FULFILLMENT OF TASK ORDER

Booz Allen completed all deliverables stated in the Task Order, with the inclusion of this Final Report document.

1. Annual Work Plans
2. Sector Selection Report
3. Sector Assessments, Sector Competitiveness Strategies, and Action Plans
4. Grants and Sub Contracts Manual
5. Weekly Status Reports
6. Quarterly Performance Reports
7. Annual Reports
8. Final Report
9. Demobilization Plan including:
 - a. Equipment, Furniture, and Vehicles
 - b. Staff
 - c. Programmatic
10. Branding Strategy

Per section A.7.8 of the KPEP Task Order, Booz Allen is submitting this report “not less than 15 days prior to the expiration of the award” (this report was first submitted on December 14, 2012) and it “highlights accomplishments against the Work Plans, gives the final status of the objectives, benchmarks, and performance indicators, addresses the lessons learned during implementation, and suggests ways to resolve any constraints identified and any opportunities for further refinement.” In addition, a summary of all expenditures is included.

NARRATIVE

Achieving Transformational Change

Booz Allen Hamilton is pleased to submit this final report to USAID. It contains details on results and performance under the KPEP Task Order. The highest-level message is that Booz Allen has exceeded expectations against all principal indicators. KPEP's target increase in sales in project-supported firms in target sectors was €50.2 Million (\$67.8 Million); actual performance was €114.7 Million (\$154.9 Million). Target increase in investment was €20 Million; actual performance was €33.5 Million (\$45.2 Million). Target increase in full time jobs was 5,036; actual increase in jobs was 6,427. Target number of people trained was 3,000; actual number of people trained was 8,065. Indicator after indicator, the story is the same: KPEP has directly contributed to the growth of the private sector in Kosovo and KPEP's interventions have resulted in increased competitiveness of the private sector. This report lays out interventions and results, sector by sector and component by component.

A holistic approach, working alongside with local partners

What is less clear, in reading an extensive list of activities and outcomes, is the human impact, and what KPEP leaves behind beyond this report. Central to KPEP's methodology was taking a holistic approach to the sectors, understanding that interventions must be strategically coordinated so as to amplify the effects and create synergies.

The holistic approach involved identifying weaknesses in multiple links in the value chain, and acknowledging that an intervention at only one point could be a waste of money if other points were not similarly addressed.

The other central tenet of the approach was beginning each intervention with an understanding of what local entity (if Kosovo had a fully functioning market economy) should be undertaking that intervention. Getting early buy-in from local entities, and working alongside them throughout the program to transfer knowledge and best practices, laid the groundwork for sustainability.

One example of identifying a local entity, increasing its capacity, and creating market linkages can be found in the construction sector. During KPEP's implementation, the Government of Kosovo awarded approximately €1 Billion (\$1.35 Billion) for the construction of a highway to Albania. That contractor, and others before it, preferred importing labor instead of hiring locally in Kosovo. Justification for this practice was that construction workers in Kosovo are not properly trained or skilled. In this case, the market was clear: large infrastructure projects will come to Kosovo. The skills gap was clear as well. But providing training to construction workers, while that might fill the immediate need of this particular highway construction project, would not be a sustainable intervention.

KPEP engaged in a thorough consultative process to determine the right modality for a sustainable intervention, considering models of building a new training center; partnering with a large U.S.-based multinational firm, Caterpillar; embedding a training center in a vocational school funded by the Norwegian Government; and working with an already-existing training center. The chosen

partner, the KEK Training Center, had key ingredients: leadership buy-in, a well-equipped facility, a strong center director, access to often prohibitively expensive equipment, an onsite staff of trainers, and complementary service offerings.

KPEP engaged world-class training firms capable of offering internationally recognized certification, and brought trainers to Kosovo to train the trainers at the KEK Center. We worked with the private sector to cost share trainings and assisted the KEK Center to develop a business plan to operate the center on a fee-basis in the future. The main focus was a Heavy Equipment Operators' Training Center, but KPEP also brought in complementary training of trainers in welding. KPEP also helped the KEK Center to identify the market, initially underwriting the partial cost of trainings to demonstrate the value of the training, and to shorten the time it might take for the intervention to occur on its own. KPEP cast its net wide in identifying the market, and met regularly with the Minister of Labor and Social Welfare (MLSW) to understand whether funds would be available to train unemployed people. After securing a public commitment from the Minister, KPEP facilitated between the MLSW and the KEK Center to negotiate terms and ensure payment transfer. KPEP assisted the KEK Center in applying for accreditation from the Kosovo Government once the U.S.-based training firm, HeviCert, provided certification to trainees.

Well-trained construction workers building poorly designed roads solves only part of the problem. KPEP intervened at another point in the value chain, creating a partnership between Texas A&M University in the U.S. and the Faculty of Civil Engineering and Architecture at the University of Pristina. We supported the Faculty to offer road design courses to master's level students—a first. Initially, we brought multiple professors from Texas to teach at the University of Pristina. In the second phase, we paired one Texas professor to work with local Teaching Assistants and to learn to co-conduct the class. Future plans are to engage the professors with a web-based teleconferencing mechanism, enabling the Texas A&M professors to ensure quality at a low cost, and continually transferring the capability to teach the course to professors in Pristina. Again, KPEP first defined the correct entity with the incentive to keep such an intervention going in the future, initially committed significant funds to bring professors to Kosovo for the demonstration effect, and then ramped down funds to enable the local entity to take over.

In addition to skills transfer, KPEP worked with the Ministry of Infrastructure to increase the demand for certified equipment operators by incorporating higher standards into tenders. This is a process that could not be completed within the timeframe of KPEP, as enough certified operators need to come on line in the country before that can be required. But combined with other interventions, this points the sector in the right direction. These holistic interventions serve to increase skills in Kosovo, but the real point is to increase jobs and income, and increase the value-added offerings of people in Kosovo. Competing with low-cost labor only works for so long in any economy; it is a race to the bottom. But enabling Kosovo citizens to design their own roads, and build at a world-class standard, can not only increase incomes, but it encourages Foreign Direct Investment as well.

Capacity Building and Program Implementation go hand-in-hand

There are many examples of how KPEP provided up-front funding for an activity early in the project, and then year-by-year ramped down the funding while increasing capacity of the local entity, to ensure that the end of KPEP does not mean the end of these initiatives. We did this in the Dairy

Sector, creating the sustainability of World Milk Day awareness events; in the Tourism Sector, with the Peja Street Fair; in the area of Business Support Services, with the businesswomen training program where KPEP shifted knowledge from an expatriate trainer to local consultants who can charge for their services in the future; and in ICT, with early funding of the ICT Association (known locally as STIKK) to offer services to their members.

Innovation achieves longer-lasting results

Sustainability must go hand-in-hand with innovation, and KPEP leaves behind many innovations that can continue to drive sectors forward. These include a robot seedling grafting machine that will increase resistance, lowering costs for farmers; Android application (“app”) training that connects young, talented Kosovars with European Union firms whose appetite for app development is just beginning; the use of ICT in the Dairy Sector, transmitting raw milk sampling results to farmers to give them a price incentive to increase the quality of the milk their cows produce, as well as improve the health of those cows, which then leads to increases in quantity; standard form contracts in multiple sectors that will reduce misunderstandings that lead to economic loss; certification of Kosovo’s forests so that Kosovo’s wood processing sector can use local wood and export to the European Union in the future; creation of an Internet Exchange Point that enables Kosovo to control its own Internet traffic, laying the ground for more local development; identification of mushroom out-growers for a firm positioned to meet demand in the European Union market; cold storage units that enable higher-quality post-harvest handling, and allow farmers to fetch higher prices, over a longer period of time, for their produce; innovative varieties of produce with higher yields that enable farmers to increase income without increasing costs; creation of export relationships with Albanian dairies to absorb Kosovo’s seasonal milk surplus, which allows cows to continue to produce at a high level throughout the year; integration of tours to Kosovo into regional tourism offers; world-class awareness-raising of tourism in Kosovo by partnering with National Geographic; and support to biomass firms to turn waste sawdust into economic opportunity by creating wood pellets. The list goes on.

True diversity is critical to sustainability

One theme in these innovations mirrors an issue for the country as whole—that of legitimacy in the eyes of the world. International certifications such as HACCP in food processing, forest certification, construction materials product certification, heavy equipment operators certification, and EN standards in wood processing, all send the same message: “products and services in Kosovo are world class—come and see for yourself, and invest!” And investors have come, from places such as the Netherlands: One Dutch firm is growing mushrooms with KPEP-client out-growers; another is sourcing Android app development labor from Kosovo. And if firms can stay on the trajectory we have seen during KPEP, more investment will come.

KPEP’s commitment to sustainability and innovation was bolstered by its commitment to reaching the true diversity of Kosovo. This included innovative work with women, whether young women training (and being hired) to manufacture modular embedded control systems, or women leaders such as the director of an innovative biomass firm, Feroda, or the directors of the wood processing and ICT associations. We worked extensively with the Serbian non-majority population, dedicating almost 20 percent of our contract value to support to employment schemes and the private sector in

North Kosovo. We supported youth as well: Our most impactful activity was our array of internship programs for young people.

Be creative and pragmatic

We used internships as a means to address the oft-mentioned gap between labor produced by the education system and labor demanded by the private sector. Internships had a two-fold powerful effect: first, companies hired better workers, and second, increased numbers of young people became employed. We implemented internship programs in the Dairy, Wood Processing, and ICT sectors as well as cross-cutting internships in the financial and public sectors. We worked with local service providers to design the internship programs, enabling them to offer that service in the future.

Internships enabled young people to pair practical experience with the theoretical knowledge they gained in university, making them more attractive to employers. Employers were able to shorten the duration of training, allowing them to lower costs. Our internship programs reached areas previously untouched by this type of intervention, all across North Kosovo. These programs have served to create a more competitive workforce in Kosovo.

KPEP has many examples of success; this report highlights them in detail. There are also areas where interventions did not go as planned. For example, it was difficult to strengthen the market for business service providers. In a donor-saturated environment like Kosovo, few entities are willing to pay for business support services. In other cases, the Government was not able to work at the pace of KPEP, and planned interventions such as those cost-shared with the Investment Promotion Agency of Kosovo (IPAK) faced constant delays. In addition, KPEP had to aggressively shift its management focus (and personnel) midway through the project to be able to achieve the results it did.

Nonetheless, KPEP was a resounding success, and that can be seen all the way from the high-level performance indicators to the villager in Dragash/Dragas who can feed his family from the money he earns picking berries in the forest. KPEP is proud of its reach and impact, and is pleased to submit this report.

LESSONS LEARNED

1. Maintain a flexible implementation approach and take time to re-assess

Private sector development is very dynamic, and global macroeconomic forces alter the implementation landscape. Projects should be finely-attuned to how sectors are responding to interventions, and work closely with USAID to shift resources when necessary. Work-plans are necessary to allocate resources strategically, but projects should also be open to innovations and new business ideas that fall outside the work-plan.

2. Take time to reassess

US Government priorities can change over the period of time from project design to the end of the period of performance, so assessment mechanisms are helpful to ensure that the project focus is still current. In the case of KPEP, it was able to respond quickly to US Government interest in more economic assistance to North Kosovo. That was not originally mandated in the Task Order, but it was an appropriate shift given political realities in Kosovo. Had KPEP not been able to shift resource, it might have resulted in a lost opportunity.

3. Make sure incentives are clearly aligned with programming

Successful project implementation involves understanding what drives counterparts, identifying the intersection of that incentive and a project goal, and designing accordingly. For example, the project understood that the Kosovo Chamber wanted to reach out to the minority community, so KPEP worked to create a Serbian language website for the KCC, furthering the project's goal of minority outreach, and meeting the KCC's goals as well. The Ministry of Labor wanted more innovative activities to assist the unemployed, and KPEP sought funding to allow the newly-formed Heavy Equipment Operators' Training Center to become sustainable. Our aligned goals resulted in KPEP connecting the Ministry to the training center, and all parties were able to see their objectives realized.

4. Have a strategy to transition from grant giving

KPEP found that firms in Kosovo are still at a low enough level of development that grants can be a useful tool. Because production facilities were severely damaged during the war, many businesspeople have tied up all of their capital in refurbishing factories, leaving them cash-strapped. KPEP concentrated capital investment grants on those that would have a demonstration effect of new technology, or introduce an innovation into the sector that could have a catalytic effect. However, over the longer term, grant funding should decrease so that businesses become accustomed to working with market realities. Pairing grants with small loans is one strategy to shift businesses away from grants.

5. Front-load grants for greater impact

If grant funding, particularly that for capital investment, is spent early on in the project, there is more time for results to be realized. At the same time, there is more time for firms to receive technical assistance that helps them to maximize the potential of their investment. Grants disbursed at the end of the project were less impactful

6. Use grant funding for unanticipated good ideas

The Special Activities Fund is also a useful mechanism to fund good ideas that were not planned in the work plan, but still might provide USAID good return on investment.

7. Use local expertise as much as possible

KPEP experimented with different approaches utilizing expatriate team leads, recurrent expatriate STTA, and expatriate management. The project's curve of impact accelerated when expatriates were de-emphasized and the local team was empowered with resources and decision rights.

8. Focus on Demand Driven activities, not Supply Driven organizations

Local consulting firms and associations often stay financially afloat by implementing projects that donors want implemented, not by defining their strategic direction, articulating actions that they should take, and seeking funding for those actions. They are in effect "supply driven" organizations and do what the donor supply requests. KPEP had more success with activities that were responding to market demand, such as increasing the capacity for vegetable processing. Kosovo's economy needs to evolve further to the point where business support organizations and services are demanded by local firms.

9. Listen to the businesses and design approaches in response to their input

KPEP conducted a survey near the end of the project to determine critical success factors as reported by beneficiaries. These were: confidence and business attitude, know-how, grants and donations, entrepreneurship and product and services in respective order. Beneficiaries articulated the most significant factors that impede growth as: electricity and government policies (examples are import taxes on raw materials and GoK unwillingness – in the words of businesses- to prevent dumping by producers in neighboring companies). These findings can be used when working with beneficiaries in the future.

10. Ensure partner commitment before designing activities and engaging stakeholders

KPEP had some great ideas that were unable to be realized because, while there might have been enthusiasm from different actors in the sector, the right partners were not able provide the necessary level of commitment. The incentives should be aligned such that partners are able to continue the activity regardless of changes in leadership or priorities within their organizations. A Memorandum of Understanding is a tool, but true partner commitment comes from mutual understanding and shared goals, and the ability of the partner to commit resource over the period of activity implementation.

11. At the outset, understand how Government priorities affect the private sector

An activity might have great private sector support, a clear market, and willingness on the part of firms, but in some circumstances the only way to achieve real success is in cooperation with the Government- which has many competing priorities. In the case of Business Process Outsourcing for the German market, international firms wanted incentive packages before setting up a BPO operation in Kosovo. The GoK had constraints that made tax and other incentives unfeasible at that time, so the activity stalled. It is worth reexamining in the future.

12. Reach out to new beneficiaries

Some firms in Kosovo have received support from multiple USAID projects over time. This has enabled transformative growth in many cases, and some of those firms can be dropped as beneficiaries. A private sector project is best served by identifying new beneficiaries and speeding up the pace of their development as well.

13. Ensure that the cost of interventions is not prohibitive in terms of having impact

The level of assistance necessary to move a sector varies widely from sector to sector. In construction materials, the significant cost of product certification was a limiting factor, so firms were not appropriate candidates for grant funding. However, they were eager for advisory and for assistance better articulating their strategy and sources of funds. This is an opportunity to work with other donors and leverage funds for greater impact.

14. A brief review of previous USAID Lessons Learned

Some of the Lessons Learned of the KCBS project (the predecessor project to KPEP) are still current and are repeated here to ensure they are validated in future design work. For example, the recommendations to “identify opportunities to improve Kosovo’s ability to supply its own market,” and to “pursue the few niche products that Kosovo does produce”— those still ring true today. The Lessons Learned were indeed integrated into the KPEP program design, but given the pace of economic growth, these lessons are still implementable. Others (“focus on post-harvest handling of fruits and vegetables” and “change businessmen’s attitudes to delegation within their companies”) received direct focus under KPEP, and in some cases a large amount of resource and gains can be measured. Again, these lessons are still implementable, from a much more advanced starting point than at the end of the KCBS project. KPEP did avoid pitfalls advised by the KCBS Lessons Learned (“avoid a surfeit of technical training and assistance unless the trainees have the wherewithal to implement it”) and also acted upon its advice (“develop trade skills training to support Kosovo’s basic industries”). Those that were more challenging were “ensure sustainability of local business associations” for reasons mentioned above, “reinforce the advocacy capacity of local business associations,” and “create opportunities for local specialists with technical expertise to remain as consultants to Kosovo businesses.” As of this writing, the last recommendation is indeed being implemented. KPEP local staff have established a local organization, and plan to use the skills and knowledge gained under KPEP to implement new projects funded by USAID and others. Another recommendation that KPEP acted upon was “coordinate donor assistance to leverage available funds.”

As discussed in the KPEP Lessons Learned section above, KPEP did in fact implement this KCBS recommendation in relation to the Strategic Activities Fund: “make awards to individual companies only when it is demonstrably to fund implementation of new technology, and even then require a significant cost-share component.” The KPEP experience bears out that this is appropriate guidance given the state of Kosovo’s private sector. Another KCBS recommendation that KPEP was able to implement successfully was “design a PBMS that better captures the multiplier effect of the project’s results.”

COMPONENT 1: SECTOR STRATEGIES AND ACHIEVEMENTS

DAIRY/POULTRY

Strategy

KPEP's strategy for the dairy sector focused on quality, efficiency and diversity, both of products and processes. The foundation was the project's effort to increase raw milk quality, through intensive training of Kosovo's dairy workforce, as well as through the routine sampling of raw milk in a rigorously scientific and transparent fashion. KPEP also helped dairies improve efficiency, by introducing more modern processes and formulations. It further increased the diversity of dairy products, including new cheeses and yogurts. It focused on packaging, including the development of privately labeled products for export. The project also helped multiple dairies gain HACCP certification. Furthermore, under the rubric of quality, KPEP pioneered the first imports of frozen bovine embryos to improve the genetics of Kosovo's growing dairy herd.

In poultry, KPEP's strategy was to substitute domestically grown, fresh poultry meat for imports of lower-quality frozen chicken. The project worked with a local broiler producer to improve productivity, capacity and quality. KPEP targeted out growers as well, helping to increase employment and profitability in this valuable sector.

Achievements

Improved raw milk quality

KPEP designed a raw milk-sampling program in cooperation with the Kosovo Food and Veterinary Agency, Ministry of Agriculture and Switzerland's Solidar Suisse. Laboratory analysis of the roughly 1,700 samples collected each month provided real-time, fair and neutral feedback to dairy farmers and milk processors across Kosovo. The results are delivered electronically via website to dairy processors and field agents. The system enables parties to receive test results the same day that milk samples arrive and undergo analysis at the raw milk lab.

At KPEP's request, KFVA also has updated its website to include a password-protected link allowing the 1,203 participating dairies to directly access raw-milk test results online.

The feedback has led to dramatic changes in bacteria counts, a measure of sanitation, and somatic cells counts, a reflection of dairy cow health; together, those improvements increase both the quality and quantity of milk produced—gains that result in increased incomes for Kosovo's dairy farmers; increased trust in domestic dairy products; and increased sales of those same products. As a result, the coordinator of the Transparent Raw Milk Sampling (TRMS) project reported that approximately 60 percent of dairy farmers who participated in the TRMS project moved up by one grade.

Trained dairy workforce

Interns followed a two-week training course instituted by KPEP and led by a regional raw milk quality consultant. KPEP then placed the interns with 182 dairy farms, where they conducted an overall inspection to identify sources of possible contamination; evaluated the cleanliness of both equipment and cows as well as the overall milking process; made somatic cell counts (which provides a measure of bovine health); and gauged the milk cooling process. Participating farmers reported dramatic drops in somatic cell and bacteria counts, pointing to improvements in overall milk quality and quantity, through gains in dairy hygiene and animal health. Small-herd farmers whose milk moved up a class in quality earned an additional €200 (\$270) per month, on average.

KPEP, working with the Initiative for Agriculture Development in Kosovo (IADK) trained University of Pristina veterinary faculty students to serve as raw milk quality field personnel at Kosovo's five largest dairy processing plants (Vita Dairy in Peja/Pec, Abi Dairy in Prizren/Prizren, Magic Ice Dairy and Bylmeti Dairy in Pristina, and the Bylmeti and Kabi dairies in Gnjilane/Gjilan). The students subsequently passed on their knowledge to those dairy farmers supplying milk to the dairies. The students made 159 farm visits and offered five training sessions. Participating farmers reported daily increases in milk yields of 227 liters per herd as a result of lower somatic cell counts.

Conventional statistics suggest that 10 percent of the suppliers of raw milk cause 90 percent of the contamination. By embedding milk quality field technicians within Kosovo's largest dairy processors, KPEP helped ensure milk quality problems were identified, corrective actions taken, the value-chain relationship between producers and processors strengthened, and the quality of raw milk improved.

Introduced new products and brands

KPEP provided dairy plants, at their request, assistance in introducing new technology-based processes to produce yellow *kashkaval* cheese. Adding production of this hard cheese, with its longer shelf life, has helped domestic dairies absorb excess supplies of raw milk during the spring and summer. A regional STTA specialized in producing yellow *kashkaval* offered practical training to dairy technologists from the Bylmeti, Rona and Kabi dairies and one local dairy consultant. Bylmeti later began exporting *kashkaval* to Albania.

Diversified product range

The Rugova dairy developed and produced new flavored and seasoned Gouda cheeses. Additionally, the Sharri dairy processed its first batch of seasoned Gouda cheese. The Devolli company and Euroлона dairy both added new fruit yogurt lines.

Previously, local producers offered limited product line of cheese varieties and plain yogurt. The lack of local produced Gouda cheese and flavored yogurt, allowed foreign exporters having a competitive advantage in this market and be primary suppliers in the market.

The launch of these products is a direct result of the dairy technology-training program provided early during the KPEP project.

This new approach allows local producers to compete with importers. By adding value, and in differentiating their products, to what was essentially a commodity Kosovo processors will be able to capture a share of the import market in the future. This project is in its first developing steps and both producers of Gouda and yogurt indicate that their production line require further investment in order to realize the benefits of diversifying their product lines.

Improved product packaging (Bylmeti)

In 2009, KPEP supported the Bylmeti dairy plant with a new yogurt filling line that enabled them to use modern packaging. As a result, Bylmeti hired three additional full-time employees, increased the number of milk producers supplying their network by 40, and launched a new store brand yogurt with sales averaging €6,000 (\$8,103) per day, propelling it into the No. 1 sales spot within the ETC chain of supermarkets. The domestic market share of Kosovo dairy products now stands at 35 percent, up from 25 percent, in 2009.

Improved dairy herd genetics

For the first time ever in Kosovo, KPEP, working in cooperation with the University of Iowa and Eurolona, initiated a bovine embryo transfer project. Eurolona imported 20 frozen bovine embryos. As of this writing, the embryos have been implanted.

Eventually, the embryo imports should improve local dairy cow genetics, a quality measure needed to meet increased milk demand. Offering the dairy industry higher-quality heifers, thanks to imported embryos, could substitute the more expensive and complicated import of calf heifers from Western Europe. Eventually, the import and implantation of embryos could lead to a new dairy associate business.

Introduced new, more efficient processing technology

The dairy sector is extremely competitive and lowering production costs is a necessity. KPEP engaged a regional cheese specialist to assist dairy processors to improve their soft white cheese and lower the costs of production through an improved conversion ratio of milk-to-cheese yield. The standard had been 7.5 liters of milk per kilogram of cheese. The improved cheese-making process uses just 5.5 liters of milk per kilogram of cheese. This converts to 182 kilograms of soft white cheese from 1,000 liters of milk, an improvement of 49 kilograms of cheese per day or €150 (\$203) per day at no additional cost of production.

A short dairy technology course developed with KPEP and conducted at the Lipjan Agricultural School, provided dairy workers with an opportunity to develop new skills. The short course focused on production floor management and recordkeeping as well as yogurt and cheese formulation. One of the key elements of the short course was to build a culture of quality at dairy processing firms. For example, Kabi dairy asked the leading consultant to evaluate a sour cream product. The product had a shelf life of four days, but subsequent modifications to the process extended the shelf life to 21 days and improved flavor.

KPEP also engaged a regional consultant to work with the Bylmeti dairy to improve yogurt formulation, taste and viscosity, and increase the shelf life of that product by seven days.

Advocated for dairy and poultry sectors

KPEP developed two important policy papers that addressed dairy product specifications and dairy subsidies paid by countries exporting dairy products to Kosovo. The policy recommendations for dairy specifications were to establish parameters that a dairy product must meet in order to be legally referred to as butter, yogurt, etc. The dairy product specifications were submitted to the MAFRD legal department for review and these specifications were incorporated in the Law on Food 2009/03-L-016, adopted in late 2009. One of the key elements of the dairy product specification recommendations was that dairy products within 50 percent of their expiration date should not be allowed to enter Kosovo. This will effectively eliminate “distressed” shipments, which are normally sold at breakeven or at a loss to clear inventory. The result is consumer protection, which will stimulate the demand for domestically produced product. The policy recommendations for dairy subsidies paid by countries exporting into Kosovo will be distributed to stakeholders and KPEP will facilitate discussion. The paper allowed the government to work with dairy sector stakeholders to carefully craft a policy that provided a level playing field for the Kosovo dairy sector. This was particularly important as the government was in a position to gain the confidence of dairy processors and producers with efforts to develop policy with their participation.

As a result of a KPEP initiative, representatives of MAFRD, KFVA, Customs, KCC and Pristina University’s Agriculture Faculty established the Dairy Policy Working Group. The group’s objective was to design and recommend policies that will improve the business environment for Kosovo dairy companies.

Thanks to KPEP’s initiative and support, Kosovo and Albania implemented a bilateral trade agreement. The Albanian authorities did not honor the transaction value of €0.25 per liter during the export of pasteurized milk to Albania but instead Albanian customs authorities imposed an arbitrary reference price on the imports of €0.55 per liter. Initially, Albanian authorities denied Customs has imposed such a price. KPEP then presented firm documentary evidence of the practice, which led to further discussions between Kosovo and Albania officials, eventually leading to resolution of the issue. That allowed Kosovo dairy producers to continue exporting pasteurized milk to Albania, opening a new sales opportunity for their summer milk surpluses.

The project, acting on the request of its clients, aided in resolving a trade issue sparked by the application of a set of non-tariff barriers to Kosovo-sourced food products by the Macedonian authorities. Problems had occurred with the import of Kosovo products into Macedonia given that importers were being asked to provide a certificate of quality, a document not previously required. KPEP shared this information with the Minister of Trade and Industry leading to resolution of the trade issue. Earlier, the project addressed the concerns raised by the KDPA regarding the dumping of dairy products from Macedonia.

KPEP assisted in resolving a trade issue involving the dumping of fresh poultry meat imported from Slovenia, helping buoy sales of domestically produced poultry meat.

Programmed study tours

KPEP aided five Kosovo Food and Veterinary Agency (KFVA) raw milk laboratory representatives and one dairy industry representative in attending raw milk lab management efficiency training in

Lithuania, as organized by World Learning. The goal of the training was to learn how to increase the volume of milk samples and deliver test results at lower costs. Training topics focused on operations and management systems for the raw milk laboratory.

Five dairy technologists from five different dairy plants attended, with KPEP assistance, a dairy-technology training program held at various Minnesota dairies and at the University of Wisconsin, from March 20 through April 2, 2011. The training program allowed local dairy technologists to acquire the needed knowledge to upgrade their skills in producing yellow cheeses and fruit yogurts.

Created national dairy promotion campaign

KPEP initiated an annual and now sustained dairy promotion campaign to (1) raise awareness among local consumers of the quality of domestic products and (2) promote consumption of dairy products among children. Campaign activities included presentations to schoolchildren on the importance of consuming dairy products and incorporating milk, yogurt and cheese into their daily diets. Dairy processing plants hosted schoolchildren to teach them how milk is processed and turned into their favorite dairy products. KPEP also held in-store promotions and launched a national billboard advertising blitz. The now-annual campaign was timed to coincide with World Milk Day celebrations. The campaign introduced Lara the cow, the new mascot of Kosovo's milk and dairy products. MARFD, Swiss Solidar and the Kosovo Dairy Processors Association since have assumed full responsibility for organizing and funding the dairy promotion campaign, marking the project's successful exit and ensuring the campaign will continue on a sustainable basis. Looking ahead, IPAK expressed interest in supporting a national "buy local" campaign that could increase support to the dairy-specific campaign.

An increase in the sense of responsibility of associations can be seen in the Dairy Sector as well, with the Kosovo Dairy Processors Association (KDPA) taking on the role of leader of the World Milk Day Activity, which shifted from KPEP driven and funded in Year One and two; to cost shared between KDPA, MAFRD and Swiss Solidar in Year Three, and full responsibility and funding from MARFD Swiss Solidar and KDPA in Year Four. These developments are encouraging, as they show the basis of sustainability post-KPEP, and offer excellent opportunities for future, additional interventions by USAID and other donors.

Certified dairies to international standards

KPEP assisted the Kabi and Rugova dairies in receiving HACCP certification. The Euroлона dairy, also thanks to KPEP assistance, gained full compliance with international HACCP standards; it should acquire HACCP certification by the end of the project in December 2012. Meanwhile, the Magic Ice dairy, another KPEP client, requires some additional refurbishment work for its plant to be ready for HACCP certification.

Opened new domestic and export markets

KPEP organized a Business-to-Business (B2B) event to improve business linkages between local retail chains and dairy processors. Participants included representatives from nine of Kosovo's largest retail chains (ETC, Albi Market, Ben Af, Era City Hypermarket, Viva, Interex, Abi, Agmia and Mentori Mega) and the most prominent dairy processors (Bylmeti, Ajka, Magic Ice, Golaj,

Devolli, Rona, Kabi and Abi). ETC and other retailers often charge slotting fees to companies seeking to sell their product in stores, but they agreed to waive these fees for domestic dairy products that meet certain quality standards and packaging requirements. ETC waived the slotting fees for the Magic Ice hard white cheese produced under the ETC store brand.

KPEP assisted the Bylmeti dairy plant in identifying a market for pasteurized milk in neighboring Albania, where it could be exported for further processing. Bylmeti exported 130,000 liters of pasteurized milk to Albania during Y3. As a result, for the first time ever there were no complaints from dairy farmers about the inability to market their seasonal milk surplus.

Bylmeti exported 11,000 kilograms of peppers filled with cream to Albania under the Lufra label. Bylmeti also exported to Albania, this time under its own label, an additional 40,000 kilograms of identical product through Tirana-based dairy Extra Milk. The overall export monetary value for this trade activity is €210,000 (\$283,600).

Decreased reliance on imports

The overall sales in dairy products increased by €29,549,352/\$39,907,261 (67 percent) from the initial baseline of €43,893,223/\$59,279,077. Poultry sector experienced an increase of €957,388/\$1,292,980 (107 percent) from the initial baseline of €894,001/\$1,207,374. This increase in sales is a result of (1) an improvement in raw milk quality, (2) the enhanced quality of final dairy products and (3) introducing new dairy products to the market. This sales increase is also a result of increasing consumer awareness to consume local dairy products stemming from the dairy promotional campaign.

Fostered vibrant domestic poultry sector

KPEP supported the Konsoni company's growing business in raising, slaughtering and retailing fresh poultry meat. This assistance has been overwhelmingly successful; indeed, demand has consistently exceeded supply. The project assisted Konsoni in introducing broiler-growing contracts with third-party poultry farmers. Konsoni signed contracts with two poultry farmers to grow 8,000-bird flocks of broilers in their own growing facilities. The contracts have better allowed Konsoni to meet the increased demand for fresh poultry meat beyond what can produce on its own. The project provided relevant technical assistance, as well as help in drafting broiler outgrowing contracts. The project also aided Konsoni in opening six retail stores, where it sells its own fresh poultry meat and eggs.

Meanwhile, the project provided technical and financial advice to out growers that have proved useful in calculating production costs. It also provided advice on barn lighting and feed formulations to better match the natural bird growth cycle.



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Dairy/Poultry

SNAPSHOT

Promoting Kosovo Dairy Products Starts at an Early Age



The kindergarten's visit to Euroлона

The April 2009 visit, organized by USAID's Kosovo Private Enterprise Program (KPEP), provided an opportunity for the children to see how the milk is produced and to gain encouragement to consume more dairy products as part of a healthy diet.

USAID Kosovo Private Enterprise Program

An educational visit to the Euroлона dairy farm and milk processor by 5- and 6-year-old children from the Fatosat kindergarten in Pristina served to promote the advantages of domestically produced dairy products.

The April 2009 visit, organized by USAID's Kosovo Private Enterprise Program (KPEP), provided an opportunity for the children to see how the milk is produced and to gain encouragement to consume more dairy products as part of a healthy diet. Euroлона, in addition to milking its own cows, runs its own dairy processing plant. It is hoped such visits will help overcome the negative image of locally produced dairy products, as many people in Kosovo today purchase imported milk and dairy products.

The kindergarten's visit to Euroлона also served as an opportunity to promote better understanding of, and increase loyalty to, domestically produced dairy products. With USAID's assistance, Euroлона is producing a new variety of yogurt drink and yogurt, now available in Kosovo markets, as well as its first white cheese.

KPEP is helping to modernize Kosovo's dairy industry, increasing sales and employment. The four-year initiative aims to stimulate the competitiveness of Kosovo's private sector. The program, implemented by Booz Allen Hamilton, provides technical assistance to targeted sectors through grants and consulting, supports business enabling reform efforts, expands workforce development and training, and strengthens business services and associations.

VIDEO

Driving jobs, growth and exports in Kosovo – KONSONI

<http://www.youtube.com/watch?v=729QkESGdaw&feature=plcp>



FRUIT AND VEGETABLES

Strategy

KPEP's strategy for this sub-sector was to establish Kosovo as a reliable supplier of high-quality products for domestic and export markets. KPEP introduced new varieties and new crops, as well as new technologies necessary for farmers to reduce costs and increase margins. The project also focused on strengthening strategic partnerships between retailers and traders. Additionally, it introduced new technologies in grading and packing to strengthen market presence.

The project overall provided critical and close attention to the vegetable value chain, with a particular focus on infrastructure. Infrastructure refers to the physical capacity to add value to vegetable products by assembly, sorting, grading, packing, and storing. However, infrastructure also includes understanding and improving the relationship between the producers, traders, and end-market customers. Likewise, improved planting programs remained important to ensure continued reliable production supply linkages. Finally, KPEP also capitalized on opportunities to increase the sales of processed fruits and vegetables, including abroad.

Achievements

Promoted exports of fresh commodities

KPEP facilitated significant exports of potatoes and peppers. The key to achieving these export results was KPEP's engagement of local agronomists who provided technical production, harvest and marketing support. The agronomists are a key value chain linkage through whom market information flows from the end market to the farmer. Overall export activity in 2008 was estimated €40,000 (\$54,021) and by the end of the project lifetime it was valued to €1,100,000 (\$1,485,582) which is an increase of €1,060,000 or \$1,431,561 (26.5 percent).

Created standard form contracts

Contracts are useful tools that are beneficial for both parties. They protect both sides from misunderstandings that arise from sealing a deal with a handshake instead of a contract. This is a new practice in Kosovo where relationships and trust are crucial in business. However, that trust can be violated and buyers outside of Kosovo prefer to put the terms in writing.

Established collection centers

KPEP played a key role in establishing four vegetable collection and cooling centers: Bashkimi, Liria, Fruti, the widows' association in Krusha Madhe/Velika Krusa, and Edona/Hosa in Rogova. The collection centers address the lack of infrastructure, which seriously impacts Kosovo's competitiveness in the vegetables sub-sector. Without the ability to assemble and add value, the resulting high transaction costs are driving traders to procure vegetables elsewhere in the region. Collection centers provide an opportunity to produce to end-market demand by adding value with sorting, grading, packing and storage. The Ministry of Agriculture has since invested €3,000,000 (\$ 4,051,587) in partnership with private firms *Kelmendi GmbH (Zahaq, Peja)*, *Elkos Group (Xerxe)*, and *Ask Foods (Gjilan)*. These firms will invest €1 million each. The collection center will be operational in 2014.

Meanwhile, the Ministry of Agriculture, Forestry and Rural Development (MAFRD) pledged to financially support any companies that seek to build three large-scale pack houses for fruit and vegetables. After the tendering process, construction of these aggregation units should begin in 2013, in Peja/Pec, Xerxe and Gjilan/Gnjilane. As of this writing, three KPEP client firms are competing for the support.

Introduced new hybrid varieties

KPEP instituted field trials of several new pepper varieties. The experiment was highly successful. The improved varieties yielded 120 tons per hectare—a fourfold improvement over the 30 tons per hectare yielded using traditional varieties. At €200 (\$270) per ton, the gross income advantage of improved variety seed is €18,000 (\$24,310) per hectare.

Pioneered new crops

KPEP assisted King Mushroom in developing out-grower operations to produce shiitake mushrooms on a commercial scale for export to Europe. KPEP served as a facilitator between King Mushroom and the 50 out growers in North Kosovo as well as more than 75 farmers in central Kosovo in partnership with USAID YEP (number still not final), as well as provided advice and financial support to those growers in North Kosovo. By supporting King Mushroom to identify growers KPEP has contributed to King Mushroom ability to meet demand in Western Europe market, and provided employment opportunities to people in Kosovo. It is anticipated that 50 farmers will gain more than €4000 (\$5,400) per annum in gross income. See further discussion in North Kosovo discussion of this report.

Promoted new rotational crop practices

KPEP introduced white beans as a more profitable rotational crop for potatoes rather than the traditional planting of commodity wheat and corn. White beans also have the advantage of being a nitrogen-fixing crop, which enriches the soil with nitrogen for use by the following season's potato crop.

Introduced new technologies

KPEP awarded the Krusha e Madhe Farmer's Cooperative, former Perdrini farmers association, (on a cost share basis) the region's first seedling transplanting machine. The machine allows farmers to plant four hectares a day, using a three-person crew. This new planting technology also allows farmers to begin planting earlier in the season, when combined with a mulch and drip-irrigation system. As a result, crops such as watermelon arrive to market at least 20 days earlier in the season with significant price incentives. Two pepper seedling plantation machines were granted by KPEP and 11 other similar machines were purchased by individual farmers later on.

KPEP awarded a grant to Fidanishtja e Godancit, a new nursery company, a robotic grafting machine, allowing it to implement the latest technology in producing seedlings. The machine is expected to come on line early in 2013.

KPEP also engaged three local consultants to provide services to farmers through the Krusha e Madhe Farmer's Cooperative. The experts proved invaluable in identifying germination problems, plant diseases, and fertilizer and irrigation requirements. They served up to 150 farmers, including 30 commercial farmers for whom KPEP facilitated a contract between pepper producers and the Etlinger Company in Shtime/Stimlje for 16 hectares of peppers.

Promoted Kosovo products abroad

KPEP assisted two HACCP-certified companies Kelmendi GmbH and Ask Foods in attending the Fancy Food Show in 2010 and 2011. Their participation resulted in linkages with distributors in the U.S. and Canada. Both companies signed export agreements in value of €1.5 million and in 2012 both companies exported more than 300,000€ (\$405,160) of goods. Likewise, client firm participation in the Fruit Logistica Trade Show in Berlin client yielded lucrative contracts.

Increased greenhouse cultivation

Las Pallmas increased its nursery greenhouse capacity to 0.50 hectares for the cultivation of vegetable seedlings for later transplanting, utilizing a KPEP grant that covered part of the total investment. Twelve farmers in Gjakova/Djakovica, Ferizaj/Urosevac, Gjilan/Gnjilan and Pristina purchased Israeli-made greenhouses, each 1,000 square meters in size, for a total of 1.2 hectares, under a deal facilitated by KPEP.

Yields under greenhouse conditions will vary by crop, but range from 8-12 kg per m² under very modest conditions of management (yields of up to 70 kg per m² could be expected with the most sophisticated management). With an effective blend value of €0.40 per kg retail equivalent (i.e. assuming a blend of home consumption and local market), a single 1000m² greenhouse can produce attributed gross revenues of traditional horticultural product of €4000 per cropping cycle. Season

length for most crops is no more than 120 days so it is possible to produce between 1.5 and 2 crops per annum under greenhouse conditions without heating. This gives an annual gross revenue potential *per 1000m² unit* of €6000 (\$8,100) or more. This is 3 times the gross revenue that could be obtained from the equivalent open field area.

In North Kosovo, KPEP delivered 160 greenhouses to family farmers. The 120-square-meter greenhouses cover an area equivalent to 1.8 hectares in total.

Decreased reliance on imports

KPEP focused its efforts at productivity improvement through farmer training and linkages with the aggregation system. Overall sales in Fruit and Vegetable products increased by €25,967,629/\$35,070,040 (49 percent) from the initial baseline of €52,747,421/\$71,236,929. Sales increased as a result of increased productivity and hence yield of saleable product from established production area resulting from the introduction of new technologies in irrigation, planting variety choice, plant nutrition management and moisture conservation methods such as plastic mulching. Project support included improving access to reliable markets for fresh and processed product, which filtered back through the value chain to increase the level of confidence of producers, aggregators and processors.

Led study tours to promote knowledge sharing

KPEP sent a group of seven farmers interested in starting pack houses to Antalya, Turkey, to learn how to operate a vegetable collection center. As a result of this visit, the participating farmers' saw an increase in sales of approximately €250,000. Following the visit, four farmers were supported by KPEP to begin operations.

Forged new linkages

KPEP worked on creating linkages between Kosovo trading companies and hypermarket chains. The Elkos chain purchased most of the output of the Krusha e Madhe Farmer's Cooperative, including the new Abide and Cila pepper varieties introduced by KPEP, as well as the new Barcan and Top Gun watermelon varieties. As a result, more than €200,000 (\$270,100) of goods from Krusha e Madhe alone was delivered to ETC. This linkage represents a 5 fold increase over baseline but more importantly a sustainable and reliable market linkage.

Increased domestic and export sales

Over the life of the project, direct and indirect facilitation by KPEP led to total recorded fruit and vegetable transactions, on both the domestic and export markets, worth €78.7 Million (\$106.3 Million).



USAID
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Fruit & Vegetables

SNAPSHOT

Donated Greenhouses Bring Fresh Promise to Impoverished North



Donated Green Houses

USAID, through its Kosovo Private Enterprise Program (KPEP) provided new greenhouses to 130 needy Serb, Albanian and Bosniak families in north Kosovo.

USAID Kosovo Private Enterprise Program

Small greenhouses donated by USAID to experienced but poor farming families in north Kosovo are inspiring big plans.

For Sanja Zivkovic, it's cultivating flowers in winter—blossoms the young mother knows can sell locally for as much as 1 euro (\$1.26) a stem. Meanwhile, Milovan Miletic schemes an early start on raising tomatoes that can tip the scales at 1.3 kilograms (2.9 pounds) a piece. And Bajram Azemi plans on growing enough pickling cucumbers to supply his entire neighborhood.

USAID, through its Kosovo Private Enterprise Program (KPEP), is providing the new greenhouses to 130 needy Serb, Albanian and Bosniak families in north Kosovo. Each donation includes a 1,000-liter (264-gallon) water tank and drip-irrigation system. The first 20 of the micro greenhouses are in place, some already freshly planted with peppers, tomatoes and other seedlings.

Each €1,746 (\$2,199) greenhouse package will allow households to grow fresh produce more intensely than they can in open fields. The greenhouses will also extend the growing season by up to 90 days, keeping cold temperatures at bay.

As a result, each greenhouse should provide sustainable and near year-round employment for two people, helping dent a local unemployment rate of approximately 50%, according to KPEP.

Sanja Zivkovic said her family plans to grow spinach and lettuce in winter, giving way to flowers and then, beginning in early spring, tomatoes and other vegetables. The greenhouse should enable her family to raise crop varieties without the constraints presented by the small, non-irrigated parcel of open land she now farms with her husband and mother-in-law.

"How could we not be happy?" Zivkovic said. "We'll have enough to feed ourselves and to sell for profit."



USAID
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Fruit & Vegetables

SNAPSHOT

Donated Greenhouses Bring Fresh Promise to Impoverished North (continued)

The recipients will be able to sell any excess produce, including through local cooperatives. Those sales should help reduce the more than €300 million (\$377 million) in fresh fruit and vegetables Kosovo imports annually.

For example, Azemi's neighbors have already pledged to buy all the cucumbers he can grow. And Miletic, beyond tomatoes, also wants to raise peppers for sale in the off-season, when expensive imports dominate the marketplace.

"They'll come in early and we can sell them for a good price," Miletic said.

Kosovo-based DST Product manufactured the tunnel-style greenhouses, which employ UV-resistant plastic sheeting on a steel frame. The plastic should last three to five years before requiring replacement.

Achieved HACCP certification

KPEP assisted Ask Foods, a major fruit and vegetable processing client firm, in obtaining HACCP certification, a necessary prerequisite for exporting products. Four other KPEP assisted firms are in the pre-HACCP stage of preparations. This is a critical milestone for penetration to new markets. Beginning in 2014 Kosovo will not be able to export goods to the EU and US without HACCP. Therefore firms must get their certifications now.

Increased domestic processing of vegetables

In 2008, KPEP's vegetable-processing clients processed only 200 metric tons of vegetables. By 2012, total processed vegetables reached 5,500 mt, with a corresponding margin over cost of €1.1 million (approximately \$1,485,582).

Created farmers' cooperatives

KPEP facilitated the transformation of the Perdrini Association into the Perdrini Cooperative, as well as Adas Bio's transformation into the Gjakova-1 Cooperative. KPEP provided legal advice on the transformation process, which rendered the newly formed cooperatives eligible to enter buy-sell transactions.



USAID
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Fruit & Vegetables

SNAPSHOT

USAID Assists Kosovo's Farmers in Improving Vegetable Cultivation



USAID granted Perdrini two seedling transplanting machines

"KPEP's strategy for agriculture revolves around meeting market demand by improving product quality and variety selection along with improving handling and storage in collection centers. KPEP has selected tomatoes and peppers"

USAID Kosovo Private Enterprise Program

During April 2010, USAID's Kosovo Private Enterprise Program organized a training session with farmers of Krusha e Madhe, Celine, Xerxe, and Mamusha on the cultivation of vegetables.

"KPEP's strategy for agriculture revolves around meeting market demand by improving product quality and variety selection along with improving handling and storage in collection centers. KPEP has selected tomatoes and peppers," said KPEP's then Agriculture Advisor John Mackillop.

With USAID facilitation in 2009, the Perdrini Farmer's Association exported over 200 Mt of peppers for processing to Macedonia, Albania, and wider region. In addition, USAID granted Perdrini two seedling transplanting machines, supported the participation of a group of agronomists and seed suppliers in the Growtech Fair in Turkey to identify new pepper hybrid varieties, and has assisted with establishment of four pepper and watermelon test trails in four locations in Kosovo. USAID also has made two agronomists and one marketing specialist available to the association to help them with pepper cultivation, collection, and packing for export.

USAID has assisted the members of the Mamusha Farmers' Association with a cost evaluation for tomato production, identified seed suppliers for new hybrid seeds, and new machines for vegetable plantation.

VIDEO

Driving jobs, growth and exports in Kosovo - BASHKIMI

<http://www.youtube.com/watch?v=masyiiZAckw&feature=plcp>



VIDEO

Driving jobs, growth and exports in Kosovo - ASK FOODS

<http://www.youtube.com/watch?v=J2bdLYI9Ggs&feature=plcp>



NON WOOD FOREST PRODUCTS

Strategy

KPEP assisted the non-wood forest product sector (NWFP) in adding value by grading, freezing, drying, cutting, and storing berries, mushrooms and other wild-harvested natural products. The project's strategy was to move the sector to a new level by identifying and capturing new direct markets and increasing the volume of products that moves through organic- and HACCP-certified processors. KPEP also targeted adding value in the supply chain through improved harvesting techniques, collection center development to reduce transaction costs and organic and HACCP certification. The sector continues to look very promising as a contributor to jobs and income in rural areas.

Achievements

Promoted export growth

NWFP have long been a strong export product for Kosovo. KPEP's assistance built on that tradition. In 2008, NWFP exports totaled €3.3 million (\$4.5 Million). In 2012, Non Wood Forest Product exported value was €12 Million (\$16.2 Million).

To accomplish this growth, KPEP helped the NWFP sector develop new markets and respond to end market demand for new products. See trade show description below.

Popular export products, especially in new markets, included blueberries, juniper berries, mushrooms and frozen raspberries.

Facilitated trade show attendance

KPEP sponsored two companies, Agro Produkt Syne and Euro Food, in exhibiting at the New York Fancy Food Show during Year 2, and during Year 3 in Washington D.C. The companies later signed contracts to export dried wild mushrooms, processed rosehips and other wild-harvested products.

Various KPEP-supported clients attended BioFach, the world organic trade fair held February 16-19, 2011, in Nuremberg, Germany, as well as the Anuga Food & beverage trade fair, also in Germany, resulting in increased sales for organically certified commodities sold by Agro Produkt Syne, Hit Flores and others.

Debuted custom-packaged fresh berries and other NWFP

The Rugova Farmers' Cooperative (Kooperativa Rugova) with KPEP assistance developed 450-gram packages of three varieties of fresh berries for domestic sale. Firms saw a minor increase in sales this season and predict a larger increase next year thanks to the new packages.

KPEP worked with the Scardus Company to meet the detailed requirements for retail packaging and branding to enable it to enter the fresh and frozen market for blueberries, and saw sales increase by 20 percent. KPEP also assisted Agro Produkt Syne in developing retail packages of organically

cultivated herbs which resulted in an increase of €100,000 (\$135,000) sales of herbs and tea bags from a baseline of €2.4 Million (\$3.2 Million) across the whole sector.

Gained HACCP certification

KPEP, in cooperation with the Swiss and Danish development agencies, aided five client firms in obtaining HACCP certification. The firms are: Agro Peti in Podujeva/Podujevo, Besiana in Ferizaj/Urosevac, Scardus in Shterpce/Strpce, Farmers Cooperative Rugove/Rugova in Peja/Pec, and Agro Produkt Syne in Istog.

KPEP further assisted three firms in obtaining organic certification. They are: Hit Flores in Dragash/Dragas, Agro Produkt Syne in Istog, and Euro Fruti in Mramor.

HACCP and organic certifications ensure that the collected, processed, cold-stored and packed products are made of high quality; this consequently yields higher priced products and higher incomes for rural family households. HACCP also is a necessary prerequisite for exporting product abroad.

Trained NWFP collectors in sustainable harvest techniques

KPEP developed training materials to train more than 500 collectors on good wild collection practices. Training of wild harvest collectors ensures (1) sustainable collection practices; and (2) raise awareness of the risks that collection might have on the environment. This is particularly important as harvest volumes and pressure on sources of product increases.

Funded collection centers

KPEP funded nine firms in developing satellite collection centers capable of storing and cooling NWFP. The centers (1) improve quality by reducing fermentation; and (2) reduce transaction costs by requiring less frequent transportation to processing facilities. The centers with cooling capabilities benefit from reduced costs and improved quality.

Increased cultivation of medicinal herbs

Agro Produkt Syne relied on KPEP's technical and marketing assistance to organically cultivate 30 hectares of chamomile and another 30 hectares of mint, oregano and other herbs and spices. Previously, there was no cultivation of these products. Overall, herb production by client firms expanded to 80 hectares, more than meeting a 50-hectare benchmark. The project's efforts also focused on increasing herb cultivation among collectors of wild commodities, given their knowledge and resources, as well as assisting vegetable farmers, including farmer associations and cooperatives, in rotating their regular crops with herbs.

Expanded raspberry cultivation

KPEP supported new field trials of new raspberry varieties in Shterpce/Strpce as well as provided technical assistance to raspberry growers in Dragash/Dragas. KPEP, in cooperation with the MVM farmers association in Shterpce/Strpce, tested the local market response to small retail packages of fresh raspberries. In order to increase cultivation of this important berry crop in two major locations,

Shterpce/Strpce and Dragash/Drugas, KPEP organized a field day in Shterpce/Strpce where NWFSP stakeholders showcased new, more productive varieties of raspberries that are better suited to the areas. KPEP also introduced a new system of irrigation to increase productivity.

KPEP partnered with the Shterpce/Strpce MVM, an association of collectors to expand the area of cultivated raspberries from the initial 4 hectare establishment trial to at least 15 hectares. The impact of raspberry investments in Shterpce/Strpce was income increasing from a baseline of effectively zero from cultivated raspberries to €96,000 (\$129,650). The impact per hectare was a yield of 8mt per ha. These plots were previously planted with field crops – maize and pasture commodities and impact of planting raspberries is a more than 10 fold increase in net income off the same area of land under previous crops. Farmers were able to extend their season by 6 weeks with the introduction of new varieties and growing techniques.

VIDEO

Driving jobs, growth and exports in Kosovo - APS SYNE

<http://www.youtube.com/watch?v=2BevRREQm18&feature=plcp>



VIDEO

Driving jobs, growth and exports in Kosovo - FUNGO FF

<http://www.youtube.com/watch?v=6vSaw9ZVH8o&feature=plcp>



FORESTRY

Strategy

KPEP's strategy was to improve forestry management practices leading to certified forests in Kosovo. Such certified forests will increase the value and quantity of locally grown wood available for domestic wood processing. The project addressed improved forest management through forest certification through the Forest Stewardship Council (FSC). Improving forestry management practices through forest certification will assure that Kosovo's forests are managed to provide a sustainable harvest and that its wood products can access high-value markets.

Achievements

Obtained FSC approval for Kosovo's national standards

As wood processing was a target sector for KPEP, a holistic understanding of the challenges the sector faced required focusing upstream on the raw materials for the sector. The EU is Kosovo's most promising export market for wood and wood products. However, strict EU regulations require Kosovo to prove the provenance of any wood and wood products intended for export to EU countries. In 2006, USAID (under KPEP's predecessor project, Kosovo Cluster and Business Support or KCBS) began support to the Forest Certification process.

Specifically, manufacturers must obtain Chain of Custody, or CoC, certification showing they sourced their raw materials from certified forests. Recognizing this, KPEP embarked on assisting stakeholders in developing Forest Stewardship Council (or FSC, the internationally recognized body for forest certification, based in Germany) standards for Kosovo. The immediate goal was to ensure a steady supply of certified timber essential to Kosovo's wood-processing sector. The program also recognized that proper forest management affects many stakeholders, beyond just industry. Consequently, the effort to obtain FSC certification broadly engaged those stakeholders, strengthening their ownership of the process while building their capacities in sustainable and enduring ways. KPEP's underlying strategy involved deep engagement with its stakeholders. Likewise, the FSC process also demands significant and meaningful public participation and local consultation. KPEP began by identifying and engaging all key stakeholders, including private forest owners, environmental groups, logging and wood-processing industry representatives, academics and hunting associations, as well as the Ministry of Agriculture, Forestry and Rural Development; the Ministry of Environment and Spatial Planning; and the Kosovo Forest Agency. It also included minority Serb foresters.

A milestone was reached in September of 2009 with the recognition of Kosovo's Standard Development Group (SDG) by FSC. USAID KPEP's forestry specialist chaired the SDG. After a multi-year consultative process, the SDG prepared both the first and second drafts of the standard, the latter submitted to the FSC in September 2010. The standard was formally approved by FSC in June 2012 and came into force on October 1st, 2012.

Created Chain-of-Custody FSC certification manual

Kosovo's forestry sector is confronted with the reality that unless wood originates from certified forests and wood products can be traced through a certified chain of custody (CoC), market access is severely limited. KPEP developed and distributed a Kosovo-specific CoC guide. The guide describes the main steps taken for FSC CoC certification.

The Association of Wood Processors of Kosovo (AWPK) later introduced CoC to Kosovo's wood processors.

For any progress to be made in developing a forestry industry in Kosovo that will have long-term access to developed markets, forests must be certified against an industry-acceptable standard. Approval moves the industry closer to reducing illegal logging through market pressures. It will also offer increased market access for wood product producers. As the standards are applied over time, it is anticipated that Kosovo will move from the current 20 percent annual sustainable harvest to 70 percent. As the sustainable cut increases, logging firms will increase investment, sales and jobs.

Supported combating illegal logging

KPEP developed a strategy to reduce illegal logging as a parallel effort. Illegal logging is pervasive and extremely costly. Past efforts to address this issue have failed due to the lack of a strategic approach. KPEP worked to strengthen 1) public awareness; 2) community involvement; and 3) law enforcement.

KPEP's strategy included the development of municipal forest boards, which would assume responsibility for coordinating and monitor the KFA, law enforcement relative to illegal logging, and the prosecution of offenders.

Promoted use of biomass

KPEP supported MV Leshak, Feroda, Thes Ari and other firms in establishing or expanding production of wood pellets and briquettes for heating. The firms rely on sawdust and other waste products as a feedstock. Much of these inputs previously were dumped as waste instead of being transformed into commercially valuable and environmentally friendly products. As the demand for high quality pellets is constantly increasing, local firms aim to meet the supply capacity. As a result, one of KPEP's supported companies, Feroda, made an additional investment of €100,000 (\$135,053) to expand production capacity, and increase annual sales from 400Mt/€72,000 to 500Mt/€90,000 Euros.

Promoted responsible forest management

KPEP founded a program that educates children on the traditional importance of proper forest management. The outdoor education program offered school children in Dragash/Dragas, Suhareka/Suva Reka and Junik an opportunity to learn about the role forests play in everyday life. More than 500 pupils attended talks about the importance of the forest as well as participated in drawing, essay and other competitions.



SNAPSHOT

Forest Management Standard Wins International Approval



National Forests

The benefits of accreditation will extend beyond adding jobs and bolstering the economy, as it brings a new level of responsibility to the environmental and social aspect of forestry too.

USAID Kosovo Private Enterprise Program

Kosovo's national forest management standard has won international approval, ensuring the sustainable future use of the impoverished country's significant forest resources in furthering its economic development.

The nonprofit Forest Stewardship Council accredited Kosovo's national standard on June 29, 2012, ending a multiyear effort supported by USAID's Kosovo Private Enterprise Program, or KPEP. Kosovo is the first country from the former Yugoslavia to gain national FSC standard accreditation, giving it a competitive edge over its neighbors.

The standard establishes how Kosovo should manage its forests, in accordance with FSC principles adapted to national conditions. FSC's objective is to promote environmentally appropriate, socially beneficial and economically viable forest management and to provide a credible link between responsible production and consumption of forest products. The standard enters effect Oct. 1, 2012.

Winning accreditation lays the groundwork for the actual certification of Kosovo's forests and wood products, which will remain voluntary. Certification should greatly benefit Kosovo's exporters of wood products to the European Union, their largest market. EU legislation bans, effective March 2013, non-certified timber and wood products from being sold within the bloc.

The benefits of accreditation will extend beyond adding jobs and bolstering the economy, as it brings a new level of responsibility to the environmental and social aspect of forestry too. Most significantly, it should stem currently widespread illegal logging, by increasing demand for legally sourced timber, according to the broad coalition of public and private stakeholders that developed the national standard. The standard also will promote conservation of Kosovo's natural habitats, endemic species and rich biodiversity, through the application of sound management practices.

SNAPSHOT

Forest Management Standard Wins International Approval (continued)

Two-fifths of Kosovo is covered in forest, much of it poorly managed and underutilized. Indeed, the current annual harvest is just 20% of the potential sustainable harvest. The benefits of FSC

certification should spur Kosovo to better manage and utilize its significant forest resources.

Meanwhile, Kosovo has begun preparing its first individual forest management plans. The initial goal is to gain FSC certification for two publicly owned forest tracts, to serve as models for eventual expansion, as well as for five wood processors that rely on timber harvested from the pilot units.

"Certification will improve forest management and production sustainability, ensuring a potential annual yield of 500,000 cubic meters of timber from public lands alone—more than enough to fulfill the country's needs," said Hysen Shabanaj, KPEP's forestry expert.

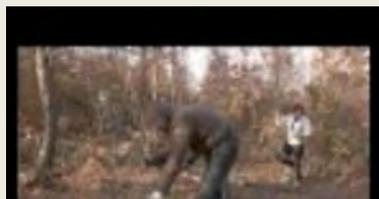
Piloted forest thinning demonstration project

KPEP funded the pre-commercial cleaning and thinning of young stands in Northern Kosovo. The project covered 162 hectares. Beyond benefitting the forest, the project generated significant short-term employment for local members. As a result, 120 workers cleaned 162 hectares of forest, and the remainders of the woods removed from the forest were provided to poor villagers (more than 140 households) who used the wood for heating.

VIDEO

Driving jobs, growth and exports in Kosovo - M&A

<http://www.youtube.com/watch?v=yvUIZ6ah0ZU&feature=plcp>



WOOD PROCESSING

Strategy

KPEP's strategy for the wood processing sub-sector focused on improving its capacity to meet international standards. By designing and processing at an internationally competitive level, wood processing can displace imports on the domestic market and create opportunities in the export market. The three key areas in wood processing are design/product diversity, production, and marketing

As the highest-value end use for Kosovo's timber production, wood products are a key to driving the industry. The local market for timber products, particularly furniture, is high at this time and there is a significant opportunity to produce for import substitution. Industry estimates suggest that some €80 Million (\$108 Million) of timber and timber-finished goods are imported into Kosovo annually. Of this, some 60 percent is furniture. Additionally, there is an export market for Europe, particularly for high-quality finished goods. These exports require very high quality timber for raw materials as well as the best possible craftsmanship and production reliability. When facing a large, less discerning local market, firms may be less inclined to invest additionally in export production.

Achievements

Strengthened leading industry group

KPEP helped the Association of Wood Processors in Kosovo (AWPK) become a fully sustainable association recognized as representing the wood processing industry as well as its members. KPEP supported AWPK through trainings; workshops on strategy, annual work plan drafting, and implementation; participation in local, regional, and international industry fairs; internships and job fairs; etc. KPEP also assisted AWPK in establishing relationships with the European Federation of Furniture Manufacturers (UEA) resulting in the full membership of AWPK in the European Federation of Furniture Manufacturers (UEA).

Promulgated EU standards

KPEP assisted the AWPK in working with the Kosovo Standards Agency to adopt 46 EU wood industry standards. The Kosovo Standards Agency with AWPK established a wood industry standards committee. By adopting these standards, wood industry produces better quality goods competitive in international markets and suitable for exports in the various countries.

Promoted trade fair participation

The project, through the Association of Wood Processors in Kosovo (AWPK), supported more than 60 client firms in exhibiting their products at the following regional furniture and wood processing fairs: Albrelex in Tirana, Albania; Ambienta in Zagreb, Croatia; Furniture Show in Budva, Montenegro; Mebel in Skopje, Macedonia; and Natyra in Pristina, Kosovo.

As a result of their participation, KPEP's client firms reported an increased number of export and domestic sales, the latter serving to substitute substantial imports. Local products worth of 1.3 Million Euros were exported; meantime €1.1 Million (\$1.48 Million) resulted in domestic sales.

AWPK also co-sponsored members' attendance of trade fairs in the EU, including the Ligna Trade Show in Hanover, Germany and the international furniture show in Barntrop, Germany.

KPEP further assisted AWPK members with a visit to the Xylexpo woodworking machinery trade show in Milan. The event allowed 24 technicians from 21 wood processing firms to learn about new technologies and industry trends, including CNC manufacturing.

Fostered regional expansion

KPEP-supported wood processing companies expanded their markets to Albania, Croatia, Macedonia and Montenegro.

After participation in regional trade fairs supported by KPEP, the demand for wood products from Kosovo increased in the regional markets, incentivizing Lesna and Elnor to set up a distribution network for the Montenegro market. Additionally, Lesna opened a sales point in Macedonia and Albania, to provide a continued presence at these two markets.

Increased exports

Between 2009 and 2011, exports of wood products and furniture increased by €1,548,021 (56 percent) from a baseline of €2,744,107. In the same period, furniture and wood product imports have fallen by 34 percent. Meanwhile, imports of raw materials have increased by more than 200 percent. That indicates that manufacturing capacities have increased, spelling success for domestic producers.

Identified and developed new products

KPEP supported the development and finalization of a variety of new furniture products made by client firms for export to the EU. Firms include Kosovawood, Hilmi Deva, Tefik Canga Design and Elnor.

During LOP of KPEP project these firms exported in total €1.04 Million (\$1.4 Million). These companies had consistent increase in sales during this period: in FY2008 overall sales of these four companies were €1.05 Million (\$1.42 Million), while in FY2012 the sales were €1.61 Million (\$2.17 Million), or an increase of 154 percent.

Enabled efficiency

KPEP conducted manufacturing cost analyses for four companies, helping them to reestablish manufacturing. The four are: Lesna in Design, Euroart, Gacaferi and Tefik Canga Design.

Improved quality

KPEP, through STTA, assisted several companies in improving their manufacturing processes. This assistance has been directly linked to the establishment of business linkages with international buyers who demand higher quality and better-designed products. The STTA invested considerable time in

teaching the firms how to improve the quality of their products. As a result, Elnor exported solid wooden chairs and tabletops to Ireland's Osso Contract Furniture. More recently, in fall 2012, KPEP beneficiary KosovaWood signed an export contract with a Danish company, 'NordicBYdesign' for solid wood furniture production. This agreement resulted in export of basic chairs and tables for a total amount of €30,000 (\$40,516).

As a long term result, Elnor opened opportunities for more exposure in international market and continued exporting in Norway, Switzerland, etc.

Trained workforce

To address the skills gap in the sectors, KPEP supported AWPK in the implementation of several waves of an internship program. KPEP and AWPK provided the interns with five days' training before placement. The program overall placed 44 interns with 16 wood processing companies. KPEP also helped place 10 marketing and sales and design interns at 4 wood processing companies.

KPEP supported AWPK, both with funds and expertise, in organizing a wood industry job fair, where 22 wood processing companies announced approximately 58 job vacancies, including 40 carpentry positions. Furthermore, 100 job seekers received training on CV writing and interview skills; 171 candidates were interviewed; and eight jobseekers received immediate offers of full-time employment.

Achieved international certification

As a result of KPEP's ongoing engagement, two firms, Elnor and Pejawood, received ISO 9001 certification, the International Certification on Quality Management.

Trained management

KPEP trained 23 managers and middle managers at Elnor and Tefik Canga Design on improving management skills, teamwork, and setting up company vision objectives and strategies. Both companies have since improved their organizational structures, management practices and made significant investments in developing new business branches. Once managers understood the efficiencies that could result from reorganization, they made changes that yielded results. For example, the owner of Tefik Canga delegated the managing responsibilities and then was able to take a strategic vision of where the company should be going. As a result, he opened DEKO, opening the firm up to new sales and a new market.

VIDEO

Driving jobs, growth and exports in Kosovo – ELNOR

<http://www.youtube.com/watch?v=XWgtCff4fTU&feature=plcp>





USAID
FROM THE AMERICAN PEOPLE

Wood Processing

SNAPSHOT

KOSOVO: Kitchen Exports Make Company Even More Productive



Lesna's Albanian presence marks its second regional outpost.

USAID through its Kosovo Private Enterprise Program helps furniture manufacturers to develop commercial relationships with international buyers, given the overall wood-processing industry's strong export potential.

USAID Kosovo Private Enterprise Program

A Kosovo-based manufacturer has opened its first kitchen and furniture showroom in neighboring Albania, marking its further expansion into potentially lucrative export markets with assistance from USAID. The new Lesna showroom in Tirana highlights the company's custom kitchens as well as office furniture and dining room tables. The showroom joins a previously opened Lesna outlet, also located in the Albanian capital that showcases the firm's windows and doors.

Lesna's Albanian presence marks its second regional outpost. In 2010, the company opened a showroom in Skopje, Macedonia.

USAID through its Kosovo Private Enterprise Program helps furniture manufacturers to develop commercial relationships with international buyers, given the overall wood-processing industry's strong export potential. The project's overall focus is on strengthening the private sector and increasing the competitiveness of the Kosovo economy. Through a partnership with the Association of Wood Processors of Kosovo (AWPK) USAID assisted Lesna to attend the Albrex furniture trade fair as part of a delegation of local furniture manufacturers.

Among Kosovo's furniture companies, Lesna ranks among the fastest-growing. It began as the Kosovo sales branch of a Slovenian company, but was spun off in the 1990s. In 1997, it began manufacturing doors and windows and, later, furniture and kitchens. It opened a new €2 million euro furniture factory in 2011. Beyond Albania and Macedonia, Lesna next seeks to begin exporting to Switzerland, home to a large Kosovar émigré population

CONSTRUCTION

Strategy

Residential and commercial construction has boomed in Kosovo in recent years. At project inception, the construction sector awaited the government of Kosovo's awarding of an approximately €1 Billion (\$1.35 Billion) tender to construct the highway to Albania, as well as other large infrastructure projects to be financed by international donors together with the Government of Kosovo. KPEP's Scope of Work indicated that road construction might reach €80 Million (\$108 Million) annually during the years of KPEP's period of performance. While this represented a huge opportunity for the construction sector, it also represented significant opportunity for the construction materials sector to provide goods worthy of import substitution.

In terms of road construction, the Albania Highway construction project presented an opportunity for local construction firms to get involved more substantially. Local firms needed to have certified staff in order to compete for the job. Central to this was the creation of a Heavy Equipment Operators' Training Center (HEOTC) that could skill up workers to international standards. Consistent with USAID's agency-wide priority of partnering with large American firms to address development challenges, KPEP worked with both Caterpillar and Bechtel in exploring ways to make the sector more competitive.

While these partnerships were not formalized, KPEP was able to learn from those firms when developing the HEOTC. KPEP signed a Memorandum of Understanding with the Ministry of Transportation to deepen the institutional commitment, but given the changes in the Ministry they were not able to support this initiative.

In terms of construction materials, KPEP was able to work with lead firms in the sector that have the ability to catalyze change throughout the sector. These firms saw an increase in sales and employment, but continue to be hindered by the fact that they do not have international product certification, which is very expensive to obtain. KPEP worked with the Kosovo Chamber of Commerce to raise awareness of the need for product certification, but as of late 2012, the problem remains. KPEP also focused a significant amount of effort on the process of establishing a licensing system for architects and engineers, another effort to raise the professionalism and ultimately the competitiveness of the industry.

ROAD CONSTRUCTION

Strategy

KPEP's goal for the road construction industry was to develop a sustainable and professional design, procurement and execution capability in Kosovo. This served to ensure that future roads are designed in accordance with best practices, and that the best contractors are given a chance to bid for work on a level playing field. Also, the strategy ensured that contractors develop skills necessary for projects to be completed safely and in accordance with contract specifications.

Achievements

Improved road design capability

KPEP, in cooperation with the University of Pristina and the Texas Transportation Institute of Texas A&M University, created a specialized course on road design. The course was the first of its kind in Kosovo. So far, 49 people have attended the course, which covered key topics in design, construction and supervision. Since inception, the university has assumed control of the activity, and it continues to work with the TTI on organizing a web-based lecture system that allows local and U.S.-based instructors to continue the course in an ongoing and sustainable manner.

Established heavy equipment operator training

A recent increase in road and infrastructure construction presented an opportunity for KPEP to offer career training to sector employees in order to (1) provide them with needed skills in order to perform their work efficiently, safely and responsibly; (2) keep more of the construction funding in Kosovo; and (3) improve the quality and timeliness of road construction projects. To this end, KPEP founded the Heavy Equipment Operation Training Center (HEOTC), a post-secondary vocational training school for road construction machinery operators (providing both entry- and advanced-level training). The HEOTC is the first of its kind in Kosovo.

HeviCert, a U.S. training company, conducted the initial eight-week training course. Students were trained and certified as operators of roller compactors, wheel loaders, hydraulic excavators, backhoes, bulldozers and motor graders.

The center is located on premises owned by the Kosovo Electric Corporation (KEK), which now operates the program on a sustainable basis in conjunction with the Ministry of Labor and Social Welfare. To date, 58 heavy-equipment operators have received training through the center.

Promoted road safety

KPEP, in conjunction with the European Union mission in Kosovo, created and distributed a documentary film entitled “Challenges for Road Safety” to several local TV stations for broadcast. The objective of the film was to raise public awareness about road safety issues so that more resources may be allocated by the government for better designed roads. Safer roads increase economic development and increase efficiency of transportation.

Established certified welder training program

Similar to the HEOTC, KPEP assisted KEK in establishing a sustainable program to train and certify welders. Given the booming construction in Kosovo, welders are in short supply. There is also demand in neighboring countries for skilled and certified welders. This initiative was designed to increase employment in this sector. The program has trained and certified five instructors and 24 welders, many of them formerly unemployed youth. The center is now at work creating a cadre of expert welders to train even more prospective employees. The training program also is recognized and accredited as a professional vocational training program, in full compliance with local requirements and regulations.



SNAPSHOT

Heavy Equipment Operators Make the Grade with USAID Assistance



KPEP has produced dozens of the certified heavy equipment operators sought after by the firms helping build a brighter tomorrow for Kosovo.

The workers building and upgrading the basic infrastructure needed to secure Kosovo's future economic development increasingly do so more safely, competently and efficiently, thanks to USAID.

An innovative program begun by USAID's Kosovo Private Enterprise Program, or KPEP, has produced dozens of the certified heavy equipment operators sought after by the firms helping build a brighter tomorrow for this small and poor country in southeastern Europe. Graduates of the accredited program operate graders, bulldozers, excavators, dump trucks and other heavy equipment common to the road construction and other industries.

Unfortunately, most of Kosovo's estimated 2,000 heavy-equipment operators work without any sort of licensing or certification. Worse, large-scale highway and other domestic infrastructure projects often import the certified workers required to operate any necessary heavy equipment.

After USAID identified this situation as an obstacle to Kosovo's economic development, KPEP contracted HeviCert Inc. to establish a permanent training and certification program for heavy equipment operators.

Beginning in March 2010, the Henderson, Nev., firm trained and certified the first class of 50 operators, with a focus not just on skills and techniques, but also on the environment, safety and maintenance. Subsequent classes trained trainers as well. The Kosovo Energy Corporation, the state-owned electrical utility known as KEK, assumed management of the center in its second year. Now in its third year, the center operates without KPEP or HeviCert assistance, catering not to just to KEK and its employees but to firms across Kosovo.

"And we are working to become a regional training center of distinction," says the center's director, Valbona Kadrijaj. Kosovo's Ministry of Labor and Social Welfare recently began supporting the center too, given its demonstrated role in creating

USAID Kosovo Private Enterprise Program



USAID Construction

FROM THE AMERICAN PEOPLE

SNAPSHOT

Heavy Equipment Operators Make the Grade with USAID Assistance (continued)

well-paid jobs, said Jehona Namani, director of the ministry's employment division. Strong demand for certified operators means they can expect to earn 25% to 50% more than their non-certified peers, according to a KPEP survey.

Still, it's not just about the money, said Azem Plakolli, while acknowledging certification has brought him greater contracting opportunities after 15 years in the construction industry, mostly operating excavators.

"I am aware that, despite my experience, it was only during my training that I learned the real rules of how to operate heavy equipment, especially where safety is involved," Plakolli said. "Working in construction, you hear a lot about workplace accidents."

A separate USAID KPEP project assisted KEK in establishing a sustainable program to train and certify welders as well. So far, it has trained and certified five instructors and 24 welders, many of them formerly unemployed youth. The center now seeks to create a cadre of expert welders to train even more prospective employees, KEK welding trainer Fehmi Uka said.

CONSTRUCTION MATERIALS & PROFESSIONAL LICENSING

Strategy

KPEP's strategy focused on increasing productivity, efficiency and quality, all with an eye to meeting international standards, within the construction materials sub-sector. The project also focused on the architectural and engineering services industry, creating a licensing regime for professionals active in this important sub-sector.

Achievements

Increased value within manufacturers

KPEP worked with 15 building material manufacturers and processors. Project assistance included (1) manufacturer business observation visits and consulting advice; (2) investment cost-sharing grants; (3) familiarizing government institutions on the main problems faced by the industry; and (4) trade fair participation. KPEP paid particular attention to clay brick manufacturers, which enjoy a market advantage due to the cost and difficulty of transporting finished product. Local clay brick production covers domestic demand up to 70-80 percent and the rest of demand is supplied from factories in Serbia. The total clay bricks market is estimated to be around €15 Million (\$20.2 Million) in a Construction materials market worth of €400 Million (\$540.2 Million).

Working with Brickos, Rizam and other manufacturers, KPEP sought to institute internationally accepted standards. KPEP provided a grant for Rizam, enabling it to purchase a kiln tracker used to monitor temperatures during the firing process. It now forms part of the firm's internal laboratory—a must-have addition to any firm in this marketplace. The lab also allows the firm to conduct testing of raw materials, technological processes and its final clay products.

KPEP, with the IFC, also supported Rizam in gaining: the CE (Conformité Européenne) Mark, a standard that certifies that Rizam's products are safe and are in accordance with EU standards, as well as make it possible for it to export them to other countries; OHSAS (Occupational Health and Security Management Systems) 18001, a standard that improves the security and health conditions of Rizam's 70 employees as well as the company overall; and ISO 9001, a standard that helps the company manage the quality of its products.

Created professional licensing regime

KPEP created Kosovo's first system for the professional licensing of architects and engineers. The project, working with the Ministry of Environment and Spatial Planning (MESP), set up a formal working group that spent almost two years in the planning process. Much effort was focused on the Administrative Instruction establishing that Kosovo will have professionally licensed architects and engineers, which was approved after a year in the process. That Administrative Instruction defines processes and procedures, and led to the creation of the MESP Temporary Board to guide implementation. The Temporary Board was engaged in preparing a business/financial plan for implementation and an action plan for the first stage of the implementation process; creating documents establishing the procedures for the examinations, the principles of the examinations for

each profession; and creating operational rules to be adopted by the governing body of each professional chamber.

In addition, KPEP supported the creation of written recommendations for: a Code of Ethics for practicing registered professionals; continuing Professional Education/training requirements for practicing registered professionals; materials to implement the system; steps required to transfer the functions of the “Boards” to their respective professional chambers. The creation of independent chambers of architects and of engineers is soon to follow.

VIDEO

Driving jobs, growth and exports in Kosovo – BRICKOS

<http://www.youtube.com/watch?v=3Vwo0S3c4Jk&feature=plcp>



INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)

Strategy

ICT represents a sector with a high potential for growth and employment. However, ICT also is a relatively new and undeveloped industry sector in Kosovo. The KPEP ICT sector strategy focused on developing activities that will lay the groundwork for future growth in the industry. Generally, KPEP sought to improve marketing and sales capabilities for selected firms and expand market linkages and service provision; improve workforce skills and support job placement services in the ICT sector; strengthen the local ICT association; and improve the legal and regulatory environment of the ICT sector.

Achievements

Created Kosovo's Internet Exchange Point

In the absence of internal email communication, which made it unsafe and expensive, KPEP created Kosovo's own Internet Exchange Point, or centralized hub where different networks could interconnect, cheaply and easily, in a single physical location. The new IXP now speeds Internet traffic across Kosovo, aiding development of the country's promising information technology industry. KPEP retained overall oversight responsibility for the project, while leveraging the assistance of multiple other donors. It also financed all technical assistance for the program's design and budgeting; oversaw completion of required policy consultations and other regulatory processes; and funded a portion of the equipment that could be locally sourced. The IXP is being used by four local Internet Service Providers (Artmotion, Ipko, Kujtesa and PTK) with no-fee peering with each other.

Promoted B2B

KPEP, in conjunction with the ICT associations of both Kosovo and Albania, organized a B2B event in Tirana in July 2010. The B2B meeting drew 111 participants, including 11 company representatives from Kosovo and 71 from Albania, as well as 3 from Macedonia and other guests from government and various NGOs.

Strengthened BPO sector

Given the unusual high level of German fluency in Kosovo, KPEP BPO promotion and support targeted EU German speaking countries. KPEP and IPAK funded an initiative to promote Kosovo as a near-shore destination at the CeBIT trade show in Hanover, Germany. Kosovo ICT firms exhibiting at the fair did so under a large banner placed by STIKK, Kosovo's ICT association, that read, "Kosovo—Your Outsourcing Destination." KPEP also developed an email campaign for IPAK that it can use to promote Kosovo as an outsourcing destination to regional BPO firms. Furthermore, KPEP has developed a contact list of regional BPO firms to target during the investment promotion campaign. The project further supported Baruti, a Swiss-based service and contact center, in establishing operations in Kosovo. Baruti set up a Pristina office and started operations working on behalf of a German client.



USAID ICT
FROM THE AMERICAN PEOPLE

SNAPSHOT Only Connect—Leveraging Helps USAID Achieve Development Goals for Kosovo



USAID's successful shepherding to completion the IXP effort provides just one example of how KPEP in particular has leveraged more than \$4 million from disparate external donor, private sector and local and central government sources since the project's inception in late 2008.

USAID Kosovo Private Enterprise Program

Until recently, any e-mail exchanged among friends, relatives or colleagues in Kosovo typically would take a long and circuitous route before reaching its destination—even if it was simply across town. The reason why was simple: Kosovo lacked an Internet Exchange Point, or centralized hub where different networks could interconnect, cheaply and easily, in a single physical location.

As a result, e-mails and other electronic data could bounce among 16 different servers and switches, many of them far overseas, in shuttling between users in this small southeastern European country. The lack of an Internet Exchange Point, or IXP, slowed Internet traffic across Kosovo, hindering development of the country's promising information technology industry.

USAID recognized the problem early on and set loose its Kosovo Private Enterprise Program (KPEP) in finding a permanent and low-cost solution. Today, thanks to KPEP's creative leveraging of the help, expertise and money of no fewer than nine other stakeholders, Kosovo has its own IXP—a key piece of 21st century infrastructure critical to the country's continued development.

USAID's successful shepherding to completion the IXP effort provides just one example of how KPEP in particular has leveraged more than \$4 million from disparate external donor, private sector and local and central government sources since the project's inception in late 2008. KPEP, in providing meaningful and lasting assistance to Kosovo, focuses on stimulating private sector competitiveness.

On the IXP project, USAID retained overall oversight responsibility. It also financed all technical assistance for the program's design and budgeting; oversaw completion of required policy consultations and other regulatory processes; and funded a portion of the equipment that could be locally sourced, for a total of \$40,700.



SNAPSHOT

Only Connect—Leveraging Helps USAID Achieve Development Goals for Kosovo (continued)

However, that amount represented just a quarter of the project’s overall \$163,000 cost. KPEP’s successfully enlisting of a broad coalition of external support, beyond that provided by U.S. taxpayers, ensured the project’s full funding. Getting all those different partners to the table wasn’t always an easy job, explains Rhedon Begolli, a KPEP sector specialist. “Not only did we have to coordinate and organize the activities of all 10 stakeholders, but we had to ensure each understood the strategic importance of the project, in order to secure the necessary funds and in-kind support,” Begolli said.

To obtain the widest possible stakeholder buy-in and support for the concept, as well as promote transparency, KPEP designed the project to be led by Kosovo’s Telecommunications Regulatory Authority, or TRA. That allowed the independent body to utilize its own public consultation processes in moving the project forward.

Overall, KPEP has made leveraging a priority in its every effort to help USAID reach the development goals it set for Kosovo in cooperation with its host country. Enlisting the cooperation of outside partners has increased the value and impact of KPEP’s efforts, as well as eliminated waste and unnecessary duplication.

MEDIA

A KPEP-organized workshop/Conference on outsourcing, co-funded by IPAK and hosted by STIKK, drew widespread coverage in local media, which highlighted BPO opportunities for the Kosovo ICT industry. The event featured presentations by three reputable local companies (MC Communications, 3CIS, and Zero Pozitive Publicis), which presented their BPO experiences.

Introduced PMP certification

KPEP sponsored MDA Consulting to become a Registered Education Provider for Project Management Professional (PMP) trainings. MDA began training and certifying local ICT professionals. MDA reported that 14 candidates were trained and five of them successfully passed the PMP certification test. Based on the industry average less than half of exam takers pass the exam.

Supported the Foundation of ICT association

KPEP helped foster the Kosovo's ICT association, STIKK. STIKK supports its 60 members as an increasingly important source of information, training and representation. KPEP has been instrumental in supporting STIKK with technical and other assistance. With KPEP assistance, STIKK actively promotes the industry at trade fairs, sponsors job fairs, organizes trainings, fosters B2B links and lobbies.

ICT Manual

Intellectual Property Rights is one of the most important factors in ICT development. The Intellectual Property Contracting Manual, which includes IP legislation, institutional IP infrastructure, international and European treaties and model contracts was finalized. The draft document was presented to IT associations and the private sector stakeholders.

KPEP collaborated with the Commercial Law Development Program (CLDP, U.S. Commerce Dept.) in developing a follow-on program to CLDP's ICT Contracting Program. The program included a seminar in contracting for approximately 20 ICT professionals and commercial lawyers, and led to the development of an ICT contracting manual that includes model contracts, guidelines and sample terms & conditions, which was shared with STIKK and released to the public.

Promoted ICT training

KPEP with STIKK organized an ICT sales and marketing boot camp. Representatives from eight companies, as well as STIKK, learned new sales techniques and ways to improve their marketing materials.

Strengthened the ICT Workforce

KPEP and STIKK, with the support of the International Finance Corporation (part of the World Bank Group), organized a three-day comprehensive, combined course that provided hands-on training on Information Security Management Systems (ISMS) for the ICT sector. The course provided the participants with the knowledge and skills required for ISMS, as well as taught them the processes involved in establishing, implementing, operating, monitoring, reviewing and improving ISMS, as defined in ISO/IEC. The course provided participants with knowledge in areas such as: the ISO/IEC 27001 standard, concept and guidelines, recognize-the-risk management approach; the interrelationship of ISO/IEC 27001 and other standards such as ISO 27002, ISO 27006, ISO 19011 and ISO/IEC TR 18044; incident management and business continuity management in ISMS; principles of audit management; audit planning, organization and implementation; performing an audit (with a practical workshop); managing non-conformity reports; managing audit reporting and the understanding of competences, roles and certification of auditors. And finally 17 people receiving

training on Information Security Management Systems, of whom 15 then received accredited certification by the International Register of Certificated Auditors (IRCA).

Organized app. development training

KPEP developed a focused Android training program in order to develop local expertise in creating mobile applications, or apps, as an exportable service to European firms. KPEP hired a trainer, leveraged the donation of laptops and smartphones from a Norwegian government-supported project, managed the course design, publicized it through social media, combed through 80 applications and then monitored the first batch of students. The outcomes of this training were:

- 10 participants were intensively trained
- 6 working applications were developed during the course
- 5 candidates were hired from Dutch Company localized in Kosovo, Sprigs (4 full-time & 1 part-time)
- The first hands-on training in Kosovo for the mobile platform Android
- Android Freelancers available for the market

Fostered startups

KPEP fostered Tekfuze, a local startup specialized in electronic product development and manufacturing. KPEP also supported Tekfuze in offering a training and internship program for engineering students and graduates which ended being full-time training for 5 months.

Now Tekfuze operates in full capacity in a new leased facility of 1200 square meters. Tekfuze has 22 employees with a diverse mix. 10 of 16 engineers are female, 1 Serbian engineer, 1 Albanian engineer from Serbia, 1 American, etc.

Founded tech incubator

KPEP joined forces with the Norwegian Athene Project, STIKK, and other donor projects to establish an ICT Innovation Center. KPEP provided advice on models for the Innovation Center, sharing with the relevant stakeholders an earlier feasibility study. The center now supports entrepreneurship and innovation in the Kosovo ICT sector, spawning new companies and ventures and fostering new product development. The Innovation Center Kosovo, or ICK, also offers an incubator program for entrepreneurs wanting to start an ICT business. KPEP helped fund the Center's initial activity, Pristina Startup Weekend, which was used to recruit the first ICT startups to the incubator.



USAID ICT
FROM THE AMERICAN PEOPLE

SNAPSHOT USAID Scholarship Recipient Pays It Forward



The first 10 graduates of the intensive, six-week course have already begun churning out crime-fighting, wine-pairing and other innovative apps to run on the world's 250 million Android phones. The success of the program represents just one of the ways

Create a more prosperous future for this poor European nation through targeted youth education and training? There's an app for that—just ask Rhedon Begolli.

"I see my role as creating opportunities for the youth of Kosovo—opportunities for them to learn new technologies and then apply them in an exciting, cutting-edge career," explains Begolli.

Begolli pioneered an innovative USAID-supported program that is training young Kosovo programmers to tap into the \$7 billion global market for mobile applications, or apps, that run on Android smartphones.

To make the program happen, Begolli relied on his position as competitiveness expert on USAID's Kosovo Private Enterprise Program (KPEP), as well as the earlier support he received from USAID as an MBA scholarship student.

The first 10 graduates of the intensive, six-week course have already begun churning out crime-fighting, wine-pairing and other innovative apps to run on the world's 250 million Android phones. The success of the program represents just one of the ways USAID's investment in training and education pays real dividends.

Take Begolli: He earned his MBA in international management at the Monterey Institute of International Studies, thanks to a full scholarship from the Kosovo-American Education Fund. USAID established the fund in 2004 to award graduate fellowships to promising young Kosovars committed to promoting the economic development of their country.

"It certainly broadened my expertise in international business, which is something that is really lacking in Kosovo," Begolli says of his "eye-opening" experience studying in California.

USAID Kosovo Private Enterprise Program



SNAPSHOT

USAID Scholarship Recipient Pays It Forward (continued)

After graduating in 2006, Begolli worked in the U.S. and Germany for a division of Siemens AG. He then returned to Kosovo to join USAID Kosovo Private Enterprise Program a \$20 million private sector development program administered by Booz Allen Hamilton. Begolli says he quickly recognized how the project could serve as a platform for putting his skills and knowledge to work helping others.

"It's professionally satisfying but it's also fulfilling," Begolli says of his work. "It gives me a real feeling of giving back to the community."

On USAID's Kosovo Private Enterprise Program, Begolli focuses on the expanded role IT can play in Kosovo, both in fostering exports and employing its sizeable youth population.

"I see great potential there, because the IT market is a global market yet it doesn't matter where you are—you can join it from your own home. We can have people in Pristina working on projects based anywhere in the world," Begolli says.

Android in particular intrigued Begolli, given the staggering growth in the market for smartphones and the apps that run on them. Another 700,000 Android smartphones come online each day, driving in turn the demand for apps. So far, Android smartphone users have downloaded 12 billion apps. Industry experts forecast by 2015 the app market could more than quadruple in value, to as much as \$35 billion.

Those kinds of numbers inspired Begolli to develop a focused Android training program in order to export services to European firms. He located a trainer, leveraged the donation of laptops and smartphones from a Norwegian government-supported project, managed the course design, publicized it through social media, combed through 80 applications and then monitored the first batch of students.

The benefits of USAID's investment in education and training—both at home and abroad—likely will accrue for years to come. Just ask Bardh Lohaj, 20, one of the Android programmers trained with USAID assistance. Lohaj tells KPEP he is already looking forward to the day when he can train others in the very skills that just landed him a full-time job with the local subsidiary of a Dutch app developer.

TOURISM

Strategy

KPEP's objective was to promote domestic tourism through a structured approach. Domestic Tours were almost non-existent, which made international residents spend all their free time outside of Kosovo.

KPEP sought to promote tourism on a domestic, regional and international basis, targeting the Dukagjini/Metohija region in and around Peja/Peć as its primary target. KPEP also sought to integrate Kosovo into international multi-country tour programs. At the same time, KPEP focused its energies on stimulating holistic tourism investments in target regions, specifically the Rahovec/Orahovac municipality and its environs, increasing the quality of service offerings across the board. There, KPEP focused on stimulating wine tourism, working with a broad range of experience providers. KPEP also supported the promotion of Kosovo through international exposure, improved web presence and participation at appropriate international travel fairs.

Achievements

Organized travel fair

KPEP organized and staged the first tourism fair in Kosovo. The first edition of the now-annual Travel Day Fair drew 40 exhibitors, more than 1,000 visitors and resulted in close to \$400,000 in sales.

MEDIA

To promote the Travel Day Fair, tourism STTA Scott Wayne and Zeke Ceku, president of the Kosovo Tourism Association, appeared on the RTK morning show. Radio Kosova and Radio BlueSky also featured interviews with the two.

Pioneered Annual Street fair

KPEP organized and staged the Peja Street Fair, which is now in its fourth year. The fair continues to highlight the Peja/Pec region as a destination for domestic and foreign tourists alike, as well as giving local experience providers, artisans and others a chance to promote their offers. The fair has promoted the local tourism industry, leading the public and private sectors to take positive action in furthering its growth. In the first year KPEP funded the entire cost for the street fair with €16,192 (\$21,868); in the second year it was organized with the cost-share basis with KPEP's contribution

amounting €9,749 (\$13,166) and Peja/Pec Municipality with €3,250 (\$4,390); in year three KPEP covered €6,000 (\$8,100) again together with the municipality that shared 60 percent of the cost of €9,000 (\$12,155); and in the fourth year the activity was fully covered by Peja/Pec municipality. The results were impressive. Annually there were 229 exhibitors which resulted in €40,326 (\$54,461) in sales.

MEDIA

KPEP-organized press events surrounding the Peja Street Fair routinely attracted extensive coverage by Kosovo's largest circulation newspapers, including Koha Ditore, Kosova Sot and Epoka e Re. Indeed, KPEP press releases and press conferences consistently garnered coverage by at least half of Kosovo's daily newspapers, online news portals, radio and TV stations.

VIDEO

USAID supports Peja/Pec Street Fair

<http://www.youtube.com/watch?v=PaAGhFcZpBs&feature=plcp>



Created tourism catalog

KPEP worked with MDA, a local consulting company, to create a catalog with local offers developed by the project's client companies. This activity included photographing various tourism destinations within Kosovo and drafting the text. KPEP also organized a media event to promote the catalog, of which 5,000 copies were printed and distributed. This activity contributed immensely in the promotion of local tour destinations.

Forged ties with Turkish tourism industry

KPEP organized a familiarization trip for Turkish tourism industry representatives. This activity garnered widespread publicity in Turkey. Shortly thereafter, Kosovo was included in a regional tour that drew 24 tourists from Izmir.

KPEP, along with IPAK, the Kosovo-Turkish Trade Chamber and Izmir Chamber of Commerce, convened the Kosovo-Izmir Business and Investment Forum to explore opportunities for business linkages and FDI. Conference participants included 13 Kosovo companies representing both tourism and other sectors, as well as 30 Turkish companies. As a consequence, the Izmir Chamber of Commerce later sent a group of Turkish investors to Kosovo to learn firsthand about investment possibilities in the tourism sector. This cooperation is yielding its first results. Local KATA is now independently cooperating with Association of Turkish Travel Agencies (TURSAB).

Promoted Kosovo as a destination

USAID and the National Geographic Society collaborated on a site to promote Kosovo and five other Western Balkan nations as a single tourism destination. The site (www.balkansgeotourism.travel) includes a curated list of sites that highlight Kosovo and its people, heritage, culture, geography and history. KosovoGuide, a local partner created and incubated by KPEP, spearheaded the effort, with the support from the Ministry of Trade and Industry and KPEP. This was an important milestone for Kosovo, as for the first time Kosovo is shown as an independent country in a recognized international travel magazine.

Included Kosovo in regional tours

KPEP built partnerships between local experience providers and regional and international tour operators to include Kosovo in multi-country regional tours marketed to foreign tourists from as far afield as Japan. In 2012, Kosovo was included in ten multi-country and cross-border tours and by 2012 it was expanded to twenty-three.

Supported wine tourism

KPEP created a Wine Tourism Strategy for the Rahovec/Orahovac region that envisioned the comprehensive development of tourism-related infrastructure (e.g. signposting, tourist information office), product development (e.g. wine and hike, wine and bike, wine and dine, wine events and festivals, theme hotels with respect to wine and grapes, and wine tasting in vineyards) and the integration of the Rahovec/Orahovac region in a broader regional and cross-border tourism context. It then set up a task force to implement the strategy. Activities includes: supporting local tourism company to create the website www.tourismrahovec.com; spearheading a cleanliness and recycling campaign; supporting a local company to create a tourist map to Rahovec/Orahovac, providing key information in both Albanian and English; establishing a tourist information center; and catalyzing the first-ever wine and culture festival in Rahovec/Orahovac. The Tourist Information Center has become a focal informational point for all visitors in the Region.



USAID Tourism

FROM THE AMERICAN PEOPLE

SNAPSHOT Wine Paired with Tourism Fosters Economic Growth



Spurred on by USAID, Rahovec/Orahovac now boasts a tourist information center; a splashy (<http://www.rahovectourism.com/>) website; an annual grape, wine and culture festival; and at least two-dozen new or expanded businesses.

USAID Kosovo Private Enterprise Program

A unique sense of place—the wine and hospitality industries capitalize on it as few others can. So linking the two makes good economic sense, especially when wine tourism exerts such a powerful draw on travelers eager for authenticity.

In Kosovo, USAID is working to do just that, creating new linkages between its age-old wine and fledgling tourism industries. The effort is putting Rahovec/Orahovac, Kosovo's premier wine-growing region, on the map. It's also creating new businesses, jobs and enthusiasm.

Wine tourism remains a largely novel concept in Kosovo, where multiple small, private vineyards have replaced the large, bulk producers once common in Yugoslav days. In assessing the region, USAID's Kosovo Private Enterprise Program (KPEP) saw an opportunity for its grape growers, wine producers and other, allied businesses to collaborate in establishing a wine tourism industry.

In Rahovec/Orahovac, USAID shepherded the creation of a wine tourism task force, with local government officials and the private sector players taking a leading role. The project commissioned a strategy paper, using it to enlist further local interest and support; and it accompanied a select group of stakeholders on a study trip to Italy, where they saw firsthand how a long-established wine tourism industry operates.

Spurred on by USAID, Rahovec/Orahovac now boasts a tourist information center; a splashy (<http://www.rahovectourism.com/>) website; an annual grape, wine and culture festival; and at least two-dozen new or expanded businesses. Locally, new bed-and-breakfasts is opening, existing vineyards are adding restaurants and offering cellar tours, and area hotels are hosting wine tastings for domestic and foreign tourists alike.

Even Hasku, the barrel-maker, has branched out and now makes a popular range of wine-themed wooden furniture and souvenirs. "We had all the resources in place—we just needed to know how to utilize them," said Aliriza Hasku, owner of the Beha-N wine barrel



USAID Tourism

FROM THE AMERICAN PEOPLE

SNAPSHOT

Wine Paired with Tourism Fosters Economic Growth (continued)

company and a task force member. "I think that tourism can provide a real living and source of income for the citizens of Rahovec," says Saranda Shala, a Canadian émigré who returned to Kosovo to take a job at the local tourism office- carved out of space donated by a local hotel. Ms. Shala led a wine tour for the International Women's Club, generating positive buzz. Marlene Orsmond, of Cape Town, South Africa, remarked, "This one-day tour was a fantastic experience.

I would recommend it to people and I would like to go myself again." Ms. Orsmond noted the similarities between vineyards in her home country and in Rahovec, and was pleased to have such a low-cost wine tourism experience in Kosovo.

As USAID's Kosovo Private Enterprise Program reduces its direct support, the private and public sectors have stepped in: The municipality, for example, now earmarks money to promote wine tourism. "Wine tourism represents a real opportunity to make economic and development gains. It's a new industry with a lot of potential," says Musa Cena, the Rahovec/Orahovac municipality's director of economic growth.

In addition, the German Agency for International Cooperation (GIZ) is currently funding training modules for 25 participants, alongside the municipality and KPEP. The training, with in-kind contributions from the Austrian training provider "IP Center," aims to provide business skills to wine tourism industry workers.

Feedback from youth in the training is promising. Rahovec/Orahovac is a rural, mostly farming community, and young people have not had much reason to feel excited about job prospects. However through the training modules, youth see that a career in wine tourism is an option. While the industry is still on a micro-scale (750 international tourists - almost all from Europe- were hosted by fifteen small businesses involved in wine tourism, which generated approximately 30,000 Euros in Rahovec/Orahovac), it has potential to create employment.

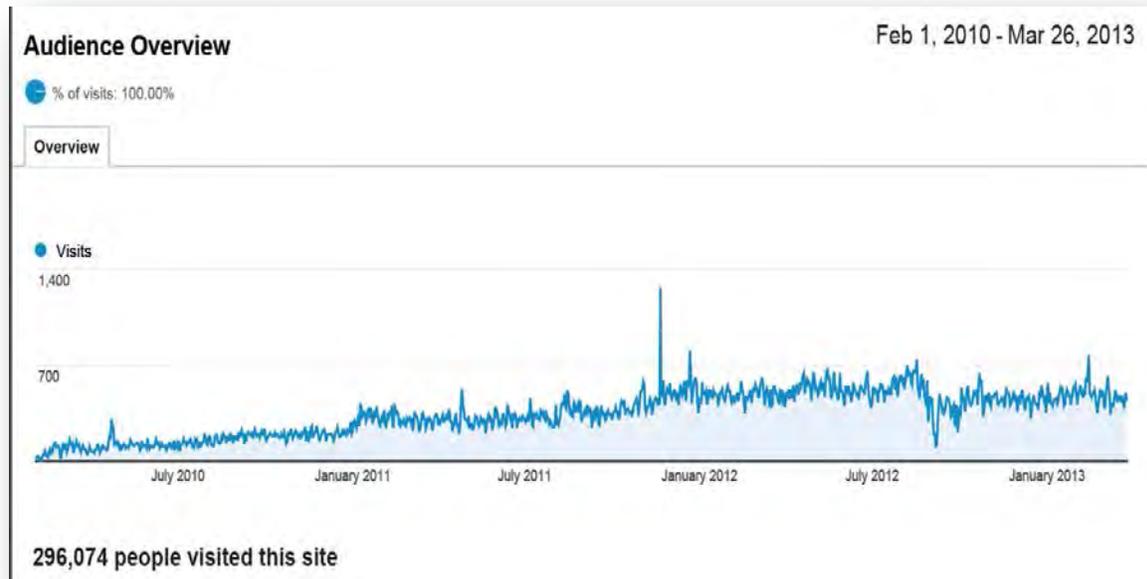
Established tourism portal

KPEP worked with a local IT partner to establish the KosovoGuide.com portal to provide visitors with a one-stop shop where they can discover all that Kosovo has to offer. The site includes information about upcoming events, restaurants, accommodation, bars, clubs, street maps, major attractions, and tours and services offered by local tourism providers and voluntary organizations. It also features an integrated blog and related tourism information.

From February 1st 2010 to end March 2013, KosovoGuide.com has received 296,074 clicks.

The picture below illustrates the Audience Overview of this website:\.

Figure: 1 KosovoGuide.com Audience Overview



Promoted familiarization with Kosovo

KPEP sponsored familiarization, or FAM trips for groups from Turkey, Canada and Poland to promote Kosovo as a tourist destination. The project also sponsored a writer for EasyJet’s inflight magazine to produce a feature about Pristina.

MEDIA

“Weekend in Pristina: Marie Cleland goes in search of Europe’s newest country and its youngest population, and finds the up-and-coming, cosmopolitan city of Pristina.”

Read more at: <http://traveller.easyjet.com/features/2010/08/weekend-in-pristina>

KPEP underwrote the cost of sponsoring the cost of the writer’s visit to Pristina. The August 2010 article appeared in Traveller, the inflight magazine of EasyJet.

Developed tourism association

KPEP fostered the launch and growth of the Kosovo Alternative Tourism Association, or KATA. Despite its name, KATA is the mainstream face of Kosovo’s tourism industry. Its 100-plus members represent a broad swath of the country’s tour operators, hotel owners and others active in the

hospitality industry. KATA and its members have worked actively and cooperatively to promote Kosovo abroad and domestically.

Strengthened tourism workforce

KPEP sponsored with KATA a tourism job fair after identifying a lack of recruitment capacity within Kosovo's tourism companies. The project identified that many hotels, restaurants and other tourism enterprises have job openings yet share difficulties in hiring qualified staff. The resulting fair attracted 23 companies and 188 job seekers, with 31 (16 percent) securing full-time jobs.



USAID Tourism

FROM THE AMERICAN PEOPLE

SNAPSHOT Alternative Tourism Association Goes Mainstream



USAID Tourism Promotional Activities

KATA and its members have worked actively and cooperatively to promote the small southeastern European country at travel fairs in Albania, Austria, Turkey and the United Kingdom, as well as domestically. KATA's efforts, in short time, have increased overall awareness of Kosovo as a tourist destination.

USAID Kosovo Private Enterprise Program

An eye-opening foreign study trip sponsored by USAID inspired a dedicated group of Kosovo's hospitality industry leaders to found an association that has quickly become a major promoter of the young country as a tourist destination.

Today, just two years after its founding, the Kosovo Alternative Tourism Association, or KATA, is the mainstream face of Kosovo's tourism industry. Its 105 members represent a broad swath of the country's tour operators, hotel owners and others active in the hospitality industry.

KATA and its members have worked actively and cooperatively to promote the small southeastern European country at travel fairs in Albania, Austria, Turkey and the United Kingdom, as well as domestically. KATA's efforts, in short time, have increased overall awareness of Kosovo as a tourist destination.

The association's roots trace to early 2010, when a small number of hotel and tour agency officials began discussing creation of an alternative to the existing national tourism association. The founders believe that the newly established association would represent their interests better.

USAID's Kosovo Private Enterprise Program, or KPEP, stepped in to help, sending a group to Austria and Bulgaria to learn more about best practices in alternative tourism. World Learning, a U.S. nonprofit, implemented the trip.

The two-week tour allowed the delegation to see, first-hand, how hotels, agencies, associations and other institutions could cooperate in building a world-class tourism industry. Inspired by what they had learned, the group began contacting others in Kosovo's then-fragmented tourism industry to form what has since become a strictly voluntary but highly effective association.

For example, KATA promoted Kosovo at a tourism fair in Izmir, Turkey, targeting that city's large population of Kosovar



SNAPSHOT

Alternative Tourism Association Goes Mainstream (continued)

Albanian émigrés. Since then, multiple local tour operators have hosted groups of Turkish tourists.

"KATA's promotional activities, besides establishing a cooperative spirit at the domestic and international level, have yielded clear results in forging a positive image of Kosovo as a tourist destination," executive director Baki Hoti said.

Meanwhile, KATA has been active in creating linkages, increasing employment and lobbying. It has encouraged local operators to collaborate with their international counterparts to include Kosovo in regional tours. It sponsored a job fair that connected 40 unemployed workers with hospitality industry jobs. And its response to hotel classification legislation led to industry-favorable amendments.

"As members, we are aware of the importance of speaking with a single voice, so we work closely with KATA, helping develop the industry, through strategic planning, promotion and policy work, in ways the government cannot," said Kujtim Rrahmani, a KATA member and operator of the Veleđa tourism promotion company in Gjakova/Djakovica.

KATA focuses on building capacity too, overseeing a program to create a network of walking trails in Dragas/Dragash, a remote and mountainous region in Kosovo's far south, and organizing the annual street fair in Peja/Pec, which features local artisans, restaurateurs and performers.

In the near future, KATA (<http://www.kata-ks.org>) will publish a new guide to Pristina as well as start a hotel staff training and certification program. The association already provides individual training programs for its members.

RECYCLING

Strategy

KPEP's strategy focused on increasing the number of commercial collection centers, especially for plastics at the municipal level. KPEP also worked to increase recycling among tourism-related enterprises, with the two-pronged goal of reducing waste disposal charges and promoting cleanliness to attract visitors.

Analyzed recycling potential

KPEP commissioned Macedonia's MDC-TI.Net to conduct a review of the PET recycling sector in Kosovo and develop a feasibility assessment for a nation-wide PET recycling initiative. As a result, KPEP learned that the price for PET continued to be depressed and as a result, there was limited incentive for collection. Furthermore the cost of establishing a nationwide PET collection network exceeded KPEP's support capacity. However, KPEP shared the study with other donors. Subsequently, Mercy Corps initiated a one-year project for paper and cardboard recycling to support three pilot collection centers in Fushe Kosove/Kosovo Polje, Podujeva/Podujevo, and Vushtrri/Vucitrn. UNDP launched the Green Assembly initiative by placing recycling bins in all Assembly halls. KPEP then focused on municipal recycling initiatives.

Promoted recycling at municipal level

KPEP provided assistance to Rahovec/Orahovac municipality to initiate the first-ever municipal-supported recycling activity Going Blue by involving the recycling companies Edoni and Greentech, along with Hotel Park, Haxhijaha restaurant and Bio Pak wine cellar.

Expanded recycling capacity

Greentech, a large Macedonian recycling company with a Kosovo-based subsidiary, Greentech, requested KPEP assistance to expand its collection network and strengthen its supply chain. KPEP helped Greentech, on a cost-share basis, with the purchase of baling presses used at collection sites around Kosovo.

Created new products from waste

KPEP supported the AG Group in training personnel on how to handle the new installed equipment used to convert domestically sourced waste paper into toilet paper, napkins, tissues and other products. The company previously had used imported feedstock to create its products.

Expanded recycling collection points

KPEP assisted Greentech in establishing four new municipality-based plastic collection points.

COMPONENT 2: BUSINESS SUPPORT SERVICES

Strategy

As set out in KPEP's Task Order, the objective in the area of Business Support Services was strengthened business services, including facilitating the development of commercially viable business services in response to the demands of firms in KPEP target sectors, and developing innovative and commercial approaches to business service delivery that addresses issues of affordability and sustainability. USAID articulated that Kosovo needed a local cadre of professional consultants, particularly those with internationally recognized certifications. Central to this increased level of business service delivery was increased capacity of associations.

While KPEP was able to strengthen associations, and was also able to assist local consulting firms to be able to offer services in demand such as the internationally recognized Project Management Professional (PMP) certification, this component was de-emphasized over time in favor of more investment in Component One, the increase in competitiveness of target sectors. The reason for the shift in emphasis away from the Business Support Services component was two-fold. One, the market for consulting services is extremely distorted in Kosovo, where the ratio of donor dollars to citizens is one of the highest on Earth. This makes it very difficult to practice "demand-driven" assistance. Local firms have become accustomed to donors providing them with grants or technical assistance, and therefore are not very willing to pay for such services. In reaction, local consulting firms are wary of investing significantly in their service offerings if they do not believe they can sell them. Second, the other emphasis in the BSS Component that of association strengthening, was successful but limited. There simply are not many functioning associations in Kosovo, and those that are functioning are more often supported financially by donors than they are by their own members or fees for services. Therefore there was a limit to how much KPEP could do with associations. As can be seen below, the work with the ADI (Association Development Index) was a useful tool, and some associations were able to drive (in partnership with KPEP) a successful strategic planning process.

KPEP was successful in most of the work it did in this component, but it was also a responsible management choice to shift resource out of the Component given the very limited Period of Performance that the project had in order to generate results.

Achievements

Increased local capacity

KPEP employed a model throughout the project under which it employed international experts for short term technical assistance (STTA) assignments where local expertise lacked or proved less than desirable. KPEP then paired those individuals with a local consultant who served to help manage their visit, while gaining valuable skills at the same time. This was a successful practice in the first two years of the project when a significant amount of expatriate STTA (Short Term Technical

Assistance) was deployed. In the final two years, KPEP relied almost solely on local advisors, both long-term staff (whose capacity had been increased by their work with international consultants) as well as short-term advisors. Successful examples of the consultant twinning program were in the areas of marketing in the dairy sector, an audit of the fruit and vegetable sector, legal research for the Construction Law, and forestry tendering.

Strengthened associations

KPEP provided associations with targeted assistance, dedicating a fulltime BSS expert to this effort for most of the project. The local BSS lead worked with an expatriate advisor who came to Kosovo on multiple occasions to work directly with associations. During the time in-between, the local BSS expert was able to continue to implement the work initiated by the expat. Work focused on creating strategic plans for multiple associations in targeted sectors (agriculture, road construction, banking, ICT, tourism and wood processing), which resulted in increased engagement from association leaders, who were eager to receive one-on-one assistance from KPEP. In addition, KPEP funded specific activities that would advance the associations' strategic plans. KPEP paired activity funding with targeted trainings led by the expatriate consultant in the areas of association strategic management and leadership training, followed by one-on-one consulting with individual associations. KPEP, in partnership with World Learning, also supported representatives of seven associations to participate in a study tour to Poland to learn best practices in lobbying and advocacy.

One great example of a success story in associations is that of the Kosovo Alternative Tourism Association (KATA). KPEP began the program by supporting the only tourism association, KOTAS. However, KOTAS did not seem motivated to improve itself against the ADI. At the same time, a group of tourism sector providers participated in a study tour to Bulgaria where they learned about "alternative tourism," such as eco-tourism or cultural tourism. The individuals engaged in the study tour were impressed with the possibilities and returned to Kosovo to form KATA. Over time, KPEP shifted its support solely to KATA as it was evident that KATA strove to be a sector leader, and they were motivated to affect change and to grow.

Create valuable benchmarks

KPEP created and used the Association Development Index (ADI) to assess the progress of Kosovo's associations as well as their current needs and areas for KPEP assistance. The ADI was an annual exercise meant to capture the evolving needs of the associations as well as their progress against a baseline assessment conducted at the beginning of the project. The ADI was conducted in January 2009, October 2009, and then again in 2011 and 2012. The ADI was a helpful tool to initiate challenging conversations with some associations- such as those with poor governance or other practices that limited their ability to succeed and serve as a transparent voice for the sector.

Coordinated among BSS Implementers

KPEP convened a group of implementers that provide support to BSS in Kosovo, including the EBRD's TAM BAS program, in order to avoid duplication of support and to be able to shift funding to areas that were not being funded by others.

Trained businesswomen

KPEP provided Kosovo women business owners training and mentoring, through local and international consultants. The program focused on evaluating the strengths and weaknesses of the women's businesses and options to ensure success by improving sales, expanding to additional markets, increasing profitability and developing greater insight about finances. Moreover, the program aimed to improve the consulting skills of local business consultants. 54 women in business from four municipalities were trained by KPEP, implemented over three years of implementation with the total cost of \$20,000. Consistent with KPEP's focus on sustainability, we ramped down support during the three years of the program to transfer knowledge and a capability offering to local consultants. In Year 2, KPEP engaged an expat consultant, paired with two local consultants. They focused only in Pristina and trained 10 women. The following year KPEP dropped the expat and funded only local consultants to conduct the training in three municipalities. In the final year, KPEP transferred the activity to Wominnovation, a Norwegian-funded program that is embedded in the Innovation Center Kosovo, and the local consultants are able to sell their services on the market.

VIDEO

Driving jobs, growth and exports in Kosovo - DOLCETO VJOSA

http://www.youtube.com/watch?v=m_S9rPv1Y7Y&feature=plcp



COMPONENT 3: BUSINESS ENABLING ENVIRONMENT

Strategy

KPEP's Business Enabling Environment Component was designed to assist the competitiveness of targeted sectors through identifying, and providing solutions to, BEE constraints that prevent competitiveness, and through working with private sector leaders to advocate for reforms that would provide near-term (within 5 years) returns.

In the first two years of the program, the BEE component had broader objectives and a higher level of activity; at KPEP's midway point, USAID awarded a stand-alone Business Enabling Environment Project (BEEP) that left KPEP to focus almost solely on sector-specific interventions. These were largely responsive in nature to issues facing the sectors; as opposed to a government-level approach to reform that will make Kosovo a more attractive place to do business. BEE successfully implemented a highly flexible approach to changing circumstances in the legal and regulatory environment. As planned, most effort was reactive to significant and immediate legal and/or regulatory barriers to KPEP-related transactions, and rapid development of implementation and enforcement of critical laws and institutions. Because of the critical importance of assisting with growth in Kosovo exports, BEE placed additional emphasis on work with regional trade and export facilitation.

In short, the BEE team targeted key legal and regulatory barriers in KPEP-relevant value chains. In many countries, these barriers are predominantly gaps in legislation. In Kosovo, however, these barriers are almost exclusively related to implementation of legislation—principally, the absence of implementing regulations, paucity of funding for what is often over ambitious government oversight of the economy, and the lack of capacity in the responsible ministries and agencies.

Achievements

Coordinated donor support

BEE provided critical project coordination between KPEP and both USAID and non-USAID partners. This collaboration led to increased opportunities for leverage as well as opportunities for KPEP's experience to have an impact on other donor programs. BEE hosted, on a monthly basis, participants that included at various times the World Bank, USAID CORs, EU-funded Small and Medium Enterprise Development and trade-focused projects, UNDP, Austrian Development Agency, DFID-funded investment promotion project, and USAID projects in the areas of Youth Entrepreneurship, Business Enabling Environment, Support to the Ministry of Foreign Affairs and small enterprise finance. At each meeting, projects found points of synergy and areas where they could collaborate. While this did not always advance the goals of KPEP specifically, the initiative was nonetheless very important for KPEP as it raised the project's profile in the donor community (At KPEP's midway point in the project, the profile was not appropriately high given the scope of work). This led to opportunities for leveraged funding and cost-sharing work with donors from the

World Bank-funded Community Development Fund and the Norwegian Government. In some cases, KPEP was able to provide valuable advice to other projects (Ministry of Foreign Affairs Support, for example) through contacts made at the coordination meetings.

BizClir

During the life of the project KPEP updated the Kosovo Commercial Legal Institutional Reform Assessment Indicators that Booz Allen developed on a worldwide basis under the “BizClir” project.

The CLIR Indicators outline a large set of highly specific components of a regulatory setting, the presence or absence of which provide a detailed picture of the state of a development of a country’s commercial regulatory environment. KPEP researched key areas to economic growth and private sector development, and proposed short- and medium-term reforms that are relatively simple to implement and will have a significant impact on agribusiness. The reforms were in the areas of Company, Contract, Property, Collateral, Commercial Dispute Resolution, Bankruptcy, Competition, International Trade, Financial Crimes, Commercial Court Administration and Foreign Direct Investment. As USAID Business Enabling Environment Program was developed, the active work on improvement of the BizClir indicators was transferred to them. BEEP worked on various reforms with regards to World Bank Doing Business Report, which more or less cover all the areas of the BizClir indicators.

KPEP contributed to the improvement of the indicator for contracts, as it worked on the development of three standard form contracts for agriculture in cooperation with USAID Systems for Enforcing Agreements and Decisions (SEAD). It also remained active in FDI, by supporting companies to meet with potential investors and by training the diplomats from Kosovo in Economic Diplomacy (as part of the Ministry of Foreign Affairs Support Project).

Created sector-specific interventions

KPEP directly addressed issues of concern to the private sector, such as the imposition of non-tariff barriers in contravention with CEFTA. Most issues are specific to the revaluation of prices, the rejection of phytosanitary certificates and VAT association with various products, including potatoes and milk. In one case involving potato exports to Albania, KPEP drafted a memorandum to Kosovo’s Ministry of Economy and Finance (MEF), Kosovo Customs, USAID, and the Kosovo Chamber of Commerce. MEF later informed the project of the Prime Minister of Albania’s receipt of the memorandum. After the intervention from the GoK based on the memorandum drafted by KPEP, there were no more issues reported concerning potato price revaluation from Albanian Customs.

Another KPEP intervention concerning tariff barriers concerned the export of excess of raw milk from Kosovo to Albania. Albanian customs officials imposed excessive revaluated prices. KPEP organized a meeting between dairy sector and MTI, after which MTI officials worked with their Albanian counterparts to abolish the practice of price revaluations for products originating from Kosovo. Since this successful intervention by KPEP and MTI, exporters have not experienced any issues with respect to the revaluation of prices.

During the project life, KPEP has delivered two dairy policy initiatives to MAFRD, KFVA, and the dairy associations. One policy paper was to adopt dairy product specifications, and the other to

determine policy options to address government subsidized imports on the Kosovo market, which present unfair competition. Both policy papers were adopted and incorporated into the everyday procedures and strategies of MAFRD and subsequently customs, when the issues overlap.

KPEP addressed the concerns of the Kosovo Dairy Processors Associations (KDPA) regarding the dumping of dairy products from Macedonia, by researching the existing legislation as well as providing possible legal steps that could be taken based on CEFTA and Kosovo legislation. KPEP drafted the complaint on behalf of KDPA, and association addressed it to the Ministry of Trade and Industry (MTI). The Minister expressed her readiness to act upon such issue.

Worked on joint initiatives with USAID BEEP, Ministry of Foreign Affairs, and SEAD projects

KPEP and USAID BEEP began working together to develop comprehensive step-by-step guidelines for opening and registering a business in Kosovo. The relatively straightforward document can save small businesses significant time and money in navigating the process, and transparency in the system both encourages more legitimate businesses as well as serves to encourage investors. Due to BEEP's continuing work on the reduction of necessary procedures for registering a business, BEEP will complete this after KPEP ends.

Another aspect of cooperation with BEEP was KPEP's active participation in the regional focus groups organized by BEEP. The goal of the focus groups was better understanding of current legislative issues and challenges that businesses face in their day-to-day operations. KPEP BEE actively participated in these focus groups and informed KPEP clients how to express their concerns within these focus groups. Based on the feedback that BEEP received from businesses during the focus groups, together with AmCham they drafted a Kosovo Business Agenda 2011, which is available for downloading at:

http://www.amchamksv.org/images/userfiles/files/4409_kosovobusinessagenda2011finalforweb.pdf

Given the enormous need to attract foreign investment to Kosovo, KPEP partnered with other donor projects to form an Economic Diplomacy Task Force (EDTF). KPEP invited USAID projects related to FDI, along with various European Commission projects, GoK ministries and IPAK, to join the group and together promote Kosovo's potential as an investment destination. As a result of this cooperation, the USAID Ministry of Foreign Affairs Support Project organized a comprehensive Economic Diplomacy Training for Kosovo diplomats working in Kosovo's embassies around the world. The aim of the training was to arm Kosovo diplomats with needed skills in promoting Kosovo as an FDI destination and promoting Kosovo products in the countries where they work. KPEP was a key player in the training, providing multiple experts as lecturers during the training held in Pristina.

Developed standard-form contracts

USAID SEAD initiated drafting of 9 standard form contracts deemed necessary for the market and economy of Kosovo. KPEP, in cooperation with USAID SEAD, drafted three standard form contracts for agriculture. The standard form contracts cover sales, transportation and brokerage. KPEP BEE completed all three contracts, together with commentaries and user guides for each contract, to ease their use by anyone without a legal background.

USAID intends the standard form contracts for widespread use. The utilization of a standard contract decreases business transactions risks and provides for more safety for both parties involved. The standard form contracts are available through the website www.kontrata.info in Albanian, English and Serbian. USAID SEAD project continued to make electronic versions of these contracts available to its clients.

Shaped legislation

KPEP's BEE component provided key comments to legislation that had the potential to impact private sector development in Kosovo. Examples include the comments provided on the draft tourism and construction laws, as well as a review of the forestry tendering system.

BEE also supported the ICT sector with preliminary work necessary to establish the ccTLD (Country Code Top Level Domain) registry. This included drafting an Administrative Instruction for the Ministry of Transport and Communications to establish the needed regulatory framework, substantial capacity building collaboration with the Telecom Regulatory Agency, and the development of a roadmap for the implementation of the registry.

During the lifetime of the project, KPEP worked with relevant stakeholders such as GoK, Telecommunication Regulatory Authority, University of Prishtina, etc. and donors such as Norwegian Embassy, and Cisco to establish the first Kosovo Internet Exchange Point (IXP).

KPEP provided technical expertise and initiated the procurement of a portion of the equipment, as well as encouraged Cisco to donate a majority of funds for the required equipment.

Prior to establishment of IXP, all Kosovo's traffic had to access internet clouds using international links. With this IXP, transit links are not necessary anymore for delivering local internet traffic. The IXP is managed by TRA and all other major internet service providers such as: PTK, IPKO, Kujtesa, and Artmotion are using it. With this, Kosovo has a potential of becoming a regional communication hub.

BEE further reviewed Kosovo's practices on reimbursement of VAT paid on imported inputs, as well as regional best practices, and consulted with other experts on Kosovo's law and procedure, before recommending specific administrative instructions to supplement a new tax law.

Promoted advocacy

BEE developed an advocacy strategy that summarizes the concrete steps and procedures that a draft law must pass before it becomes effective and applicable. KPEP prepared training materials based on an earlier advocacy strategy developed for various associations in Kosovo. The training aimed to increase lobbying capacities within associations. KPEP developed a position paper sample and a survey aimed at identifying the key legislative issues that KPEP clients faced.

Strengthened competitiveness

KPEP established within the American Chamber of Commerce (AmCham) a competitiveness committee. The committee focused largely on regulatory reform as a means to achieve industry

growth. KPEP management led the committee, which met at KPEP offices, additionally raising awareness of KPEP as a driving force in private sector development in Kosovo.

Championed intellectual property rights

KPEP created an Intellectual Property Contracting Manual, which includes IP legislation, institutional IP infrastructure, international and European treaties and model contracts. KPEP shared the document with various IT associations and private sector stakeholders. The manual was developed in collaboration with the Commercial Law Development Program (CLDP/U.S. Commerce Dept).

Initiated re-drafting of the Construction Law

In order to improve legal conditions for one of the biggest economic sectors in Kosovo—construction—USAID and KPEP presented a plan and later received permission from the Ministry of Environment and Spatial Planning to redraft the Construction Law. The drafting process included close and constant cooperation with the Ministry of Environment and with a working group comprising KPEP, USAID, the U.S. Embassy, ICO, and ECLO. Once the draft was completed fulfilling the requirements, it was submitted to USAID for further process. The construction law was further developed by BEEP, and was approved by the Kosovo Assembly in May 2012, and entered into force in June 2012. During the further process of the law conducted by BEEP, KPEP was actively involved and assisted in its development. KPEP provided comments and suggestions in different staged of development of construction law by BEEP, and with the help of KPEP's Construction Service provided practical feedback as well.

Geneva study tour

With assistance and funding from World Learning, KPEP took nine GoK and two Chamber of Commerce representatives to Geneva for a week of intensive capacity building in trade policy best practices and practical approaches to participation in the Central European Free Trade Agreement and future accession to the World Trade Organization. The group met with the economic diplomatic community in Geneva and representatives from several trade related organizations (WTO, ITC, UNCTAD, UNIDO, WTI, EFTA) and also participated in trade capacity building seminars. As a result of the Study Tour, the GoK has developed its first inter-ministerial Trade Council.

Established Farmers' Cooperatives

KPEP worked on the Business Models for Association, in order for farmers' associations to provide better services to their members, as well as generate income. The most appropriate business model for these associations was transformation into farmers' cooperatives. In that regard, KPEP analyzed legislative pieces and compiled a complete package of information and necessary registration documents (statute, registration forms, etc.), which were presented to Kosovo farmers' associations. Out of five farmers' associations presented with the model for cooperatives, two of them have successfully registered: Perdrini in Krusha e Madhe/Velika Krusa and Gjakova 1 in Gjakova/Djakovica, becoming fully operational cooperatives, conducting their everyday business and generating income.

Drafted MOU's for cross-sector assistance

KPEP was active in drafting documents for establishment of further cooperation between the project and its clients, GoK and businesses. Some of such documents were:

- ✚ MoU for Heavy Equipment Operators Training for establishing cooperation between HEOTC with the Ministry of Infrastructure (MI) and the Ministry of Education, Science and Technology (MEST) and HEOTC;
- ✚ MoU between KEK and KPEP for establishing an accredited institution to train Heavy Equipment Operators (HEO);
- ✚ MoU between KPEP, MAFRD and KDPA for organizing a month long campaign for promotion of Kosovo produced milk and dairy products;
- ✚ MoU between KPEP and IPAK for Investment and Export Promotion of Business Process Outsourcing (BPO) in Kosovo.
- ✚ MoU between KPEP and Kosovo Guide for improving the marketing of Kosovo as a tourism destination is the Western Balkans Geotourism Map Guide (WBGMG).
- ✚ MOU between KPEP, IPAK and Kosovo Turkish Chamber of Commerce, for reinforcing bilateral economic cooperation between two countries.
- ✚ MOU between KPEP and Kosovo Chamber of Commerce for a teaming partnership to achieve the objectives like increasing employment, sales, exports, substituting imports and investments in the targeted private sectors.

COMPONENT 4: WORKFORCE DEVELOPMENT

Strategy

KPEP's goal in this component was to support workforce development and training, which both encourage modernization, entrepreneurship, and innovation. It also sought to increase the supply and certification of trained workers in selected priority sectors, as well as increase the capacity and sustainability of targeted vocational education and training centers through public private partnerships and the application of business models.

The central problem in workforce development in Kosovo continues to be the disconnect between the supply of labor (as generated by educational institutions) and the private sector's demand for labor. A large contributor to the problem is the philosophy of education throughout the region and Western Europe. The pursuit of knowledge is largely theoretical and there is almost no attempt, on behalf of academia, to relate the theory to practice. Large-scale education reform was beyond the scope of KPEP. In most countries in the region, the European Union has stepped in to modernize the Vocational Education and Training (VET) system. Nonetheless, there was opportunity to work with the education system to modernize offerings, and even more opportunity to work with the private sector to understand their needs. Bridging that gap took many forms, from improved offerings at VET schools, to internship programs, to stand-alone training centers, to new training capacities embedded in associations, to entrepreneurship programs.

A skilled workforce is a must in order to support the kinds of changes involved in embracing global and regional competitiveness. New technologies, quality management, value added processes and procedures, and connecting to new markets in the region and in the world will all require new and different skills in the current and future workforce. New systems to prepare future workers provide practical skills for secondary and university students, and to connect the unemployed to current jobs and even to new professions will be needed. Following extended planning activities at the program's outset, KPEP went on to develop both immediate, short-term activities, and longer-term, system-building priorities in the workforce development arena. These priorities led to two types of activities: sector-focused training, often very concrete, demand-driven skills development with firms or associations in individual KPEP sectors, and cross-cutting initiatives—still focused on KPEP key sectors, but potentially involving more than a single sector.

Achievements

Created internship programs

KPEP created a broad array of successful internship programs. These programs provided benefits both to *employees* (who gained skills to upgrade their current performance and to increase job mobility) and to *employers* (whose productivity may be expected to increase as their employees master new skills and new technologies).

Internships allowed KPEP to hit many target groups with one activity- the project supported business service providers, who designed and implemented the internship programs, and will be able to continue to sell that service offering in the future. Internship programs allowed KPEP to focus on youth by providing them professional opportunities within Kosovo and giving them an avenue to a faster employment.

In designing the programs and understanding the gaps, KPEP interfaced with the private sector, the origination point of any successful internship program- understanding what companies need. By assisting the private sector with interns, the project was able to shorten the duration of training and retraining necessary, allowing firms to cut costs and have a more consistently high level of output due to a skilled workforce; while at the same time reducing the transitional time from educational institutions to work.

KPEP placed 1,015 interns, with 44 percent later securing full-time employment (444 interns). This high placement rate indicated that there are indeed jobs available in Kosovo for people with the right skills. So for the majority of participants, it was not just an excellent experience in gaining skills and working in a professional environment, it was a chance to become fully employed.

KPEP placed interns across the private and public sectors, including in the dairy, wood-processing, banking, tourism and ICT industries, as well as in various ministries and public agencies.

Highlights of the internship programs include a six-month business and economics internship program implemented by World University Service Austria. In the first phase of that program, 70 percent of interns found full-time employment and the program was expanded in the second phase, when 350 university students applied for 40 slots. The six-month internship program included practical on-the-job training and three soft skills training modules: presentation skills, academic writing and career development. The monitoring report revealed that the internship experience was beneficial to both interns, who applied classroom learning in the work place, and institutions, who were able to preview candidates' skills as potential employees.

A complementary cross-sector internship program was implemented with Association for Finance and Accounting Services (AFAS) Years 1, 2, and 3. This program resulted in employment of 441 interns out of 838 participants (53 percent employment rate).

Table 3. Association for Finance and Accounting Services Activity Participants

Activity	Total number of individuals trained	Total number that obtained employment
Accounting and Financial Analysis	25	17
Accounting and Financial Analysis Phase 2	100	0
Accounting and Financial Analysis Phase 2	3	80
Accounting and Financial Analysis Phase 3	100	75
Accounting and Financial Analysis Phase 4	300	162
Accounting and Financial Analysis Phase 5	150	30
Short-term employment in North Kosovo (Internship) Phase I	100	42
Short-term employment in North Kosovo (Internship) Phase II	60	35
Total	838	441



SNAPSHOT

Internship Program Spurs Growth in Kosovo's Wood-processing Industry (continued)

control only about 40% of Kosovo's 150 million Euro wood-processing market, leaving significant potential for growth at the expense of imports. The potential for export growth also remains strong; while Kosovo sent abroad just 3.3 million Euros in wood products in 2010, the figure represented a 20% annual increase.

For many of the firms participating in the program, the fresh thinking, talent and enthusiasm that their interns bring has helped increase their internal capacity—as well as sales.

"I started by working through the backlog of orders for custom-designed furniture. Now that I am making progress, we are seeing more and more clients placing orders for custom furniture—designs I create just for them," says Gazmend Berisha, who has yet to finish his university architecture degree but is already at work, full-time, as a designer for Elnor Furniture, located outside the capital, Pristina.

The internship program's initial success means USAID can now begin to draw down its financial and administrative support, leaving it to local industry to operate, says Burim Meqa, a KPEP sector specialist.

"Kosovo has high unemployment, while companies complain of a lack of qualified staff. Both are true. Thanks to this project, we can bridge that gap," Meqa adds.

Bolstered banking sector

KPEP worked with the Kosovo Banker's Association (KBA) to help launch its European Foundation Certificate in Banking (EFCB) program. The program certifies locally employed junior bankers against European standards. The training and certification provides bankers with a reliable and recognizable way of developing their careers. It allows participants to deepen their knowledge and understanding of the monetary and economic environment in which European banks operate; customer, product and service requirements; and the fundamentals of marketing, management and ethics.

Supported vocational training

KPEP began the program focusing on strong partnerships with workforce institutions as part of a wide array of workforce development activities. However, over time, KPEP narrowed its focus away

from these activities as funds became more limited. Activities that were quite successful were those in the area of food safety standards (HACCP) as well as furniture design, strengthening the offerings of Vocational Training Centers.

Established job fairs

KPEP recognized early hurdles faced in connecting employers with potential employees. To rectify this situation, the project actively organized an array of job fairs. These included fairs that targeted the tourism, ICT, woodworking and construction industries. The wood processing job fair was held in Peja/Pec in Year1, and the ICT, construction, and tourism job fairs in Year 2. The ICT fair yielded an interesting result: of the more than 700 people who applied for jobs via the ICT job fair’s portal, none was deemed by employers to be qualified. This indicates that the sector needs to better communicate its needs to educational institutions, and there is opportunity in workforce development.

The tourism sector, driven by an ambitious new tourism association, also held a fair in Year 3. Overall, in Years 3 and 4, KPEP did not emphasize job fairs as they did not yield appropriate results (compared with other activities that might be implemented in workforce development).

MEDIA

KPEP’s WFD specialist gave interviews to TV Dukagjini, RTK21, Radio Peja and a chain of local radio stations (through a youth NGO) on the occasion of the project’s carpentry job fair.

Founded training centers

KPEP founded the Heavy Equipment Operation Training Center (HEOTC), a post-secondary vocational training school for road construction machinery operators (providing both entry- and advanced-level training). The HEOTC is the first of its kind in Kosovo.

HeviCert, a U.S. training company, conducted the initial eight-week training course. Students were trained and certified as operators of roller compactors, wheel loaders, hydraulic excavators, backhoes, bulldozers and motor graders. The center is now operated by KEK with GoK support. KPEP provided additional funding to increase the KEK Training Center’s service offerings in the area of welding. The HEOTC activity is described in more detail in the Executive Summary of this document.

Youth programs

KPEP originally explored a focus on youth employment activities, particularly the “Youth Employment Service—YES” model. This initiative was coordinated with, and driven by, the Ministry of Culture, Youth, and Sports as articulated in their action plan of 2010. However, during the course of KPEP implementation, USAID awarded a stand-alone project called YEP, or the Youth Entrepreneurship Program. Therefore, KPEP dropped the youth focus, except in North Kosovo.

Trained and supported entrepreneurs

KPEP supported large-scale entrepreneurship programs implemented with partner Business Support Center Kosovo (BSCK). In Year 2, the first phase was an entrepreneurship training program in Drenas/Glogovac and Prizren/Prizren. The program included 50 candidates (25 per municipality) who benefited from 10 training modules (5 days), 200 hours of consultation, access to a favorable loan program (5 percent interest rate) and KPEP grants for two best business plans (20 percent of the total amount the loan). BSCK signed partnership agreements with youth centers in both municipalities. Of the 129 who applied, 50 selected candidates signed a letter of commitment. In Year 3, the program was expanded to the following 10 municipalities: Rahovec/Orahovac; Malishevë/Malisevo; Suharekë/Suva Reka; Klinë/Klina; Gjakovë/Gjakovica; Dragash/Dragas; Shtime/Stimle; Kaçanik/Kacanik; Istog/Istok; and Deçan/Decane. Promotion of the program netted applications from 899 people, with 300 then selected to continue with the training. Upon completion, of the finalists, 117 presented business plans to the jury, a process KPEP closely monitored. In addition, and as a result of the MOU between KPEP, BSCK and the Community Development Fund (CDF), 51 candidates were deemed eligible for grants, as based on CDF’s criteria. A special CDF-created commission then selected 32 participants to receive financial support of up to €10,000 (\$13,500).



USAID
FROM THE AMERICAN PEOPLE

Workforce Development

SNAPSHOT

KPEP Dairy Internship Assists Kosovo Farmers



Through USAID support to 168 farmers, network between farmers and dairies has been established.

On Oct. 31, 2009, the 10 interns who participated in this first raw milk quality internship program, were given a certificate of completion.

USAID Kosovo Private Enterprise Program

To address problems with raw milk quality, KPEP engaged 10 students from the Faculty of Agriculture and Veterinary Science at the University of Pristina as interns in a raw milk quality improvement project. Following an intensive training by a KPEP-engaged regional consultant, the interns were placed at five dairy plants for three months and worked closely with the dairy farmers supplying the milk to the dairies to address raw milk quality issues.

Through this internship, 168 dairy farmers received on-farm training in producing high quality raw milk; barn hygiene, proper milking procedures, and proper milk storage. At the same time the interns had the opportunity to put in practice the theoretical knowledge acquired through their University training. Milk processors praised the internship program developed by KPEP as highly effective. The quality of the milk that they have been receiving from the farmers that were part of the program is much improved.

On Oct. 31, 2009, the 10 interns who participated in this first raw milk quality internship program, were given a certificate of completion. Given the strong interest on the part of farmers and dairies, in expanding this program, KPEP will continue with a second stage of this internship this year.

“This internship was very useful to us in many aspects. Through our support to 168 farmers, we have now established our network of farmers and dairies. Even though the program has ended, they still call us for advice” said Alban Spahiu, one of the interns who thanked KPEP on behalf of the group for the internship project.

“The dairy sector is believed to be a very important contributor to the economic development of Kosovo. The local industry needs to consolidate farms for greater efficiency, and further increase processing quality and consistency in order to compete effectively with imported products,” said David Cowles, KPEP’s then-director.

NORTH KOSOVO ACTIVITY

At the beginning of Year 3, KPEP was asked by USAID to significantly increase its Scope of Work beyond the original four components of sector support, business support services, business enabling environment, and workforce development. To accommodate this Scope change, KPEP received funding increases of €750,000 (\$1,012,900), on January 21, 2011; \$2.3 Million (\$3.1 Million) on July 25, 2011; and €500,000 on June 18, 2012. These funding increases amounted to approximately 18 percent of the Task Order ceiling price, and also provided activity funds to extend the Task Order completion date five months beyond the original POP-end.

The work, all focused in the four municipalities of Zubin Potok, North Mitrovica, Zveqan/Zvecan and Leposavic/Leposaviq in North Kosovo, is evidence of KPEP's management flexibility and ability to respond to USAID's changing priorities in light of political changes in Kosovo, and in light of increased focus on the North by the U.S. Embassy. In late 2010, KPEP established a physical presence in North Mitrovica in an office cost-shared with a multi-ethnic NGO. KPEP recruited two Serbian business advisors to staff the office on a full-time basis and to provide a focal point for businesses seeking support in the form of grants and technical advice. KPEP began by focusing on support to small business, initially to use SAF resources in sectors that were appropriate to the KPEP mandate (although given political complexities, it was evident that the work would not produce the same ROI as work with more competitive firms elsewhere in Kosovo). The "support to small businesses" work expanded to "Cash for Work" or "Short Term Employment" projects targeting unemployed youth in the North.

Short Term Employment—River Clean Up

The Short Term Employment projects were large in scale and visibility in all four municipalities in the North. KPEP's implementing partner, a multi-ethnic women-run NGO, engaged 450 previously unemployed people, resulting in more than 45,000 workdays. Workers were paid €12.00 (\$16.00) per day for manual labor—removing garbage, weeds, and brush from a large area. Workers were required to pay income tax to the Government of Kosovo, and the implementing NGO was required to make mandatory pension contributions to the GoK on the worker's behalf. The implementing NGO itself was required to complete full tax and business certification with the GoK. Implemented in three phases, workers cleaned more than 30 specific points on the Ibar River. The Short Term Employment projects were funded (via USAID) by the Government of Kosovo.

Short Term Employment—Forest Thinning

The other large Short Term Employment project was implemented with an environmental NGO in Leposavic and involved laborers practicing silviculture (the process of controlling the establishment, growth, composition, health, and quality of forests). Under the guidance of experienced foresters, workers practiced forest thinning, selectively removing trees and brush to allow the remaining trees to grow in a healthier, more robust, manner. 120 workers cleaned 162 hectares of forest, and the waste wood that they removed from forests was provided to poor villagers (more than 140 households) who used the wood for heating and cooking.



USAID
FROM THE AMERICAN PEOPLE

North Kosovo Activity

SNAPSHOT Forestry Project is an Investment in Kosovo's Future



Kosovo is a poor country but rich in forests—about 42 percent covered.

KPEP decided to intervene by designing a pilot forest-thinning program for northern Kosovo.

USAID Kosovo Private Enterprise Program

Thinner forests are making for fatter wallets among the ethnic Serb minority residents of this village, thanks to USAID. An innovative program has put dozens of villagers to work thinning the surrounding forest, improving its health and their wellbeing.

“It’s a win-win for the public forests and people across the Municipality of Leposavic,” says Branko Bojovic, executive director of M&A, a nonprofit group implementing the €92,000 demonstration project on behalf of USAID’s Kosovo Private Enterprise Program (KPEP).

Kosovo is a poor country but rich in forests—about 42 percent of the country is forested. Unfortunately, the central and local governments spend very little on forestry. As a result, Kosovo’s forests suffer from a lack of careful management and an abundance of illegal logging, rampant during and after the 1999 conflict.

“War, political transitions and economic instability harm forests too,” says Hysen Shabanaj, KPEP’s forestry expert.

In the years since hostilities ceased, formerly clear-cut oak, beech and other low forests have grown back across Kosovo, albeit haphazardly. As a result, the country’s second-growth forests largely consist of thickets of spindly trees with little commercial or environmental value.

KPEP decided to intervene by designing a pilot forest-thinning program for northern Kosovo. Thinning a forest consists of selectively cutting trees to reduce its overall density. Doing so permits close control of species distribution. It also accelerates the growth and improves the quality of individual trees, partly by increasing their resistance to insects, disease and drought. It further creates openings and breaks in the forest, which increase plant and animal diversity and decrease fire risk. Overall, thinning a forest can increase its economic, environmental and social value.



USAID
FROM THE AMERICAN PEOPLE

North Kosovo Activity

SNAPSHOT

Forestry Project is an Investment in Kosovo's Future (continued)

Thinning also demands large amounts of labor—something readily supplied in this chronically underemployed region of Kosovo. Since getting underway in September, the thinning project generated 3,968 person-days of work, shared among approximately 120 locally hired laborers.

While initially met with skepticism, the project ended up having to turn away applicants, most of them from nearby towns, since hiring targeted local villagers.

“It was worthwhile—really worthwhile,” says participant Ratimir Cucic, 54, a furloughed mineworker who otherwise survives on a €130 monthly pension. “We could finally earn something for our families.”

Until heavy winter snows halted work for the season, the crews thinned 162 hectares (400 acres) of forest. The results so far are plain to see.

“Here is a forest,” says Shabanaj, pointing out a newly thinned stand of oak trees on a recent visit. Everywhere, single trees stood where just a few months ago multiple trunks had grown in tight clumps. Shabanaj then pivots toward a still-untouched area, impenetrably thick with growth. “And there is a mess.”

The thinning work yielded significant amounts of firewood—enough to create, when stacked, a cube 7.5 meters (25 feet) a side. The project donated the wood to 100 area households, which rely on firewood year-round for heating and cooking.

While local residents stockpiled the wood—and banked their earnings—the project should accrue them additional benefits well into the future, Shabanaj says.

“In a decade’s time, there will be no need to pay anyone to further thin the forests, because the volume of wood they can extract will be more than enough to compensate them. The forest then will truly be income-producing,” he says.

KPEP believes the pilot forest-thinning project could be replicated across Kosovo, where 47,000 hectares (116,000 acres) of public forests require thinning and cleaning.

Short Term Employment—Mushroom Production

As KPEP received additional funding for Short Term Employment in the North, it became clear that while garbage cleanup accomplished short-term goals such as a small amount of income for the unemployed, the potential for long-term impact was being overlooked. Leveraging KPEP's strong network across Kosovo in the agriculture sector, KPEP identified a mushroom grower in Klina with a linkage to the higher value-added end-market in the European Union. KPEP worked backwards up the value chain to the producer level to ensure what is produced in Kosovo can serve that market, in this case in Holland. King Mushroom, the firm in Klina, needed support in identifying out-growers—the owner knew what the Dutch needed, but did not have the capacity to grow them all himself. KPEP worked with the USAID YEP program to identify young people who wanted to become micro-firms producing mushrooms for an already-identified buyer. YEP identified out-growers across Kosovo, and KPEP leveraged the strong network in North Kosovo to identify out-growers there. The mushroom project is a prime example of producers and a firm that are more interested in business than ethnic divisions, and KPEP's ability to connect them. Fifty individuals in North Kosovo are now mushroom out-growers for King Mushroom.

Short Term Employment—Greenhouses

In addition to the 50 mushroom micro-production units, KPEP reached across North Kosovo, using contacts in villages and towns, canvassing rural areas to engage families in the greenhouse project. The greenhouses also fall under the umbrella of Short Term Employment, but instead of pocket money, the recipients and their families are compensated with a greenhouse and accompanying irrigation unit. KPEP granted 160 greenhouses across the North in this project, using an Albanian supplier from south of Pristina who engaged local crews in the North to deliver and construct the greenhouses. Greenhouse recipients were trained in Integrated Pest Management by the USAID New Opportunities for Agriculture Project and will receive (we believe) market linkage support from KPEP's spinoff leave-behind NGO called KCBS- Kosovo Center for Business Support.

Short Term Employment—Internships

To expand the reach and impact of Short Term Employment, KPEP also introduced an innovative internship program, in order to enable young unemployed people to engage in more value-added work than manual labor. KPEP worked with an implementing partner from Pristina (which had implemented very successful internship programs for KPEP elsewhere in Kosovo), which in turn hired a project team from North Kosovo, to place 160 interns. Of these, 77 were offered full-time employment upon completion of the internship program. By using Short Term Employment funds, KPEP was able to demonstrate to businesses the value of young interns, at no cost to the business. And in almost half of the cases, that experience was enough to offer the interns full-time employment.



USAID
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North Kosovo Activity

SNAPSHOT

North Kosovo Internships Lead to Full-time Jobs



Each intern received a monthly stipend of roughly 220 Euros.

Under the first phase of the program, 100 interns received training in resume-writing, customer-service and other soft skills required to thrive in the working world.

USAID Kosovo Private Enterprise Program

A USAID-sponsored program that offers on-the-job training to idle youth in Kosovo's troubled north has led to 35 interns landing full-time employment with area companies.

The program forms part of USAID's overall increase in assistance to the volatile area, home to much of Kosovo's ethnic Serb minority. Youth unemployment rates there—as is the case across Kosovo in general—are estimated at 50% to 70%. USAID's Kosovo Private Enterprise Program (KPEP) designed the internship program as the latest in a series of short-term employment activities. Previously, KPEP employed local residents in cleaning trash from the banks of the Ibar River and thinning area forests.

Unlike those two latter activities, the internship program marks an evolution given its lasting impact on participants, says Burim Korqa, a KPEP workforce development expert.

"I couldn't be more satisfied—we've created something with a sustainable effect," says Korqa. But don't just take his word for it—just ask Milos Radosavljevic.

The mechanical engineering graduate is one of the six interns since hired on full-time by Europa PTP, an oak flooring and wooden pellet manufacturer in the northern town of Lesak. Where would Radosavljevic be without the program? He's quick to answer: "Ne radim nista," the grateful 27-year-old says. "I wouldn't be doing anything."

Under the first phase of the program, 100 interns received training in resume-writing, customer-service and other soft skills required to thrive in the working world. The program then placed the interns on factory floors, at retail outlets and in corporate offices, where they could spend six months learning firsthand the practical skills that businesses demand. The program dovetails with KPEP's goal of developing Kosovo's private sector workforce.



USAID
FROM THE AMERICAN PEOPLE

North Kosovo Activity

SNAPSHOT

North Kosovo Internships Lead to Full-time Jobs (continued)

Twenty-eight local firms, among them poultry farms, Internet service providers and pharmacies, took part. Each intern received a monthly stipend of roughly 220 Euros.

At PTP Europa, Radosavljevic now works full-time, earning 400 Euros a month operating a steam-belching machine that produces a steady cascade of pellets—a metric ton’s worth an hour, every hour, around the clock.

Meanwhile, as the program enters its second phase, interest remains strong among interns and companies alike.

“Do I want more interns?” asks Europa PTP owner Mladen Milicevic. “I’ll take all you can give.”

Support to Established Businesses

In addition to the multiple Short Term Employment activities described above, KPEP continued its focus on support to established businesses. Grant support was provided to 15 small businesses. All of these businesses are legally registered with the Government of Kosovo (refer to Annex 3: SAF Disbursement, Table 28).

Support to Start Up Businesses

Recognizing that established businesses have only limited potential to create employment given the difficult political environment in North Kosovo, KPEP also implemented an entrepreneurship or “Start up Business” program. KPEP worked with an implementing partner that had implemented similar programs for KPEP across Kosovo. The partner engaged a local team to conduct outreach to applicants and to assist with managing the program. The program trained 186 young people in the four municipalities of North Kosovo, and accepted 100 business plans for funding. The winning entrepreneurs were required to register their new businesses with the Government of Kosovo, which became a potential dead-end for the project. KPEP added resources to assist them in registering, in many cases physically going to the Government of Kosovo building so that the entrepreneurs would not need to go (the program participants feared they would be potential targets for cooperating with

the Government of Kosovo). At project conclusion, grants were disbursed to 98 recipients (refer to Annex 3: SAF Disbursement, Table 28).

VIDEO

Driving jobs, growth and exports in Kosovo – ANTONIJE

<http://www.youtube.com/watch?v=JpnZ1plPxKw&feature=plcp>



SUPPORT TO OTHER MINORITY POPULATED AREAS

During its life as a project, KPEP maintained an active presence in the minority regions of Kosovo. In those regions, KPEP assisted and supported economic development and business linkages in multiple KPEP-targeted sectors. It focused on introducing KPEP's objectives and planned activities to minority entrepreneurs. KPEP followed by offering technical support to the most promising lead companies in those minority regions, whose development would benefit the wider community and generate employment, an issue of particular importance in these frequently rural areas. KPEP has sought out and engaged minority representatives to provide a wide range of assistance and support.

In order to remain closer to the minority areas and population, KPEP opened a "satellite office" in north Mitrovica (co-located within an NGO office) and hired two Minority Liaisons, one from north Mitrovica and one from Gracanica. Both areas are home to sizeable communities of ethnic Serbs.

Examples of KPEP's activities in Kosovo's minority areas include:

- ✚ Outreach events announcing the Strategic Activities Fund (SAF) in Gracanica in central Kosovo and in Leposaviq/Leposavic in Northern Kosovo.
- ✚ KPEP supported the Lesak Kom slaughterhouse, located in northern Kosovo, to gain licensure by the Kosovo Veterinary and Food Agency (KVFA), thus becoming the first minority-owned slaughterhouse licensed to operate in Kosovo.
- ✚ KPEP disseminated more than 100 Serbian language copies of the "Harvester's Handbook to Non-wood Forest Product Collection in Kosovo" to collectors in minority areas.
- ✚ KPEP facilitated cooperation between the minority-owned Scardus Company and Eurofruti to enable the joint export of mushrooms and berries. Eurofruti and Scardus continue to jointly supply buyers, as together they can meet buyer demand for larger quantities of product.
- ✚ A Serbian representative participated in the KPEP-supported Standards Development Group for Forestry Certification. Kosovo received approval of its FSC standard near the end of the project.
- ✚ KPEP funded a pre-HACCP assessment at the minority non-wood forest product companies As Promet and Scardus.

KPEP supported minorities across all sectors and components, as detailed here:

Agribusiness – KPEP assisted minority communities through wild collection practices training, promotion of organic NWFP export to Germany (Hit Flores, As Promet and Scardus), establishment of non-wood forest collection centers, satellite collection centers, applications for HACCP certifications and raspberry cultivation (together with USAID YEP).

Livestock/Dairy – Improved dairy product quality through support to larger dairies that employ or receive supplies from minorities, and through support to a pig insemination laboratory. Bylmeti dairy plant, though non-minority owned, its suppliers of raw milk include farmers from minority areas, mainly Gracanica. KPEP helped the Kabi Dairy in Gjilan/Gnjilane win HACCP certification. It too

purchases milk from minority farmers, mainly located in Kamenica/Kosovska Kamenica municipality.

Forestry and Wood Processing – KPEP provided support for biomass production (Leshak), and through the FSC standard development process, which stipulated engagement of the local community in the entire forest management process, ensuring it benefits them as well. Also, the Forestry sector recently aided Kosovo in gaining certification of its national FSC standard. The standard will be implemented initially in two forest management units, in Ahishte in Kaçanik/Kaçanik and Koritnik II in Dragash/Dragaš, populated largely by members of Kosovo’s Gorani minority. The FSC requirements stipulate engagement of the local community in the entire forest management process, ensuring it benefits them as well.

Fruit & Vegetables - Las Pallmas also reaches out to the RAE community, employing them as seasonal workers. Twelve Ashkali women from Gadime village travel to Las Pallmas to work daily from March to October.

Construction – The project provided assistance to building materials manufacturers that employ members of minority communities.

Tourism - KPEP supported minority-owned businesses in Brezovica, Novoberda/Novo Brdo and Rahovec/Orahovac, such as the Hotel Ljuboteni and Restaurant Majestic in Brezovica; a B&B owned by the Dragan Markovic family in Novoberda/Novo Brdo; and Bozhidar Petroviq, a wine producing family in Rahovec/Orahovac. Also, KPEP provided support to the wine sector in Rahovec/Orahovac municipality, including several minority-owned businesses. For example, in Serbian-majority Velika Hoca, all businesses engaged in tourism (four B&Bs and two wineries) are Serbian-owned.

Business Support Services – KPEP assisted the Minority Women Association ‘Ruka Ruci’ in participating in Agriculture Trade Show.

Workforce Development Trainings – KPEP has trained 8,065 individuals. Of these, 1,081 were from minority areas. The training included conferences, presentations, round tables, workshops, promotional events, field days and specific trainings.

KPEP supported the Kosovo Chamber of Commerce (KCC) in redesigning the KCC website to include a Serbian-language section. To launch the new website, KPEP supported the KCC in hosting a business roundtable to gather concerns from Serbian-owned businesses and local government representatives.

In its final year, KPEP began focusing more on supporting businesses in north Kosovo, where it achieved notable results. (*See the North Kosovo section of this report.*)

SAF amount that KPEP disbursed to minority areas other than North is €92,157/ \$129,407.



SNAPSHOT

Kosovo: Wild Harvest Yields Jams, Jobs



In good years, Scardus may buy 110,000 pounds (50,000 kilograms) of wild blueberries alone—a bounty worth 100,000 Euros to pickers.

Kosovo's wildest corner is taming tables across Europe. The country's rugged Sharri Mountains abound in mushrooms, berries and herbs—uncultivated products with a cultivated taste that have become, with USAID's assistance, one of Kosovo's most sought-after exports.

Each year, pickers fan out across the mountain slopes to harvest wild blueberries, raspberries, juniper berries, chanterelles, morels, rose hips and a variety of herbs. Much of that harvest ends up in Shterpce (Strpce), at Scardus Co., a firm founded by Dobrivoje Stevanovic in 2002.

Stevanovic works with 150 seasonal collectors in 14 villages across this majority ethnic Serb enclave, located in Kosovo's far south. Thanks to USAID, Scardus has steadily increased the quantity and quality of the wild-picked products it buys, processes and sells. In good years, Scardus may buy 110,000 pounds (50,000 kilograms) of wild blueberries alone—a bounty worth 100,000 Euros to pickers.

USAID, through its Kosovo Private Enterprise Program (KPEP), has assisted Scardus with the purchase of equipment used to clean and grade freshly harvested blueberries as well as rose hips, traditionally used to make jams and teas. KPEP also aided Scardus in obtaining HACCP certification—a food safety must for any firms seeking to export.

A biologist by training, Stevanovic prides himself on the work Scardus provides in what is an overwhelmingly poor region, even by Kosovo standards. He also ensures his network of pickers go about their work in an environmentally sensitive and sustainable way.

Scardus dries some product and sells some fresh, including to another USAID beneficiary, Ask Foods. That firm sources raspberries from Scardus, using them to make the fresh jams it sells both domestically and abroad. Scardus also relies on a cooling chamber, purchased with USAID assistance, to freeze

USAID Kosovo Private Enterprise Program



USAID Minorities

FROM THE AMERICAN PEOPLE

SNAPSHOT

Kosovo: Wild Harvest Yields Jams, Jobs (continued)



fresh products for later, out-of-season sale, when they can fetch higher prices.

Today, after a decade in operation, Scardus is generating more jobs and higher incomes than ever, thanks in no small part to USAID.

WOMEN

KPEP put special emphasis on the inclusion and support of women throughout its activities and programs. The task order asked of KPEP to include *“men and women in all aspects of the program, including participation in association, stakeholder meetings, and other activities during program implementation.”* KPEP made efforts to *“ensure that both genders participate in activities with firms, associations, business services, and workforce activities.”*

Throughout the project, KPEP supported women by designing activities that specifically provided them with direct support. The project also remained gender sensitive overall in selecting which businesses it would support. This two-way approach resulted in women taking the lead in vegetable processing in some villages, as well as women businesses managers improving their business practices.

Examples of KPEP activities supporting women in business include:

- ✦ KPEP supported the Widow’s Association in Krusha e Madhe/Velika Krusa with a milk analyzer that enabled them to test the milk produced by its members’ dairy cows. This analyzer was procured through a SAF grant.
- ✦ KPEP supported several women consultants through trainings and direct consulting engagements, including awarding a contract for a financial analysis of a collector of PET bottles, and through KPEP’s workshop on how to succeed as a consultant.
- ✦ KPEP worked closely with the ICT and wood processing associations, both of which are headed by women. KPEP supported the associations in trainings and participation in trade fairs (CeBit, “Natyra,” etc). The project also assisted AWPK in becoming a full member of the European Federation of Furniture Manufacturers (UEA).
- ✦ KPEP supported the NGO Rugova Experience with technical assistance and through direct contracts. This NGO is headed by a woman.
- ✦ KPEP has assisted the NGO Lulebora with business linkages in recycling. This NGO is headed by a woman.
- ✦ KPEP conducted the Business Women Training in 4 municipalities (Pristina, Prizren, Gjakova and Gjilan). 54 women entrepreneurs were trained in basic techniques on writing project proposals, business negotiations and marketing. Consistent with KPEP’s focus on sustainability, we ramped down support during the three years of the program to transfer knowledge and a capability offering to local consultants. In Year 2, KPEP engaged an expat consultant, paired with two local consultants. They focused only in Pristina and trained 10 women. The following year KPEP dropped the expat and funded only local consultants to conduct the training in three municipalities. In the final year, KPEP transferred the activity to Wominnovation, a Norwegian-funded program that is embedded in the Innovation Center Kosovo, and the local consultants are able to sell their services on the market.

KPEP’s client companies, tracked in our PBMS, employed 6,727 workers combined, of which 40 percent were women. Of the more than 8,215 individuals trained by KPEP, 2,393 were women.

Specifically, KPEP supported women across all sectors and components:

Agriculture – KPEP’s wild collection practices training included 500 collectors of NWFP, 81 of the women. All received training in good wild collection practices. KPEP supported the Widow’s Association Krusha e Madhe and its 65 members with technical assistance. KPEP’s overall support to NWFP collectors and processors, including As Promet and EuroFruti, benefitted the considerable number of women they employ as seasonal workers. The project helped the 200 farmers—30 of them women—who belong to the Krusha e Madhe Farmer’s Cooperative. KPEP assistance allowed the cooperative to commence exports of fresh peppers to neighboring Serbia.

Dairy/Livestock - KPEP purchased a milk quality tester (lactoscan) for the Widows’ Association in Korenica, where the group manages a milk collection center;

Construction – KPEP provided professional development training seminars for architects, engineers and other design industry stakeholders, with an average of 50 participants per day, with women making up 20 percent of the total. KPEP started the MESP working group on establishing the system for the professional licensing of architects and engineers. The group has two women members.

Tourism – KPEP-organized tourism fairs aided the Women of Krusha e Madhe and the NGO Jeta of Decan sell their products.

Business Support Services – KPEP worked closely with the ICT and wood processing Associations, both of which are headed by women. KPEP provided governance training to the associations, as well as support for the provision of value-added services, including trainings and trade show participations. KPEP provided support to a minority women association to attend an agriculture trade show. KPEP organized and supported business women training for 54 women business owners held in four municipalities (Pristina, Gjilan/Gnjilane, Gjakova/Djakovica and Prizren).

Workforce Development – KPEP supported women entrepreneurs with special training. Of the 350 participants who completed the KPEP-sponsored entrepreneurship training in 12 municipalities, 13 were women.

North Kosovo – During its involvement in northern Kosovo, KPEP worked almost exclusively with organizations led by two women, one ethnic Serb and one ethnic Albanian. These two organizations, the Women Business Association and Mundesia, implemented the \$900,000 employment program, which created more than 45,000 workdays spent in clean-up operations. In North Kosovo, the project supplied business training to 186 entrepreneurs, 43 of them women. The project selected 30 of those women to receive startup grants worth up to \$5,000.

In the last year of the project, KPEP, in cooperation with the American Chamber of Commerce and the Kosovo Chamber of Commerce, organized a roundtable discussion on the “Challenges of Women in Business.” During the discussion, 20 women, representing both the executive and entrepreneurial level, presented their experiences, approaches and challenges in doing business in Kosovo.

KPEP through SAF has supported women related businesses and activities in amount of €1,422,679 (\$1,936,665).

MICROENTERPRISES

USAID's economic growth programs in Kosovo target value chain improvements, including the inclusion of microenterprises. KPEP's specific work across value chains has impacted microenterprises at all levels, from production, through processing, to off-take and marketing. Indeed, microenterprises have been an important beneficiary of the USG assistance program in Kosovo. Support has focused on assistance to sectors where a significant number of microenterprises participate in the value chain, including agriculture, tourism, ICT and wood products, as well as on microenterprise development in workforce, business enabling environment and business support services.

USAID KPEP resources were used to assist microenterprises to improve their performance and establish linkages with larger firms, again to more fully integrate them with the local value chain. Total KPEP resources devoted to supporting microenterprise development totaled almost \$7 million. (Note: USAID qualifies microenterprises as enterprises with an annual turnover of less than €50,000 (\$67,500) and that employ fewer than 10 people.)

Examples of KPEP's activities in support of microenterprises include:

- ✚ Assistance to pepper producers with export facilitation, and identification of buyers in Albania, Macedonia, Montenegro and Serbia.
- ✚ Establishment and support of fruit and vegetable and non-wood forest product collection centers (Agrocelina, Hosa Fresh, Hit Flores, Scardus, etc.) throughout Kosovo. These centers enabled easier access by farmers. Collections centers in turn exported their products with the region and Europe.
- ✚ Technical assistance to microenterprises on HACCP certification and organic certification, both preconditions for enabling local businesses to export into the EU and to capture affluent markets.
- ✚ Support to wood processing/furniture companies to exhibit at trade shows in Albania, Macedonia, Croatia and Montenegro (Albrelax in Tirana, Albania; Ambienta in Zagreb, Croatia; Furniture Show in Budva, Montenegro; and Mebel in Skopje, Macedonia).
- ✚ Support to fruit and vegetable and non-wood forest products collection centers and companies to participate in international trade fairs, which enabled them to create business linkages. These links have fostered growing exports to countries throughout Europe. (Fairs include Fancy Food Show in New York, USA; Fruit Logistica in Berlin, Germany; BioFach in Nuremberg, Germany, etc.)
- ✚ Support of the establishment of raspberry trial plots in Shtpce/Strpce for new raspberry varieties demanded in western markets.
- ✚ Outreach events announcing the Strategic Activities Fund (SAF) in Gračanica in central Kosovo and in Leposaviq/Leposavic in Northern Kosovo. More than 35 business and association representatives attended.
- ✚ KPEP supported tourism fairs in Peja/Pec and Rahovec/Orahovac, which today, after four years of KPEP assistance, are sustainable and receive financial and organizational support of the respective municipalities.

- ✚ KPEP supported ICT sector microenterprises by providing various trainings for marked demand products (Android app), participation in international trade fairs (CeBit), and supporting international certifications (combined Information Security Management Systems Foundation and Internal Auditor Course). The ICT sector worked with some encouraging startup operations (Baruti, AdaptivIT, Tekfuzo, etc). All have made solid advances and have begun to add employees and generate revenues.
- ✚ Advocacy training for business associations and chambers.
- ✚ Transformation of farmers' associations to farmers' cooperatives as a method of linkage and income generation.
- ✚ Establishment and streamlining the function and structure of the transparent raw milk quality sampling process, which results in improved quality raw milk and regular and fair payments.

Even though the majority of KPEP's direct clients are not microenterprises, those larger beneficiaries in turn work with microenterprises. As a result, KPEP is able to indirectly impact hundreds of microenterprises. In its final year, the project also began directly assisting a large number of microenterprises through its *Entrepreneurship Program for North Kosovo*. The program trained nearly 200 young entrepreneurs, and then selected almost half of them to receive start-up grants worth up to \$5,000. These grants serve to defray the cost of starting their new businesses, all of them microenterprises. The businesses include locksmiths, tailors, beauty salons, computer service, agriculture, traditional woolen costumers, candle makers and manufacturers of wedding decor.

Table 4. Distribution of awards by type of enterprise

Enterprise	Amount approved	Percentage
Non-microenterprise	€2,679,880 \$3,619,256.02	53%
Microenterprise	€2,527,747 \$3,413,795.98	47%
Total	€5,207,627 \$7,033,052.00	100%

TRADE CAPACITY BUILDING AND FACILITATION

USAID KPEP's trade capacity building efforts in Kosovo focused on supporting key industries in exporting to the EU, more fully participating in the Central European Free Trade Agreement (CEFTA) and reducing the country's massive trade imbalance. KPEP supported exports of Kosovo products, including processed agricultural products (pickled peppers); niche products (wild-harvested *porcini* mushrooms, Sharri cheese and cream with peppers) various and processed wood and non-wood products.

Modern quality standards also remained a significant focus of assistance. KPEP contributed to the achievement of full Hazard Analysis Critical Control Points (HACCP) certification for many client companies (Scardus, Rugova, Bio Pak, APS, Hit Flores, Kabi, etc.). KPEP assisted the Kosovo Veterinary and Food Agency in implementing the Raw Milk Quality Decree to improve the safety of dairy products. KPEP assisted Kosovo institutions to achieve necessary preconditions and obtain international approval for its national FSC Standards, which shall prove important for increasing the competitiveness of Kosovo's wood products.

KPEP continuously facilitated trade linkages for firms seeking to export Kosovo-sourced products, by organizing marketing and linkages conferences and B2B meetings; assisting companies to attend international trade fairs; and supporting demand-driven activities. Grants to business associations improved the post-harvest handling of fruits and vegetables (e.g., grading/sizing/packing and cold storage facilities), enabling firms to increase quality and therefore exports. Working in close cooperation with other donor projects, KPEP also maintained a focus on legislative reform, export growth and customs policy.

As the smallest economy in the CEFTA region, Kosovo must raise its trade policy and legal capacity, as well as intervene in removing trade barriers imposed by other CEFTA members. KPEP activities focused on finding alternatives to the establishment of burdensome trade barriers in response to subsidies and other measures taken abroad. Such alternatives were *ad hoc* interventions addressed to the GoK, which then intervened at the reciprocal governmental level. Examples include the revaluation of potato and milk prices with Albania; imports of subsidized poultry from Slovenia; dumping of Macedonian dairy products; and the request for certificates from Macedonian authorities.

Additionally, KPEP trained Kosovo diplomatic and consular officials in basic principles of attracting trade and investment, so that in their posts they may be able to field questions about Kosovo with an appropriate level of both confidence and caution. Moreover, with assistance and funding from World Learning, KPEP took nine GoK and two Chamber of Commerce representatives to Geneva, Switzerland for a week of intensive capacity building in trade policy best practices, practical approaches to participation in the CEFTA and future accession to the World Trade Organization. As a result of the study tour, the GoK has developed its first inter-ministerial trade council.

KPEP worked closely with AmCham by providing information for potential investors, participating in roundtable discussions (labor law, etc.), providing comments and suggestions in areas of interest for AmCham, and working with its members, particularly with businesses led by women.

KPEP, in cooperation with USAID's Systems for Enforcing Agreements and Decisions project, developed standard form contracts for agriculture that have proved an asset in promoting safer and easier trade relations.

Examples of KPEP's activities in trade capacity building and facilitation, as detailed by sector follow.

Forest certification

From the beginning of the project, KPEP remained highly involved in organizing and assisting Kosovo institutions in fulfilling preconditions to the forest certification process, which shall increase the competitiveness of Kosovo's wood products. Near the end of the project, Kosovo received international approval for its national FSC standards. In the future, Kosovo will need to certify its forests in order to be able to export wood products to the EU.

Construction

KPEP's work in the construction sector concentrated on assisting producers of construction materials to improve product quality, obtain certifications and establish a licensing program. The Administrative Instruction on the professional licensing of architects and engineers is being implemented as of this writing. The temporary Ministry of Environment and Spatial Planning (MESp) board has updated its business and action plans, selected the first group of examiners, and set the examination standards. The board remains fully committed to concluding this process, regardless of KPEP support, as the project closes out.

Both at the enterprise and industry level, KPEP intervened by making observational visits and providing consulting advice, as well as by furnishing cost-sharing grants, researching industry trends and familiarizing government institutions with the main problems facing the construction materials industry. KPEP grantees completed investments on a new production line (Brickos), new products (Vinex) and established a quality control laboratory (Rizam). Since project inception, construction materials client firms increased their sales by an aggregate €3,665,365 (\$4,950,182) and added an impressive 379 Full Time Equivalent (FTE).

KPEP signed a Memorandum of Understanding with the Kosovo Chamber of Commerce (KCC), with both parties pledging to cooperate in increasing employment, sales, exports, import substitution and investments in targeted private sector areas.

ICT

In the ICT sector, KPEP continuously promoted the BPO sector as an attractive investment by engaging interested local and international IT and BPO companies, thus strengthening the association capacities for better representation of the ICT industry. All of KPEP's BPO promotion support was targeted at EU German speaking countries.

The KPEP ICT sector promoted the Kosovo BPO sector as an attractive investment destination for both local and international investors by engaging several IT and BPO companies in Kosovo interested in investing in this sector.

KPEP supported STIKK, the ICT trade group, by providing various trainings for market-demand products (e.g., Android apps), participation in international trade fairs (e.g., CeBit, CallCenterWorld), and supporting international certifications (e.g., combined Information Security Management Systems Foundation and Internal Auditor Course). The ICT sector worked with some encouraging startup operations (Baruti, AdaptivIT, Tekfuze, etc). All have made solid advances and have begun to add employees and generate revenues.

KPEP assisted Baruti, a Swiss-based service and contact center, in establishing operations in Kosovo. Baruti set up a Pristina office and started operations on January 23 with an initial staff of 12 locally hired market researchers working on behalf of a German client. It eventually increased the number of employees to 20, 11 of which women.

KPEP also supported AdaptivIT in implementing an internship and training program for five new hires slated to work on a new project with a Danish partner company. AdaptivIT provides IT support services for the Danish ICT firm, which specializes in GIS-based software products and services.

KPEP supported Tekfuze as well; a local firm specialized in electronic product development and manufacturing, with a training and internship program for engineering students and graduates. It currently employs 20 young engineers (11 female), who perform in the field of the company's specialties, which is Modular Electronic Controls, Electronics Manufacturing, Embedded Systems, and Embedded Software.

KPEP secured substantial leveraging from domestic and international partner donors and organizations to implement activities detailed in KPEP's work plan. IPAK committed more than half of the required resources for promoting investments in the BPO activity. The Innovation Center Kosovo supported mobile application (app) development training by providing equipment worth close to €10,000 (\$13,500).

Dairy/Livestock

KPEP's support to the dairy sector consisted mostly in quality improvement (e.g., transparent raw milk quality sampling process), extending shelf life, introduction of new products, efficiency in production, exports and import substitution. With KPEP's support, Kosovo dairies received technical training on altering the pH value of drinking yogurt (Kabi), training for cheese production (Rugova, Sharri) and increasing the variety of local dairy products. The Devolli dairy plant commenced production of fruit yogurt. Rugova and Sharri produced the first batches of seasoned and flavoured Gouda cheeses. Technologists from the two dairies learned how to produce these special Gouda cheeses during a dairy technology training program supported by KPEP that took place in Minnesota. And Bylmeti is exporting peppers filled with cream under its own label and under the label of a dairy based in Albania.

KPEP, in cooperation with the Ministry of Agriculture, Forestry and Rural Development (MAFRD) and Kosovo Dairy Processors Association (KDPA), launched an educational and awareness campaign centered on World Milk Day, with the aim of increasing consumption of domestically produced dairy products. Initially supported by KPEP, this campaign is now being organized by MAFRD and KDPA.

As regards poultry, KPEP intervened with MTI and Kosovo Customs amid concerns over the import of frozen chicken from Slovenia at prices lower than that of production. KPEP was successful in this intervention and the issue was quickly resolved. KPEP's client Konsoni opened a new slaughtering line and is outgrowing broilers in order to fulfill the demand for fresh poultry as an alternative to frozen imports.

Wood Processing

During the project's life, KPEP focused on increasing the ability of Kosovo firms to meet international standards (e.g., using FSC-certified timber). KPEP also continued to develop the skills required by industry, mostly at the middle-management level rather than among entry-level technicians. With KPEP support, Tefik Canga Design, Divani, Deco, Lesna InDesign, Elnor and Galanteria all connected with international furniture suppliers, including the UK's Next and Ireland's Castlebrook. Through the Association of Wood Processors of Kosovo (AWPK), KPEP supported 62 companies in exhibiting their products at five regional furniture and wood processing fairs, resulting in increased export sales and import substitution (Albrelax, Tirana, Albania; Ambienta Fair, Zagreb, Croatia; Mebel, Skopje, Macedonia; Furniture Show, Budva, Montenegro; Natyra, Pristina, Kosovo).

With KPEP's support, AWPK established relationships with the European Federation of Furniture Manufacturers (UEA) and the association of British Furniture Manufacturers (BFM), resulting in a series of activities. Foreign representatives made several visits to local manufacturers in order to assess the situation of Kosovo's furniture industry. It resulted in AWPK's involvement in the EU-funded project FACTS 3, implemented by EUA.

Tourism

KPEP's involvement in trade facilitation in tourism consisted of marketing, promotion and creation of regional linkages for tourism businesses. As part of its efforts to improve promotion and marketing, KPEP supported the Kosovo Tourism Association (KOTAS) and Kosovo Alternative Tourism Association (KATA) in participating in international trade shows and conferences. KPEP helped establishing local street fairs (Stay the Weekend-Experience Kosovo, Wine Festival, etc.) for promoting local tourism, wine and food. These efforts have become sustainable and are being organized by the respective municipalities. One big success of KPEP's efforts in wine promotion was the export of 80,000 liters of Stone Castle wine to the United States.

KPEP supported various forums and trade shows (e.g., the business and investment forum in Izmir, Turkey; tourism fair in Tirana, Albania) to explore opportunities for business linkages. The return on KPEP's investment in building tourism-related infrastructure and facilities, as well independent initiatives undertaken by the private sector for diversification of offers, led to increases in international and domestic tourist participation in wine tourism offers.

Non Wood Forest Products

KPEP's support of the NWFP sector with regards to trade capacity was concentrated in HACCP certification, introduction of new varieties and participation in trade shows with an eye to creating new export possibilities. Client firms attended the Fancy Food Show in New York; Fruit Logistica in Berlin and BioFach in Nuremberg, which resulted in increased demand for Kosovo-sourced juniper berries, blueberries, raspberries, mushrooms and herbs. The most successful companies in NWFP sector when it comes to exports include Agroprodukt, Syne (juniper berries and dried blueberries); Hit Flores, Dragash/Dragas (juniper berries and frozen blueberries); Scardus, Shterpce/Strpce (frozen blueberries and cultivated raspberries); As Promet, Leposaviq/Leposavic (frozen mushrooms and frozen blueberries); Euro Fruti, Pristina (frozen and processed mushrooms and frozen blueberries); Besiana – Novoberdo/Novo Berdo and Ferizaj/Urosevac (frozen blueberries, mushrooms and juniper berries); Cooperative Rugova, Peje/Pec (frozen blueberries); and Agropeti, Podujeve/Podujevo (frozen and processed mushrooms).

Due to the high demand for cultivated raspberries for export and local consumption, KPEP initiated establishment of raspberries plots planted with new varieties in Shterpce/Strpce, a project successfully implemented in cooperation with USAID YEP.

Fruits and Vegetables

KPEP's assistance to the fruit and vegetables sector was outstanding. It concentrated both in improving production and increasing sales (domestic and foreign). KPEP worked with farmers' associations in transforming them into farmers' cooperatives, which has allowed them to enter into sales contracts and generate income (e.g., Perdrini and Adas Bio).

KPEP facilitated linkages for exports to other regional countries and EU (Albania, Macedonia, Serbia, Montenegro, Turkey, Germany, and Switzerland).

KPEP helped establishing collection centers with appropriate conditions that allow for the extended preservation of fresh produce, thus enabling farmers to obtain better prices for products out of season. Additionally, KPEP created linkages between farmers and food processors (e.g., Ask Foods, Abi-Elif), as well as supermarket chains (ETC).

KPEP assisted a company from Klina as it sought *shiitake* mushroom out growers capable of growing product for export to the Netherlands. Working in cooperation with YEP, the process is being successfully implemented throughout Kosovo (including north Kosovo with KPEP's support).

In assisting in trade-capacity building and facilitation, KPEP addressed all issues raised by project clients, expanding on a demand-driven basis. Furthermore, KPEP closely cooperated with other donor projects and the GoK, as well as established new cooperative relationships with other projects and relevant institutions. Doing so allowed for a unified and unanimous approach in resolving trade-related issues.



USAID
FROM THE AMERICAN PEOPLE

Trade Capacity Building and Facilitation

SNAPSHOT KOSOVO—USAID Smooths Path for Pepper Exports to Neighboring Serbia



KPEP has helped Krusha e Madhe's 200 farmers—30 of them women—add new crop varieties and technologies, as well as institute the latest post-harvest grading and handling techniques.

USAID Kosovo Private Enterprise Program

A Kosovo farming cooperative recently began directly shipping fresh peppers to neighboring Serbia, leveraging USAID's assistance to expand into a new export market.

The Krusha e Madhe Farmer's Cooperative's wholesale export of fresh red and green peppers, worth 575,000 Euros, underscores its growing role in the expansion of Kosovo's post-conflict trade in fresh produce. It also marks a small gain in erasing Kosovo's sizeable trade deficit. The small nation imports seven times more fruit and vegetables than it exports, contributing to an overall 2 billion Euro goods deficit.

USAID's Kosovo Private Enterprise Program, or KPEP, has since 2008 worked to increase the competitiveness of Kosovo's economy, including by increasing exports. KPEP's work with Krusha e Madhe, in particular, has focused on making the cooperative more responsive to market needs, as part of an overall strategy of increasing efficiencies, employment, earnings and exports.

KPEP has helped Krusha e Madhe's 200 farmers—30 of them women—add new crop varieties and technologies, as well as institute the latest post-harvest grading and handling techniques. USAID's interventions have allowed the cooperative to improve the quality and quantity of its output, even as it expanded its area under cultivation.

KPEP also has supported Krusha e Madhe's participation in international trade fairs, gaining for its members valuable exposure to new export markets. Krusha e Madhe's members have acted upon the best practices they have learned; they applied for a grant in 2009 to improve their use of technology for greater efficiency and higher profits.

The 15,900 EUR grant enabled them to purchase 2 seedling plantation machines (for increased efficiency in planting), engage technical assistance in the areas of harvest supervision and post-harvest handling, and conduct demonstration plots of new varieties in demand in the market.



USAID
FROM THE AMERICAN PEOPLE

Trade Capacity Building and Facilitation

SNAPSHOT **KOSOVO—USAID Smooths Path for Pepper Exports to Neighboring Serbia (continued)**

As the cooperative increased quality and efficiency on the supply-side, KPEP worked actively to support them on the demand-side. Project staff assisted in buyer introductions and deal facilitation inside and outside Kosovo. After attending the Growtech Eurasia Trade Fair in Antalya, Turkey with KPEP project staff, the cooperative applied for a second grant in 2010.

With the 9,780 EUR they received, Krusha e Madhe purchased a seedling machine for watermelon and cucumber planting, and conducted further demonstration plots to test their ability to produce varieties demanded in the export market. Their aggressive pursuit of new technologies is indicative of their flexibility; as they learn of new trends outside of Kosovo, they adopt the necessary machinery, practices, and varieties to stay current in the marketplace.

Krusha e Madhe's members have been quick to capitalize on USAID's assistance. As of 2012, the cooperative accounts for 42.2% of Kosovo's overall exports of fruits and vegetables, up from just 12.9% in 2009. KPEP has seen an increase in exports across its supported sectors and beneficiary firms while the overall balance of trade remains negative.

While Krusha e Madhe already exports to Albania, Macedonia and Montenegro, it had not previously directly sold produce to Serbia. However, in early September, Krusha e Madhe informed KPEP of a potential deal with Schwarzmann, a Nis, Serbia-based international joint venture.

At the time, the Kosovo cooperative requested KPEP's assistance in identifying a USAID project representative who could witness the deal signing in south Serbia, in order to provide a level of trust for both buyer and seller.

KPEP's chief of party, Maury Wray Bridges, quickly leveraged her contacts in Serbia, where she had worked previously on another USAID project, to find a trusted representative. With the representative present, the two parties successfully concluded a deal on Sept. 13; days later, Krusha e Madhe began shipping to Serbia, without incident, the first of its contracted 2,500 metric tons of fresh peppers.

COMMUNICATIONS

Strategic Communications Plan

At the onset of the project, KPEP developed the *KPEP Stakeholder Engagement and Strategic Communications Plan*. This document served throughout the project’s lifetime as a strategic and operational road map to support and enhance the impact of KPEP activities and its sector strategies. The plan reflected KPEP’s overarching communications goal to “inform and advise the client and key stakeholders on progress made to accelerate growth of the private sector in Kosovo.”

Implementing KPEP’s communications strategy included establishing the project’s identity consistent with USAID’s rules and guidelines on logos and branding. KPEP produced business cards, fact sheets, and established a web presence. All promotional and informational materials had a comprehensive KPEP design and were branded to have a consistent look and feel across all formats – print, web, reports, etc.

KPEP also engaged early on in extensive outreach and stakeholder meetings to introduce the project to the broadest possible audience; gather input crucial to shaping the project’s course; and garner buy-in and support for the project’s goal of supporting private sector development across Kosovo. More than 500 business owners and other stakeholders attended these meetings in cities and towns throughout Kosovo. The meetings also garnered considerable press coverage.

Donor Coordination

KPEP maintained open communications with other projects, donors, NGOs and others engaged in development assistance throughout the life of the project, sharing with them its goals and priorities. This engagement allowed KPEP to coordinate closely with others, including other USAID projects as well as those funded by the governments of Netherlands, Norway, Switzerland, United Kingdom and others, as well as the World Bank and European Union. KPEP’s strategy also resulted in multiple leveraging opportunities, which added value and impact to the project’s activities at no additional cost to USAID.

Media Monitoring

KPEP monitored local press on a daily basis, focusing on newspaper articles related to the project’s work or of particular interest to its sector specialists. The local press headlines were distributed to all staff. Media monitoring also covered Kosovo online news agencies, and whenever possible, TV news and TV programs covering issues of relevance for KPEP’s work.

Newspapers reported most extensively on KPEP’s efforts in tourism, agriculture, wood processing and workforce development.

Media Relations

Building, maintaining and leveraging relations with Kosovo media formed an integral component of KPEP’s outreach efforts. To increase coverage of KPEP activities, the program established contacts

mainly with those journalists and editors who cover economic issues for *Lajm*, *Bota Sot*, *Express* and other outlets. KPEP also maintained a press contact list for distribution of news releases and other announcements.

Press Conferences

Whenever possible, KPEP organized press conferences to share news and other developments with Kosovo media. Examples included a news conference to announce Kosovo first-ever travel fair, followed by interviews of KPEP staff and STTA on *RTK* and various radio stations. Indeed, KPEP sought interviews with its in-house and external STTA experts whenever feasible. Examples include in-depth interviews aired by *Radio Dukagjini* with KPEP's forestry STTA Ratko Matosevic as well as with the project's forestry specialist. Both discussed about the establishment of the Kosovo Standards Development Group in advance of eventual FSC certification. In general, KPEP received broad coverage by Kosovo media, including its eight largest newspapers.

Press Releases

KPEP drafted and distributed media advisories and press releases to all local media, both electronically and by hand at press conferences and other project events.

The project also prepared and shared press kits or event folders containing general information on KPEP and specific information on KPEP sectors, as well as press releases, presentations, and contact information at all events.

KPEP further prepared fact sheets, including Albanian- and Serbian-language versions, for inclusion in press kits or event folders. Staff updated these "living" documents on an as-needed basis to reflect changes and achievements. Examples include fact sheets on workforce development and FDI.

Success Stories

KPEP immediately captured, in print and images, the most salient project events and achievements. KPEP shared these success stories on the project website and in its newsletter, as well as with the USAID mission. Over the life of the project, KPEP built a rich archive of stories and images. Examples of project success stories appear throughout this report.

In March 2010, KPEP distributed 14,000 copies of its newsletter as an insert in *Koha Ditore*, one of Kosovo's leading newspapers.

In Y4, the American Chamber of Commerce's *Horizon* magazine featured an article on Booz Allen Hamilton's implementation of KPEP. The article highlighted the project's successes.

Video

KPEP worked with *Koperativa*, a local film production company, to create a documentary film entitled *Challenges for Safer Roads*. Five Kosovo television stations, including *RTV21*, *TV Tema* and *TV Syri*, broadcast the film. English-, Albanian- and Serbian-language versions may be seen on YouTube at: <http://www.youtube.com/user/usaidkpep2012> .

The project also created a series of 10 short videos to highlight some of its more notable successes and achievements. Under the rubric, ‘Drive jobs, growth and exports,’ the short videos profile 10 KPEP clients as well as explain how they benefitted from KPEP’s assistance. Individual links to these videos appear throughout this report. The entire collection may be seen on YouTube at: http://www.youtube.com/channel/UCCv_NvfYPNrQZjyjiKeH9bg

At various times, KPEP produced posters, postcards and cards, as well as a full-color catalog of tourism offers, to promote its work in the tourism sector.

Field Trips

KPEP regularly drafted scene setters and talking points on various KPEP events and field trips, along with summaries of these field trips.

KPEP Identity

Keeping in line with USAID branding rules and guidelines, KPEP made a special effort to promote the identity of KPEP. These efforts mainly consisted of arranging for production of banners, roll ups, and posters for events; fact sheets; brochures (including on SAF, promotion of Kosovo tourism in Albania and various job fairs); folders; and pens.

Website

KPEP organized its website (<http://www.usaidkpep.net>) to highlights project achievements. The project regularly updated its news section with new achievements and photos.

USAID/Department of State Client Visits

The USAID Mission Director, Deputy Mission Director and other officials, including the U.S. Ambassador to Kosovo, were frequent visitors to KPEP clients. In advance of each visit, KPEP arranged the event, prepared scene setters and talking points, managed related communications between USAID and KPEP, and prepared summaries/stories. Clients visited include the Bylmeti and Magic Ice dairies; Feroda wood-pellet producer; Las Pallmas seedling and flower nursery; Hit Flores non-wood forest product collection and processing firm; and the Korenica wood-processing company. KPEP also organized during Y4 a luncheon for the U.S. Ambassador and a select group of young entrepreneurs from north Kosovo who received KPEP assistance in launching their own businesses.

Event Organization

KPEP frequently organized events to promote its work and achievements. Notable events include:

- ✚ “Right Skills—Your Perspective,” an event held in Y1 to promote the carpentry training programs in the vocational education schools in Pejë/Peć and Deçan/Deçane.
- ✚ In Y2, KPEP celebrated the release of the catalog of tourism offers with an event that provided an opportunity for Kosovo tour operators and travel agencies to meet with members of the media and exchange information.

- ✚ In Y3, KPEP organized events to mark Kosovo’s first-ever tourism job fair as well as the first certification ceremony for graduates of the heavy equipment operator training. KPEP also created events surrounding the wine festival in Rahovec/Orahovac, completion of the cross-cutting internship program and launch of the Kosovo Internet exchange point.
- ✚ In Y4, as in Y3, KPEP continued to see many of its efforts come to fruition. Events staged to mark these successes included inauguration of the two processing lines at the BioPak and Grate Fermere vegetable processors; the guard rail production line at Vinex; and (October 2011); and the internal quality control laboratory at the Rizam brick manufacturing plant. USAID requested activities during Y4 included the “Challenges of Women in Business” roundtable; the launch of the Kosovo Chamber of Commerce’s new Serbian-language website; and participation in the “Let’s do it, Kosovo” clean-up campaign.

KPEP also played a major role in organizing significant promotional events, including World Milk Day and the Natyra wood products fair, both held on an annual basis in Pristina, as well as the yearly Peja/Pec street fair. These large-scale events were distinctive for a few reasons. One, they served to bring actors in the sector together to present a unified message whether it was the importance of buying Kosovo’s wood products or consuming more dairy products. Second, the events were coordinated with, and eventually transitioned to, the appropriate association that had incentive to continue the activity in the future in a sustainable manner. Third, these events are repeated- unlike celebrating the release of the catalog of tourism offers, these events were designed to be held annually to keep the profile high of these important issues in the sectors.

Finally, KPEP hosted during Y4 an event to celebrate its successes over the preceding four years. Approximately 200 guests attended, including KPEP clients and beneficiaries, as well as partner organizations at both the local, national and international level. This event was enriched by the presence of Madam Tracey Ann Jacobson, the U.S. Ambassador to Kosovo; the Deputy Mission Director of USAID Kosovo, Mr. Christopher Edwards; and Minister of Agriculture, Forestry and Rural Development Mr. Blerand Stavileci, who addressed the guests after, Mrs. Maury Wray Bridges, KPEP’s Chief of Party, presented KPEP highlights and achievements.

Publications

KPEP posted to the USAID Development Experience Clearinghouse (DEC) all the deliverables as set forth in the contract. DEC was enriched by more than 40 reports drafted by project experts on various subjects in agriculture, forestry, ICT, recycling and construction, as well as all project quarterly and annual reports. These reports are available online through the DEC website, <https://dec.usaid.gov/> .

LEVERAGING

Strategy

Wherever and whenever possible throughout the life of the project, KPEP has sought leveraging opportunities. These opportunities helped USAID further its development impact; provided resources that USAID could not procure on its own; and contributed in furthering the overall goals of KPEP.

KPEP worked hard to build relationships in the private and public sectors, creating linkages that eventually fostered a cooperative spirit. Time and time again, KPEP then relied on those linkages to enlist the support, financial and otherwise, of public institutions, third-country donors and others in leveraging the already significant resources USAID had allocated to the project. These efforts allowed KPEP to do more and to do better than it ever could have alone.

Achievements

KPEP leveraged the assistance of the GoK to help fund the dairy marketing campaign; Koritnik forestry unit infrastructure improvements; welder and heavy equipment operator training and, on a smaller scale, efforts to support ICT, tourism and construction sector attendance at various trade fairs.

At the local government levels, in places such as Rahovec/Orahovac, officials recognized the very real benefits KPEP-led interventions could bring and, as a result, allocated resources to support the project in creating an annual wine festival and in conducting wine tourism trainings. While the leveraging of funds remains significant in this example, the allocation of public monies to fostering tourism-related development also marks an evolution in mindset; this of course is priceless.

Indeed, in tourism, KPEP in its final year conducted almost all of its tourism activities with leveraged funding, stemming largely from European donors. The project meanwhile contributed the know-how and expertise of its staff.

KPEP made extensive use of leveraging in enlisting the financial support of other donor agencies. Many such donors followed KPEP's lead, implicitly trusting its expertise and due diligence, in allocating money in support of project-led activities. For example, KPEP's work in establishing Kosovo's first Internet exchange point (IXP) relied in part on the support of the Norwegian government. The Norwegians also contributed, with laptops and smart phones, to KPEP's organizing Android app training for talented young Kosovo citizens.

KPEP furthermore worked to assist its clients in leveraging funding made available by other donors and multilateral organizations. For instance, Vjosa Gjickolli, who participated in business training for women organized by KPEP, later relied on the project's help in securing a significant World Bank grant to expand her bakery business.

KPEP consistently looked abroad for leveraging opportunities, as part of its efforts to increase linkages between Kosovo and sources of investment. For example, KPEP leveraged the efforts and financial resources of the Investment Promotion Agency of Kosovo (IPAK), the Kosovo-Turkish

Trade Chamber and the Izmir Chamber of Commerce to create a Business and Investment Forum to explore opportunities for business linkages and FDI. Conference participants included 13 Kosovo companies from various sectors, including tourism, and 30 Turkish companies.

Following tables present leverage highlights by sectors and sources of leveraged funding. KPEP began tracking these figures at the beginning of Year 3.

Table 5. Leverage highlights by sectors

Sector	Total value (In Dollars)	KPEP %	Funding/ KPEP	Funding/Other USAID	Funding/Other donors	Own investment
Agriculture	\$12,836,928	2.28%	\$293,253	\$409,884	\$5,324,491	\$6,809,300
Construction	\$1,258,042	0.27%	\$3,350	0	\$1,750	\$1,252,942
Forest. & Wood Proc.	\$4,694,446	1.40%	\$65,654	0	\$675,794	\$3,952,998
ICT	\$423,013	4.38%	\$18,522	0	\$207,460	\$197,031
Tourism	\$1,055,807	3.52%	\$37,185	0	\$923,877	\$94,745
WfD/BSS	\$731,156	0.00%	0	0	\$551,730	\$179,426
Grand Total	\$20,999,392	1.99%	\$417,964	\$409,884	\$7,685,102	\$12,486,442

Table 6. Sources of leveraged funding

Source of Leveraged Funding	Value of support (Dollar Values without KPEP)	% share	Without private sector and without KPEP	% without private sector
Private sector	\$12,494,900	60.71%	n/a	n/a
Central Government	\$339,989	1.65%	\$348,449	13.60%
Local Government	\$205,996	1.00%	\$205,996	8.00%
Multilateral (WB, ECLO)	\$7,007,433	34.05%	\$7,007,433	56.50%

Funding/Other USAID	\$409,884	1.99%	\$409,884	16.90%
Funding/Other	\$123,225	0.60%	\$123,224	5.10%
Total Sources of Funding	\$20,581,427	100%	\$8,094,986	100%

STRATEGIC ACTIVITIES FUND

Strategy

The KPEP Strategic Activities Fund (SAF) was designed to complement core project activities and contribute to achieving the project objectives. Two main objectives of SAF were:

- (1) to provide a source of flexible funding in support of the objectives of program components; and
- (2) fund or cost share specific discretionary items that can lead to improvements in the overall competitiveness of a sub-sector or part of the value chain.

The total estimated value of SAF is €5,207,627(\$7,033,052) over the life of the program. It was used to award cost sharing grants and subcontracts to consulting companies; individual micro, small and medium enterprises; associations; cooperatives; NGOs; private universities and other organizations for projects such as, but not limited to, the following: technology transfer, product development, analysis of market opportunities, value chain mapping and benchmarking; purchase specialized equipment that would benefit an entire sector or sub-sector; purchase training materials for labor and management skills upgrading.

SAF Review Committee: The SAF review committee organized regular meetings, on weekly basis. Over the life of the program, the committee met 153 times.

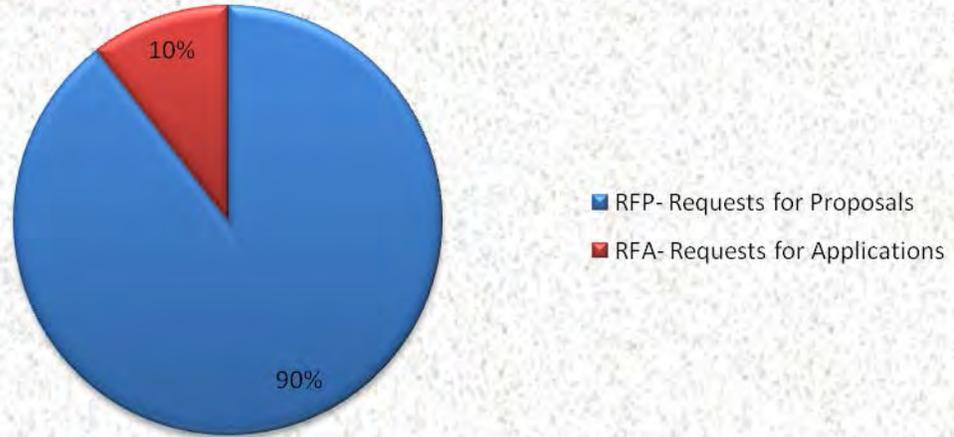
✚ **Requests for Proposals:** During the program implementation 60 Requests for Proposals were issued. KPEP publicized the RFPs with newspaper advertisements, on the KPEP website and, in some cases, by directly contacting vendors as a sole-sourced opportunity due to a pre-eminent capability or because the project was a follow-on to a previous activity.

✚ **Requests for Applications:** 7 RFAs were issued during the program life.

Table 7. Total RFP and RFA issued during the project life

RFP v. RFA	TOTAL
RFP- Requests for Proposals	60
RFA- Requests for Applications	7

Total RFP and RFA issued during the project life

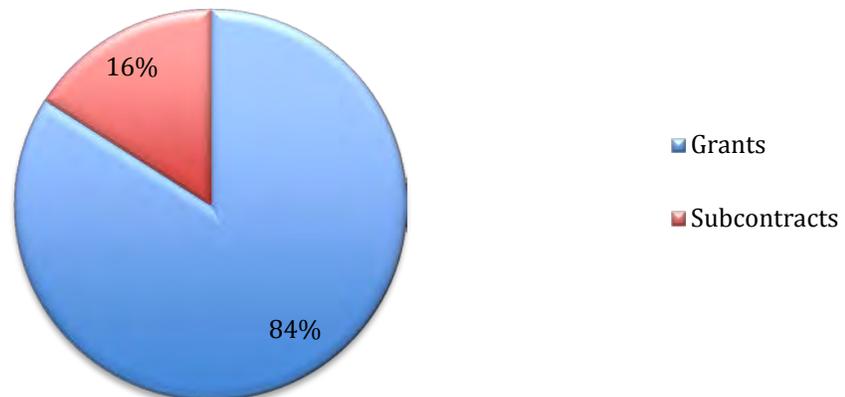


Distribution of awards by grants vs. subcontracts

Table 8. Total awards by grants vs. subcontracts issued during the project life

Type of awards	Approved amount	Disbursed amount	Disbursed percentage
Grants	€4,280,785 \$5,781,324.87	€4,152,071 \$5,607,492.87	84%
Subcontracts	€ 926,842 \$1,251,727.13	€790,626 \$1,067,763.45	16%
Grand Total	€5,207,627 \$7,033,052.00	€4,942,697 \$6,675,256.32	100%

Disbursed amount of awards by grants vs subcontracts



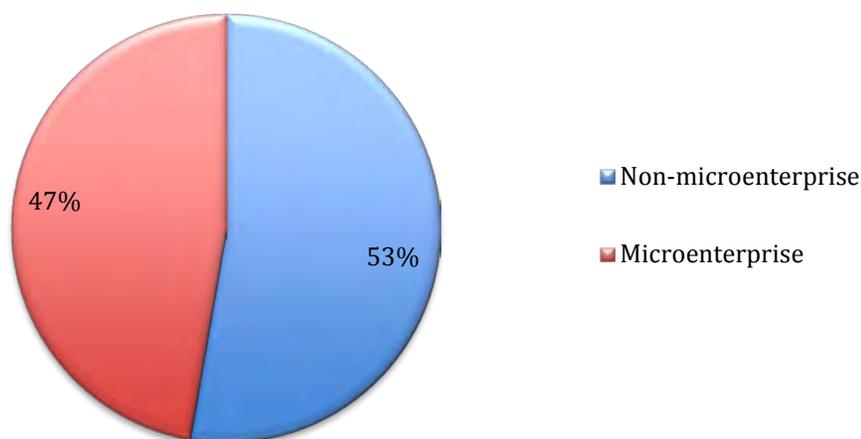
Distribution of awards by micro vs. non-microenterprises

KPEP nearly equally supported activities that benefit non-microenterprises and microenterprise, as shown below.

Table 9. Total awards by micro vs. non-microenterprises issued during the project life

Enterprise	Number	Approved amount	Disbursed amount	Disbursed percentage
Non-microenterprise	210	€ 2,679,880 \$3,619,256	€2,605,483 \$3,518,780	53%
Microenterprise	83	€ 2,527,747 \$3,413,795	€2,337,214 \$3,156,475	47%
Grand Total	293	€5,207,627 \$7,033,052	€4,942,697 \$6,675,256	100%

Disbursed amount of awards micro vs. non-microenterprise



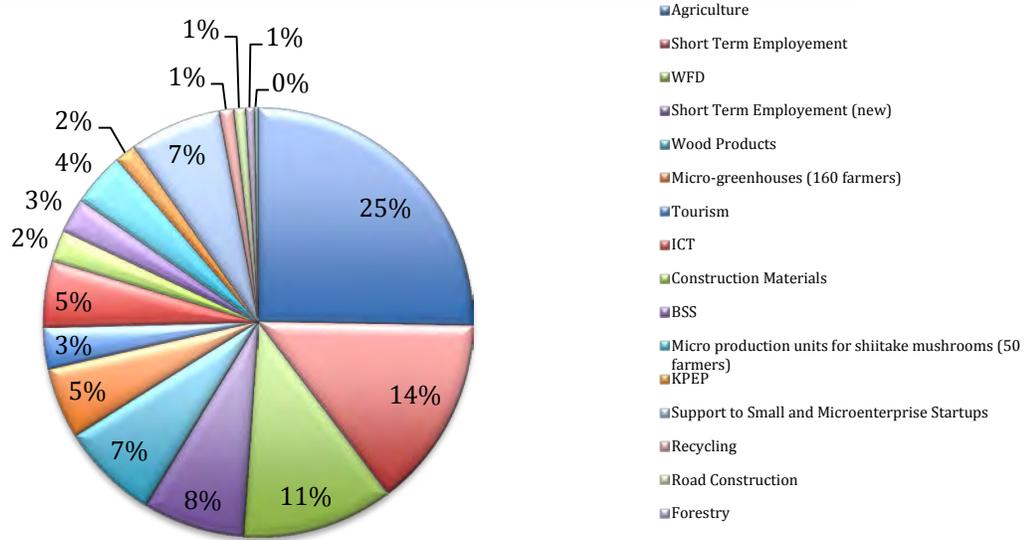
Distribution of awards by sectors/components

Table 10. Total awards by sectors/components issued during the project life

Sectors	Number of Awards	Approved Amount	Disbursed Amount	Disbursed Percentage
Agriculture	77	€1,318,040 \$1,780,051.42	€1,282,219 \$1,731,674.12	25.94%
Short Term Employment	4	€750,000 \$1,012,896.85	€750,000 \$1,012,896.85	15.17%

WFD	26	€594,350 \$802,686.99	€567,363 \$766,240.26	11.48%
Short Term Employment (new)	3	€398,637 \$538,370.88	€ 398,379 \$538,022.45	8.06%
Wood Products	16	€387,446 \$523,257.11	€381,072 \$514,648.84	7.71%
Micro-greenhouses (160 farmers)	4	€279,360 \$377,283.82	€279,360 \$377,283.82	5.65%
Tourism	19	€159,835 \$215,861.82	€154,267 \$208,342.08	3.12%
ICT	20	€261,636 \$353,347.04	€130,477 \$176,212.99	2.64%
Construction Materials	4	€121,896 \$164,624.10	€121,896 \$164,624.10	2.47%
BSS	4	€136,427 \$184,248.64	€99,868 \$134,874.64	2.02%
Micro production units for shiitake mushrooms (50 farmers)	1	€210,000 \$283,611.12	€210,000 \$283,611.12	4.25%
KPEP	6	€83,442 \$112,690.85	€73,430 \$99,169.35	1.49%
Support to Small and Microenterprise Startups	98	€355,652 \$480,318.39	€351,470 \$474,670.48	7.11%
Recycling	2	€56,370 \$76,129.33	€56,370 \$76,129.33	1.14%
Road Construction	4	€45,93 \$62,029.80	€42,420 \$57,289.45	0.86%
Forestry	2	€33,433 \$45,152.24	€30,796 \$41,590.90	0.62%
FDI	3	€15,173 \$20,491.58	€13,309 \$17,974.19	0.27%
Grand Total	293	€5,207,627 \$7,033,052.00	€4,942,697 \$6,675,256.32	100%

Disbursed amount of awards by sectors/components



ENVIRONMENTAL COMPLIANCE AND MONITORING

Environmental reviewing and monitoring requirements

The Initial Environmental Examination Documents DCN: 2008-KOS-002, and 2001-KOS-033, set out the environmental reviewing, monitoring and reporting tasks for each activity subject to an environmental compliance procedure. In total, 261 activities (grant applications) were reviewed. Out of this, 180 activities were preceded under categorical exclusion category, and 81 under negative determination with conditions category. For those under negative determination with conditions, an environmental review report was prepared (EDD/SSECP). The reports included environmental monitoring and mitigation measures. All the reports were approved by the Mission Environment Officer (MEO). In this process, 9 group environmental review reports were prepared and approved. These reports covered activities of the same nature, same actions, and within the same program, such as Micro-scale greenhouses, and shiitake mushroom activity.

Table 11. Summary of environmental reviewing by category through project life

Type of ER category	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
Categorical Exclusion	22	47	44	67	180
Negative Determination with conditions	4	19	45	13	81

Monitoring goal and methodology

KPEP undertook monitoring visits to inspect the implementation of environmental recommendations, as indicated in the Environmental Review report (EDDs) for each company/organization. KPEP bases each monitoring assessment on potential environmental impacts, mitigation measures and monitoring indicators, as set out in the EMMPs for each activity. The monitoring visits included:

- ✚ Visual observation and photographs related to: physical impacts, water use, waste management, use of Personal Protective Equipment (PPE), fire safety measures, ventilation, wastewater collection and discharge, wastewater treatment, fuel used and hazardous materials storage.
- ✚ Interviews: KPEP interviewed owners or managers related to the progress made on completing: environmental permits, water permits, fire safety permits; plans for meeting commitments for improving technology, reducing emissions, applying for relevant permits, investing in wastewater treatment, etc.

KPEP then prepared and filed separate monitoring reports from each monitoring visit for each company/organization visited.

ANNEX 1: PERFORMANCE BASED MANAGEMENT SYSTEM

The Performance Based Management System (PBMS) monitors progress against program targets, facilitates reporting of the results attributable to KPEP efforts and provides data for reporting to USAID. It identifies successful enterprise, sector and industry clients, interventions and consultants and allows the team to compare projected results to actual results on a monthly, quarterly, semi-annual and annual basis. The baseline and targets are set for all indicators for the life of the project (LOP).

- **Data collection**

KPEP specialists worked with client enterprises to establish the baseline data. Initial baseline data are recorded for the period just prior to the implementation of those activities that contribute to the achievement of results, enabling comparison when measuring progress toward a specific result or objective. The baseline provides a snapshot of a performance indicator as a point of reference.

For enterprises, the baseline includes jobs, sales, production, investments, foreign direct investment and partnerships data. KPEP specialists are responsible for data collection from enterprises. The PBMS specialist reviewed the information received and performed quality control. After that, the PBMS specialist entered the data into the project's database. The reports produced from the access database and Excel spreadsheets are included in the quarterly reports provided to USAID.

- **Quality of the data**

The sector specialists are responsible for the first-level data quality control. The quality checks have been made to ensure that those data collected and included in the database are both accurate and reliable. Every single transaction entered in the database was double checked for accuracy.

- **Data verification**

The PBMS specialist conducts site visits and interviews with representatives from the client enterprises and organizational partners to verify the results that have been reported. In addition to verification of the accuracy and consistency of the results reported, the PBMS specialist also determines whether KPEP interventions contributed to the results and thus may be attributed to the project.

- **Status of the Indicators**

The status of Project Indicators is set out in annexes below:

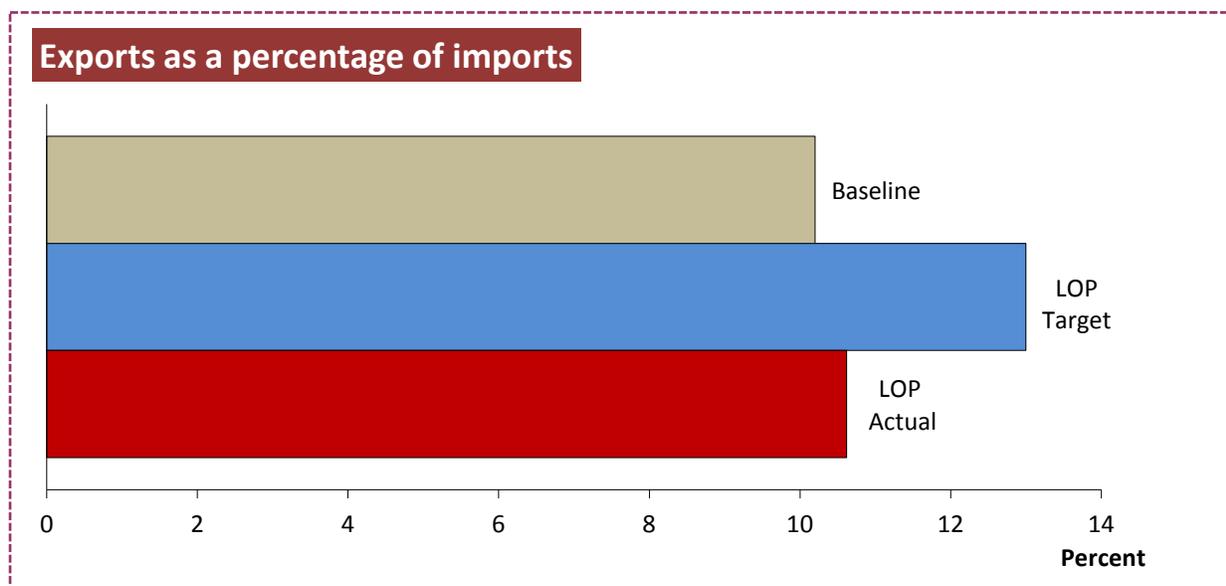
ANNEX 1A: REPORT ON INDICATORS

IR.1.3 (1) Accelerated Growth of Private Sector

Indicator: Exports as a Percentage of Imports – Kosovo Wide

Definition of the indicator: The total value of exports divided by the total value of imports, by sector.

Data Source: Data were received from the Statistical Office of Kosovo (SOK).



Annual Results: This report contains data for the period October 2011- September 2012 (FY 2012). The value of exports for this period was €272.6 Million (\$368.1 Million), while imports were €2,567.2 Million (\$3,467.1 Million), which represents 10.62 percent export/import coverage.

During CY 2012 to date, Kosovo exported goods valued at €201.7 Million (\$272.4 Million), and imported €1,848.4 Million (\$2,496.3 Million) in goods, which provides for annual exports/imports coverage of 10.9 percent for nine-month period.

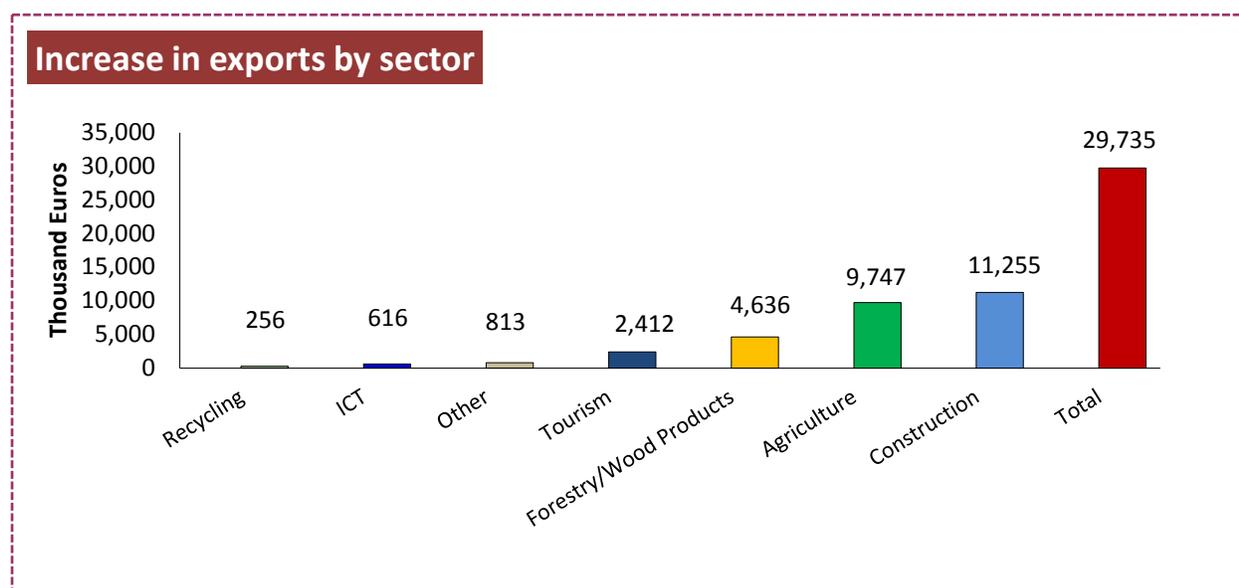
Since the start of the KPEP program in 2008, Kosovo exported goods at value of €1,010 Million (\$1,364 Million), while imports were €8,918 Million (\$12,044 Million). So, exports/imports coverage ratio for this period is 11.3 percent.

Below is the data by fiscal year. Please note that by the time when Final report is due, the September data should be available, so we will be able to present complete set of data for the period of four years.

Table 12. Exports and imports Kosovo-wide by fiscal year

Period	Exports (In Millions)	Imports (In Millions)	Ratio
FY 2009 (01.10.2008-30.09.2009)	€147.4 \$199.07	€1,906.8 \$2,575.19	7.73%
FY 2010 (01.10.2009-30.09.2010)	€268.1 \$362.08	€2,091.9 \$2,825.17	12.82%
FY 2011 (01.10.2010-30.09.2011)	€321.9 \$434.74	€2,352.6 \$3,177.25	13.68%
FY 2012 (01.10.2011-30.09.2012)	€272.6 \$368.15	€2,567.2 \$3,467.08	10.62%
Total	€1,010.0 \$1,364.03	€8,918.6 \$12,044.83	11.32%

The data collected from KPEP client enterprises indicate that exports to date were €43,831,316 (\$59,195,469) while imports were €88,724,892 (\$119,825,552). This provides for a coverage ratio of 49.4 percent. Comparing to the baseline export data of KPEP clients, there was an increase of €29.7 Million (\$40.11 Million) for the LOP. The graph below shows the increase in exports by KPEP targeted sectors.

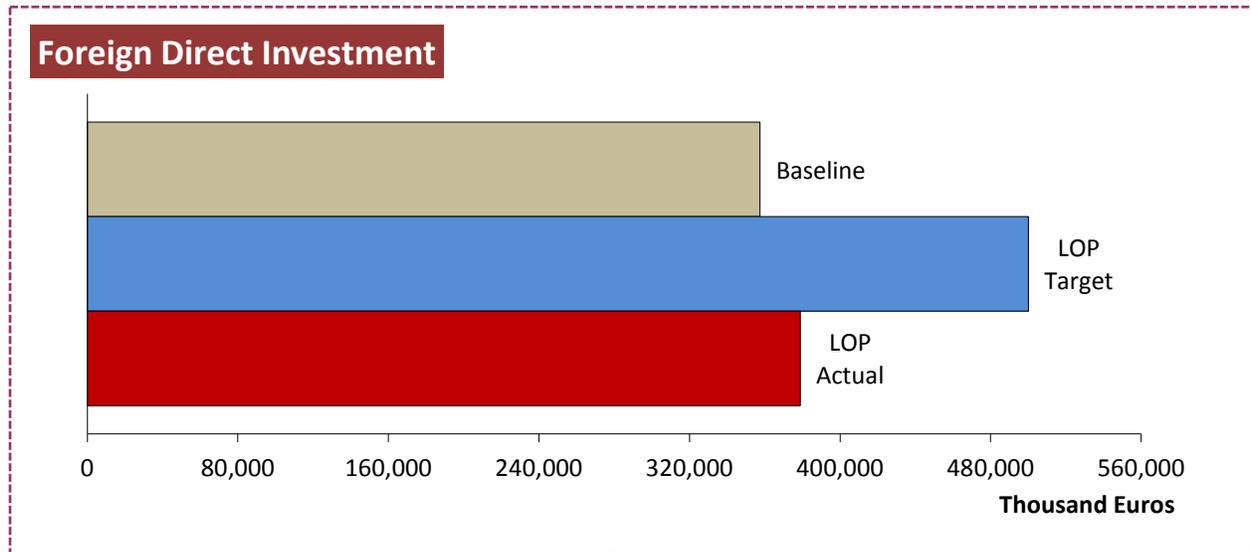


IR.1.3 (2) Accelerated Growth of Private Sector

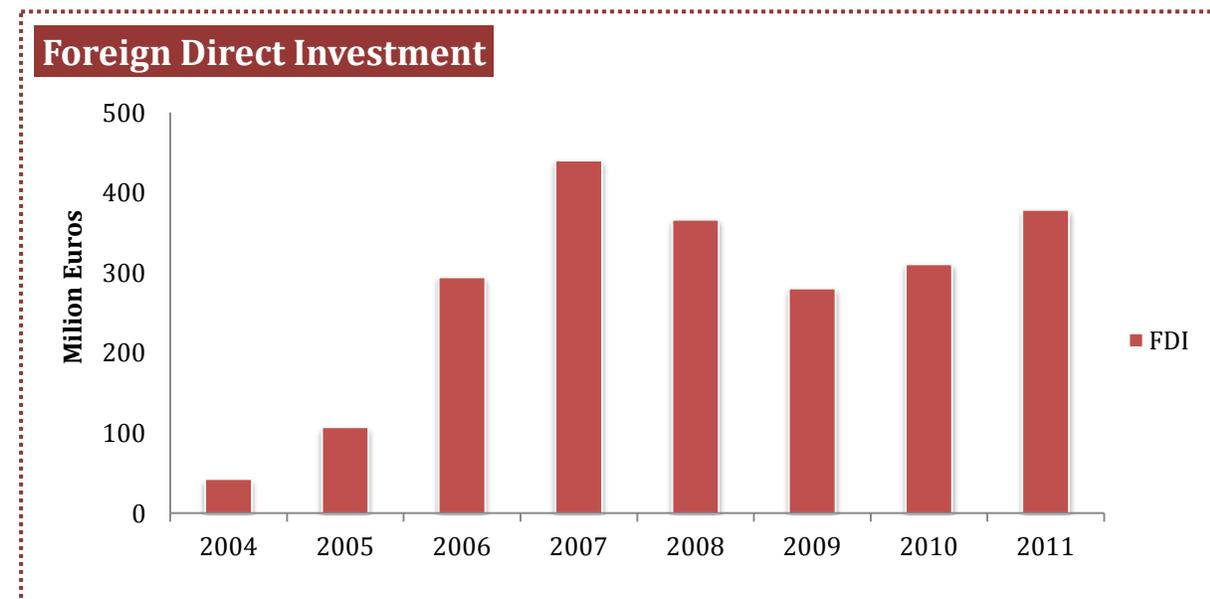
Indicator: Foreign Direct Investment – Kosovo Wide

Definition of the indicator: Value of foreign private investment. Enterprise investment is defined as spending related to operational capital, technology, land and infrastructure.

Data Source: Baseline data were received from the Central Bank of the Republic of Kosovo.



Annual Results: The information provided by the Central Bank of Kosovo and the World Bank Foreign Direct Investment in Kosovo for year 2011 (the most recent available data) indicate that there were in total €378.9 Million (\$511.7 Million) of foreign investment. As we can see in the graph below, foreign direct investment was the highest in 2007, achieving at €440.7 Million (\$595.2 Million). The global financial and economic crisis of 2008/2009 affected Kosovo economy, which is expressed in very low FDI in 2009 of just €280.9 Million (\$379.4). However, since then there is an increasing trend of FDI: in 2010 there was an increase of 10.7 percent compared to 2009, and in 2011 there was an increase of 21.8 percent on FDI compared to 2010.

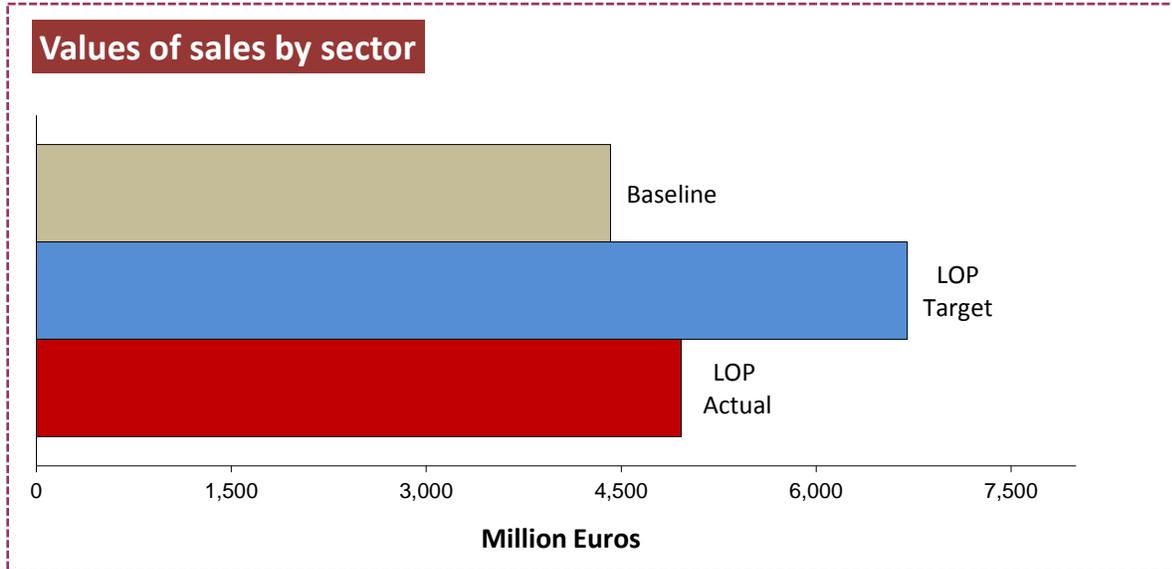


IR.1.3 (3) Accelerated Growth of Private Sector

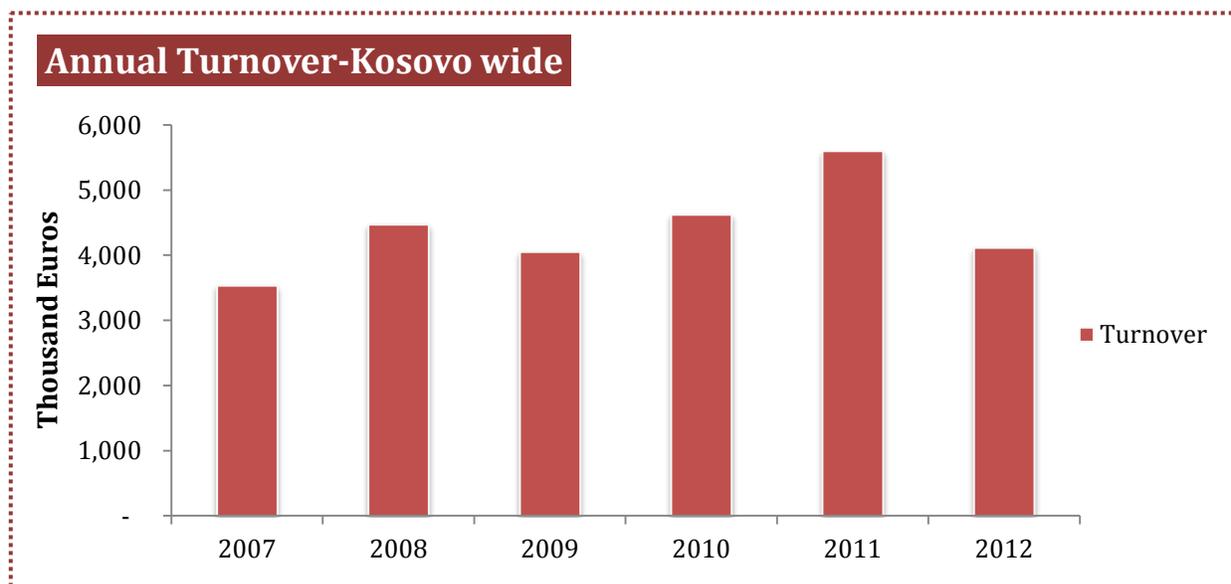
Indicator: Value of sales, by sector – Kosovo Wide

Definition of the indicator: Value of goods and services sold during the year measured as gross business sales.

Data Source: The Tax Administration of Kosovo provided the data for this indicator.



Annual Results. The baseline includes the data for the period January-December 2008. KPEP has collected data covering the period from October 2011- September 2012 (FY 2012). The cumulative data for this period show €4,960.6 Million (\$6,699.4 Million) in sales made by all enterprises in Kosovo. The Tax Administration of Kosovo separates enterprises in Kosovo by different categories: by size, whether small or large enterprises; and by legal status, whether individual businesses, partnerships or corporations.



The graph above presents the data on annual turnover of Kosovo enterprises from CY 2007 until CY 2012 (Note that data for 2012 are for the period January-September 2012).

As we can observe from the graph, in 2009 there was decline in sales of 9 percent when comparing to 2008. However, since then, there was a steady annual increase. In 2010 there was an increase of 14 percent compared to 2009, and in 2011 there was an increase of 21 percent compared to 2010.

Considering the current data for nine-month period of this year, the total turnover should be at least at the same level as previous year.

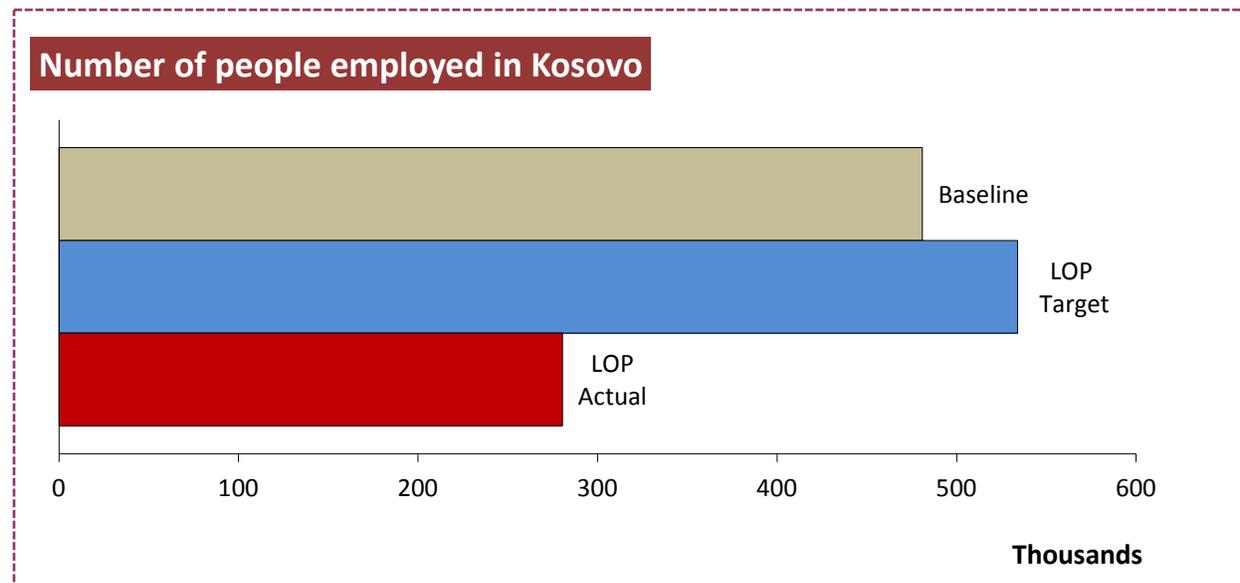
IR.1.3 (4) Accelerated Growth of Private Sector

Indicator: Number of people employed, by sector – Kosovo Wide

Definition of the indicator: Number of people employed, disaggregated by sector.

Data Source: The baseline data for this indicator were collected from the Macroeconomic Department of MEF. The quarterly data were collected from the Department for Labor and Employment (DLE) of the Ministry of Labor and Social Welfare (MLSW).

The data for this annual report has been collected from the publication: “Final Results, Kosovo Population and Housing Census 2011”.



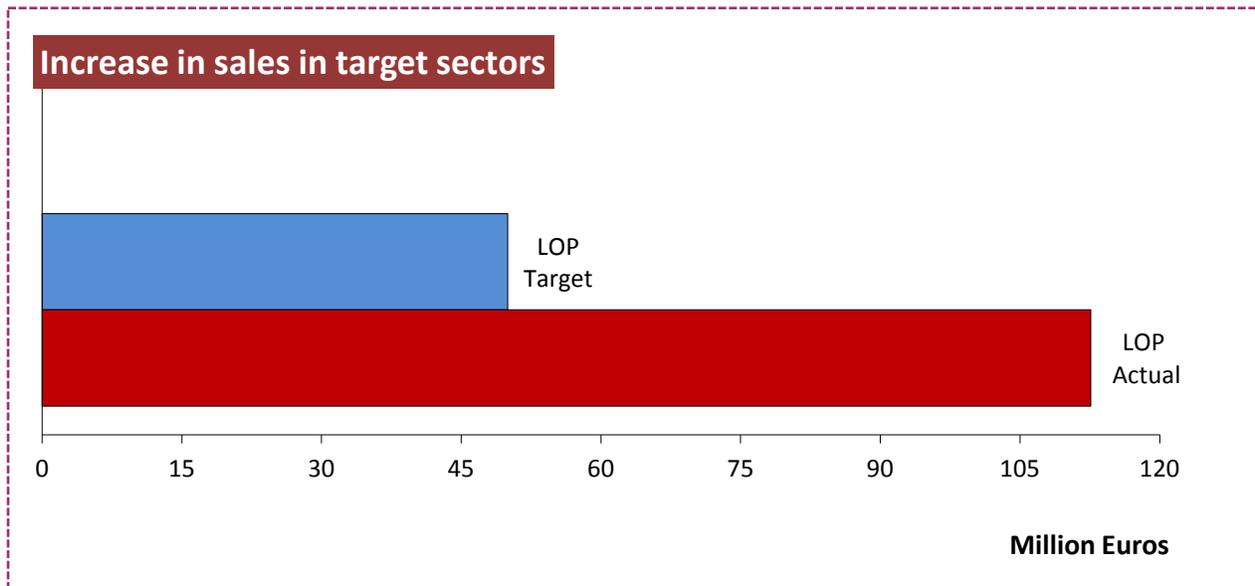
Annual Results. There is a significant change from the data previously reported. In earlier reports we used the data from publications (Monthly Kosovo Labor Market Information) put out by the Ministry of Labor and Social Welfare (MLSW). These publications suggest that there are more than 500,000 employees. The web page of this same Ministry states that in Kosovo are about 400,000 people employed. However, the data from the census show different figures. At the time when the census took place, in 2011, there were in total 280,454 employees (214,735 male and 65,719 female), from a total of 508,100 economically active persons. There are 227,646 unemployed persons (145,616 male and 82,030 female). This provides for an unemployment rate in Kosovo of 44.8 percent.

IR.1.3.1 (1) Increased Competitiveness of Key Sectors

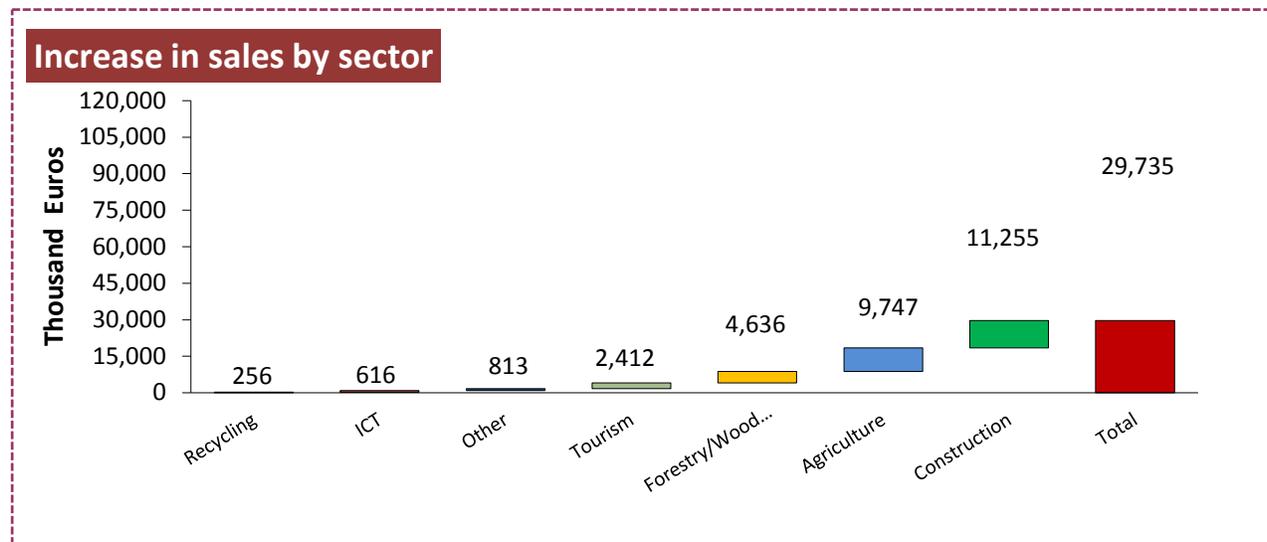
Indicator: Increase in Sales in Target Sectors

Definition of the indicator: The value of goods and services sold during the year is measured as gross business sales. It is an aggregate of all business sales related to the sector over a given period. This is measured for enterprises that receive KPEP support directly, through SAF or from specific transactions supported by KPEP.

Data Source: Data received from sector specialists.



Annual Results. The annualized baseline value of sales is €213,824,975 (\$288,776,859), which represents the baseline sales data for 172 companies. The cumulative target by the end of Year 4 (LOP target) is an increase of sales of €50,000,000 (\$67,526,457). Cumulative increase to date is €112,860,076 (\$152,420,821), which means that KPEP already not only exceeded, but more than doubled the value of the LOP target. The main contributors to the LOP increase are agriculture, with 49 percent share to the overall increase, construction with 19.5 percent, and forestry and wood processing sector, with 18.3 percent, as shown in the graph below:

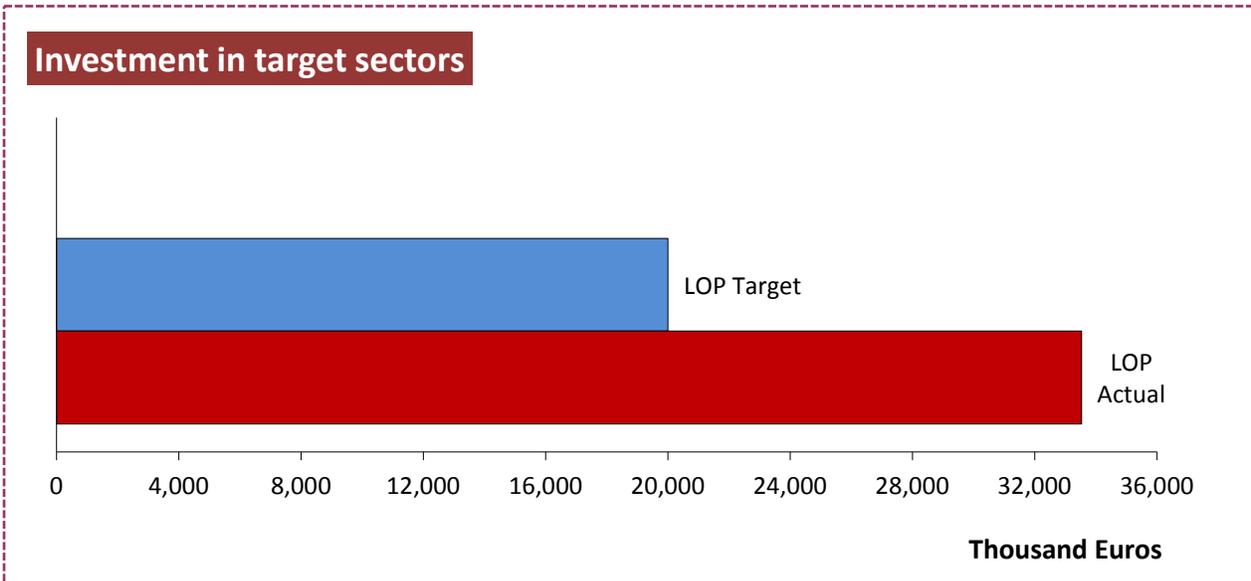


IR.1.3.1 (2) Increased Competitiveness of Key Sectors

Indicator: Increase in investments in target sectors

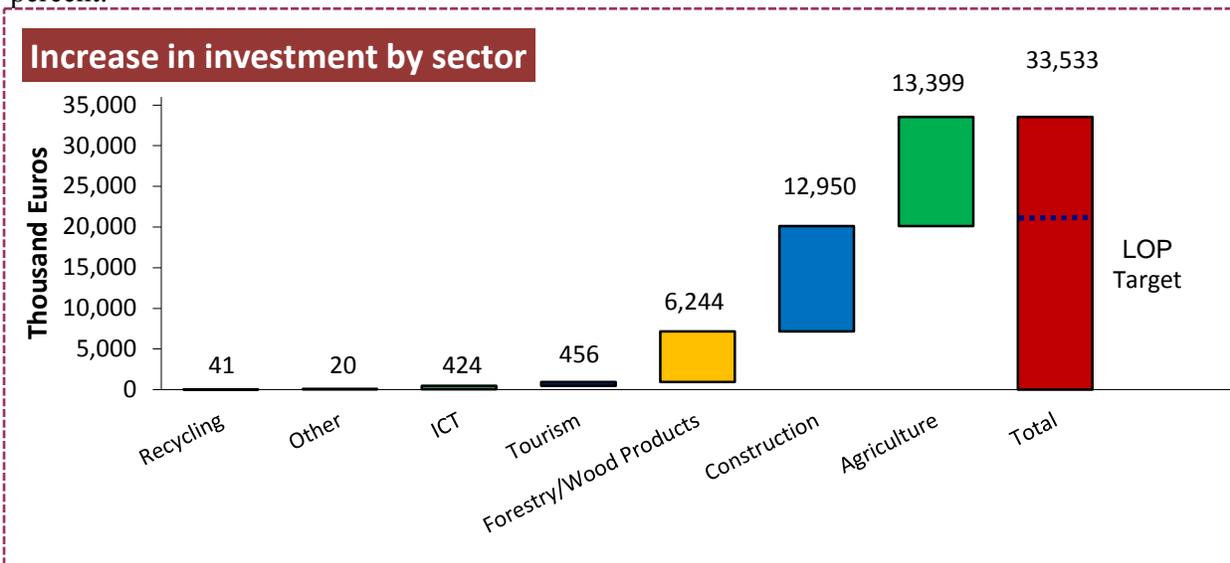
Definition of the indicator: Value of capital investments disaggregated by target enterprise, micro enterprise and by sector.

Data Source: Data received from sector specialists.



Annual Results. The cumulative value of investments to date is €33,532,742 (\$45,286,945). Since the baseline figure was set at zero, the total value of investments in fact represents the total increase in investments. The cumulative target for the LOP is an increase in investments of 20,000,000 (\$27,010,583), a target that has already been exceeded.

The main contributor to the LOP increase in investment is the agriculture sector with 40 percent, followed by construction with 38.6 percent, and forestry and wood processing sector with 18.6 percent.

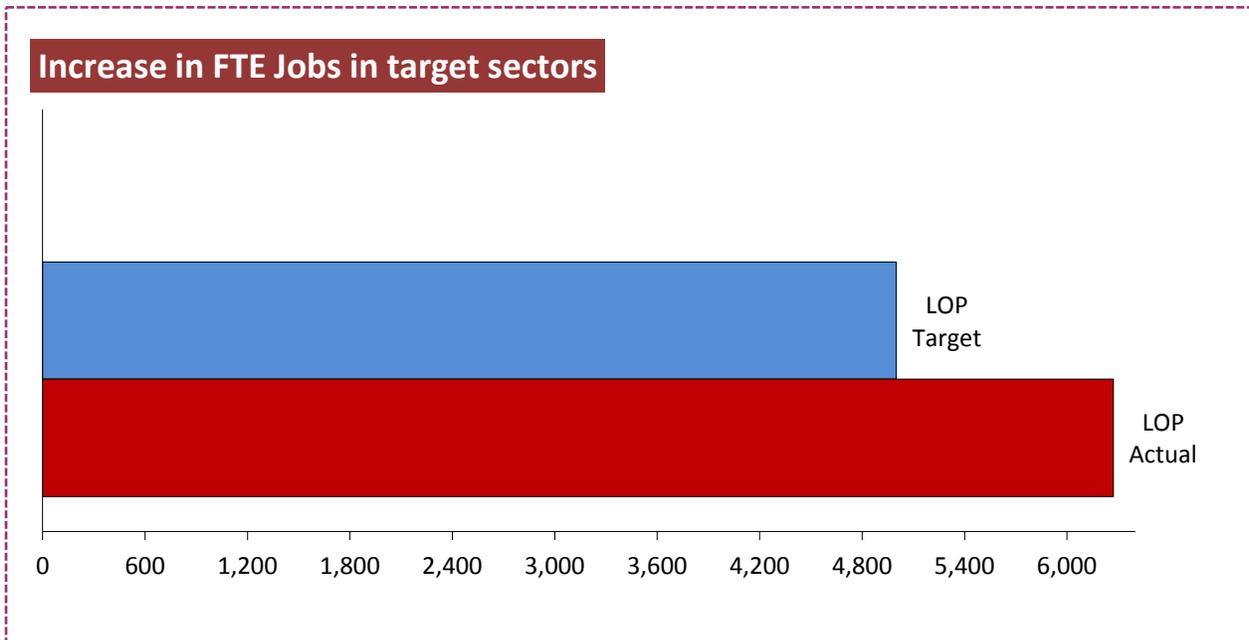


IR.1.3.1 (3) Increased Competitiveness of Key Sectors

Indicator: Increase in jobs created in target sectors

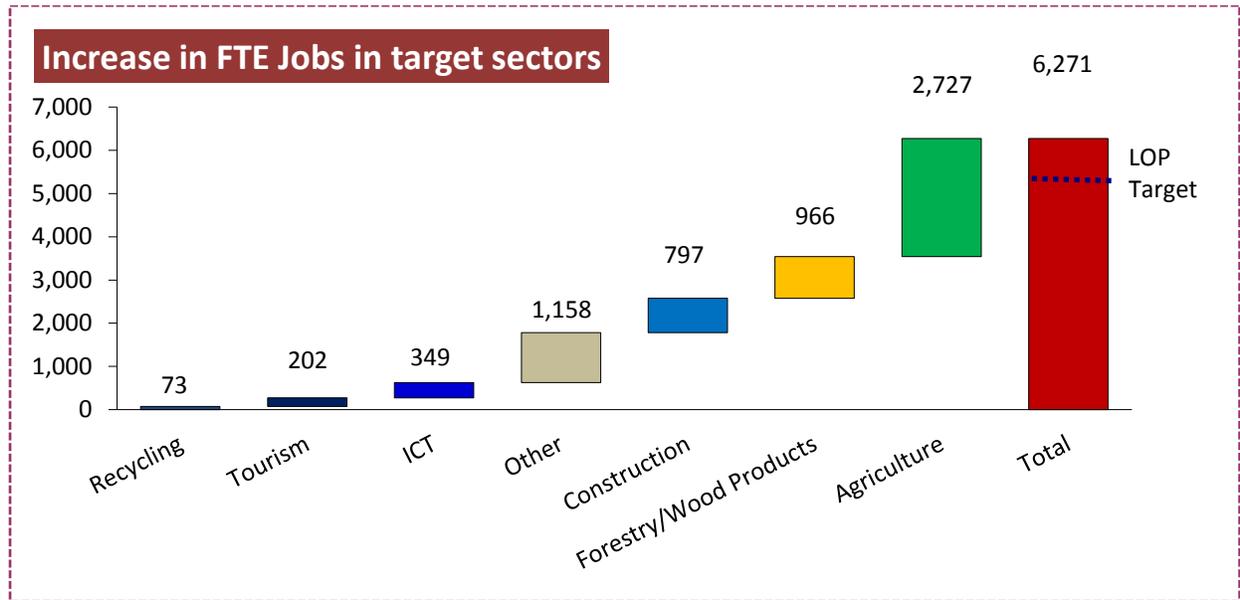
Definition of the indicator: Number of jobs created, disaggregated by target enterprise microenterprises, and by sector, in terms of full-time equivalent jobs in target enterprises. Person days of employment (part-time employment) are converted to annual full-time equivalent (FTE) jobs using 225 days of labor per year.

Data Source: Data received from sector specialists.



Annual Results. The cumulative target for LOP is set at 5,000 increase in FTE jobs. The cumulative increase of FTE jobs at KPEP client enterprises to date in Component One is 6,271 FTE jobs, which means that KPEP by far exceeded the target on FTEs. The multiplier effect for the total increase in employment for the LOP is 8,549 FTE jobs, although when calculating multipliers not all sectors were included.

Below is provided the structure of the LOP increase in FTE jobs by sector. The main contributors to this increase are agriculture sector which contributed with 45.7 percent, forestry and wood products sectors with 16.2 percent and construction sector with 13.3. Under other sectors data, which accounts for 17.2 percent share in overall growth, the data mainly belongs to the North project, i.e. jobs created through three projects in the north of Kosovo: Greenhouses, Shiitake mushrooms and Start-up project.



IR.1.3.1 (4) Increased Competitiveness of Key Sectors

Indicator: Number of enterprises assisted in target sectors

Definition of the indicator: Number of enterprises assisted directly by the project, disaggregated by microenterprise.

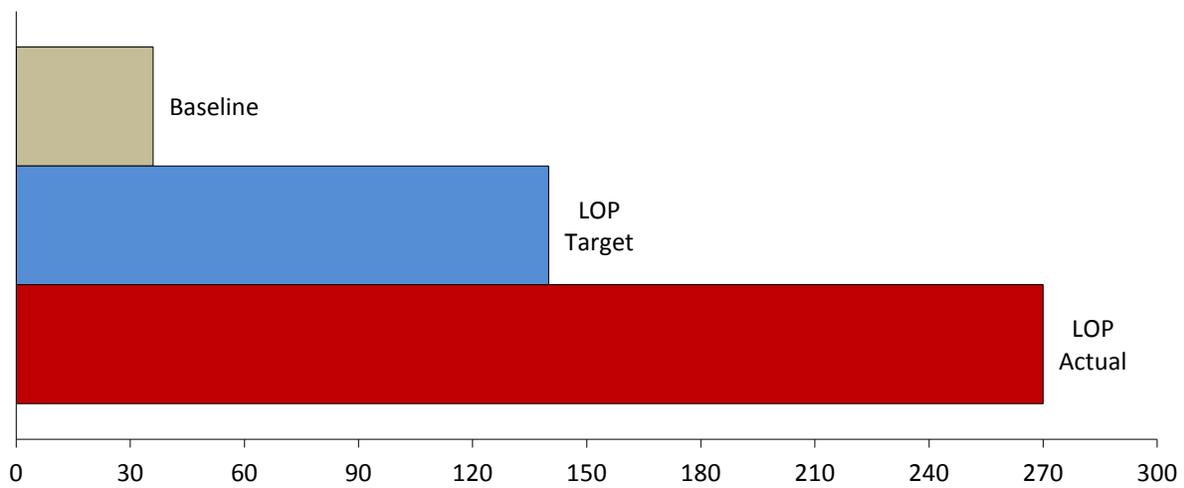
Data Source: Data were received from sector specialists.

Annual Results. To date, there are 270 KPEP direct-supported enterprises. These companies have signed cooperative agreements with KPEP and receive continuous support from KPEP. In return, these companies provide KPEP with their quarterly data on their key performance indicators. The cumulative target number for the LOP is set at 140 enterprises. During the last quarter of the final year of the project, KPEP added 98 new enterprises which were created under the ‘Start-up’ project in the north of Kosovo. Below is the number of these new enterprises by sector. Under ‘Other’ we included all businesses whose activity is not included under KPEP targeted sectors.

Table 13. Number of new enterprises created in North Kosovo by sectors

Agriculture	Construction	Craftsman	Other	Services
25	3	17	29	10
Wood Processing	Car Repairs	Textile	Grand Total	
4	9	1	98	

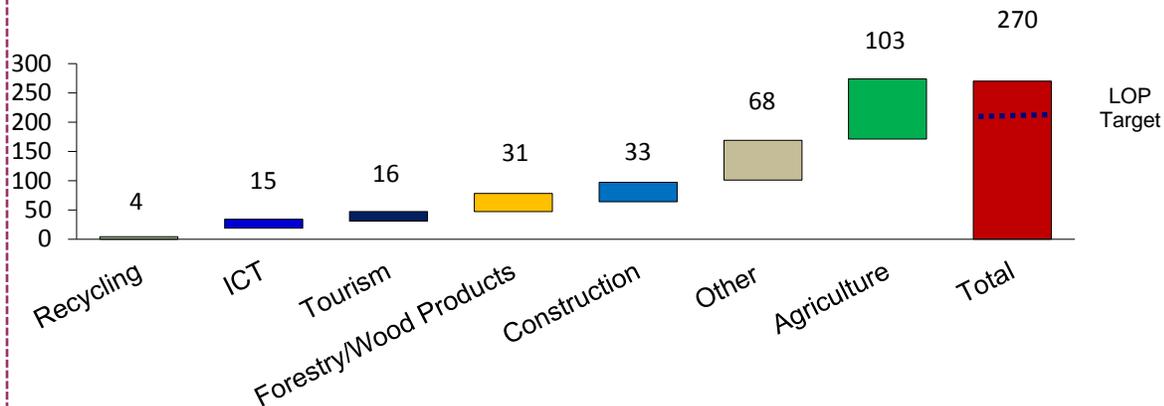
Number of enterprises assisted in target sectors



The distribution of the total number of enterprises, by sector, is as follows: agriculture, 103 enterprises; construction, 33 enterprises; forestry and wood processing, 31 enterprises; tourism sector, 16 enterprises; ICT, 15 enterprises; and recycling, four enterprises. The textile sector and food processing/wheat production have one company each as well. KPEP’s activities reach more than 800 companies, as reported under another Performance Indicator (Number of entrepreneurs receiving services).

The graph below provides a breakdown of KPEP’s direct client enterprises, by sector.

Number of enterprises assisted by sectors

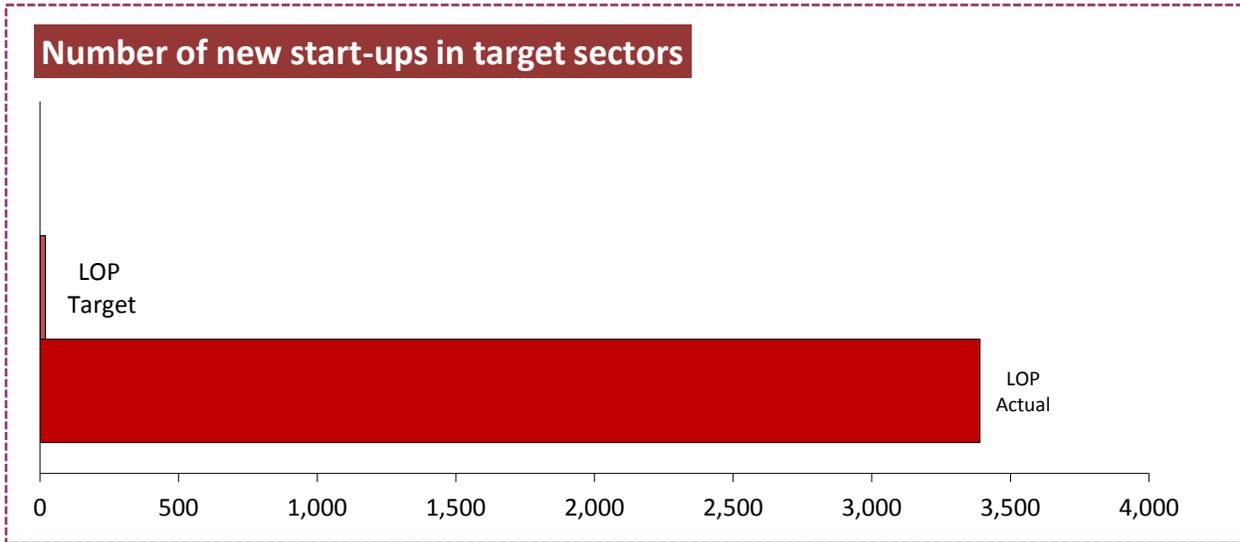


IR.1.3.1 (5) Increased Competitiveness of Key Sectors

Indicator: Number of new start-ups in target sectors, Kosovo wide

Definition of the indicator: Number of new start-ups, disaggregated by microenterprise and sector.

Data Source: Data were received from the Agency for Business Registry (ABRK) of the Ministry for Trade and Industry (MTI).



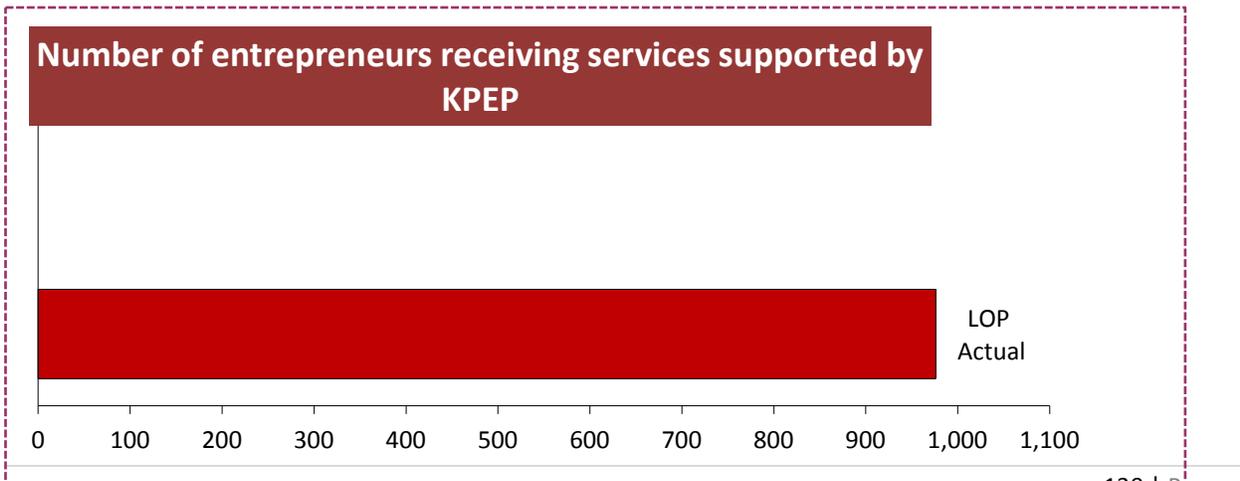
Annual Results. Since KPEP was not been able to collect the data from the Agency, we added to the previously reported number 98 start-ups registered as new enterprises during the last quarter of the final year of the KPEP project.

IR.1.3.1 (6) Increased Competitiveness of Key Sectors

Indicator: Number of entrepreneurs receiving services supported by USAID

Definition of the indicator: Number of entrepreneurs receiving services directly by KPEP or indirectly through associations supported by USAID

Data Source: Data received from sector specialists.



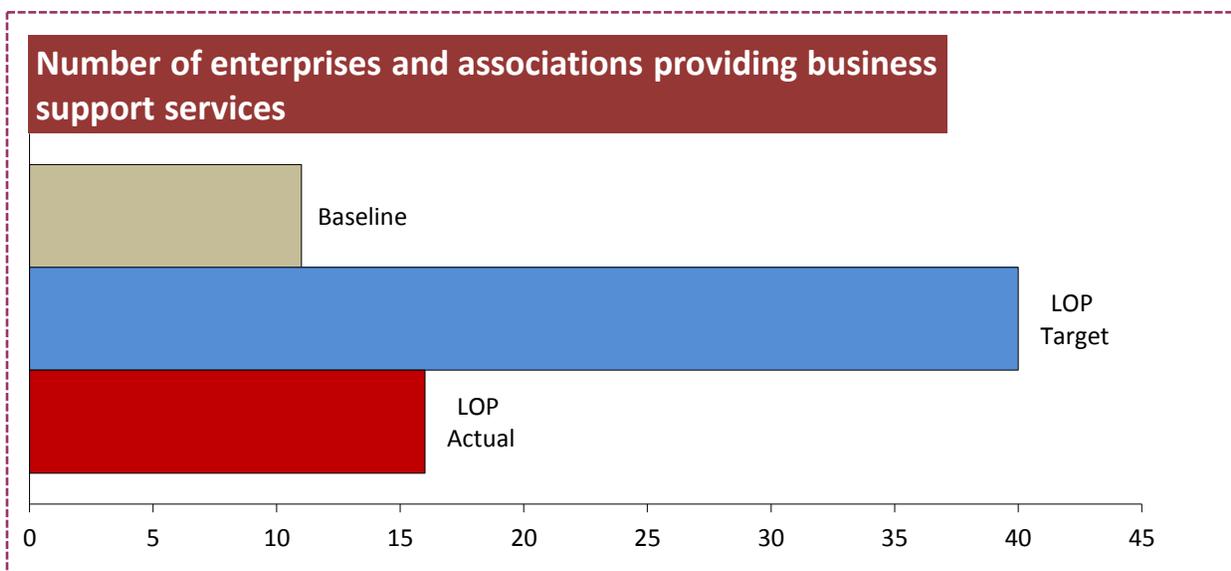
Annual Results. Any service provided, other than training (which is reported under Indicator 1 on workforce development component) is included and reported under this indicator. The list of services provided, among others, includes: study tours, HACCP assessment survey, trade and business linkages, etc. To this list are added also those enterprises that are not direct KPEP clients but that received KPEP support through grants and sub-contracts. During the LOP, a total of 976 entrepreneurs have received services supported by KPEP.

IR.1.3.2 (1) Improved and Demand Driven Business Support Services

Indicator: Number of enterprises and associations providing business support services

Definition of the indicator: Number of enterprises and associations providing business support services that are assisted by KPEP.

Data Source: Data received from sector specialists and BSS team.



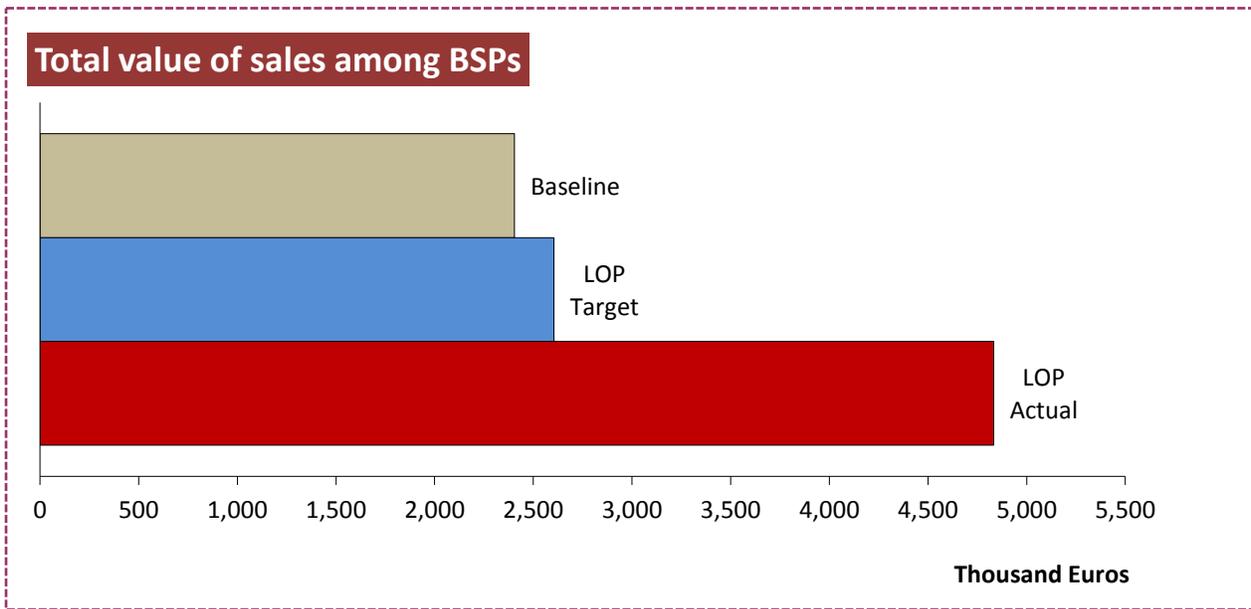
Annual Results. A total of 16 BSPs are included in the list of KPEP-assisted BSPs. After Year One of the project KPEP diverted its activities in Component Two from working with business consultants and other service providers to working with associations instead.

IR.1.3.2 (2) Improved and Demand Driven Business Support Services

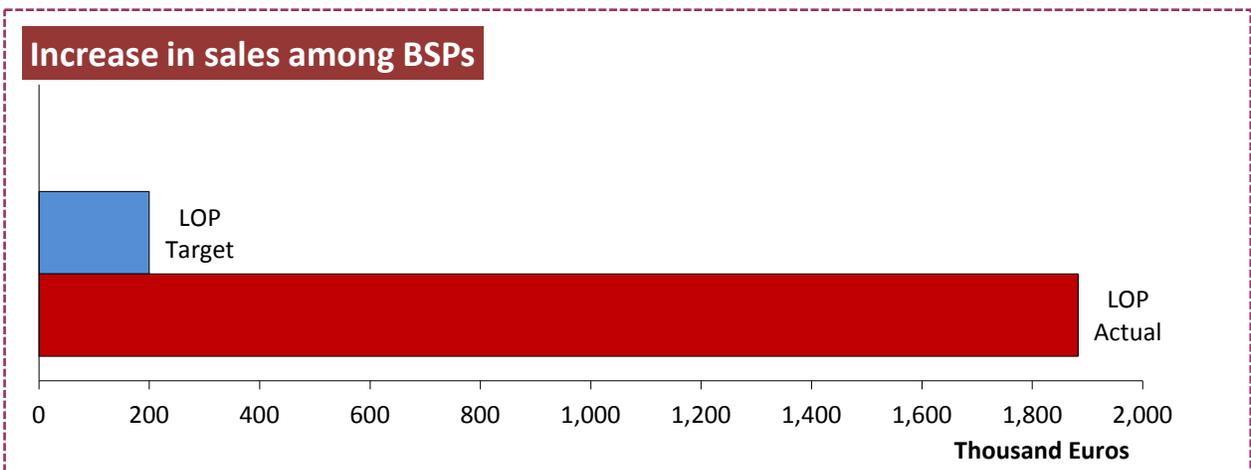
Indicator: Increase of sales among BSPs

Definition of the indicator: Value of sales among targeted BSPs, supported by KPEP and disaggregated by export sales.

Data Source: Data received from sector specialists and BSS team.



Annual Results. The target cumulative increase in sales for Q4 Year 4 (LOP target) is €200,000 (\$270,106) over the baseline. The cumulative increase in sales to date is €1,882,378 (\$2,542,206), which by far exceeds LOP target increase in sales of €200,000 (\$270,106). The graph below presents the increase in sales, while the graph above represents the total sales value. The total value of sales among BSPs to date is €4,833,131 (\$6,527,284), which is compared with a baseline of €2,950,753 (\$3,985,078).

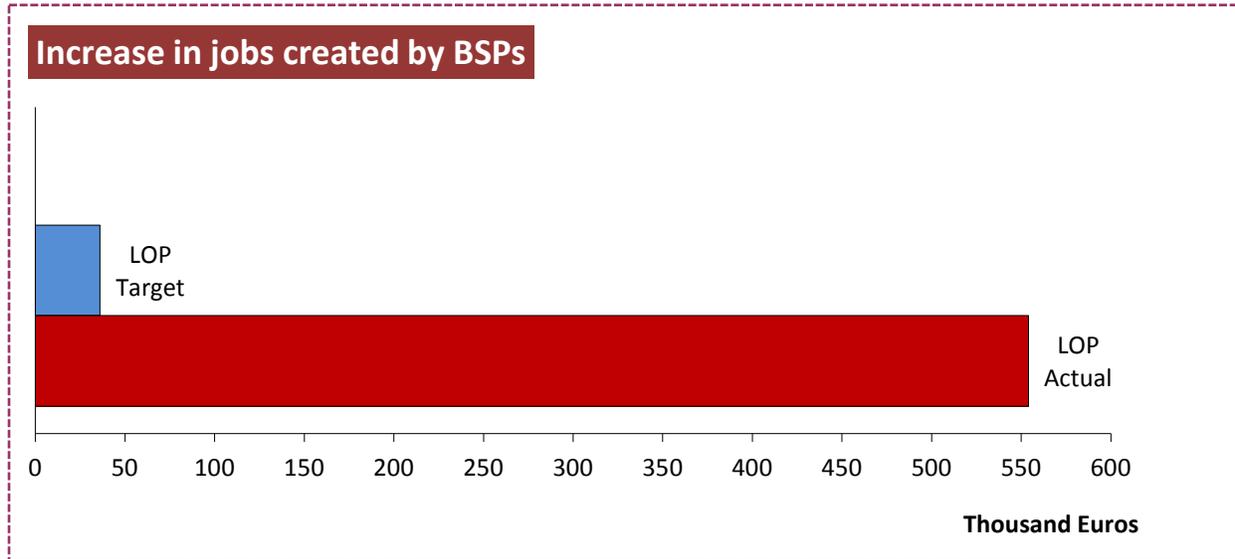


IR.1.3.2 (3) Improved and Demand Driven Business Support Services

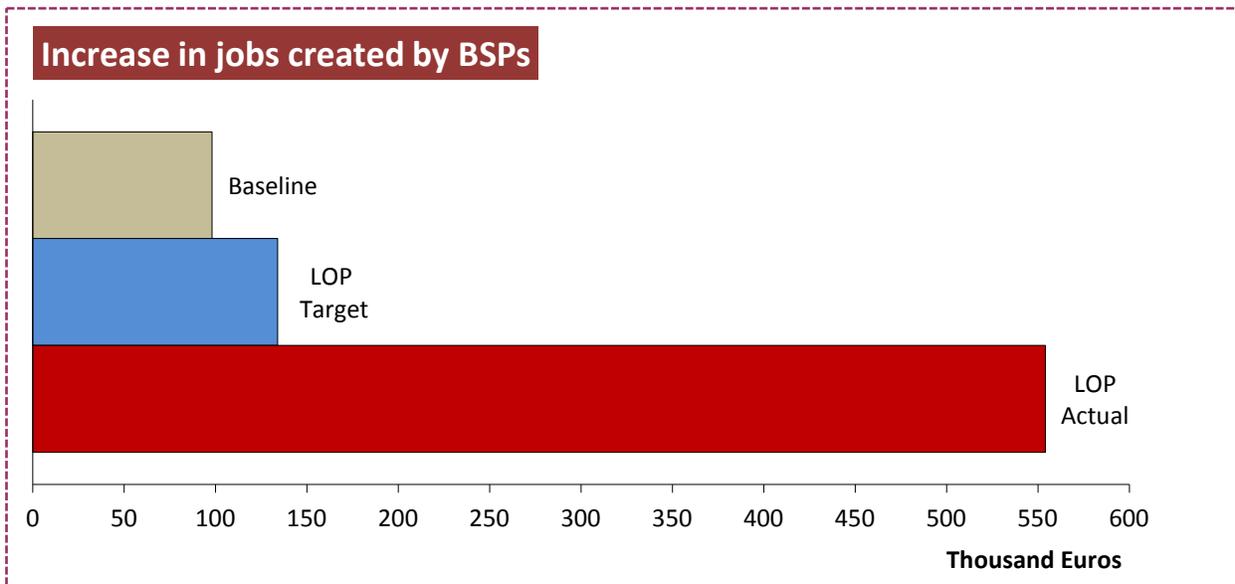
Indicator: Increase in jobs created among USAID supported BSPs

Definition of the indicator: Number of jobs created, among target business service providers, in terms of full-time equivalent jobs. Person days of employment (part-time employment) are converted to annual full-time equivalent (FTE) jobs using 225 days of labor per year.

Data Source: Data received from sector specialists and BSS team.



Annual Results. The target cumulative increase in FTE jobs over baseline for Q4 of Year 4 (LOP target) is 36. The cumulative increase in FTE jobs to date is 456, which by far exceeds LOP target increase of 36 FTE jobs. The reason for this significant increase in FTE is explained by the addition of the time that interns spent working in KPEP-supported enterprises, under internship programs sponsored by USAID, to the overall number of FTE jobs. The total number of FTE jobs among BSPs to date is 554, which is compared with a baseline of 98 FTE.

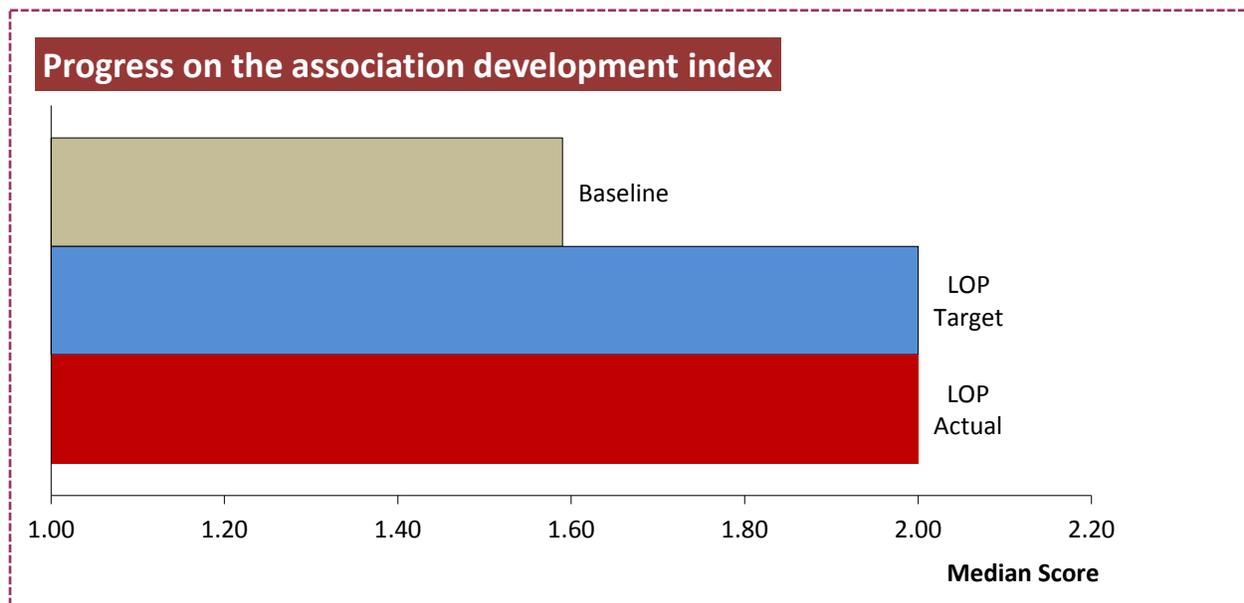


IR.1.3.2 (4) Improved and Demand Driven Business Support Services

Indicator: Progress on the Association Development Index

Definition of the indicator: Progress made by associations on eight elements of the Association Development Index for associations targeted by KPEP. The “Association Development Index as Applied to Selected Associations in Kosovo” assessment was conducted for associations of various businesses in the Republic of Kosovo. Sixteen business associations were chosen for this purpose. The data were collected using an evaluation tool/questionnaire, i.e. the Association Development Index, provided by USAID KPEP. The Index identified eight elements key to effective association management and was supplemented with questions to enhance understanding of each element. Evaluations of the individual associations were used to create the overall recommended baseline. That baseline was developed using statistical averages of mean, median and mode. The recommended baseline is 1.59, which is the median score. The idea is to conduct this type of assessment each year to monitor the progress of associations.

Data Source: Annual survey conducted in August 2012.



Annual Results. The Association Development Index (ADI) is a field research tool used by BSS to capture qualitative and quantitative needs of all existing associations in Kosovo and measure their annual progress. The baseline of the year comparison is the second Report published on October 2009. ADI Report uses this evaluation tool in order to provide quantitative insights of the institutional capacities and functionality of the identified business associations operating within Kosovo. Associations are rated through a process of interviews and careful research.

KPEP’s BSS team gathered the information in face-to-face meetings with the highest authorities of each association and evaluates their functionality based on eight elements: Effort to expand the financial resources; Organizational Capacity; Financial Management; Strategic Planning; Data & Analysis; Networking; Member Services; Public Relations and Advocacy.

In the second stage, a similar questionnaire is provided to the association for the purpose of “self-evaluation” through which it is believed a sense of objectivity is achieved and both points of view are taken into consideration for the full report.

The first and second ADIs were published in year 2009, in January and October, respectively. By the end of 2009, modest improvements were observed—as of January 2009, the assessed mean score was 1.75; by October 2009 it had increased to 1.88.

This year, we successfully managed to interview all the associations (Step 1 – 100 percent) and received only 70 percent (Step 2) of the self-evaluation reports. This step was carefully calculated through much of the experience coming from our last two reports.

The average score of general functionality of associations for August 2012 is **2.00**. There was improvement in all areas of functionality with the largest emphasis on Strategic Planning and Organizational Capacities and less on Expanding the financial resources and Public Relations and Advocacy. Throughout this period between the third ADI Report and the most recent one, the mean score which is a reflection of eight functional elements mentioned in the report, has **increased by 6.15 percent**.

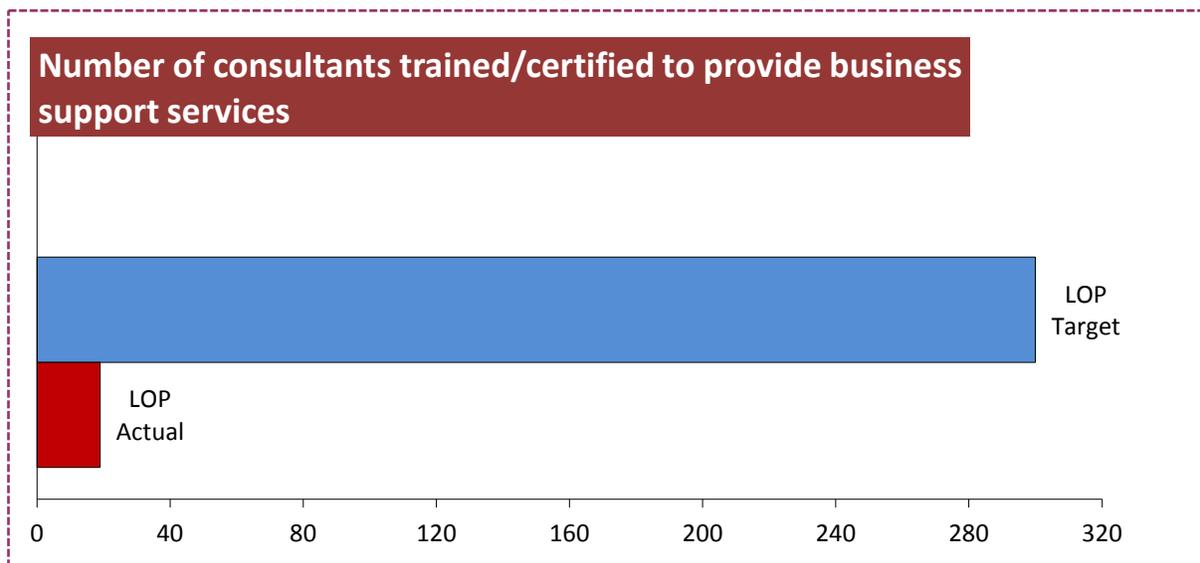
IR.1.3.2 (5) Improved and Demand Driven Business Support Services

Indicator: Number of consultants trained/certified to provide business support services

Definition of the indicator: Number of consultants trained/certified to provide business support services, trained by KPEP or a target BSP, and supported by USAID.

Data Source: Data received from sector specialists and BSS team.

Annual Results. The LOP target for the number of consultants trained or certified to provide business support services is 300. The actual result presented in the chart remains the same as in the first year’s annual report. During Year One, 19 consultants were certified following the “Kosovo Premier Advisor” training course. This activity was dropped after Year One, in order to avoid duplication of donor support.



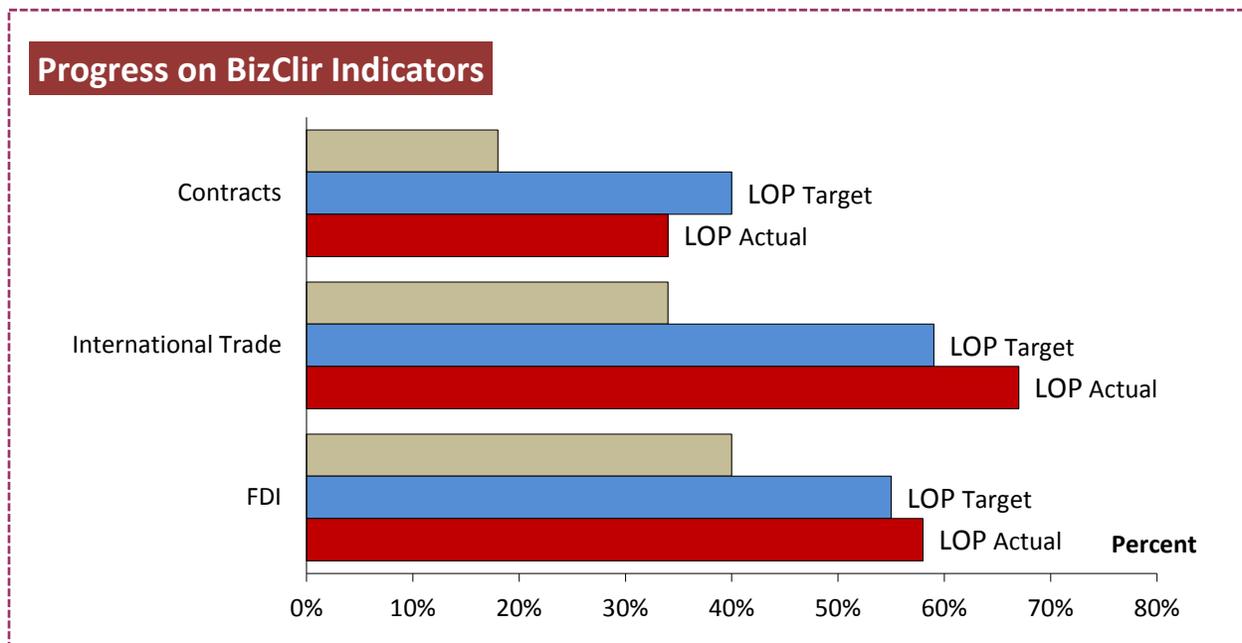
IR.1.3.3 (1) Improved Business Operating Conditions

Indicator: Progress on the Business Environment Index (BizClir)

Definition of the Indicator: The mechanism for monitoring the BEE is the set of Commercial Legal Institutional Reform Assessment Indicator scores compiled for USAID in 2004 and updated in 2006. A 2009 update conducted by KPEP established a baseline, and subsequent updates will chart progress of indicators and subcategories relevant to KPEP activities each year.

Data Source: Annual survey was conducted in January 2010 to update the BizClir Index for 2009.

Annual Results. KPEP didn't conduct any survey regarding this indicator. BEEP, a new USAID project, is following up on this task.



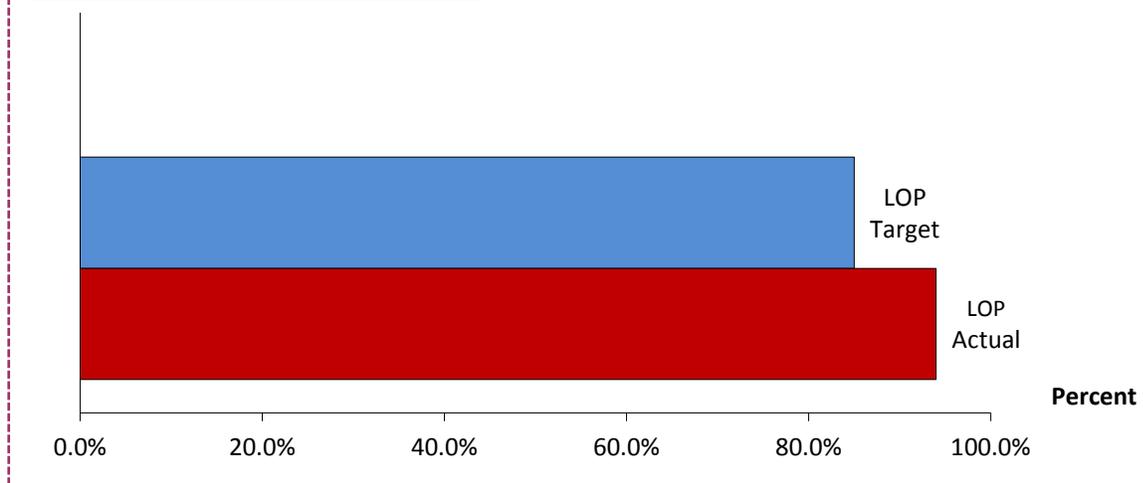
IR.1.3.3 (2) Improved Business Operating Conditions

Indicator: Progress on the policy index

Definition of the Indicator: The number of policies that have met or exceeded established targets on the policy index using percentage of completion.

Data Source: Data received from BEE team.

Progress on the policy index



Annual Results. The overall score for all policies to date is 94 percent, calculated as weighted average for completion of all policies taken together. The target for the Year 4 (LOP) on Policy index is set at 85 percent.

Below is the list of policies in which KPEP was involved in and description of KPEP's involvement:

- ✚ Public Private Partnership (Assistance in implementation and drafting of model contracts and Terms & Conditions KPEP-related Projects): KPEP participation was limited to post approval implementation process as it regards Forestry, Construction, ICT and Recycling.

Forestry: KPEP worked closely with the Kosovo Forestry Agency regarding forestry management using public private partnerships. KPEP drafted a sample tendering contract for concessions/PPP, submitted a concept paper to MAFRD with regards to the best model for forest tendering, it provided MAFRD with comments and amendments to the 2003 Law on Forests. The Law on Forests is not amended yet. KPEP worked closely with the KFA to develop a Forestry Stewardship Council Standard for Chain of Custody which was successfully developed and approved.

Construction: Besides its work on the Law on Construction (see below) KPEP was consulted on the development of the standard form contract for construction which was developed by USAID Systems for Enforcing Agreements and Decisions.

- ✚ CEFTA Implementation.-Businesses in Kosovo often had troubles with CEFTA implementation by its member countries. Prices of products from Kosovo were often revaluated at the customs of the states where the goods were exported. KPEP has often intervened and urged the matter addressing the issue to the relevant government institution on behalf of businesses (potato revaluation in Albania 2009 and 2010; KDPA request for protective measures towards Macedonian dairy products, etc.). Work on harmonization of legislation with CEFTA has been taken over by BEEP.

- ✦ Removal of Tariffs on certain wood imports to assist growth in wood products sector and to reduce illegal logging - The issue of taxation for wood imports has been addressed to the Ministry of Finance through AmCham.
- ✦ Revision of Waste Management Policy to more efficiently involve Private Sector – Dropped. No longer considered the appropriate approach. May instead focus on taxes designed to offset recycling costs.
- ✦ Implementation of the Food and Veterinary Law – The Law on Veterinary is being implemented by the Ministry of Agriculture which has also issued a number of Administrative Instructions for its implementation such as Administrative Instruction MA-No 13/2006 Of compensation range for obligatory Veterinary Health Inspection; Administrative Instruction MA-No 17/2006 On Quality Control of Animal Feed Material and Additives, etc.
- ✦ Pilot Forest certification – See number 1. Kosovo is a first country in the region to have its FSC Standard.
- ✦ Law on Construction – KPEP was involved in drafting a version of the Law on Construction in 2010. That version was not approved by USAID. BEEP overtook the drafting of that law, as it fell under their mandate after the funding for KPEP BEE component was reduced to zero. BEEP continuously consulted KPEP while drafting the law, and KPEP duly submitted comments and suggestions. The Law on Construction developed by BEEP passed the two readings at the Kosovo Assembly and was signed by the President of Kosovo. KPEP was in concurrence with most of the new version.
- ✦ ccTLD – Establishment of Telecom Regulatory Agency Board – KPEP assisted the Ministry of Transport and Communications in establishing the Board. TRA Board was considered necessary prior to implementation of other ccTLD objectives.
- ✦ ccTLD – Domain Registry Administrative Instruction – KPEP assisted the Ministry of Transport and Communications in drafting the AI. The AI was signed by the then Minister of MTC. KPEP’s support was continued until the Internet Exchange Point was established in 2011.
- ✦ Tourism Law – KPEP was engaged on working with the Tourism Law from its very first draft in 2009. KPEP provided the Department of Tourism with its comments on the draft law. The Law on Tourism was adopted and decreed on 2010. In 2011 BEEP recommended some amendments to the Law on Tourism. The ministerial working group was formed and prepared the amendments which were sent to the Assembly. The Assembly returned the amendments to MTI for revision. The amendments are still in revision at the MTI.
- ✦ Excise Tax Reform - KPEP undertook a research study on the excise tax in the region. The conclusion of the research was that reform is needed, especially as applied to non-alcoholic beverages. The results of the research have been duly transmitted to the governmental institutions and chambers of commerce. However no action has been taken since then.

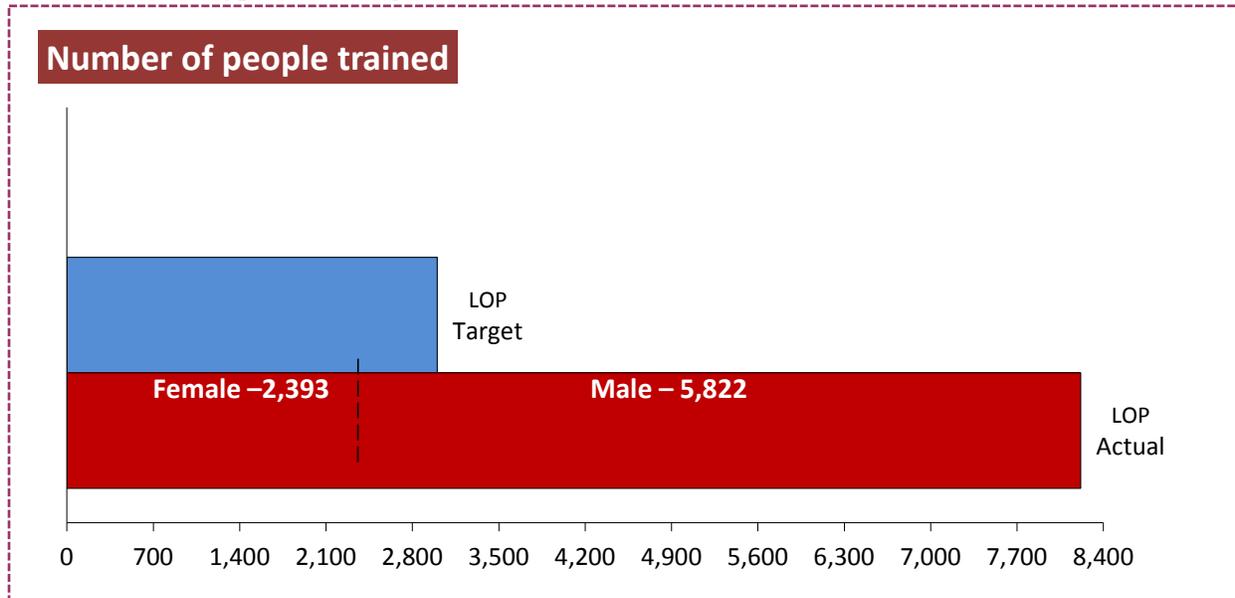
Table 14. List of policies, number of actions that KPEP possibly could be involved and number of actions taken to address the issues regarding specific policies.

Policy	KPEP's possible actions	KPEP's taken actions
Public Private Partnership	7	7
CEFTA Implementation	7	7
Removal of Tariffs on certain wood imports	8	8
Revision of Waste Management Policy	2	2
Implementation of the Food and Veterinary Law	4	4
Pilot Forest certification	13	13
Law on Construction	7	6
ccTLD – Establishment of Telecom Regulatory Agency Board	11	11
ccTLD – Domain Registry Administrative Instruction	8	8
Tourism Law	7	7
Excise Tax Reform	6	6

IR.1.3.4 (1) Improved Capacity of the Workforce to Engage in Employment Opportunities

Indicator: The number of individuals trained through USAID-sponsored training

Definition of the indicator: The number of individuals trained, disaggregated by gender, age, ethnicity, sector, type of training, etc.



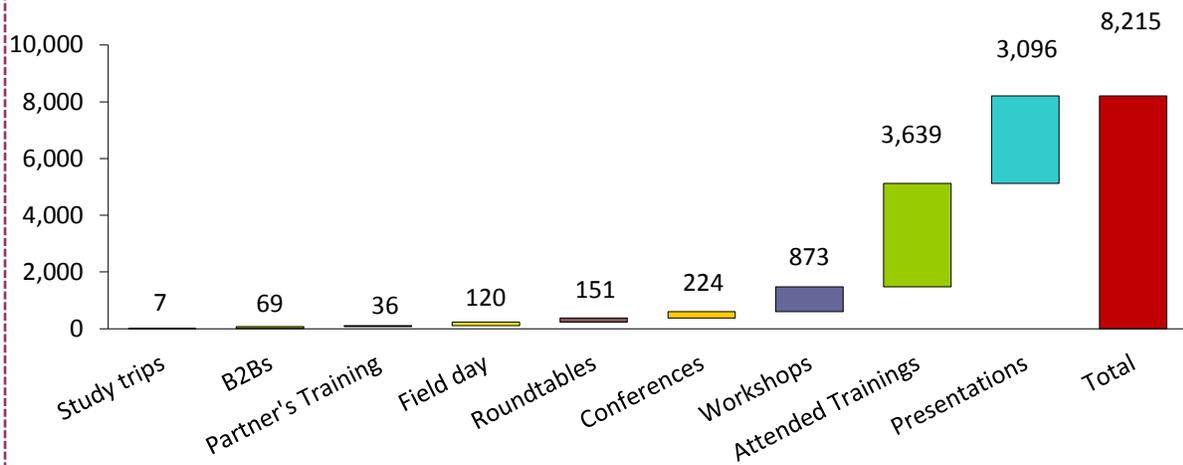
Data Source: Data received from sector specialists and WFD team.

Annual Results. During the LOP, the number of people trained is 8,215, thus exceeding by far the LOP target of 3,000 people trained. From the total number of people trained during the project, 5,822 were male and 2,393 female; moreover, 1,081 were from minority areas, and 2,762 were younger than 25 years of age.

Below is the chart that presents number of training events, and number of people trained by training category for the LOP.

IR.1.3.4 (2) Improved Capacity of the Workforce to Engage in Employment Opportunities

Number of people trained by categories on 260 events



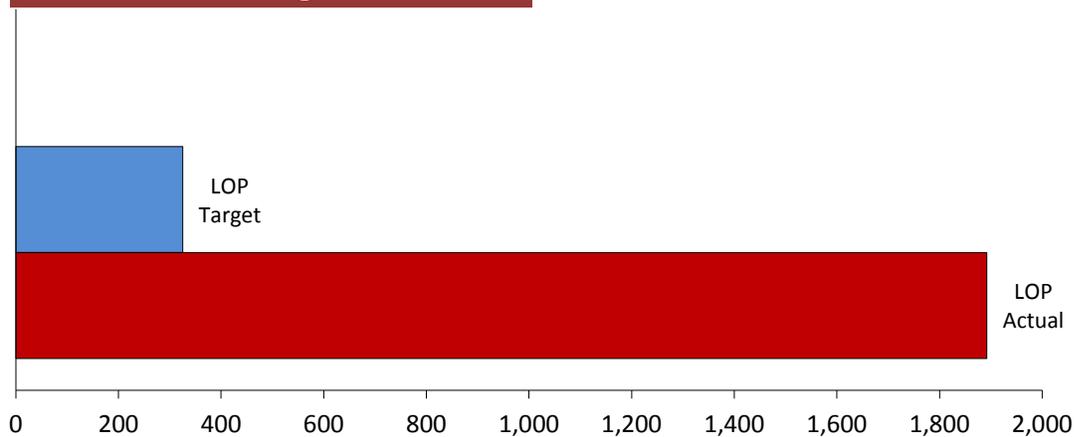
Indicator: Number of training certifications

Definition of the indicator: Number of training certifications earned by participants for completing the training.

Data Source: Data received from sector specialists and WFD team.

Annual Results. To date, the number of training certifications earned by participants for completing training is 1,892. During the last quarter of the project, to this number was added training in the start-up project.

Number of training certifications



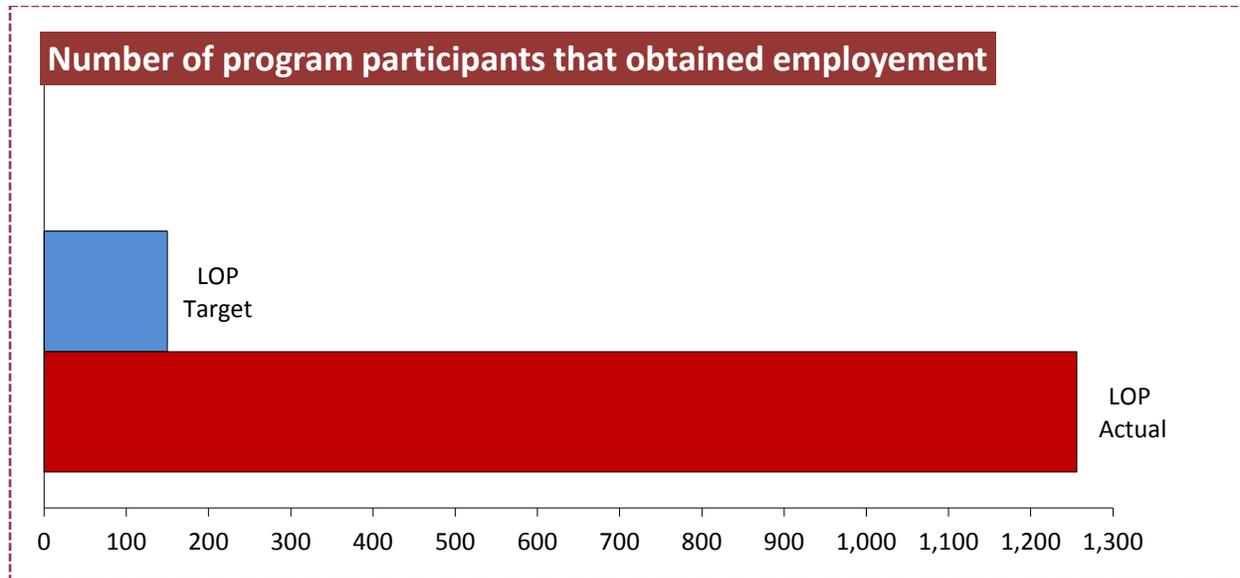
IR.1.3.4 (3) Improved Capacity of the Workforce to Engage in Employment Opportunities

Indicator: Number of program participants who obtain employment

Definition of the indicator: Number of program participants who obtain employment, disaggregated by gender and ethnicity.

Data Source: Data received from sector specialists and WFD team.

Annual Results. To date, a total of 1,256 people have obtained employment with the support of KPEP. During the last quarter of the KPEP project, 300 individuals in the minority areas in the north of Kosovo gained employment as a result of the KPEP support in the three abovementioned projects.

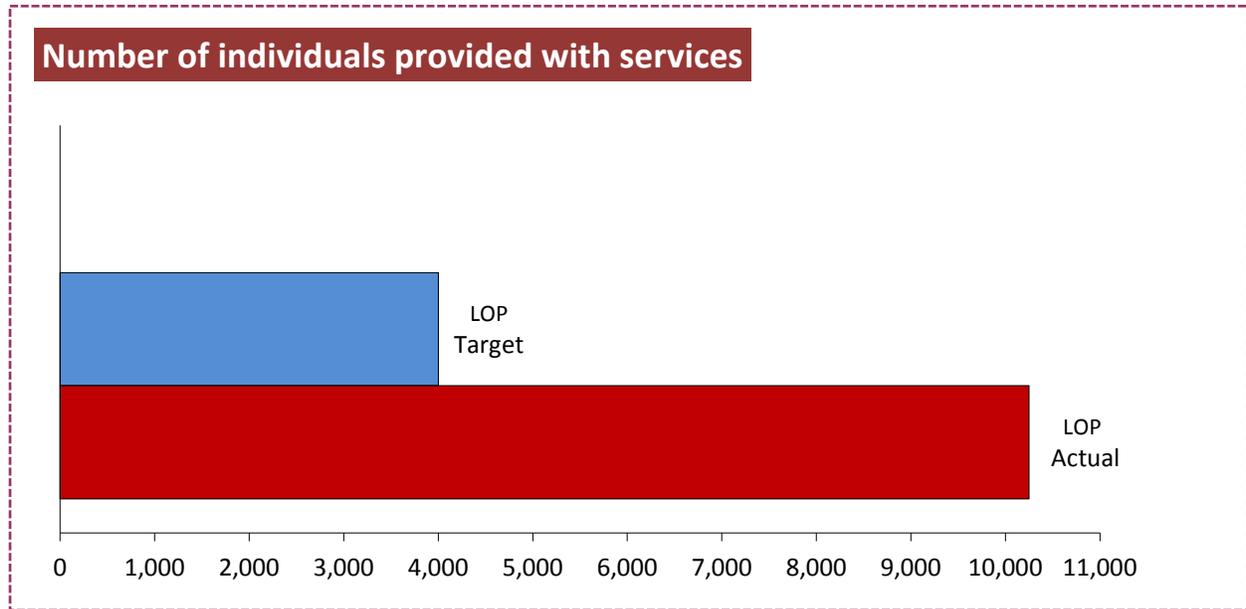


IR.1.3.4 (4) Improved Capacity of the Workforce to Engage in Employment Opportunities

Indicator: Number of individuals provided with services

Definition of the Indicator: Number of individuals provided with services, disaggregated by type of service: counseling, referrals, placement, gender and ethnicity. It excludes the number of people trained, since that number is reported under indicator IR.1.3.4 (1).

Data Source: Data received from sector specialists and WFD team.



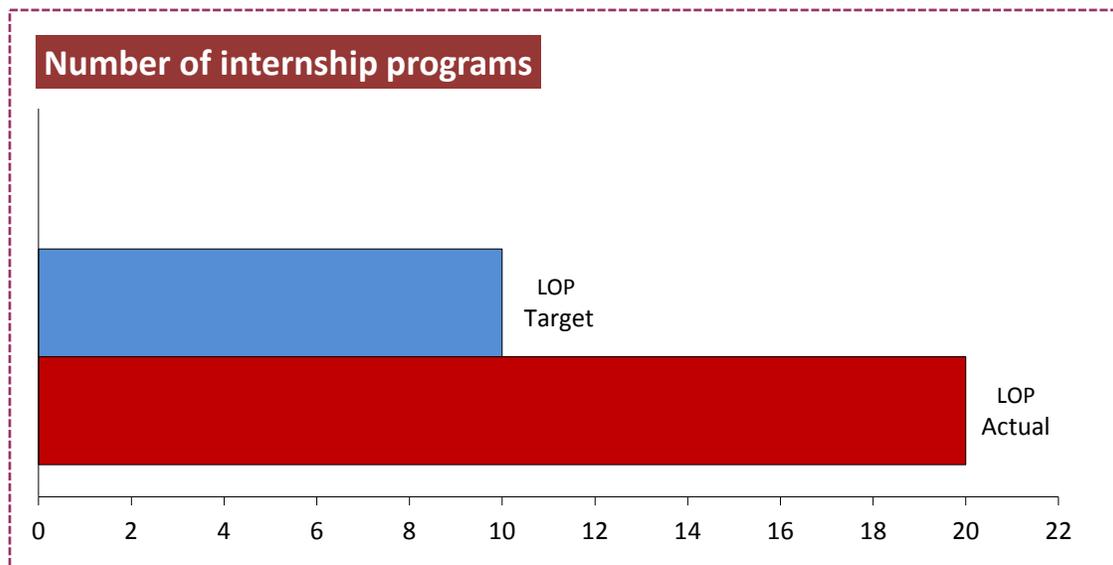
Annual Results. To date, the number of individuals provided with services is 10,581. This number includes for the most part individuals who participated in trade fairs supported by USAID. It also includes individual farmers in the north of Kosovo supported through greenhouses and mushroom projects.

IR.1.3.4 (5) Improved Capacity of the Workforce to Engage in Employment Opportunities

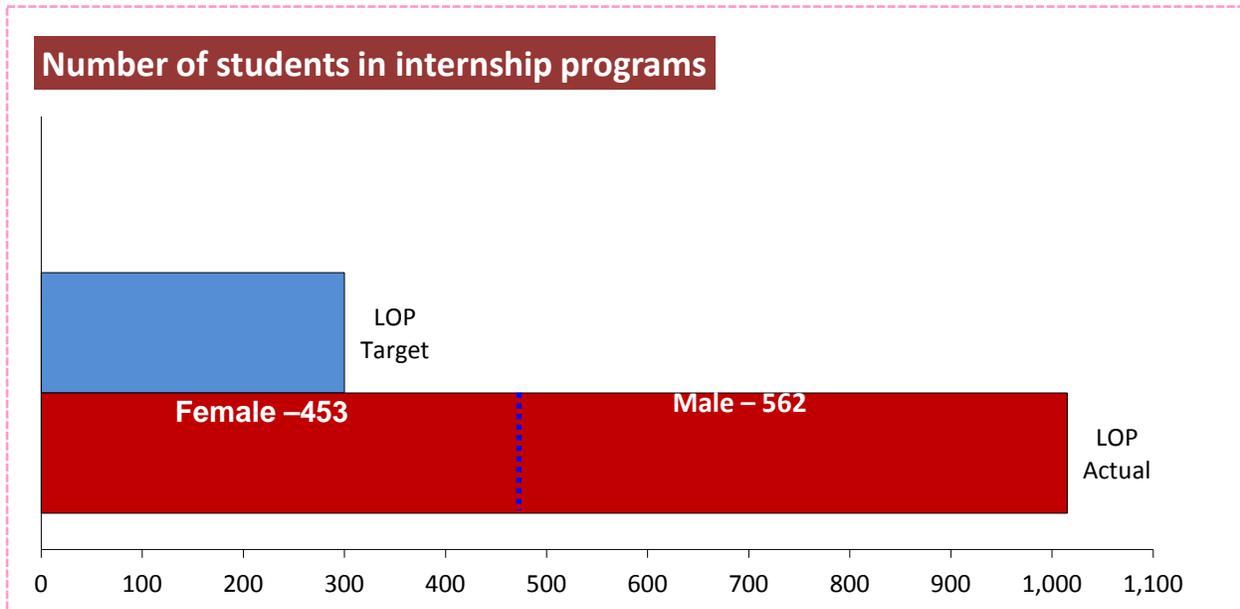
Indicator: Number of Internship programs

Definition of the Indicator: Internships include any sort of embedded training or on-the-job training.

Data Source: Data received from sector specialists and WFD team.



Annual Results. To date, KPEP has organized 20 different activities related to internships. During this quarter, two internship activities took place in the north of Kosovo: two phases of the project: Short-term employment in North Kosovo. There were in total 1,015 interns (562 male and 453 female).

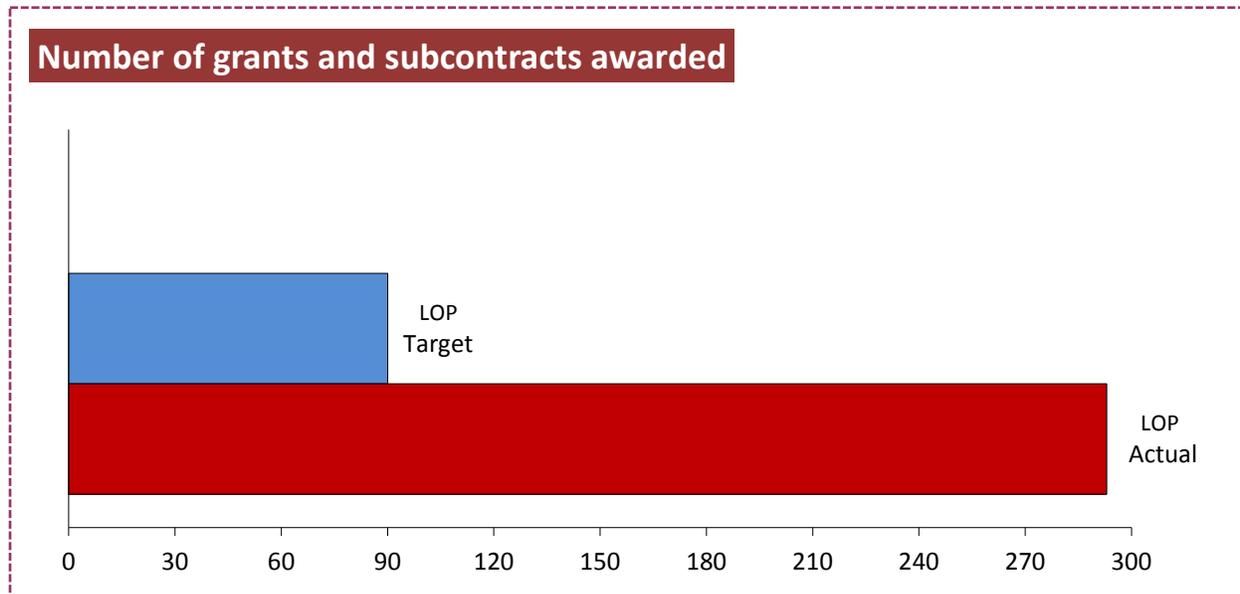


Strategic Activities Fund

Indicator: Number of grants/sub-contracts

Definition of the Indicator: Number of grants and sub-contracts awarded.

Data Source: Data received from SAF specialist.



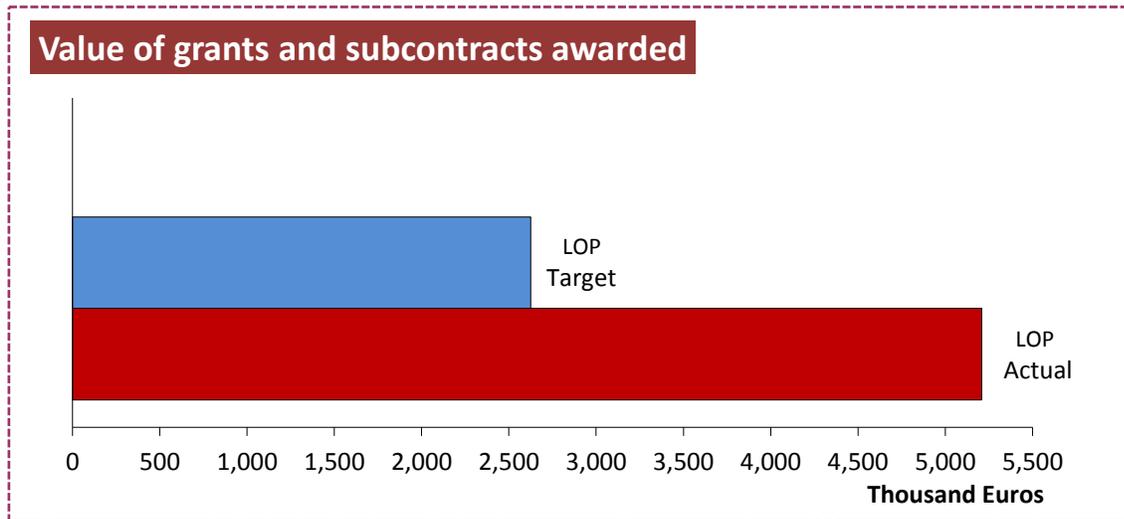
Annual Results. To date, KPEP supported its beneficiaries with 60 sub-contracts and 233 grants.

Indicator: Value of grants and sub-contracts

Definition of the Indicator: Value of grants and sub-contracts awarded.

Data Source: Data received from SAF specialist.

Annual Results. KPEP has supported its beneficiaries with €926,841 (\$1,251,726) in sub-contracts and €4,280,786 (\$5,781,326) in grants, or in total with €5,207,627 (\$7,033,052).



ANNEX 1B: REPORT ON MULTIPLIERS

Using multipliers to estimate total economic impact or the impact of direct sales and growth of a particular industry is a common economic tool. There are numerous methodologies and academic studies used to develop, calculate and detail multipliers for particular sectors in specific economies. However, the process for developing a multiplier for specific sectors in Kosovo would be potentially costly and the data may not be available or accurate. Instead, KPEP collected multipliers on project sectors from a wide range of sources and extrapolated multipliers available on an anecdotal basis.

One important tool widely used to evaluate economic development impacts is the *economic impact analysis*. Economic impact analyses measure the potential impact of economic decisions by business, government, and consumers on an economy.

An economic impact analysis is based on the concept of the multiplier. The *multiplier* is the relationship between some change in an economy and the economic activity that then occurs as a result of that change. Consider a furniture manufacturer setting up a factory in a new location in Kosovo. Initial projections of the impact of the new plant would likely include estimates of the number of new jobs and the income earned by the newly hired workers. This is called the *direct effect*, which is an initial change in the economy.

There are other effects as well. The new plant will need goods and services supplied by other local businesses, including, say, paint, hardware and transportation. These purchases generate new jobs and income in those allied industries. These spinoff activities are referred to as *indirect effects*. In addition, the new workers in the parts plant and the employees in the supporting industries spend a portion of their income locally to meet household needs, and this spending creates new jobs and income. The jobs and spending created as a result of these activities are called the *induced effect*.

The sum of the direct, indirect, and induced effects is the *total effect*. The process of job creation and income generation continues so long as some portion of spending remains local. The multiplier is an estimate of how much additional economic activity will result from some new investment in an economy. "Multiplier" is an appropriate term, because the original investment is "multiplied" by the multiplier to obtain the total economic impact.

KPEP developed the average multipliers for each KPEP sector. Minor sub-sectors, such as metal processing and poultry meat processing, are not included in the calculation.

Table 15. Average multipliers for each sector used by KPEP to estimate economic and employment impact

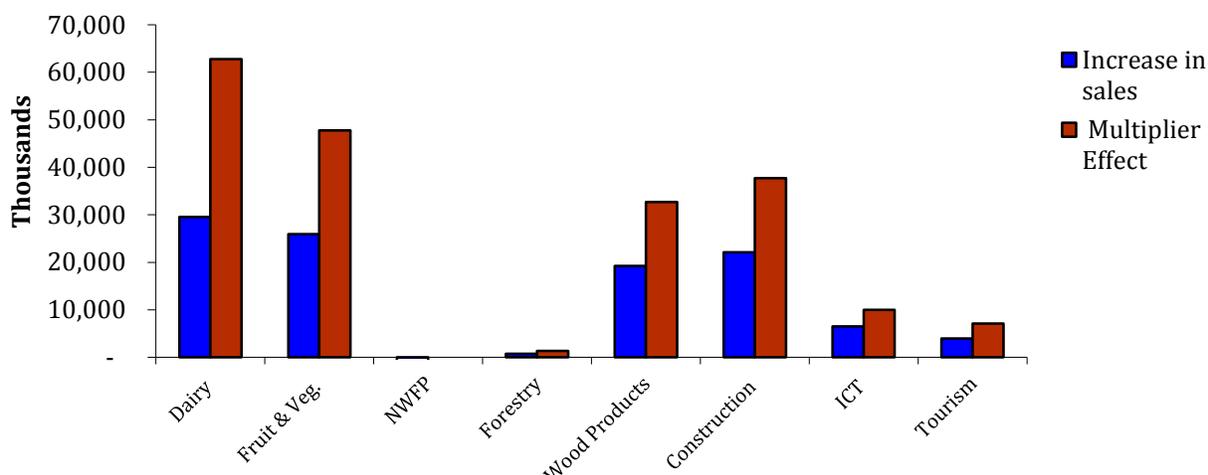
Sector	Economic Impact	Employment
Dairy	2.13	1.84
Fruit and Vegetable	1.84	1.96
Non-Wood Forest Products	1.90	1.58
Forestry	1.84	1.89
Wood Products	1.70	1.66
Construction	1.70	1.84
ICT	1.54	1.57
Tourism	1.81	1.39

1. Economic Impact

Table 16. Multiplier effect of increase in sales by sectors

Sector	Increase in sales	Economic Impact	Multiplier Effect
Dairy	29,549,352	2.13	62,792,373
Fruit & Veg.	25,967,629	1.84	47,780,437
NWFP	(1,133,482)	1.90	-
Forestry	888,954	1.84	1,635,675
Wood Products	19,788,653	1.70	33,640,710
Construction	21,988,991	1.70	37,475,523
ICT	8,241,792	1.54	12,651,151
Tourism	4,527,643	1.81	8,195,034
TOTAL	109,819,532		204,170,904

Multiplier effect of increase in sales by sectors



The multiplier effect for the total increase in sales for the LOP of €109,819,532 (\$148,314,478) is €204,170,904 (\$275,738,755). On average, each 1 Euro increase in sales generates another €1.86 all the way through the value chain of KPEP-targeted sectors.

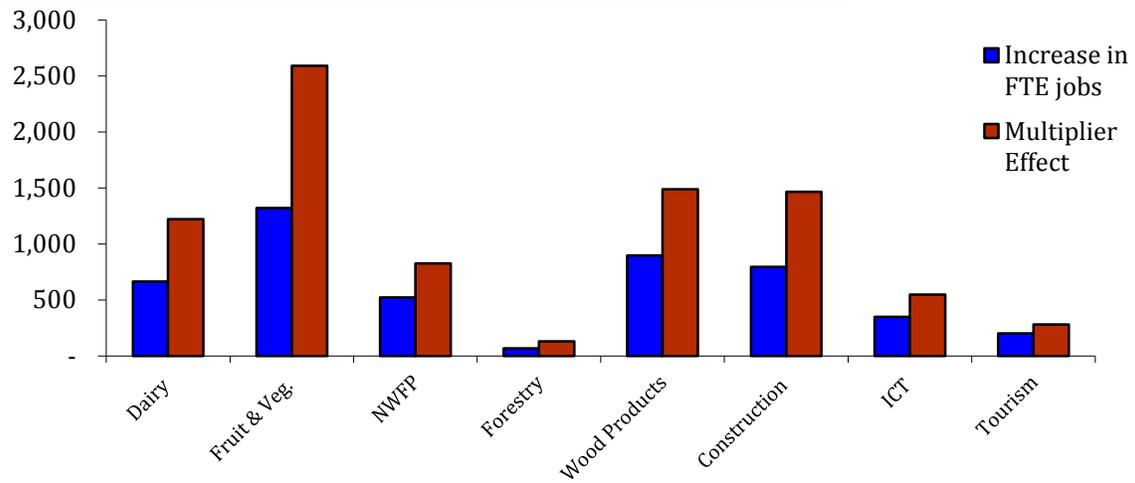
If KPEP uses these data and compares them with the LOP target for sales, €50 Million (\$67,526,457), the project has by far exceeded this target, even though the project does not have multipliers for all sectors.

2. Employment

Table 17. Multiplier effect of increase in FTE jobs by sectors

Sector	Increase in FTE jobs	Employment	Multiplier Effect
Dairy	663.36	1.84	1,220.58
Fruit & Veg.	1,321.21	1.96	2,589.57
NWFP	522.58	1.58	825.68
Forestry	69.14	1.89	130.67
Wood Products	896.98	1.66	1,488.99
Construction	796.70	1.84	1,465.93
ICT	348.64	1.57	547.36
Tourism	201.66	1.39	280.31
TOTAL	4,820.27		8,549.09

Multiplier effect of increase in FTE jobs by sectors



The multiplier effect for the total increase in employment for the LOP of 4,820.27 FTE jobs is 8,549.09 FTE jobs. In average, for every one new FTE job, another 1.77 FTE jobs have been generated all the way through the value chain of KPEP-targeted sectors.

If KPEP uses these data and compares them with the LOP target on FTE jobs, 5,000 new FTE jobs at the end of Year 4, KPEP has exceeded this target, although the project does not have multipliers for all sectors.

ANNEX 1C: REPORT ON ATTRIBUTION

The KPEP Attribution Process represents a method for assigning results more specifically to KPEP interventions. In the past, KPEP (and KCBS before it) captured the quarterly revenue, investment, and job data from its client partners and reported them exactly as they had been received, regardless of the level of assistance provided to that firm. KPEP will continue to report data in this manner. The KPEP Attribution Process will help capture transaction level data and will assign a percentage of quarterly revenue that KPEP can reasonably be responsible for and accountable for. This process will also help calculate a Return on Investment for Component One work, enabling management to compare results versus cost across sectors. This exercise will add valuable insight into the effectiveness of KPEP's interventions in specific sectors and can inform future investment decisions.

The steps are as follows:

1. Collect transactional data on an ongoing basis from both KPEP and non-KPEP firms.
2. Collect quarterly data from KPEP firms as usual.
3. Subtract transactional data from quarterly data for KPEP client firms.
4. Assign an attribution percentage (based on guidelines below) to the remaining client sales, based on KPEP activities and support. This percentage should be assigned based on activities, regular formal evaluations by the clients as well as informal discussions with the client firms.
5. Meet as a team inclusive of USAID and outside perspectives to debate and defend assigned percentages, come to consensus and consistency across sectors, and discuss problem areas (cases where sales fall relative to the baseline, for example).
6. Report both gross numbers and attributable numbers to USAID.
7. Use attributable numbers to calculate rough ROI for internal management purposes.

Scoring: Each quarter, sector specialists will assign a ranking for each company based on what percentage of the firm's quarterly sales, investment or jobs created for which KPEP can reasonably take credit. Scores will be assigned in quartiles 0, 25, 50, 75, or 100 percent.

Table 18. Scoring criteria for assessment of KPEP attribution

Scoring Criteria	
0%	No support was given to the firm in this quarter (includes technical assistance, grants, training, or any activities listed above)
25%	1 medium level activity, or 1-2 low impact activities performed with the client firm having a result on sales, investment or jobs
50%	1 to 2 high level impact activity or 3 or more medium level impact activities (or a combination of low, medium, and high level impact activities)
75%	3 or more high level impact activities (or a combination of activities that includes 2 or more high level and 3 or more medium level activities)
100%	An intensive combination of all levels of activities with a single firm. A 100% ranking should be reserved for only those firms who have received extensive support throughout the reporting period.

Scoring Guidelines: A list of generic activities with low, medium, and high-level impact rankings with respect to sales, investment, and job creation for client firms. These activities are to be viewed as guidelines and sector specialists may describe other activities not categorized below in supporting the ranking they assign a client firm.

Table 19. Scoring guidelines for assessment of KPEP attribution

High Impact	Medium Impact	Low Impact
<ul style="list-style-type: none"> • Buyer meetings/introductions • Buyer—seller negotiations • New product development • Investor materials/presentations • Internships • Agriculture aggregation • Transport and logistics • Other—describe 	<ul style="list-style-type: none"> • Marketing campaigns • Marketing support • Packaging and branding support • Market research • Advisory services • Study tours • Partnership facilitation • Storage facility construction • Management support • Training • Agronomy/productivity support • Certification training • Certification preparation support • Standards preparation • Other—describe 	<ul style="list-style-type: none"> • Trade fairs • Conferences • Agriculture demonstration plots • Feasibility studies • National strategies • Export plans • Other—describe

Following are the results on the attribution regarding four main indicators: sales, jobs, exports and investment.

1. KPEP attribution on sales

Table 20. Total KPEP attribution on sales

Total Quarterly Sales KPEP Firms	€28,291,583 (\$38,208,607)
Total KPEP Attributable Sales	€6,986,522 (\$9,435,502)
Attribution % for the quarter	24.7%
Total Quarterly Sales Non-KPEP Firms	-
Total Non-KPEP Attributable Sales	-
Attribution % for the quarter	0.0%
Total Sales	€28,291,583 (\$38,208,607)
Total KPEP Attributable Sales	€6,986,522 (\$9,435,502)
Total Quarter Attribution %	24.7%

Table 21. Total KPEP attribution on sales by sub-sector

Sector	Sub-sector	Net quarterly data	KPEP attribution	% Attribution
Agriculture		€17,239,085 \$23,281,887	€4,309,771 \$ 5,820,471.31	25.0%
	Dairy	€7,461,637 \$10,077,158	1,865,409 \$2,519,289.21	25.0%
	Fruits and vegetables	€7,298,274 \$9,856,532	€1,824,569 \$2,464,133.60	25.0%
	NWFP	€2,203,565 \$2,975,979	€550,891 \$743,994.35	25.0%
	Poultry meat processing	€275,609 \$372,218	€68,902 \$93,054.16	25.0%
Construction		€3,767,052 \$5,087,513	€941,763 \$1,271,878.37	25.0%
	Construction materials	€3,767,052	€941,763	25.0%

Sector	Sub-sector	Net quarterly data	KPEP attribution	% Attribution
		\$5,087,513	\$1,271,878.37	
	Road construction			
ICT		€2,046,903 \$2,764,402	€511,726 \$691,100.87	25.0%
	ICT	€2,046,903 \$2,764,402	€511,726 \$691,100.87	25.0%
Recycling		€549,367 \$741,936	€137,342 \$185,484.37	25.0%
	Recycling	€549,367 \$741,936	€137,342 \$185,484.37	25.0%
Tourism		€905,493 \$1,222,895	€226,373 \$305,723.33	25.0%
	Tourism	€905,493 \$1,222,895	€226,373 \$305,723.33	25.0%
Forestry & Wood Processing		€3,150,692 \$4,255,101	€787,673 \$1,063,775.34	25.0%
	Wood processing	€2,908,007 \$3,927,348	€727,002 \$981,837.38	25.0%
	Forestry	€242,685 \$327,753	€60,671 \$81,937.95	25.0%
Other		€287,496 \$388,272	€71,874 \$97,067.93	25.0%
	Other	€287,496 \$388,272	€71,874 \$97,067.93	25.0%
BSS		€345,495 \$466,601	-	0.0%
	BSS	€345,495 \$466,601	-	0.0%
Grand Total		€28,291,583 \$38,208,607	€6,986,522 \$9,435,501.53	24.7%

Of the total value of sales of €28,291,583(\$38,208,607), KPEP's attribution is €6,986,522 (\$9,435,502), or 24.7 percent of the total quarterly sales by KPEP clients.

Below is a graphic presentation of the attribution of sales per sector:



2. KPEP attribution on exports

Table 22. Total KPEP attribution on export

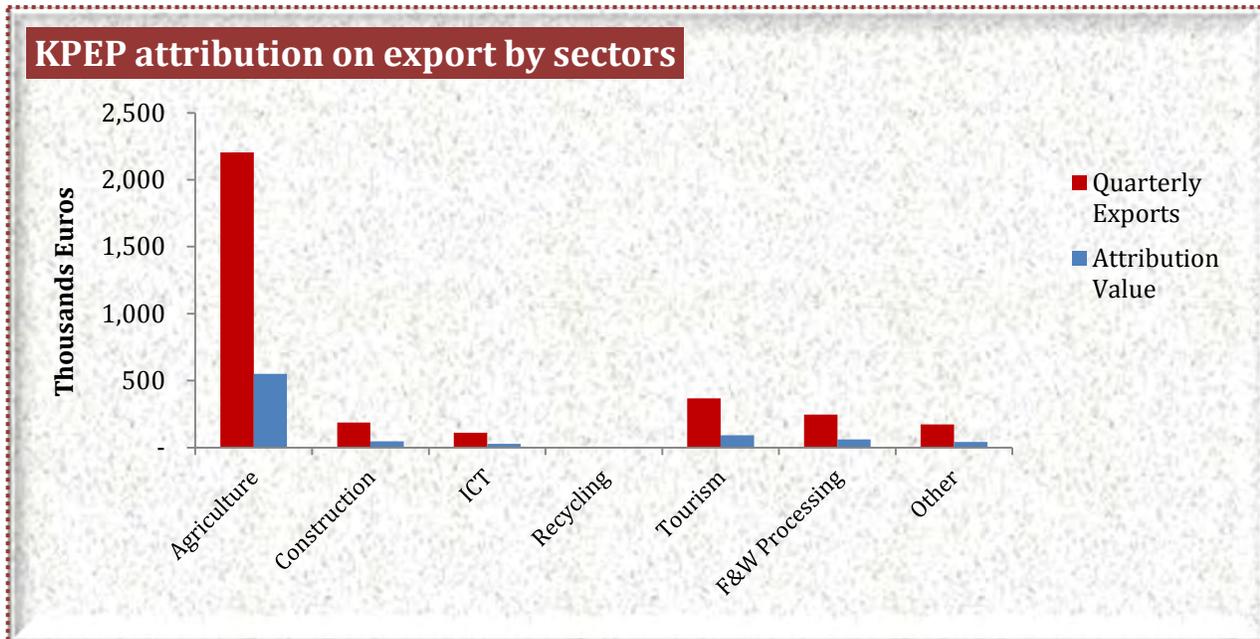
Total Quarterly Exports KPEP Firms	€3,287,486 (\$4,439,546)
Total KPEP Attributable Exports	€821,872 (\$1,109,96)
Attribution % for the quarter	25.0%
Total Quarterly Exports Non-KPEP Firms	€0
Total Non-KPEP Attributable Exports	€0
Attribution % for the quarter	0
Total Exports	€3,287,486 (\$4,439,546)
Total KPEP Attributable Exports	€821,872 (\$1,109,96)
Total Quarter Attribution %	25.0%

Table 23. Total KPEP attribution on exports by sub-sector

Sector	Sub-sector	Net quarterly data	KPEP attribution	% Attribution
Agriculture		€2,203,774 \$2,976,261	€550,944 \$744,066	25.0%
	Dairy	€136,432 \$184,255	€34,108 \$46,064	25.0%
	Fruits and vegetables	€896,324 \$1,210,512	€224,081 \$302,628	25.0%
	NWFP	€1,171,018 \$1,581,494	€292,755 \$395,374	25.0%
	Poultry meat processing	0	0	0
Construction		€187,427 \$253,126	€46,857 \$63,282	25.0%
	Construction materials	€187,427 \$253,126	€46,857 \$63,282	25.0%
	Road construction	-	-	-
ICT		€110,140 \$148,747	€27,535 \$37,187	25.0%
	ICT	€110,140 \$148,747	€27,535 \$37,187	25.0%
Recycling		-	-	-
	Recycling	-	-	-
Tourism		€367,570 \$496,414	€91,893 \$124,104	25.0%
	Tourism	€367,570 \$496,414	€91,893 \$124,104	25.0%
Forestry & Wood Processing		€246,395 \$332,764	€61,599 \$83,191	25.0%
	Wood processing	€246,395 \$332,764	€61,599 \$83,191	25.0%

Sector	Sub-sector	Net quarterly data	KPEP attribution	% Attribution
	Forestry	-	-	-
Other		-	-	-
	Other	-	-	-
BSS		€172,180 \$232,534	€43,045 \$58,134	25.0%
	BSS	€172,180 \$232,534	€43,045 \$58,134	25.0%
Grand Total		€3,287,486 \$4,439,846	€821,872 \$1,109,962	25.0%

Of the total value of exports of €3,287,486 (\$4,439,846), KPEP’s attribution is €821,872 (\$1,109,962), or 25 percent of the total quarterly export sales by KPEP clients. Below is a graphic presentation of the attribution of exports per sector



3. KPEP attribution on investment

Table 24. Total KPEP attribution on investment

Total Quarterly Investments KPEP Firms	€1,781,665 (\$2,406,190)
Total KPEP Attributable Investments	€445,416 (\$601,547)
Attribution % for the quarter	25.0%
Total Quarterly Investments Non-KPEP Firms	€0
Total Non-KPEP Attributable Investments	€0
Attribution % for the quarter	0
Total Investments	€1,781,665 (\$2,406,190)
Total KPEP Attributable Investments	€445,416 (\$601,547)
Total Quarter Attribution %	25.0%

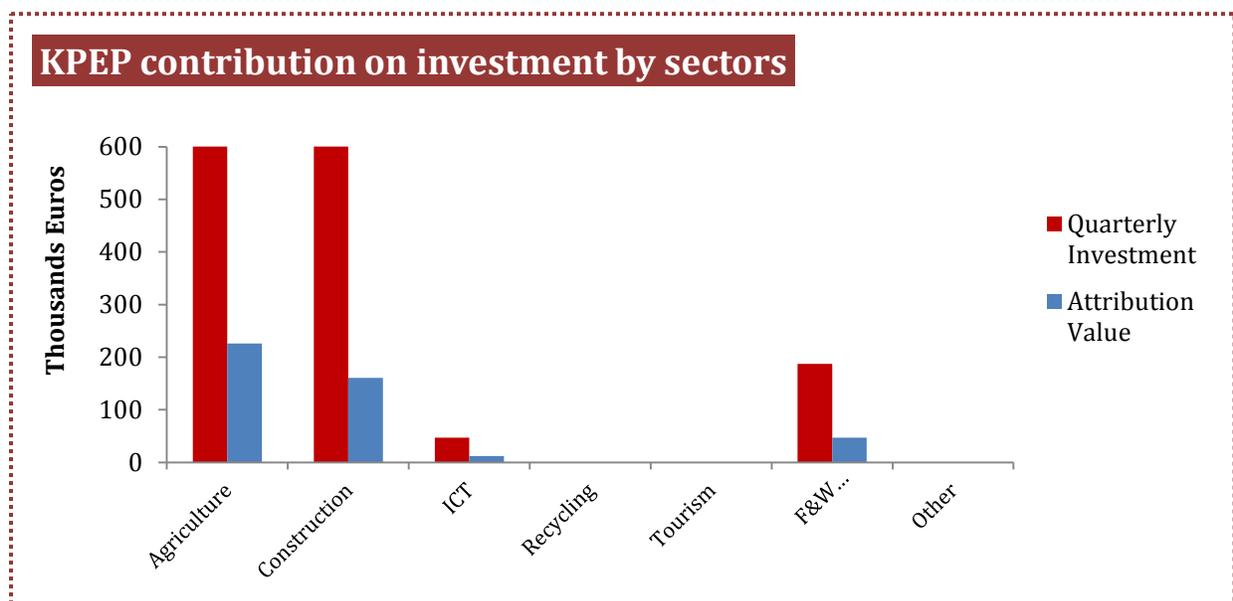
Table 25. Total KPEP attribution on investment by sub-sector

Sector/Subsector	Net quarterly data	KPEP attribution	% Attribution
Agriculture	€903,797 \$1,220,604	€225,949 \$305,151	25%
Dairy	€275,845 \$372,537	€68,961 \$93,134	25%
Fruits and vegetables	€558,452 \$754,206	€139,613 \$188,551	25%
NWFP	€69,500 \$93,862	€17,375 \$23,465	25%
Poultry meat processing	€275,845 \$372,537	€68,961 \$93,134	25%
Construction	€643,609 \$869,213	€160,902 \$217,303	25%
Construction materials	€643,609 \$869,213	€160,902 \$217,303	25%
Road construction	-	-	-

ICT	€46,942 \$63,397	€11,736 \$15,850	25%
ICT	€46,942 \$63,397	€11,736 \$15,850	25%
Recycling	0	0	0%
Recycling	0	0	0%
Tourism	0	0	0%
Tourism	0	0	0%
Other	-	-	-
Other	-	-	-
Forestry and wood processing	€187,317 \$252,977	€46,829 \$63,244	25%
Wood processing	€165,695 \$223,776	€41,424 \$55,944	25%
Forestry	€21,622 \$29,201	€5,406 \$7,301	25%
Grand Total	€1,781,665 \$2,406,190	€445,416 \$601,547	25%

Of the total €1,781,665 (\$2,406,190) in investments, KPEP's attribution is €445,416 (\$601,547), or 25 percent of the total quarterly investments made by KPEP clients.

Below is a graphic presentation of the attribution of investments per sector:



4. KPEP attribution on employment

Table 26. Total KPEP attribution on employment

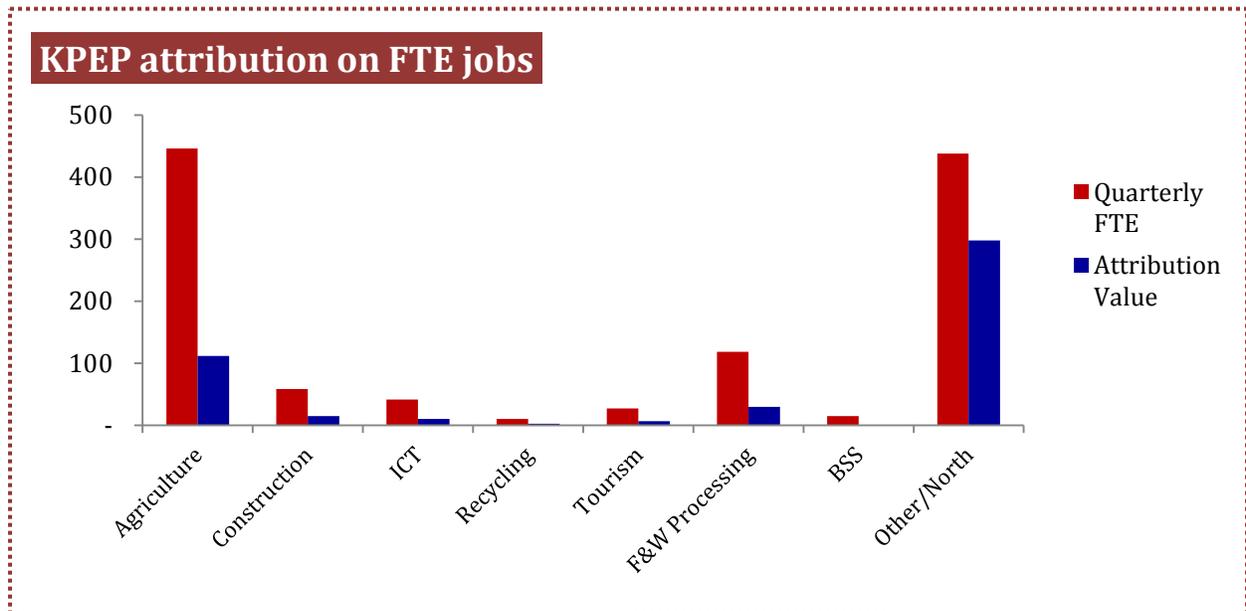
Total Quarterly FTE KPEP Firms	1,154.79
Total KPEP Attributable FTE	473.53
Attribution % for the quarter	41.0%
Total Quarterly FTE Non-KPEP Firms	-
Total Non-KPEP Attributable FTE	-
Attribution % for the quarter	-
Total FTE	1,154.79
Total KPEP Attributable FTE	473.53
Total Quarter Attribution %	41.0%

Table 27. Total attribution of KPEP on employment by sectors

Sector	Sub-sector	Net quarterly data	KPEP attribution	% Attribution
Agriculture		446.19	111.55	25.0%
	Dairy	76.90	19.22	25.0%
	Fruits and vegetables	306.25	76.56	25.0%
	NWFP	46.97	11.74	25.0%
	Poultry meat processing	16.08	4.02	25.0%
Construction		58.58	14.65	25.0%
	Construction materials	57.59	14.40	25.0%
	Road construction	0.99	0.25	25.0%
ICT		41.20	10.30	25.0%
	ICT	41.20	10.30	25.0%
Recycling		10.21	2.55	25.0%

	Recycling	10.21	2.55	25.0%
Tourism		27.08	6.77	25.0%
	Tourism	27.08	6.77	25.0%
Other		438.25	298.06	68.0%
	Other	438.25	298.06	68.0%
Forestry & Wood Processing		118.60	29.65	25.0%
	Wood processing	109.38	27.35	25.0%
	Forestry	9.21	2.30	25.0%
BSS		14.68	-	0.0%
	BSS	14.68	-	0.0%
Grand Total		1,154.79	473.53	41.0%

Of the 1,155 FTE jobs created by KPEP clients during last year KPEP's attribution is 474 FTE jobs, or 41 percent.



Due to the fact that agriculture sector is the main contributor to the increase in main performance indicators for the quarter; it is very difficult to see the performance of other sectors. Therefore, we excluded the data from this sector (and for FTE indicator excluded also data from the north Kosovo project), and then designed another set of graphs that better shows the KPEP's contribution to the results in these sectors.

ANNEX 1D: PMP REPORT – ANNUAL GOALS AND RESULTS

SO# IR#	SO Name	Unit measure	Base-line Year	Base-line Value	2009 Target	2009 Actual	2010 Target	2010 Actual	2011 Target	2011 Actual	2012 Target	2012 Actual
1.3	Accelerated Growth of Private Sector											
Indicators												
1 (AR)	Exports as % of imports, by sector	Percent	2008	10.20%	11.00%	0.00%	11.50%	12.80%	12.00%	13.93%	13.00%	10.62%
2	Foreign direct investment, by sector	Thousand Euros	2008	357,400	430,000	291,500	451,000	354,300	475,000	413,402	500,000	378,900
3	Value of sales, by sector	Thousand Euros	2008	4,418,000	4,900,000	4,552,795	5,400,000	3,294,933	6,000,000	10,687,247	6,700,000	4,960,644
4	Number of people employed, by sector	Number	2008	481,000	488,000	496,708	512,000	517,594	523,000	532,745	534,000	280,454
1.3.1	Increased Competitiveness of Key Sectors											
Indicators												
1	Increase in sales in target sectors over the baseline	Euros	2008	213,824,975	8,000,000	13,177,698	20,000,000	41,003,603	40,000,000	71,513,204	50,000,000	112,860,076
	% increase in sales over current baseline	Percent	2008	0	9.40%	25.70%	16.40%	33.60%	25.30%	45.20%	24.40%	52.80%
2	Increase in investments in target sectors	Euros	2008	0	3,200,000	9,570,686	8,000,000	15,256,256	16,000,000	26,237,767	20,000,000	33,532,742
3 (AR)	Increase in jobs created in target sectors	Number	2008	2,414	800	293	2,000	1,590	4,000	3,515	5,000	6,271
4	Number of enterprises assisted in target sectors	Number	2008	36	61	47	85	66	110	126	140	272
5	Number of new start-ups in target sectors	Number	2008	0	7	448	12	663	16	3,292	20	3,392

SO# IR#	SO Name	Unit measure	Base-line Year	Base-line Value	2009 Target	2009 Actual	2010 Target	2010 Actual	2011 Target	2011 Actual	2012 Target	2012 Actual
6	Number of entrepreneurs receiving services supported by USAID	Number	2008	0	0	496	500	539	500	668	500	968
1.3.2	Improved and Demand Driven Business Support Services											
Indicators												
1	Number of enterprises and associations providing business support services	Number	2008	11	20	15	30	15	35	16	40	16
2	Increase of sales among BSPs	Euros	2008	2,950,753	40,000	236,566	110,000	752,302	150,000	1,355,659	200,000	1,882,378
3	Increase in jobs created among USAID supported BSPs	Number	2008	98	8	23	18	74	31	410	36	456
4	Progress on the Association Development Index	Median score	2008	1.59	1.6	1.65	1.7	1.65	1.9	2.0	2	2.0
5	Number of consultants trained/certified to provide business support service	Number	2008	0	70	19	150	19	240	19	300	19
1.3.3	Improved Business Operating Conditions											
Indicators												
1	Progress on the Business Environment Index (BizCLIR)											
1.1	Contracts	Percent	2008	18%	25%	0%	32%	34%	40%	34%	50%	0%
1.1.1	Supporting Institutions (B.3)	Percent	2008	10%	15%	0%	19%	21%	24%	21%	30%	0%
1.1.2	Social Dynamics (B.4)	Percent	2008	26%	35%	0%	44%	41%	55%	41%	69%	0%
1.2	International Trade	Percent	2008	34%	41%	0%	49%	67%	59%	67%	70%	0%
1.2.1	Legal Framework (H.1)	Percent	2008	41%	45%	0%	53%	82%	63%	82%	74%	0%

SO# IR#	SO Name	Unit measure	Base-line Year	Base-line Value	2009 Target	2009 Actual	2010 Target	2010 Actual	2011 Target	2011 Actual	2012 Target	2012 Actual
1.2.2	Implementing Institutions (H.2)	Percent	2008	27%	40%	0%	47%	45%	56%	45%	65%	0%
1.2.3	Supporting Institutions (H.3)	Percent	2008	35%	40%	0%	47%	73%	56%	73%	65%	0%
1.2.4	Social Dynamics (H.4)	Percent	2008	34%	40%	0%	50%	61%	62%	61%	76%	0%
1.3	Foreign direct investment, by sector	Percent	2008	40%	48%	0%	52%	58%	55%	58%	60%	0%
1.3.1	Legal Framework (K.1)	Percent	2008	43%	45%	0%	49%	74%	52%	74%	57%	0%
1.3.2	Implementing Institutions (K.2)	Percent	2008	36%	45%	0%	49%	53%	52%	53%	57%	0%
1.3.3	Supporting Institutions (K.3)	Percent	2008	54%	60%	0%	65%	76%	70%	76%	76%	0%
1.3.4	Social Dynamics (K.4)	Percent	2008	28%	40%	0%	43%	43%	47%	43%	50%	0%
2	Progress on the policy index	Percent	2008	0	70%	72%	75%	92%	80%	94%	85%	94%
1.3.4	Improved Capacity of the Workforce to Engage in Employment Opportunities											
Indicators												
1	The number of individuals trained through USAID sponsored training	Number	2008	0	700	1,620	1,400	4,183	2,500	6,466	3,000	8,215
2	Number of training certifications	Number	2008	0	80	20	160	252	275	711	325	1,892
3	Number of program participants that obtain employment	Number	2008	0	TBD	2	20	135	100	713	150	1,256
4	Number of individuals provided with services	Number	2008	0	800	7,326	1,600	9,078	3,500	9,859	4,000	10,581
5	Number of internship programs	Number	2008	0	3	3	6	13	8	17	10	20
	Strategic Activities Fund											

SO# IR#	SO Name	Unit measure	Base-line Year	Base-line Value	2009 Target	2009 Actual	2010 Target	2010 Actual	2011 Target	2011 Actual	2012 Target	2012 Actual
Indicators												
1	Number of grants/sub-contracts	Number	2008	0	20	26	45	66	70	177	90	293
2	Value of grants and sub-contracts	Euros	2008	0	400,000	447,837	1,750,000	1,335,357	2,370,000	3,973,027	2,625,000	5,207,627

ANNEX 2: KPEP FINANCIAL REPORT

Kosovo Private Enterprise Program						
22 September 2008 - 21 February 2013						
	Task Order Budget Ceiling		Total Estimated Cost as at 21-Feb-13		Task Order Budget Balance	
	US\$ Share	€ Share	US\$ Share	€ Share	US\$ Share	€ Share
Work Days Ordered	\$9,751,105		\$9,724,558		\$26,547	
Other Direct Costs and Indirect Costs	\$10,559,904		\$10,554,827		\$5,077	
Other Direct Costs		€ 1,250,000		€ 1,250,000		€ 0
Total (USD)	\$20,311,009	€ 1,250,000	\$20,279,385	€ 1,250,000	\$31,624	€ 0

ANNEX 3: KPEP SAF DISBURSEMENT

Table 28: List of entire awards

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
1	Index Kosova	€ 9,490.00	€ 9,490.00	Conduct Survey on Heavy Equipment Machinery and HME Operators for RCAK
2	Project Graphics	€ 1,970.00	€ 1,970.00	Support STIKK participation in ICT Trade Fair in Prishtina
3	MD Consulting	€ 13,314.00	€ 13,314.00	Good Practice Mission in Bulgaria and organization of pre harvest conference
4	World University Service Austria (WUS)	€ 5,000.00	€ 5,000.00	Support Kosova Case Challenge 2009 (sub competition for the international case study competition Balkan Case Study Challenge 2009
5	Farmer Association Perdrini	€ 15,900.00	€ 15,900.00	Pepper seedling plantation machine and management of demonstration plots for new varieties of Peppers
6	Prishtina Film	€ 13,166.00	€ 13,166.00	Manage the promotional/media activities for “Natyra 2009” trade fair
7	Eciks Consulting	€ 6,214.00	€ 4,349.80	FDI Workshop and Review of drafts of Investment Briefs
8	GRIMA CONSULTING	€ 5,644.00	€ 5,644.00	Implement White Bean Demonstration Plots
9	Management & Development Associates (MDA)	€ 8,500.00	€ 8,500.00	Assist International Consultants during the training, advising and assessing Kosovo IT companies in the skills of sales, marketing,
10	GRIMA CONSULTING	€ 9,612.00	€ 9,612.00	Raw Milk Quality Program with students from Agricultural Faculty
11	World University Service Austria (WUS)	€ 16,780.00	€ 16,780.00	Management of the Business and Economics Internship Program
12	Kosovo Association of Milk Producers (KAMP)	€ 1,000.00	€ 1,000.00	World Milk Day Celebration

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
13	TPD Consulting	€ 17,846.00	€ 17,846.00	Tourism Promotion in Albania “Join us for the weekend – Experience Kosovo”
14	Etlinger	€ 35,981.00	€ 35,981.00	Installation of Pasteurizing production line for vegetable processing
15	Bylmeti	€ 30,000.00	€ 30,000.00	Installation of yogurt packaging technology
16	Pestova	€ 27,500.00	€ 27,500.00	Installation of processed potato frosting technology
17	CACTTUS	€ 70,000.00	€ 12,898.13	ICT Vendor Training and Certification Program
18	ATI-KOS	€ 11,760.00	€ 4,951.00	ICT Vendor Training and Certification Program
19	Management & Development Associates (MDA)	€ 17,169.10	€ 3,569.10	PMP Training and Certification Program
20	Kosovo Association of Information and Communication Technology (STIKK)	€ 3,120.00	€ 2,729.81	Workshop on E-Marketing
21	TPD Consulting	€ 16,950.00	€ 16,192.00	Stay the weekend - Experience Peja
22	FLOSSK	€ 2,000.00	€ 1,999.10	Kosovo Software Freedom Conference 2009
23	AmCham	€ 21,000.00	€ 20,834.32	Trade Enhancement and Education Seminars
24	Association of Wood Processors of Kosovo (AWPK)	€ 31,000.00	€ 31,000.00	Participation in regional wood products fair in Tirana (Albrelax 2009)
25	Business Support Center Kosovo (BSCK)	€ 39,473.34	€ 39,473.34	Entrepreneurship – Micro enterprise Training program
26	Rrota	€ 27,300.00	€ 27,200.00	Online Marketing Services for Kosovo Tour Packages, Tourist Experiences and Products
27	Kosovo Association of Information and Communication Technology (STIKK)	€ 10,195.00	€ 3,058.50	Kosovo Albania business-to-business (B2B) event
28	Index Kosova	€ 4,300.00	€ 4,300.00	Call Center Survey
29	Eciks Consulting	€ 5,129.00	€ 5,129.00	FDI Promotion and Generation for Kosovo
30	IQ Consulting	€ 9,100.00	€ 9,100.00	Market Research of ICT Sectors - Supply Demand Survey
31	Kosovo Association of Information and	€ 4,690.00	€ 4,690.00	ICT Job Fair

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
	Communication Technology (STIKK)			
32	Forestry	€ 11,845.00	€ 11,845.00	Study in Forest Biomass as an Alternative Fuel
33	Women Association "Korenica"	€ 850.00	€ 820.00	Supply with a Lactosan
34	Korenica	€ 13,820.00	€ 11,700.00	Engineered Wood Flooring Certification and international product promotion
35	Association of Business Women "Avenija"	€ 2,555.00	€ 2,555.00	Participation at the International fair of entrepreneurship in Belgrade, called as "Business Baza"
36	Association for Finance and Accounting Services (AFAS)	€ 10,750.00	€ 10,750.00	Training and Internship Program for 25 jobseekers in the field of Accounting and Finance
37	Kosovo Association of Information and Communication Technology (STIKK)	€ 3,386.50	€ 3,386.50	Organization of E-Marketing Seminar for Tourism
38	UBO Consulting	€ 2,400.00	€ 2,400.00	Business Plan for Widows Association, Krusha e Madhe
39	Management & Development Associates (MDA)	€ 4,810.00	€ 4,810.00	Skill Gap Analysis for Wood Processing Industry
40	Management & Development Associates (MDA)	€ 21,240.00	€ 21,240.00	Catalogue of Tourism Offers
41	Association of Wood Processors of Kosovo (AWPK)	€ 15,000.00	€ 15,000.00	AWPK participation in "34th Furniture Fair - Home, Office & Interior Decoration Equipment"
42	Business Support Center Kosovo (BSCK)	€ 2,640.00	€ 2,640.00	Green House as a Business
43	Association of Wood Processors of Kosovo (AWPK)	€ 17,223.00	€ 16,800.00	Wood Processing Internship Program
44	Road Construction Association of Kosovo (RCAK)	€ 15,825.00	€ 0.00	Construction Internship Program
45	Agroprodukt Commerce	€ 16,055.00	€ 11,503.00	Creation of new market identity of APC products for retail and export market
46	Initiative for Agricultural Development of Kosovo - IADK	€ 18,310.00	€ 18,310.00	Raw Milk Quality Program Management

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
47	Kosovo Tourism Association KOTAS	€ 8,575.00	€ 5,095.45	Organizing Kosovo Travel Day Fair 2010 / "Stay the Weekend - Experience Kosovo"
48	Kosovo Chamber of Commerce (KCC)	€ 3,830.00	€ 3,830.00	Turkish Kosovar Business Forum in Istanbul
49	Association for Finance and Accounting Services (AFAS)	€ 19,400.00	€ 19,400.00	Training and Internship Program for 100 jobseekers during the summer season
50	World University Service Austria (WUS)	€ 5,000.00	€ 5,000.00	Kosovo Case Challenge 2010
51	Eciks Consulting	€ 3,731.00	€ 3,660.64	Startup Activity Pristina
52	Kosovo Association of Information and Communication Technology (STIKK)	€ 4,741.60	€ 4,741.60	Organization of CRM training for ICT companies and Associations
53	Koperativa	€ 16,090.00	€ 16,090.00	Documentary Film On Quality of Road Construction and Traffic Safety in Kosovo
54	Management & Development Associates (MDA)	€ 4,400.00	€ 4,400.00	CRM Training - Local Consultant
55	Road Construction Association of Kosovo (RCAK)	€ 16,850.00	€ 16,839.60	Training and Certification of Heavy Equipment Operators (HEO) with internationally recognized certificates and training programs
56	Kosovo Association of Information and Communication Technology (STIKK)	€ 2,095.00	€ 2,095.00	Business Process Outsourcing (BPO) Workshop/ Conference
57	GRIMA CONSULTING	€ 7,420.00	€ 7,419.00	White Beans Demonstration Plots
58	Republika - Marketing Communication Agency	€ 18,850.00	€ 18,850.00	Dairy Promotion
59	Magic Ice	€ 29,000.00	€ 28,500.00	Adoption of Hard Cheese Production Line
60	Berati Association	€ 30,000.00	€ 30,000.00	Establishing Collecting and Processing point for NWFP in Boge/ Rugove
61	Eurofruti	€ 24,000.00	€ 24,000.00	Strengthening system of collection through assistance to Establishing a new processing and packaging facility for NWFP with HACCP requirements

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
62	Association of Wood Processors of Kosovo (AWPK)	€ 53,800.00	€ 53,800.00	Support AWPK visit to major 2010 wood processing events/fairs
63	Farmer Association Perdrini	€ 9,870.00	€ 9,870.00	Demonstration of new planting technologies (watermelon, melon, pumpkin, and cucumber)
64	Kabi	€ 8,027.50	€ 3,921.52	Establishing of three milk collection points
65	AmCham	€ 6,750.00	€ 5,498.51	Career Fair
66	Riinvest	€ 12,582.00	€ 12,582.00	Leading Economic Indicators Survey
67	Ruka Ruci	€ 3,412.00	€ 3,412.00	Fair Participation
68	Kosovo Tourism Association KOTAS	€ 8,514.00	€ 8,514.00	Organization of Tourism Familiarization Trip for Turkish Delegation
69	Natyral Fruti	€ 5,000.00	€ 4,610.00	Non Wood Forest Products Collection Centers
70	Besiana	€ 4,900.00	€ 4,610.00	Non Wood Forest Products Collection Centers
71	Fungo FF	€ 5,000.00	€ 4,610.00	Non Wood Forest Products Collection Centers
72	Fungo KOS	€ 5,000.00	€ 4,610.00	Non Wood Forest Products Collection Centers
73	Agroprodukt Commerce	€ 4,980.00	€ 4,610.00	Non Wood Forest Products Collection Centers
74	Universal Gip	€ 5,000.00	€ 4,610.00	Non Wood Forest Products Collection Centers
75	Ekos-Sani	€ 4,990.00	€ 4,610.00	Non Wood Forest Products Collection Centers
76	NGO Flores	€ 5,000.00	€ 4,610.00	Non Wood Forest Products Collection Centers
77	Natyra	€ 5,000.00	€ 4,610.00	Non Wood Forest Products Collection Centers
78	Kosovo Association of Information and Communication Technology (STIKK)	€ 6,792.50	€ 6,792.50	Participation of the association in ICT Fair - CeBIT 2010
79	Kosovo Association of Information and Communication Technology (STIKK)	€ 7,800.00	€ 7,800.00	Technical support to develop and launch new online member services
80	Riinvest	€ 2,000.00	€ 2,000.00	Sale and Marketing Training Program
81	Management & Development Associates (MDA)	€ 8,360.40	€ 8,360.40	Tourism Job Fair

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
82	MD Consulting	€ 11,158.80	€ 11,158.80	Subcontractor to manage blueberry conference and field trials
83	Hilmi Deva	€ 12,000.00	€ 11,994.40	Implementation of a Marketing Strategy
84	Kosovo Alternative Tourism Association (KATA)	€ 9,749.00	€ 9,749.00	"Stay the weekend - Experience Peja" Tourism Street Fair 2010
85	Kosovo Bankers Associations (KBA)	€ 109,460.00	€ 73,066.36	European Foundation Certification in Banking
86	Association of Wood Processors of Kosovo (AWPK)	€ 5,600.00	€ 5,600.00	Wood Industry Job Fair
87	Natural Resources Solution (NRS)	€ 18,320.00	€ 18,320.00	Reduce Illegal Logging
88	ISQ Internacional	€ 11,550.00	€ 11,550.00	Accreditation of the KEK Training Center for Welding Courses"
89	Greentech Sh.P.K.	€ 39,000.00	€ 39,000.00	Establishing sustainable chain for waste plastic (PET, Polyethylene and Polypropylene) in Kosovo
90	NGO Bliri	€ 3,800.00	€ 3,798.00	Set up proper manufacturing operations and sales practices-developing marketing and promotional tools (web, catalogue and business cards) and participation in Tirana wood fair
91	Finance Institute of Kosova - IFK	€ 3,500.00	€ 3,500.00	The Ninth International Conference of Business and Employment with the Theme "The Impact of Global Crisis on Economy, Business and Employment in Kosovo and in other Countries in Transition"
92	Swiss - EU Medical Sh.P.K	€ 36,247.50	€ 33,427.46	IT Solutions for Pattern Production/3d Designing and Visualization Software
93	V-Kelmendi	€ 14,000.00	€ 14,000.00	Meeting quality standards for export of domestic agricultural products (collection, sorting, classification, labeling and packing) by increasing quality of services at our collection center and greater relations with other centers in Kosovo
94	Beselidhja/ Zavet Microfinance - BZMF	€ 36,560.00	€ 26,563.92	KPEP's Microenterprise Grant Program
95	Kosovatex	€ 50,000.00	€ 50,000.00	Training employees, considering that products made in the new factory require a higher quality standard, it is necessary to train

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
				200 employees in tailoring, for at least three months, with the purpose to achieve the products quality and quantity that aims to reach to the aforementioned market
96	Kosovo Association of Information and Communication Technology (STIKK)	€ 14,100.00	€ 14,100.00	Skill Gap Analysis for Information Communication Technology
97	Scardus	€ 7,000.00	€ 6,224.00	Non Wood Forest Products Processors HACCP Introduction and Certification
98	Rugova Cooperative	€ 7,000.00	€ 6,224.00	Non Wood Forest Products Processors HACCP Introduction and Certification
99	Agro-Peti	€ 7,000.00	€ 6,224.00	Non Wood Forest Products Processors HACCP Introduction and Certification
100	Agroprodukt Syne	€ 7,000.00	€ 6,950.00	Non Wood Forest Products Processors HACCP Introduction and Certification
101	Besiana	€ 7,000.00	€ 6,870.00	Non Wood Forest Products Processors HACCP Introduction and Certification
102	UBO Consulting	€ 2,762.50	€ 2,762.50	Poverty Assessment Tools Survey
103	TC Bashkimi	€ 31,300.00	€ 29,590.22	Fruit and Vegetable Collection Centers
104	AC Liria	€ 35,000.00	€ 25,410.00	Fruit and Vegetable Collection Centers
105	TC Fruti	€ 35,000.00	€ 31,988.00	Fruit and Vegetable Collection Centers
106	Riinvest	€ 4,537.00	€ 4,537.00	KPEP Satisfaction Survey
107	Association for Finance and Accounting Services (AFAS)	€ 17,000.00	€ 17,000.00	Training and Internship Program for 100 jobseekers in the field of Accounting and Finance and their placement for the internship
108	Kosovo Association of Information and Communication Technology (STIKK)	€ 28,000.00	€ 2,000.00	Call Center Training
109	AG Group	€ 17,370.00	€ 17,370.00	Support of the setting-up technology for recycling of pulping waste

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
110	Business Suport Center Kosovo (BSCK)	€ 107,900.00	€ 107,900.00	Entrepreneurship Training Program -Phase 2
111	Ask Trade	€ 36,000.00	€ 36,000.00	Purchase of Tunnel Pasteurizer
112	The Ranch	€ 9,000.00	€ 8,496.50	Alternative feeding Regime
113	Agrocelina	€ 13,000.00	€ 12,999.65	Value Added of Vegetable products through Collection Centre
114	MOEA	€ 34,000.00	€ 34,000.00	Fruit and NWFP Storage Capacity Collection Center
115	Hosa Fresh	€ 35,000.00	€ 35,000.00	Establishment of a Collection Center in Rogova Region
116	FERODA	€ 31,360.00	€ 31,360.00	Purchase of Wood Chipper Grinding Machine
117	Kosovo Dairy Processors Association (KDPA)	€ 28,600.00	€ 24,755.40	Transparent Raw Milk Sampling
118	Widows Association Krusha	€ 30,360.00	€ 30,360.00	Better Facilities and Increased Processing Capacities
119	Biopak	€ 35,808.00	€ 35,808.00	Introduction of the technology for sterilization of processed fruits and vegetable
120	Telecommunication Regulatory Authority/TRA	€ 7,872.62	€ 7,872.62	Internet Exchange Point
121	Brickos	€ 50,000.00	€ 50,000.00	Building a new tunnel kiln at the old unit of brick production
122	Association of Wood Processors of Kosovo (AWPK)	€ 72,000.00	€ 67,753.25	Supporting AWPK membership visiting main wood processing event of the year
123	Road Construction Association of Kosovo (RCAK)	€ 3,500.00	€ 0.00	Road Industry Magazine
124	CACTUS	€ 787.68	€ 787.68	Equipping the Tourist Information Center Rahovec/Orahovac
125	BEHA	€ 1,490.00	€ 1,490.00	Equipping the Tourist Information Center Rahovec/Orahovac
126	Gacaferri Mobilje	€ 15,000.00	€ 15,000.00	Development of new kitchen professional catalogue - detailed product blueprint catalogue for sales agents
127	Kosovoguide.com	€ 7,400.00	€ 7,400.00	Promotional CDs for Kosovo Tourism Destination
128	Association for Finance and Accounting Services (AFAS)	€ 45,000.00	€ 45,000.00	Training and internship program for 300 job seekers in the field of accounting and finance and their placement for the internship

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
129	Drenica SH.P.K.	€ 1,345.00	€ 1,345.00	Tourism Signposting in Rahovec/Orahovac
130	Scardus	€ 25,000.00	€ 25,000.00	Strengthening System of collection through assistance in buying a small scale equipment or cleaning of blueberries, Rose hips and other NWFP products
131	Eminel	€ 25,000.00	€ 25,000.00	Production of cardboard crates for fruits and vegetables
132	Agroalbi	€ 15,000.00	€ 15,000.00	Purchase and installation of heating systems for drying chamber technology
133	Mali	€ 15,113.00	€ 12,476.47	Education of forest owners' children to manage Kosovo forest based on grandfather tradition - "My Forest"
134	Grate Farmere	€ 25,370.00	€ 25,370.00	Purchase of vegetable processing equipment and cold storage
135	Malina Mesecarka Vilamet Miker - MVM	€ 16,000.00	€ 15,999.99	Establishment of 40 demonstration plots
136	DST Produkt	€ 15,300.00	€ 15,300.00	Purchase and Installation of Central Green House Heating
137	Thesari	€ 35,000.00	€ 35,000.00	Utilization of wood waste and biomass for production of briquettes
138	Adaptivit	€ 23,520.00	€ 3,500.00	Internship Program for Adaptivit BPO Competence Center
139	Las Pallmas	€ 30,000.00	€ 30,000.00	Establishment of green house of 3000m2
140	Agroprodukt Syne	€ 35,000.00	€ 35,000.00	Purchase of 1000m2 insulation panels and cooling equipment for blueberries, rose hips and other NWFP products
141	ISQ Internacional	€ 99,950.00	€ 99,950.00	Accreditation of the KEK Training Center for Welding Courses"
142	Kosovo Alternative Tourism Association (KATA)	€ 11,475.00	€ 10,648.32	1. FAM Trip to Kosovo with Polish tour operators 2. Development and printing of promotional materials for KATA 3. Organizing the tourism Job Fair 2011
143	Republika - Marketing Communication Agency	€ 10,650.00	€ 10,650.00	Dairy Promotion
144	Intercoop	€ 35,000.00	€ 35,000.00	Improvement of Packaging technology for potato processing

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
				through new packing machine
145	Euroлона	€ 26,000.00	€ 26,000.00	Installation of new yogurt packing line for fruit yogurt and other processed dairy products such as cream cheese and ajron.
146	Kosovoguide.com	€ 2,400.00	€ 2,400.00	Rahovec Tourism Map Proposal
147	Besiana	€ 7,230.00	€ 7,035.00	Purchase of materials and equipment to implement HACCP
148	YAPRAK	€ 3,200.00	€ 3,200.00	Supply of milking machines to Gračanica Municipality/ Bylmeti partnership
149	Rizam Holding	€ 21,896.00	€ 21,896.00	Laboratory establishment for examination and testing of the raw clay material, technological process and final brick products
150	DPZ Fitimi	€ 19,275.00	€ 19,275.00	Improvement of DPZ "Fitimi" agricultural products and processing
151	Rugova	€ 15,000.00	€ 15,000.00	Purchasing and Installing the Multivac Cheese Packaging Machine
152	Rizona	€ 29,100.00	€ 27,227.14	Modernization of plant for vegetable conservation for EU market (conservation, labeling, packing and quality products)
153	Vokrri	€ 30,000.00	€ 29,980.00	Purchase and installation of cold chamber and grading line
154	ITBM Group L.L.C.	€ 4,076.75	€ 4,076.75	Online Marketing of Wine Tourism Destination Rahovec/ Orahovac Region
155	Association of Wood Processors of Kosovo (AWPK)	€ 35,470.00	€ 28,873.00	Internship Program on Wood Processing Industry
156	Konsoni	€ 6,710.00	€ 6,710.00	Purchasing and Installing five fridges in five selling points in Prizren municipality
157	Hit Flores	€ 35,000.00	€ 35,000.00	Processing Freezing Blueberries and Export market Penetration. Freezing machinery for Cold Storing Facility
158	Rugova Cooperative	€ 5,000.00	€ 5,000.00	Purchase of Cooling Equipment for Non-Wood Forest Products (NWFP)

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
159	Peja Municipality	€ 6,000.00	€ 6,000.00	Tourism Street Fair 2011 "Experience Dukagjini Plane"
160	Rrota	€ 9,900.00	€ 9,900.00	Tourism and Cleanliness Awareness Campaign in Rahovec/Orahovac Region
161	Kosovoguide.com	€ 11,400.00	€ 11,400.00	Integrating Kosovo into western Balkans geotourism website (name of the website: western Balkans-the land of discovery)
162	Vinex	€ 35,000.00	€ 35,000.00	Support finalizing the investment in a new production line for producing steel guard rail for roads
163	Fidanishtja e Godancit	€ 31,621.00	€ 31,621.00	Purchase of Robot Grafting Seedling Machine
164	Association of Wood Processors of Kosovo (AWPK)	€ 16,000.00	€ 16,000.00	Supporting Association of Wood Processors of Kosovo (AWPK) on fulfilling annual plan on promotional activities
165	TekFuze LLC	€ 11,000.00	€ 11,000.00	Intensive Hands-on Electronic Engineering Training
166	Kosovo Dairy Processors Association (KDPA)	€ 16,200.00	€ 16,200.00	Continuation of the Transparent Raw Milk Sampling Project
167	Association for Finance and Accounting Services (AFAS)	€ 7,600.00	€ 7,600.00	Internship for 150 Additional Students
168	Women Business Association - WBA	€ 198,300.00	€ 198,070.00	Short Term Employment Generation Activity
169	AS Promet	€ 20,000.00	€ 20,000.00	Processing of Non Wood Forest Products
170	Antonije	€ 19,408.00	€ 19,370.00	Installation of Green House Central Heating and Cold Chamber
171	Naja	€ 15,000.00	€ 15,000.00	Purchase and Installation of Furnaces and Installation of Heating: Greenhouse Area
172	Aves Prom	€ 27,539.20	€ 27,539.20	Setting up the Commercial Poultry Farm
173	Women Business Association - WBA	€ 253,479.20	€ 253,479.20	Short Term Employment Generation Activity, phase II
174	EKO Centar	€ 5,000.00	€ 5,000.00	Purchase of Grain Cleaning Machine
175	SZTR Markovic	€ 15,000.00	€ 15,000.00	Purchasing of the Wood Drying Chamber
176	Mundesia	€ 314,071.00	€ 314,071.00	Short Term Work Phase III
177	Metal	€ 25,000.00	€ 24,985.00	Purchase of inventory for the restaurant and kitchen equipment in plan to open a restaurant

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
178	M&A	€ 92,602.00	€ 92,574.00	Forest maintenance through silviculture treatment of the young stands
179	ANB Milic	€ 19,500.00	€ 19,500.00	Buying equipment for production of furniture
180	Business Suport Center Kosovo (BSCK)	€ 60,880.00	€ 60,880.00	Entrepreneurship Program for North Kosovo
181	AFAS	€ 220,504.00	€ 220,504.00	Short Term Employment for 100 Young Serbs in North Kosovo
182	Zoo Trejd	€ 14,762.00	€ 14,300.00	Pig Farming
183	S.Z.R. Frukta	€ 20,000.00	€ 20,000.00	Purchasing of small scale meat processing equipment
184	Fast Trade	€ 8,000.00	€ 8,000.00	Production of Furniture and Joinery Services
185	Monter - B	€ 15,000.00	€ 15,000.00	Purchase Hydraulic Presses for Sheet Metal Profiling (Machines for Sheet Metal)
186	AFAS	€ 69,292.00	€ 69,292.00	Short Term Employment for 60 Young Serbs in North Kosovo
187	Etno Selo Zavicaj	€ 8,300.00	€ 8,300.00	Small Scale Watermill
188	S.P.R.Nebojsa-P	€ 3,239.00	€ 3,239.00	Balter CLAAS-41 (hay collection), working capital
189	S.P.R.Studio for Fashion Creation	€ 2,242.00	€ 2,020.00	2*Industrial sewing machine, machine for edging, tube with materials of more colors, needles, scissors, tools for making jewelry
190	S.U.R.Jovan Distribution	€ 3,239.00	€ 3,239.00	3*Digital balance machine, machine for packing, 2*machine for welding, 4*films for packing teas
191	S.P.R.Tailor Services Vez	€ 1,620.00	€ 1,620.00	2*Sewing machine, tailor tools
192	S.Z.R.Kostic	€ 3,239.00	€ 3,239.00	Laptop, HDD external, Cable tester RJ11, RJ12, RJ45, Tester with charging, PCI-debug card, Mini PC-e/PCI card, Pincers for RJ45, Super thermal paste for CPU, Screwdriver set, pincettes set, VGA AMD Radeon 3450 etc.(refer to plan application)

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
193	S.U.R.Video Production Prestige	€ 2,442.00	€ 2,442.00	Camera SONY DSR-PD177 Pal, Nikon camera, bags for the camera, battery, stand, 2*objective, memory
194	S.U.R.Video Production Damkos	€ 3,239.00	€ 3,239.00	Sony camera, installation unit, illumination
195	S.Z.R.Milan-P	€ 2,591.00	€ 2,591.00	Design and printing equipment
196	S.U.R.Medium	€ 3,239.00	€ 3,239.00	Machine for blind keys, machine for car yes, shelves
197	S.U.R.Center for Massage	€ 3,239.00	€ 3,239.00	Classic relax table, 2*therapeutic chairs, chair for massage, hydraulic table, 2*spa cabinet, heater for hot rocks, 2*rocks for massage, 4*pillow under knees, 5*tables upholstery, 10*neutral contact gel, 10*oil for massage
198	S.Z.R.Sewing	€ 3,239.00	€ 3,239.00	Professional machine, professional machine for needlework, table for cutting, shelves for storage, materials
199	S.Z.R.Bojana	€ 3,239.00	€ 3,239.00	10*computers, 10*desks,10*chairs
200	S.T.R. Pumbing Shop	€ 3,202.00	€ 3,202.00	Drill -, Grinder, pipe connection machine, drilling set, detector, milling cutter
201	S.P.R.Mladen	€ 680.00	€ 680.00	Honey extractor, 2*connector, 3*protective clothing, 3*protective mask, 5*gloves, 5*smokers, other tools
202	S.Z.R. Folk Costumes and Handicrafts	€ 3,239.00	€ 3,239.00	2*Weaving, Machine for buttons, Machine, Stopwatch, 2*Overlook machine
203	S.Z.R.Sito Print Design	€ 3,239.00	€ 3,239.00	Screen printing machine, Manual machine buffer, Thermal presses for textiles

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
204	S.Z.R.Ivana	€ 3,058.00	€ 3,058.00	Working desk and chair, UV lamp, Hood, Dryer for nail polish, Manicure instruments, Pot for sterilization, Materials
205	S.Z.R.Printing Office	€ 2,267.00	€ 2,267.00	Canon photocopy
206	S.P.R.Dragan	€ 2,915.00	€ 2,915.00	Automatic machine
207	S.Z.R.Print Desing	€ 3,239.00	€ 3,239.00	Solarium, 4*Devices for running
208	S.P.R.Branko	€ 3,109.00	€ 3,109.00	Machine for keys, Decoder machine, Wall rack
209	S.T.R. Fishing Equipment	€ 3,239.00	€ 3,239.00	Fishing Equipment
210	D.P.Z.Zaimi	€ 3,239.00	€ 3,239.00	Home Mechanic Repair Stand, Balancing stand, Park Home Bench Mount Repair Stand, Different tools (hammer, keys, pump)
211	S.Z.R.Dragana	€ 2,656.00	€ 2,656.00	Set for hair styling, 2*Working place with mirror, Machinery for shampoo, 2*Two-seater, Hood dryer, 3*chairs, Carts for curlers
212	S.U.R.Kirby Service	€ 3,239.00	€ 3,239.00	2*Kirby vacuum cleaner, 5*Washing liquid, 10*bags for vacuum cleaner, 1*telephone line
213	S.U.R.Enigma	€ 3,239.00	€ 3,200.00	Machines for: sewing, edging, washing, drying and 2*ironing
214	N.N.Betonjerka Kuqi	€ 3,239.00	€ 3,239.00	Electric concrete mixer, aggregate, circular saw, electric lathe, power saw, concrete mixer, machine and banding reinforcement, crane

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
215	S.P.R.Scotch Tape	€ 3,239.00	€ 3,239.00	Machine for producing and cutting scotch tape, raw material
216	D.P.SH. Trashigimia	€ 3,239.00	€ 3,239.00	2*sewing machines, overlook, loom, iron, inventor, 2*scissors
217	D.P.SH.Agimi-Z	€ 3,239.00	€ 3,239.00	Chain saw, power saw, circular saw, electric lathe, sarcastic electric saw, concrete mixer, machine for reinforcement and bending, scissors for cutting reinforcement, crane
218	S.P.R.Goran-M	€ 3,239.00	€ 3,239.00	Baler CLAAS-41
219	S.Z.R.Dragana-G	€ 2,656.00	€ 2,656.00	Set for hair styling, 2*working place with mirror, machinery for shampoo, 2*two-seater, hood dryer, 3*chairs, carts for curlers
220	S.Z.R.Oliviera-1	€ 2,656.00	€ 2,656.00	Set for hair styling, 2*working place with mirror, machinery for shampoo, 2*two-seater, hood dryer, 3*chairs, carts for curlers
221	S.Z.R.Honey Farm	€ 3,239.00	€ 3,239.00	Bee farming equipment
222	S.T.R.Bojan	€ 3,239.00	€ 3,239.00	Machine for toilet paper, Desk, Machine for plastic, Knife for cutting, Warehouse shelf, Paper roll and glue, Table of chairs, Computer fax, Car for transport
223	S.Z.R.Sladjana	€ 3,239.00	€ 3,239.00	7*Scissors, 100*Strips, 60*Net, 2*Sponges, 50*Baskets, 50*Decorative bowls, 4*Other tools
224	S.Z.R.Igor	€ 3,239.00	€ 3,239.00	Screen printing machine, table for lighting, 5*Sieve, Pump for washing, Colors, solvents, emulsions, 4*Holder, Rubber squeegee, computer laser printer

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
225	S.U.R.Fruit Dryer	€ 3,239.00	€ 3,150.00	Fruit dryer, 100*Crates, tub for washing fruits
226	S.U.R. SBM	€ 3,239.00	€ 3,239.00	10*ordinary candle molds, 20*scented, 4*birthday candles, 6*decorative, 200kg*paraffin, 50m*wick, 4kg*colors etc.
227	S.Z.R.Bratislav	€ 3,239.00	€ 3,239.00	Tiller, pump, trailer, pump for irrigation, cultivator
228	S.Z.R.Mini Fruit Dryer	€ 3,122.00	€ 3,122.00	Driller with accessories, mini refrigerator, packing machine
229	S.P.R.Crust	€ 3,109.00	€ 3,109.00	Machine for making pastry crust (layers)
230	S.P.R.Slatki Snovi	€ 2,429.00	€ 2,429.00	Pan, mixer, refrigerated cabinet, refrigerator, 10*molds, 10*syringes for decorating, 5*knives for cutting, 20*plates, 1000*boxes for packing, 1000*material for marketing
231	S.P.R.Sweet dreams	€ 3,239.00	€ 3,239.00	Equipment for pastry making
232	P.P.Pera Zdera	€ 3,239.00	€ 0.00	Machine, filling machine, vacuum machine
233	S.P.R.Mini Bakery Goran	€ 3,239.00	€ 3,239.00	Equipment for baking
234	S.T.R.Fast Food	€ 3,239.00	€ 3,239.00	<i>Refrigerated cabinet, stove</i>
235	S.Z.R.Vukica	€ 3,239.00	€ 3,239.00	Machine for biscuit nuts, Professional mixer, Stove, 5*Cake Stand, 10*Pans, 2*Shelves, 2*Refrigerated Cabinet

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
236	S.Z.R.Ilic	€ 3,190.00	€ 3,190.00	Electric oven with turbo stove, Freezer, Mixer, Machine for dishes, Professional dishes, Professional tools for arranging, Mobile air conditioner
237	S.Z.R.Small Cakes	€ 3,239.00	€ 3,239.00	Mixer, oven, Packaging, Equipment
238	S.P.R.Snezana T	€ 3,239.00	€ 3,239.00	Mixer, Oven, Packaging, Refrigerator
239	D.P.SH.Shefqet-M	€ 3,239.00	€ 3,239.00	Small tractor, plow, toll for crushing ground, tiller, cropper
240	S.P.R.Krasic	€ 3,239.00	€ 3,239.00	Cultivator, Tiller, Plow
241	S.T.R.Agricultural machines	€ 3,239.00	€ 3,239.00	Tiller, pump, trailer, pump for irrigation, cultivator
242	S.P.R.Jordan	€ 3,239.00	€ 3,239.00	Cultivator, tiller, plow
243	S.P.R.Djurovic	€ 3,239.00	€ 3,239.00	Tiller, plow, pump for spraying, chainsaw
244	S.P.R.Mirko	€ 3,239.00	€ 3,239.00	Cultivator, Tiller, Plow, 20*small tools
245	S.Z.R.Construction of mini refrigerator	€ 3,239.00	€ 3,239.00	Cooling device
246	S.P.R.Vegetable and Agricultural Production	€ 3,239.00	€ 3,239.00	Tiller, plow, pump for spraying, chainsaw

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
247	S.P.R.Vojo	€ 3,239.00	€ 3,180.00	Cultivator, tiller, plow
248	S.P.R.Aleksandra	€ 2,824.00	€ 2,824.00	Tiller for tractor, Tractor plug, Tractor sprayer, Tractor rake
249	S.P.R.Dejan	€ 3,239.00	€ 3,239.00	Tiller, Pump for trees, rotary cutter, plows, 200*plum trees
250	S.Z.R.Cattle Rearing	€ 3,239.00	€ 3,239.00	4*Feeders, 4*Drinkers, 2*Calves, Stable, working cap.
251	S.Z.R.Carpenter's	€ 3,077.00	€ 3,077.00	Chain router "Festo", Set cutter "Lajt"
252	D.P.Z. Textile Ergin	€ 3,239.00	€ 3,200.00	Machine for sewing carpets, machine for making catalogue for matching carpets
253	D.P.Z.Amra	€ 3,239.00	€ 3,200.00	Sewing machine with triple conveyor
254	S.Z.R.Carpenter's workshop	€ 3,239.00	€ 3,239.00	Electric sander, multifunctional machine circular
255	S.T.R.Unique Jewelry Accessories	€ 3,239.00	€ 3,239.00	Band sander, Milling table f32, Rotor pantograph, Cutters
256	S.Z.R.Sharpening Carpenter's Tools	€ 3,239.00	€ 3,239.00	Automatic machine and saw sharpener, machine for sharpening sander knives
257	S.P.R.Miljana	€ 3,239.00	€ 3,239.00	Electric oven with turbo stove, freezer, mixer, machine for dishes, professional dishes, professional tools for arranging, mobile air conditioner

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
258	S.P.R.Zdrava Hrana	€ 3,239.00	€ 3,239.00	Dough mixer, fermentation chamber, heating furnace, existing equipment, electric furnace rolls, 24*inventory, 2*refrigerated cabinet
259	S.Z.R.Vladan 1	€ 2,591.00	€ 2,591.00	Computer diagnostics, (blank)
260	N.T.P.Pimi-Limi Com	€ 3,239.00	€ 3,239.00	Air compressor, balancing machine, dismantling machine, tools (hammer, keys etc.)
261	Menadzer 028 D.O.O.	€ 3,142.00	€ 3,142.00	Car diagnostic, blowtorch, gas leak detector
262	S.Z.R.Car Repair Shop	€ 3,239.00	€ 3,239.00	Car lift, welding machine, toll box, socket wrench set, quick positioning wrench, compressor
263	S.Z.R.Tirerepair Shop	€ 3,239.00	€ 3,239.00	Mounting machine, balancing machine, iron for adhesive, compressor, tub
264	S.Z.R.Nebojsa	€ 2,397.00	€ 2,397.00	Program, Material for work, Computer, 4*Monitors, Aggregate, Corrector, UPS
265	S.Z.R.Nikola	€ 3,207.00	€ 2,912.21	Car diagnostic, Blowtorch, Gas leak detector
266	S.Z.R.Dejan	€ 3,239.00	€ 3,239.00	Washing machine, Machine for washing and drying, Vacuum cleaner, Compressor, device for purifying
267	S.Z.R.Bumper Service	€ 2,092.00	€ 2,092.00	machine for melting plastic, 3*guns for melting plastic, 30*molds for production, tools, 2*guns for sticking
268	S.Z.R.Kole	€ 3,239.00	€ 3,239.00	Electric crane AGMS30L, machine, large gedoras, small gedoras, ring wrenches, CO2 welding

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
269	S.Z.R.Ivan	€ 2,786.00	€ 2,786.00	Lathe for metal, Air compressor, Milling, Hydraulic crane, Power drill, Electric grinder, Electric sander
270	S.Z.R.Plumbing Shop	€ 3,239.00	€ 3,239.00	Universal lathe
271	S.Z.R.Metal M	€ 3,109.00	€ 2,948.00	Welding machine, welding inverter, column drill, table grinder, angle grinder, small drill, small grinder
272	S.Z.R.Aco	€ 3,239.00	€ 3,239.00	Welding machine, CO2 welding machine, large grinder, small grinder, hilt grinder, grinder, shears for cutting sheet, tools, working desk for locksmith,
273	S.Z.R.Momo	€ 2,883.00	€ 2,883.00	Welding machine, CO2 device, grinder big, grinder small, drill big, drill small, impact drill hilt
274	S.Z.R.Milenkovic	€ 3,239.00	€ 3,239.00	Drill, CO@ machine, Tool ac/dc, Machine
275	S.Z.R.Biljana	€ 3,239.00	€ 3,239.00	Doll ironing, Ironing board and iron in the air, compressor
276	S.Z.R. Service for Laundry and Ironing	€ 3,239.00	€ 3,239.00	Industrial washing machine, industrial machine for drying, Roller for ironing
277	U.P.Electro Service Jova	€ 3,207.00	€ 3,207.00	Car diagnostic, blowtorch, gas leak detector
278	P.P.Agropromet	€ 34,920.00	€ 34,920.00	Installment of Small Scale Greenhouses
279	Z.Z.Leposavic	€ 76,824.00	€ 76,824.00	Installment of Small Scale Greenhouses

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
280	Z.Z.7 Juli	€ 97,776.00	€ 97,776.00	Installment of Small Scale Greenhouses
281	P.P.Agropromet	€ 69,840.00	€ 69,840.00	Installment of Small Scale Greenhouses
282	Z.Z.Leposavic	€ 97,776.00	€ 210,000.00	Installment of Shiitake Mushrooms units
283	PP Dekor Servis	€ 3,160.00	€ 3,160.00	Decorating equipment
284	SPR Greenhouse Srdjan	€ 3,160.00	€ 3,160.00	Cooling chamber
285	STR Flower Shop	€ 1,746.00	€ 1,746.00	Installment of Small Scale Greenhouse
286	SZR Milos	€ 1,746.00	€ 1,746.00	Installment of Small Scale Greenhouse
287	SPR Roksanda	€ 1,746.00	€ 1,746.00	Installment of Small Scale Greenhouse
288	SPR Dragoljub	€ 1,746.00	€ 1,746.00	Installment of Small Scale Greenhouse
289	STR Animal Feed	€ 1,746.00	€ 1,746.00	Installment of Small Scale Greenhouse
290	SPR Veljko	€ 1,746.00	€ 1,746.00	Installment of Small Scale Greenhouse

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
291	Women Business Association - WBA	€ 389.00	€ 389.00	Short Term Employment Generation Activity, phase II/Transportation Cost
292	Eko Galic	€ 5,000.00	€ 5,000.00	Non Wood Forest Products Collection Centers
293	MV-Lesak	€ 33,000.00	€ 33,000.00	Utilization of wood waste and biomass for production of briquettes

Table 29: List of Non-North Awards

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
1	Index Kosova	€ 9,490.00	€ 9,490.00	Conduct Survey on Heavy Equipment Machinery and HME Operators for RCAF
2	Project Graphics	€ 1,970.00	€ 1,970.00	Support STIKK participation in ICT Trade Fair in Pristina
3	MD Consulting	€ 13,314.00	€ 13,314.00	Good Practice Mission in Bulgaria and organization of pre harvest conference
4	World University Service Austria (WUS)	€ 5,000.00	€ 5,000.00	Support Kosova Case Challenge 2009 (sub competition for the international case study competition Balkan Case Study Challenge 2009
5	Farmer Association Perdrini	€ 15,900.00	€ 15,900.00	Pepper seedling plantation machine and management of demonstration plots for new varieties of Peppers
6	Prishtina Film	€ 13,166.00	€ 13,166.00	Manage the promotional/media activities for “Natyra 2009” trade fair
7	Eciks Consulting	€ 6,214.00	€ 4,349.80	FDI Workshop and Review of drafts of Investment Briefs
8	GRIMA CONSULTING	€ 5,644.00	€ 5,644.00	Implement White Bean Demonstration Plots

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
9	Management & Development Associates (MDA)	€ 8,500.00	€ 8,500.00	Assist International Consultants during the training, advising and assessing Kosovo IT companies in the skills of sales, marketing,
10	GRIMA CONSULTING	€ 9,612.00	€ 9,612.00	Raw Milk Quality Program with students from Agricultural Faculty
11	World University Service Austria (WUS)	€ 16,780.00	€ 16,780.00	Management of the Business and Economics Internship Program
12	Kosovo Association of Milk Producers (KAMP)	€ 1,000.00	€ 1,000.00	World Milk Day Celebration
13	TPD Consulting	€ 17,846.00	€ 17,846.00	Tourism Promotion in Albania “Join us for the weekend – Experience Kosovo”
14	Etlinger	€ 35,981.00	€ 35,981.00	Installation of Pasteurizing production line for vegetable processing
15	Bylmeti	€ 30,000.00	€ 30,000.00	Installation of yogurt packaging technology
16	Pestova	€ 27,500.00	€ 27,500.00	Installation of processed potato frosting technology

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
17	CACTTUS	€ 70,000.00	€ 12,898.13	ICT Vendor Training and Certification Program
18	ATI-KOS	€ 11,760.00	€ 4,951.00	ICT Vendor Training and Certification Program
19	Management & Development Associates (MDA)	€ 17,169.10	€ 3,569.10	PMP Training and Certification Program
20	Kosovo Association of Information and Communication Technology (STIKK)	€ 3,120.00	€ 2,729.81	Workshop on E-Marketing
21	TPD Consulting	€ 16,950.00	€ 16,192.00	Stay the weekend - Experience Peja
22	FLOSSK	€ 2,000.00	€ 1,999.10	Kosovo Software Freedom Conference 2009
23	AmCham	€ 21,000.00	€ 20,834.32	Trade Enhancement and Education Seminars
24	Association of Wood Processors of Kosovo (AWPK)	€ 31,000.00	€ 31,000.00	Participation in regional wood products fair in Tirana (Albrelax 2009)
25	Business Support Center Kosovo (BSCK)	€ 39,473.34	€ 39,473.34	Entrepreneurship – Micro enterprise Training program
26	Rrota	€ 27,300.00	€ 27,200.00	Online Marketing Services for Kosovo Tour Packages,

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
				Tourist Experiences and Products
27	Kosovo Association of Information and Communication Technology (STIKK)	€ 10,195.00	€ 3,058.50	Kosovo Albania business-to-business (B2B) event
28	Index Kosova	€ 4,300.00	€ 4,300.00	Call Center Survey
29	Eciks Consulting	€ 5,129.00	€ 5,129.00	FDI Promotion and Generation for Kosovo
30	IQ Consulting	€ 9,100.00	€ 9,100.00	Market Research of ICT Sectors - Supply Demand Survey
31	Kosovo Association of Information and Communication Technology (STIKK)	€ 4,690.00	€ 4,690.00	ICT Job Fair
32	Forestry	€ 11,845.00	€ 11,845.00	Study in Forest Biomass as an Alternative Fuel
33	Women Association "Korenica"	€ 850.00	€ 820.00	Supply with a Lactosan
34	Korenica	€ 13,820.00	€ 11,700.00	Engineered Wood Flooring Certification and international product promotion
35	Association of Business Women "Avenija"	€ 2,555.00	€ 2,555.00	Participation at the International fair of entrepreneurship in Belgrade, called as "Business Baza"

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
36	Association for Finance and Accounting Services (AFAS)	€ 10,750.00	€ 10,750.00	Training and Internship Program for 25 jobseekers in the field of Accounting and Finance
37	Kosovo Association of Information and Communication Technology (STIKK)	€ 3,386.50	€ 3,386.50	Organization of E-Marketing Seminar for Tourism
38	UBO Consulting	€ 2,400.00	€ 2,400.00	Business Plan for Widows Association, Krusha e Madhe
39	Management & Development Associates (MDA)	€ 4,810.00	€ 4,810.00	Skill Gap Analysis for Wood Processing Industry
40	Management & Development Associates (MDA)	€ 21,240.00	€ 21,240.00	Catalogue of Tourism Offers
41	Association of Wood Processors of Kosovo (AWPK)	€ 15,000.00	€ 15,000.00	AWPK participation in "34th Furniture Fair - Home, Office & Interior Decoration Equipment"
42	Business Support Center Kosovo (BSCK)	€ 2,640.00	€ 2,640.00	Green House as a Business
43	Association of Wood Processors of Kosovo (AWPK)	€ 17,223.00	€ 16,800.00	Wood Processing Internship Program
44	Road Construction Association of Kosovo	€ 15,825.00	€ 0.00	Construction Internship Program

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
	(RCAK)			
45	Agroprodukt Commerce	€ 16,055.00	€ 11,503.00	Creation of new market identity of APC products for retail and export market
46	Initiative for Agricultural Development of Kosovo - IADK	€ 18,310.00	€ 18,310.00	Raw Milk Quality Program Management
47	Kosovo Tourism Association KOTAS	€ 8,575.00	€ 5,095.45	Organizing Kosovo Travel Day Fair 2010 / "Stay the Weekend - Experience Kosovo"
48	Kosovo Chamber of Commerce (KCC)	€ 3,830.00	€ 3,830.00	Turkish Kosovar Business Forum in Istanbul
49	Association for Finance and Accounting Services (AFAS)	€ 19,400.00	€ 19,400.00	Training and Internship Program for 100 jobseekers during the summer season
50	World University Service Austria (WUS)	€ 5,000.00	€ 5,000.00	Kosovo Case Challenge 2010
51	Eciks Consulting	€ 3,731.00	€ 3,660.64	Startup Activity Pristina
52	Kosovo Association of Information and Communication Technology (STIKK)	€ 4,741.60	€ 4,741.60	Organization of CRM training for ICT companies and Associations

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
53	Koperativa	€ 16,090.00	€ 16,090.00	Documentary Film On Quality of Road Construction and Traffic Safety in Kosovo
54	Management & Development Associates (MDA)	€ 4,400.00	€ 4,400.00	CRM Training - Local Consultant
55	Road Construction Association of Kosovo (RCAK)	€ 16,850.00	€ 16,839.60	Training and Certification of Heavy Equipment Operators (HEO) with internationally recognized certificates and training programs
56	Kosovo Association of Information and Communication Technology (STIKK)	€ 2,095.00	€ 2,095.00	Business Process Outsourcing (BPO) Workshop/ Conference
57	GRIMA CONSULTING	€ 7,420.00	€ 7,419.00	White Beans Demonstration Plots
58	Republika - Marketing Communication Agency	€ 18,850.00	€ 18,850.00	Dairy Promotion
59	Magic Ice	€ 29,000.00	€ 28,500.00	Adoption of Hard Cheese Production Line
60	Berati Association	€ 30,000.00	€ 30,000.00	Establishing Collecting and Processing point for NWFP in Boge/ Rugove

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
61	Eurofruti	€ 24,000.00	€ 24,000.00	Strengthening system of collection through assistance to Establishing a new processing and packaging facility for NWFP with HACCP requirements
62	Association of Wood Processors of Kosovo (AWPK)	€ 53,800.00	€ 53,800.00	Support AWPK visit to major 2010 wood processing events/ fairs
63	Farmer Association Perdrini	€ 9,870.00	€ 9,870.00	Demonstration of new planting technologies (watermelon, melon, pumpkin, and cucumber)
64	Kabi	€ 8,027.50	€ 3,921.52	Establishing of three milk collection points
65	AmCham	€ 6,750.00	€ 5,498.51	Career Fair
66	Riinvest	€ 12,582.00	€ 12,582.00	Leading Economic Indicators Survey
67	Ruka Ruci	€ 3,412.00	€ 3,412.00	Fair Participation
68	Kosovo Tourism Association KOTAS	€ 8,514.00	€ 8,514.00	Organization of Tourism Familiarization Trip for Turkish Delegation
69	Natyral Fruti	€ 5,000.00	€ 4,610.00	Non Wood Forest Products Collection Centers

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
70	Besiana	€ 4,900.00	€ 4,610.00	Non Wood Forest Products Collection Centers
71	Fungo FF	€ 5,000.00	€ 4,610.00	Non Wood Forest Products Collection Centers
72	Fungo KOS	€ 5,000.00	€ 4,610.00	Non Wood Forest Products Collection Centers
73	Agroprodukt Commerce	€ 4,980.00	€ 4,610.00	Non Wood Forest Products Collection Centers
74	Universal Gip	€ 5,000.00	€ 4,610.00	Non Wood Forest Products Collection Centers
75	Ekos-Sani	€ 4,990.00	€ 4,610.00	Non Wood Forest Products Collection Centers
76	NGO Flores	€ 5,000.00	€ 4,610.00	Non Wood Forest Products Collection Centers
77	Natyra	€ 5,000.00	€ 4,610.00	Non Wood Forest Products Collection Centers
78	Kosovo Association of Information and Communication Technology (STIKK)	€ 6,792.50	€ 6,792.50	Participation of the association in ICT Fair - CeBIT 2010
79	Kosovo Association of Information and Communication Technology (STIKK)	€ 7,800.00	€ 7,800.00	Technical support to develop and launch new online member services

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
80	Riinvest	€ 2,000.00	€ 2,000.00	Sale and Marketing Training Program
81	Management & Development Associates (MDA)	€ 8,360.40	€ 8,360.40	Tourism Job Fair
82	MD Consulting	€ 11,158.80	€ 11,158.80	Subcontractor to manage blueberry conference and field trials
83	Hilmi Deva	€ 12,000.00	€ 11,994.40	Implementation of a Marketing Strategy
84	Kosovo Alternative Tourism Association (KATA)	€ 9,749.00	€ 9,749.00	"Stay the weekend - Experience Peja" Tourism Street Fair 2010
85	Kosovo Bankers Associations (KBA)	€ 109,460.00	€ 73,066.36	European Foundation Certification in Banking
86	Association of Wood Processors of Kosovo (AWPK)	€ 5,600.00	€ 5,600.00	Wood Industry Job Fair
87	Natural Resources Solution (NRS)	€ 18,320.00	€ 18,320.00	Reduce Illegal Logging
88	ISQ Internacional	€ 11,550.00	€ 11,550.00	Accreditation of the KEK Training Center for Welding Courses"

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
89	Greentech Sh.P.K.	€ 39,000.00	€ 39,000.00	Establishing sustainable chain for waste plastic (PET, Polythylene and Polypropylene) in Kosovo
90	NGO Bliri	€ 3,800.00	€ 3,798.00	Set up proper manufacturing operations and sales practices-developing marketing and promotional tools (web, catalogue and business cards) and participation in Tirana wood fair
91	Finance Institute of Kosova - IFK	€ 3,500.00	€ 3,500.00	The Ninth International Conference of Business and Employment with the Theme "The Impact of Global Crisis on Economy, Business and Employment in Kosovo and in other Countries in Transition"
92	Swiss - EU Medical Sh.P.K	€ 36,247.50	€ 33,427.46	IT Solutions for Pattern Production/3d Designing and Visualization Software
93	V-Kelmendi	€ 14,000.00	€ 14,000.00	Meeting quality standards for export of domestic agricultural products (collection, sorting, classification, labeling and packing) by increasing quality of services at our collection center and greater relations with other centers in Kosovo
94	Beselidhja/ Zavet Microfinance - BZMF	€ 36,560.00	€ 26,563.92	KPEP's Microenterprise Grant Program

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
95	Kosovatex	€ 50,000.00	€ 50,000.00	Training employees, considering that products made in the new factory require a higher quality standard, it is necessary to train 200 employees in tailoring, for at least three months, with the purpose to achieve the products quality and quantity that aims to reach to the aforementioned market
96	Kosovo Association of Information and Communication Technology (STIKK)	€ 14,100.00	€ 14,100.00	Skill Gap Analysis for Information Communication Technology
97	Scardus	€ 7,000.00	€ 6,224.00	Non Wood Forest Products Processors HACCP Introduction and Certification
98	Rugova Cooperative	€ 7,000.00	€ 6,224.00	Non Wood Forest Products Processors HACCP Introduction and Certification
99	Agro-Peti	€ 7,000.00	€ 6,224.00	Non Wood Forest Products Processors HACCP Introduction and Certification
100	Agroprodukt Syne	€ 7,000.00	€ 6,950.00	Non Wood Forest Products Processors HACCP Introduction and Certification
101	Besiana	€ 7,000.00	€ 6,870.00	Non Wood Forest Products Processors HACCP Introduction and Certification

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
102	UBO Consulting	€ 2,762.50	€ 2,762.50	Poverty Assessment Tools Survey
103	TC Bashkimi	€ 31,300.00	€ 29,590.22	Fruit and Vegetable Collection Centers
104	AC Liria	€ 35,000.00	€ 25,410.00	Fruit and Vegetable Collection Centers
105	TC Fruti	€ 35,000.00	€ 31,988.00	Fruit and Vegetable Collection Centers
106	Riinvest	€ 4,537.00	€ 4,537.00	KPEP Satisfaction Survey
107	Association for Finance and Accounting Services (AFAS)	€ 17,000.00	€ 17,000.00	Training and Internship Program for 100 jobseekers in the field of Accounting and Finance and their placement for the internship
108	Kosovo Association of Information and Communication Technology (STIKK)	€ 28,000.00	€ 2,000.00	Call Center Training
109	AG Group	€ 17,370.00	€ 17,370.00	Support of the setting-up technology for recycling of pulping waste
110	Business Support Center Kosovo (BSCK)	€ 107,900.00	€ 107,900.00	Entrepreneurship Training Program -Phase 2

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
111	Ask Trade	€ 36,000.00	€ 36,000.00	Purchase of Tunnel Pasteurizer
112	The Ranch	€ 9,000.00	€ 8,496.50	Alternative feeding Regime
113	Agrocelina	€ 13,000.00	€ 12,999.65	Value Added of Vegetable products through Collection Centre
114	MOEA	€ 34,000.00	€ 34,000.00	Fruit and NWFP Storage Capacity Collection Center
115	Hosa Fresh	€ 35,000.00	€ 35,000.00	Establishment of a Collection Center in Rogova Region
116	FERODA	€ 31,360.00	€ 31,360.00	Purchase of Wood Chipper Grinding Machine
117	Kosovo Dairy Processors Association (KDPA)	€ 28,600.00	€ 24,755.40	Transparent Raw Milk Sampling
118	Widows Association Krusha	€ 30,360.00	€ 30,360.00	Better Facilities and Increased Processing Capacities
119	Biopak	€ 35,808.00	€ 35,808.00	Introduction of the technology for sterilization of processed fruits and vegetable
120	Telecommunication Regulatory	€ 7,872.62	€ 7,872.62	Internet Exchange Point

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
	Authority/TRA			
121	Brickos	€ 50,000.00	€ 50,000.00	Building a new tunnel kiln at the old unit of brick production
122	Association of Wood Processors of Kosovo (AWPK)	€ 72,000.00	€ 67,753.25	Supporting AWPK membership visiting main wood processing event of the year
123	Road Construction Association of Kosovo (RCAK)	€ 3,500.00	€ 0.00	Road Industry Magazine
124	CACTTUS	€ 787.68	€ 787.68	Equipping the Tourist Information Center Rahovec/Orahovac
125	BEHA	€ 1,490.00	€ 1,490.00	Equipping the Tourist Information Center Rahovec/Orahovac
126	Gacaferri Mobilje	€ 15,000.00	€ 15,000.00	Development of new kitchen professional catalogue - detailed product blueprint catalogue for sales agents
127	Kosovoguide.com	€ 7,400.00	€ 7,400.00	Promotional CDs for Kosovo Tourism Destination
128	Association for Finance and Accounting	€ 45,000.00	€ 45,000.00	Training and internship program for 300 job seekers in the field of accounting and finance and their placement for the

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
	Services (AFAS)			internship
129	Drenica SH.P.K.	€ 1,345.00	€ 1,345.00	Tourism Signposting in Rahovec/Orahovac
130	Scardus	€ 25,000.00	€ 25,000.00	Strengthening System of collection through assistance in buying a small scale equipment or cleaning of blueberries, Rose hips and other NWFP products
131	Eminel	€ 25,000.00	€ 25,000.00	Production of cardboard crates for fruits and vegetables
132	Agroalbi	€ 15,000.00	€ 15,000.00	Purchase and installation of heating systems for drying chamber technology
133	Mali	€ 15,113.00	€ 12,476.47	Education of forest owners' children to manage Kosovo forest based on grandfather tradition - "My Forest"
134	Grate Farmere	€ 25,370.00	€ 25,370.00	Purchase of vegetable processing equipment and cold storage
135	Malina Mesecarka Vilamet Miker - MVM	€ 16,000.00	€ 15,999.99	Establishment of 40 demonstration plots
136	DST Produkt	€ 15,300.00	€ 15,300.00	Purchase and Installation of Central Green House Heating

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
137	Thesari	€ 35,000.00	€ 35,000.00	Utilization of wood waste and biomass for production of briquettes
138	Adaptivit	€ 23,520.00	€ 3,500.00	Internship Program for Adaptivit BPO Competence Center
139	Las Pallmas	€ 30,000.00	€ 30,000.00	Establishment of green house of 3000m2
140	Agroprodukt Syne	€ 35,000.00	€ 35,000.00	Purchase of 1000m2 insulation panels and cooling equipment for blueberries, rose hips and other NWFP products
141	ISQ Internacional	€ 99,950.00	€ 99,950.00	Accreditation of the KEK Training Center for Welding Courses"
142	Kosovo Alternative Tourism Association (KATA)	€ 11,475.00	€ 10,648.32	1. FAM Trip to Kosovo with Polish tour operators 2. Development and printing of promotional materials for KATA 3. Organizing the tourism Job Fair 2011
143	Republika - Marketing Communication Agency	€ 10,650.00	€ 10,650.00	Dairy Promotion
144	Intercoop	€ 35,000.00	€ 35,000.00	Improvement of Packaging technology for potato processing through new packing machine

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
145	Euroлона	€ 26,000.00	€ 26,000.00	Installation of new yogurt packing line for fruit yogurt and other processed dairy products such as cream cheese and ayron.
146	Kosovoguide.com	€ 2,400.00	€ 2,400.00	Rahovec Tourism Map Proposal
147	Besiana	€ 7,230.00	€7,035.00	Purchase of materials and equipment to implement HACCP
148	YAPRAK	€ 3,200.00	€ 3,200.00	Supply of milking machines to Gracanica Municipality/ Bylmeti partnership
149	Rizam Holding	€ 21,896.00	€ 21,896.00	Laboratory establishment for examination and testing of the raw clay material, technological process and final brick products
150	DPZ Fitimi	€ 19,275.00	€ 19,275.00	Improvement of dpz "Fitimi" agricultural products and processing
151	Rugova	€ 15,000.00	€ 15,000.00	Purchasing and Installing the Multivac Cheese Packaging Machine
152	Rizona	€ 29,100.00	€ 27,227.14	Modernization of plant for vegetable conservation for EU market (conservation, labeling, packing and quality

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
				products)
153	Vokrii	€ 30,000.00	€ 29,980.00	Purchase and installation of cold chamber and grading line
154	ITBM Group L.L.C.	€ 4,076.75	€ 4,076.75	Online Marketing of Wine Tourism Destination Rahovec/ Orahovac Region
155	Association of Wood Processors of Kosovo (AWPK)	€ 35,470.00	€ 28,873.00	Internship Program on Wood Processing Industry
156	Konsoni	€ 6,710.00	€ 6,710.00	Purchasing and Installing five fridges in five selling points in Prizren's municipality
157	Hit Flores	€ 35,000.00	€ 35,000.00	Processing Freezing Blueberries and Export market Penetration. Freezing machinery for Cold Storing Facility
158	Rugova Cooperative	€ 5,000.00	€ 5,000.00	Purchase of Cooling Equipment for Non-Wood Forest Products (NWFP)
159	Peja Municipality	€ 6,000.00	€ 6,000.00	Tourism Street Fair 2011 "Experience Dukagjini Plane"
160	Rrota	€ 9,900.00	€ 9,900.00	Tourism and Cleanliness Awareness Campaign in Rahovec/Orahovac Region

No	Awardees	Approved Amount	Disbursed Amount	Short Description of Project
161	Kosovoguide.com	€ 11,400.00	€ 11,400.00	Integrating Kosovo into western Balkans geotourism website (name of the website: western Balkans-the land of discovery)
162	Vinex	€ 35,000.00	€ 35,000.00	Support finalizing the investment in a new production line for producing steel guard rail for roads
163	Fidanishtja e Godancit	€ 31,621.00	€ 31,621.00	Purchase of Robot Grafting Seedling Machine
164	Association of Wood Processors of Kosovo (AWPK)	€ 16,000.00	€ 16,000.00	Supporting Association of Wood Processors of Kosovo (AWPK) on fulfilling annual plan on promotional activities
165	TekFuze LLC	€ 11,000.00	€ 11,000.00	Intensive Hands-on Electronic Engineering Training
166	Kosovo Dairy Processors Association (KDPA)	€ 16,200.00	€ 16,200.00	Continuation of the Transparent Raw Milk Sampling Project
167	Association for Finance and Accounting Services (AFAS)	€ 7,600.00	€ 7,600.00	Internship for 150 Additional Students

Table 30: List of North Awards

Awardees		Approved Amount	Disbursed Amount	Short Description of Project
No	Established Businesses			
1	AS Promet	€ 20,000.00	€ 20,000.00	Processing of Non Wood Forest Products
2	Antonije	€ 19,408.00	€ 19,370.00	Installation of Green House Central Heating and Cold Chamber
3	Naja	€ 15,000.00	€ 15,000.00	Purchase and Installation of Furnaces and Installation of Heating: Greenhouse Area
4	Aves Prom	€ 27,539.20	€ 27,539.20	Setting up the Commercial Poultry Farm
5	EKO Centar	€ 5,000.00	€ 5,000.00	Purchase of Grain Cleaning Machine
6	SZTR Markovic	€ 15,000.00	€ 15,000.00	Purchasing of the Wood Drying Chamber
7	Metal	€ 25,000.00	€ 24,985.00	Purchase of inventory for the restaurant and kitchen equipment in plan to open a restaurant
8	ANB Milic	€ 19,500.00	€ 19,500.00	Buying equipment for production of furniture

Awardees		Approved Amount	Disbursed Amount	Short Description of Project
9	Zoo Trejd	€ 14,762.00	€ 14,300.00	Pig Farming
10	S.Z.R. Frukta	€ 20,000.00	€ 20,000.00	Purchasing of small scale meat processing equipments
11	Fast Trade	€ 8,000.00	€ 8,000.00	Production of Furniture and Joinery Services
12	Monter - B	€ 15,000.00	€ 15,000.00	Purchase Hydraulic Presses for Sheet Metal Profiling (Machines for Sheet Metal)
13	Etno Selo Zavicaj	€ 8,300.00	€ 8,300.00	Small Scale Watermill
14	Eko Galic	€ 5,000.00	€ 5,000.00	Non Wood Forest Products Collection Centers
15	MV-Lesak	€ 33,000.00	€ 33,000.00	Utilization of wood waste and biomass for production of briquettes
No	Start-up Businesses			
1	S.P.R.Nebojsa-P	€ 3,239.00	€ 3,239.00	Balter CLAAS-41 (hay collection), working capital
2	S.P.R.Studio for Fashion Creation	€ 2,242.00	€ 2,020.00	2*Industrial sewing machine, machine for edging, tube with materials of more colors, needles, scissors, tools for making jewelry

Awardees		Approved Amount	Disbursed Amount	Short Description of Project
3	S.U.R.Jovan Distribution	€ 3,239.00	€ 3,239.00	3*Digital balance machine, machine for packing, 2*machine for welding, 4*films for packing teas
4	S.P.R.Tailor Services Vez	€ 1,620.00	€ 1,620.00	2*Sewing machine, tailor tools
5	S.Z.R.Kostic	€ 3,239.00	€ 3,239.00	Laptop, HDD external, Cable tester RJ11, RJ12, RJ45, Tester with charging, PCI-debug card, Mini PC-e/PCI card, Pincers for RJ45, Super thermal paste for CPU, Screwdriver set, etc.
6	S.U.R.Video Production Prestige	€ 2,442.00	€ 2,442.00	Camera SONY DSR-PD177 Pal, Nikon camera, bags for the camera, battery, stand, 2*objective, memory
7	S.U.R.Video Production Damkos	€ 3,239.00	€ 3,239.00	Sony camera, installation unit, illumination
8	S.Z.R.Milan-P	€ 2,591.00	€ 2,591.00	Design and printing equipment
9	S.U.R.Medium	€ 3,239.00	€ 3,239.00	Machine for blind keys, machine for car yes, shelves
10	S.U.R.Center for Massage	€ 3,239.00	€ 3,239.00	Classic relax table, 2*therapeutic chairs, chair for massage, hydraulic table, 2*spa cabinet, heater for hot rocks, 2*rocks for massage, 4*pillow under knees, 5*tables upholstery, 10*neutral contact gel, 10*oil for massage
11	S.Z.R.Sewing	€ 3,239.00	€ 3,239.00	Professional machine, professional machine for needlework, table for cutting, shelves for storage, materials
12	S.Z.R.Bojana	€ 3,239.00	€ 3,239.00	10*computers, 10*desks,10*chairs

Awardees		Approved Amount	Disbursed Amount	Short Description of Project
13	S.T.R.Pumbing Shop	€ 3,202.00	€ 3,202.00	Drill hm 1307c, Grinder, pipe connection machine, drilling set, detector, milling cuter
14	S.P.R.Mladen	€ 2,579.00	€ 2,579.00	Honey extractor, 2*connector, 3*protective clothing, 3*protective mask, 5*gloves, 5*smokers, other tools
15	S.Z.R. Folk Costumes and Handicrafts	€ 3,239.00	€ 3,239.00	2*Weaving, Machine for buttons, Machine, Stopwatch, 2*Overlook machine
16	S.Z.R.Sito Print Design	€ 3,239.00	€ 3,239.00	Screen printing machine, Manual machine buffer, Thermal presses for textiles
17	S.Z.R.Ivana	€ 3,058.00	€ 3,058.00	Working desk and chair, UV lamp, Hood, Dryer for nail polish, Manicure instruments, Pot for sterilization, Materials
18	S.Z.R.Printing Office	€ 2,267.00	€ 2,267.00	Canon photocopy
19	S.P.R.Dragan	€ 2,915.00	€ 2,915.00	Automatic machine
20	S.Z.R.Print Desing	€ 3,239.00	€ 3,239.00	Solarium, 4*Devices for running
21	S.P.R.Branko	€ 3,109.00	€ 3,109.00	Machine for keys, Decoder machine, Wall rack
22	S.T.R.Fishing Equipment	€ 3,239.00	€ 3,239.00	Fishing Equipment
23	D.P.Z.Zaimi	€ 3,239.00	€ 3,239.00	Home Mechanic Repair Stand, Balancing stand, Park Home Bench Mount Repair Stand, Different tools (hammer, keys, pump)

Awardees		Approved Amount	Disbursed Amount	Short Description of Project
24	S.Z.R.Dragana	€ 2,656.00	€ 2,656.00	Set for hair styling, 2*Working place with mirror, Machinery for shampoo, 2*Two-seater, Hood dryer, 3*chairs, Carts for curlers
25	S.U.R.Kirby Service	€ 3,239.00	€ 3,239.00	2*Kirby vacuum cleaner, 5*Washing liquid, 10*bags for vacuum cleaner, 1*telephone line
26	S.U.R.Enigma	€ 3,239.00	€ 3,200.00	Machines for: sewing, edging, washing, drying and 2*ironing
27	N.N.Betonjerka Kuqi	€ 3,239.00	€ 3,239.00	Electric concrete mixer, aggregate, circular saw, electric lathe, power saw, concrete mixer, machine and banding reinforcement, crane
28	S.P.R.Scotch Tape	€ 3,239.00	€ 3,239.00	Machine for producing and cutting scotch tape, raw material
29	D.P.SH. Trashigimia	€ 3,239.00	€ 3,239.00	2*sewing machines, overlook, loom, iron, inventor, 2*scissors
30	D.P.SH.Agimi-Z	€ 3,239.00	€ 3,239.00	Chain saw, power saw, circular saw, electric lathe, sarcastic electric saw, concrete mixer, machine for reinforcement and bending, scissors for cutting reinforcement, crane
31	S.P.R.Goran-M	€ 3,239.00	€ 3,239.00	Baler CLAAS-41
32	S.Z.R.Dragana-G	€ 2,656.00	€ 2,656.00	Set for hair styling, 2*working place with mirror, machinery for shampoo, 2*two-seater, hood dryer, 3*chairs, carts for curlers

Awardees		Approved Amount	Disbursed Amount	Short Description of Project
33	S.Z.R.Olivera-1	€ 2,656.00	€ 2,656.00	Set for hair styling, 2*working place with mirror, machinery for shampoo, 2*two-seater, hood dryer, 3*chairs, carts for curlers
34	S.Z.R.Honey Farm	€ 3,239.00	€ 3,239.00	Bee farming equipment
35	S.T.R.Bojan	€ 3,239.00	€ 3,239.00	Machine for toilet paper, Desk, Machine for plastic, Knife for cutting, Warehouse shelf, Paper roll and glue, Table of chairs, Computer fax, Car for transport
36	S.Z.R.Sladjana	€ 3,239.00	€ 3,239.00	7*Scissors, 100*Strips, 60*Net, 2*Sponges, 50*Baskets, 50*Decorative bowls, 4*Other tools
37	S.Z.R.Igor	€ 3,239.00	€ 3,239.00	Screen printing machine, table for lighting, 5*Sieve, Pump for washing, Colors, solvents, emulsions, 4*Holder, Rubber squeegee, computer laser printer
38	S.U.R.Fruit Dryer	€ 3,239.00	€ 3,150.00	Fruit dryer, 100*Crates, tub for washing fruits
39	S.U.R. SBM	€ 3,239.00	€ 3,239.00	10*ordinary candle molds, 20*scented, 4*birthday candles, 6*decorative, 200kg*paraffin, 50m*wick, 4kg*colors etc.
40	S.Z.R.Bratislav	€ 3,239.00	€ 3,239.00	Tiller, pump, trailer, pump for irrigation, cultivator
41	S.Z.R.Mini Fruit Dryer	€ 3,122.00	€ 3,122.00	Driller with accessories, mini refrigerator, packing machine
42	S.P.R.Crust	€ 3,109.00	€ 3,109.00	Machine for making pastry crust (layers)
43	S.P.R.Slatki Snovi	€ 2,429.00	€ 2,429.00	Pan, mixer, refrigerated cabinet, refrigerator, 10*molds,

Awardees		Approved Amount	Disbursed Amount	Short Description of Project
				10*syringes for decorating, 5*knives for cutting, 20*plates, 1000*boxes for packing, 1000*material for marketing
44	S.P.R.Sweet dreams	€ 3,239.00	€ 3,239.00	Table for developing cores and drying, baking oven on gas, warm showcase, mixer for dough, 1000*packing for the robes, 1000*packing for the pies, 10*knives for cutting
45	P.P.Pera Zdera	€ 3,239.00	€ 0.00	Machine, filling machine, vacuum machine
46	S.P.R.Mini Bakery Goran	€ 3,239.00	€ 3,239.00	Machines for mixing dough, special machine for dough, gas oven, working desk for developing peels, 500kg*flour, 25kg*yeast
47	S.T.R.Fast Food	€ 3,239.00	€ 3,239.00	<i>Refrigerated cabinet, stove</i>
48	S.Z.R.Vukica	€ 3,239.00	€ 3,239.00	Pastry making equipment
49	S.Z.R.Ilic	€ 3,190.00	€ 3,190.00	Electric oven with turbo stove, Freezer, Mixer, Machine for dishes, Professional dishes, Professional tools for arranging, Mobile air conditioner
50	S.Z.R.Small Cakes	€ 3,239.00	€ 3,239.00	Mixer, oven, Packaging, Equipment
51	S.P.R.Snezana T	€ 3,239.00	€ 3,239.00	Mixer, Oven, Packaging, Refrigerator
52	D.P.SH.Shefget-M	€ 3,239.00	€ 3,239.00	Small tractor, plow, toll for crushing ground, tiller, cropper
53	S.P.R.Krasic	€ 3,239.00	€ 3,239.00	Cultivator, Tiller, Plow
54	S.T.R.Agricultural machines	€ 3,239.00	€ 3,239.00	Tiller, pump, trailer, pump for irrigation, cultivator

Awardees		Approved Amount	Disbursed Amount	Short Description of Project
55	S.P.R.Jordan	€ 3,239.00	€ 3,239.00	Cultivator, tiller, plow
56	S.P.R.Djurovic	€ 3,239.00	€ 3,239.00	Tiller, plow, pump for spraying, chainsaw
57	S.P.R.Mirko	€ 3,239.00	€ 3,239.00	Cultivator, Tiller, Plow, 20*small tools
58	S.Z.R.Construction of mini refrigerator	€ 3,239.00	€ 3,239.00	Cooling device
59	S.P.R.Vegetable and Agricultural Production	€ 3,239.00	€ 3,239.00	Tiller, plow, pump for spraying, chainsaw
60	S.P.R.Vojo	€ 3,239.00	€ 3,180.00	Cultivator, tiller, plow
61	S.P.R.Aleksandra	€ 2,824.00	€ 2,824.00	Tiller for tractor, Tractor plug, Tractor sprayer, Tractor rake
62	S.P.R.Dejan	€ 3,239.00	€ 3,239.00	Tiller, Pump for trees, rotary cutter, plows, 200*plum trees
63	S.Z.R.Cattle Rearing	€ 3,239.00	€ 3,239.00	4*Feeders, 4*Drinkers, 2*Calves, Stable, working cap.
64	S.Z.R.Carpenter's	€ 3,077.00	€ 3,077.00	Chain router "Festo", Set cutter "Lajt"
65	D.P.Z. Textile Ergin	€ 3,239.00	€ 3,200.00	Machine for sewing carpets, machine for making catalogue for matching carpets
66	D.P.Z.Amra	€ 3,239.00	€ 3,200.00	Sewing machine with triple conveyor
67	S.Z.R.Carpenter's workshop	€ 3,239.00	€ 3,239.00	Electric sander, multifunctional machine circular
68	S.T.R.Unique Jewelry Accessories	€ 3,239.00	€ 3,239.00	Band sander, Milling table f32, Rotor pantograph, Cutters

Awardees		Approved Amount	Disbursed Amount	Short Description of Project
69	S.Z.R.Sharpening Carpenter's Tools	€ 3,239.00	€ 3,239.00	Automatic machine and saw sharpener, machine for sharpening sander knives
70	S.P.R.Miljana	€ 3,239.00	€ 3,239.00	Electric oven with turbo stove, freezer, mixer, machine for dishes, professional dishes, professional tools for arranging, mobile air conditioner
71	S.P.R.Zdrava Hrana	€ 3,239.00	€ 3,239.00	Dough mixer, fermentation chamber, heating furnace, existing equipment, electric furnace rolls, 24*inventory, 2*refrigerated cabinet
72	S.Z.R.Vladan 1	€ 2,591.00	€ 2,591.00	Computer diagnostics, (blank)
73	N.T.P.Pimi-Limi Com	€ 3,239.00	€ 3,239.00	Air compressor, balancing machine, dismantling machine, tools (hammer, keys etc.)
74	Menadzer 028 D.O.O.	€ 3,142.00	€ 3,142.00	Car diagnostic, blowtorch, gas leak detector
75	S.Z.R.Car Repair Shop	€ 3,239.00	€ 3,239.00	Car lift, welding machine, toll box, socket wrench set, quick positioning wrench, compressor
76	S.Z.R.Tirerepair Shop	€ 3,239.00	€ 3,239.00	Mounting machine, balancing machine, iron for adhesive, compressor, tub
77	S.Z.R.Nebojsa	€ 2,397.00	€ 2,397.00	Program, Material for work, Computer, 4*Monitors, Aggregate, Corrector, UPS
78	S.Z.R.Nikola	€ 3,207.00	€ 2,912.21	Car diagnostic, Blowtorch, Gas leak detector

Awardees		Approved Amount	Disbursed Amount	Short Description of Project
79	S.Z.R.Dejan	€ 3,239.00	€ 3,239.00	Washing machine, Machine for washing and drying, Vacuum cleaner, Compressor, device for purifying
80	S.Z.R.Bumper Service	€ 2,092.00	€ 2,092.00	machine for melting plastic, 3*guns for melting plastic, 30*molds for production, tools, 2*guns for sticking
81	S.Z.R.Kole	€ 3,239.00	€ 3,239.00	Food processing equipment (snacks production)
82	S.Z.R.Ivan	€ 2,786.00	€ 2,786.00	Lathe for metal, Air compressor, Milling, Hydraulic crane, Power drill, Electric grinder, Electric sander
83	S.Z.R.Plumbing Shop	€ 3,239.00	€ 3,239.00	Universal lathe
84	S.Z.R.Metal M	€ 3,109.00	€ 2,948.00	Welding machine, welding inverter, column drill, table grinder, angle grinder, small drill, small grinder
85	S.Z.R.Aco	€ 3,239.00	€ 3,239.00	Welding machine, CO2 welding machine, large grinder, small grinder, hilt grinder, grinder, shears for cutting sheet, tools, working desk for locksmith,
86	S.Z.R.Momo	€ 2,883.00	€ 2,883.00	Welding machine, CO2 device, grinder big, grinder small, drill big, drill small, impact drill hilt
87	S.Z.R.Milenkovic	€ 3,239.00	€ 3,239.00	Clock smith equipment (welding equipment)
88	S.Z.R.Biljana	€ 3,239.00	€ 3,239.00	Dry cleaning equipment
89	S.Z.R. Service for Laundry and Ironing	€ 3,239.00	€ 3,239.00	Industrial washing machine, industrial machine for drying, Roller for ironing

Awardees		Approved Amount	Disbursed Amount	Short Description of Project
90	U.P.Electro Service Jova	€ 3,207.00	€ 3,207.00	Car diagnostic, blowtorch, gas leak detector
91	PP Dekor Servis	€ 3,160.00	€ 3,160.00	Decorating equipment
92	SPR Greenhouse Srdjan	€ 3,160.00	€ 3,160.00	Cooling chamber
93	STR Flower Shop	€ 1,746.00	€ 1,746.00	Installment of Small Scale Greenhouse
94	SZR Milos	€ 1,746.00	€ 1,746.00	Installment of Small Scale Greenhouse
95	SPR Roksanda	€ 1,746.00	€ 1,746.00	Installment of Small Scale Greenhouse
96	SPR Dragoljub	€ 1,746.00	€ 1,746.00	Installment of Small Scale Greenhouse
97	STR Animal Feed	€ 1,746.00	€ 1,746.00	Installment of Small Scale Greenhouse
98	SPR Veljko	€ 1,746.00	€ 1,746.00	Installment of Small Scale Greenhouse
No	Others			
1	Women Business Association - WBA	€ 198,300.00	€ 198,070.00	Short Term Employment Generation Activity
2	Women Business Association - WBA	€ 253,479.20	€ 253,479.20	Short Term Employment Generation Activity, phase II
3	Women Business Association - WBA	€ 389.00	€ 389.00	Short Term Employment Generation Activity, phase II/Transportation Cost
4	Mundesia	€ 314,071.00	€ 314,071.00	Short Term Work Phase III
5	M&A	€ 92,602.00	€ 92,574.00	Forest maintenance through silviculture treatment of the

Awardees		Approved Amount	Disbursed Amount	Short Description of Project
				young stands
6	AFAS	€ 220,504.00	€ 220,504.00	Short Term Employment for 100 Young Serbs in North Kosovo
7	Business Support Center Kosovo (BSCK)	€ 60,880.00	€ 60,880.00	Entrepreneurship Program for North Kosovo
8	AFAS	€ 69,292.00	€ 69,292.00	Short Term Employment for 60 Young Serbs in North Kosovo
9	P.P.Agropromet	€ 34,920.00	€ 34,920.00	Installment of Small Scale Greenhouses
10	Z.Z.Leposavic	€ 76,824.00	€ 76,824.00	Installment of Small Scale Greenhouses
11	Z.Z.7 Juli	€ 97,776.00	€ 97,776.00	Installment of Small Scale Greenhouses
12	P.P.Agropromet	€ 69,840.00	€ 69,840.00	Installment of Small Scale Greenhouses
13	Z.Z.Leposavic	€ 210,000.00	€ 210,000.00	Installment of Shiitake Mushrooms units

ANNEX 4: STTA REPORTS LIST

Month/ Year		Title of Report	STTA/ Expert	Sector
No				
1	Jan-09	Baseline report: Association Development Index as applied to selected business associations in Kosovo	Rozeta Hajdari	Business Support Services
2	Jan-09	Determine needs and prepare plan for heavy equipment operators training program	Mike Martens	Construction
3	Feb-09	Marketing Strategies to Enhance Market Share of Domestic Value-Added Dairy Products	Steve Carples, Mike Clary	Agriculture
4	Feb-09	The Kosovo Commercial Legal Institutional Reform (CLIR) Assessment-2009	KPEP	Business Enabling Environment
5	Feb-09	Audit of the Kosovo Fruit & vegetable Sector	Robert E. Lee, Andriy Yarmak, Muhamed Disha	Agriculture
6	Feb-09	So, you want to be a consultant	Suzi Kanyr Hagen	Business Support Services
7	Mar-09	Premier Advisor Program	Mike Mann	Business Support Services
8	Mar-09	Action plan for the rapid development of non-wood forest products in the Republic of Kosovo	Jakob Modeer & Qazim Pirana	Agriculture
9	Apr-09	Launching the "Stay the Weekend - Experience Kosovo" Tourism Initiative	Scott Wayne, Zekë Çeku	Tourism

10	Apr-09	ICT Marketing and Sales Training	Imran Qidwai, Mike Ducker, Driton Dalipi, Olta Çibuku	ICT
11	May-09	Foreign Direct Investment Workshop	Arthur Chabowski	Business Enabling Environment
12	May-09	Preparation of Kosovo companies for LIGNA wood processing trade show	Christian Kaupert	Forestry and Wood Processing
13	May-09	Business Consulting in A Growing Kosovo-Day 1	Marilyn Evans, Dawn Shock	Business Enabling Environment
14	May-09	Registration & Licensing of Architects Best Practices	Valdet Osmani	Construction
15	May-09	An Assessment of the Design Requirements of the Furniture Industry in Kosovo	Martin Marley	Forestry and Wood Processing
16	Jun-09	Kosovo Lumber Drying Training	Joseph Denig	Forestry and Wood Processing
17	Jun-09	Business Consulting in A Growing Kosovo-Day 2	Marilyn Evans, Dawn Shock	Business Enabling Environment
18	Jun-09	Training Interns in Milk Quality Field Work	Jordan Nikolov	Agriculture
19	Jun-09	Standards of Identity for Milk and Milk Products	William W. Coleman	Agriculture
20	Jun-09	Forest Certification Working Group Facilitation	Ratko Matosevic	Forestry and Wood Processing
21	Jun-09	Determine needs and prepare plan to improve road design	Milivoj Rocenovic	Construction
22	Jul-09	Fancy Food Show, New York	Tammy Benker Swanson	Agriculture

23	Jul-09	Team Building Workshop	Maury Wray Bridges	General
24	Aug-09	Vegco Business Model (A Vegetable Packing, Cooling & Sales Enterprise)	David Neubert, Tribun Ferizaj	Agriculture
25	Aug-09	Construction in Kosovo, Growing Opportunities for Kosovo Building Materials Manufacturers	J.Callahan, F. Muçaj	Construction
26	Sep-09	Responding to subsidized dairy imports into Kosovo	Paul G. Christ	Agriculture
27	Oct-09	“Stay the Weekend – Experience Kosovo” Tourism Initiative	Scot Wayne, Fisnik Dragusha, Syzana Baja	Tourism
28	Oct-09	Kosovo Plastic Recycling Activity	mdc-ti.net	Recycling
29	Oct-09	Promotion of FDI to Turkish investors	A. Vonegut, B. Abdiu	Business Enabling Environment
30	Nov-09	YES Program Feasibility Study	Chris Murray	Workforce Development
31	Dec-09	Fresh Produce Marketing Intelligence	Andriy Yarmak	Agriculture
32	Dec-09	Demand creation-Vegetable marketing promotion strategy and action plan	Marillyn Phillips	Agriculture
33	Dec-09	Illegal Logging in Kosovo	Patrice A. Harou, Ergyn Hajredini	Forestry and Wood Processing
34	Dec-09	Determine association management and leadership for associations in Kosovo	Bob Stapp	Business Support Services
35	Jan-10	KCBS one year on - Evaluating KCBS clients	Veronica R. Bartolome, N.	General

		one year after	Pllana	
36	Jan-10	Performance Based Management System Review	Emily Friedberg	General
37	Feb-10	ICT Incubator Feasibility Study	T. Eksteen, L. Marchese B. Ilazi, B. Nikaj	ICT
38	Mar-10	Report on Licensing Issues for Architects and Engineers	Roger C. Shrimplin	Construction
39	Apr-10	Options for a Transformational Transaction at Cactus	Jan C. Reinhard	ICT
40	May-12	Forest Certification Working Group Facilitation	Ratko Matosevic	Forestry and Wood Processing
41	Jun-12	TTI Road Design Course by	Roma Stevens	Construction
42	Jun-12	Report on Outsourcing Opportunities for Architectural and Engineering Companies	Bujar Prestreshi	Construction
43	Jun-13	Factors Driving Business Growth- Survey of KPEP Beneficiries 2008-2012	John Mattson, Berat Abdiu	Business Support Services

ANNEX 5: ENVIRONMENTAL MONITORING LIST

Company/Activity	Main EDD Indications	Situation
RIZONA Conservation, labeling, and packaging of “somborka” peppers	Hygiene, waste management, water use, and wastewater.	No problems were seen at the site. The company is connected to public water and wastewater discharge systems. The company was advised to ask the MESP if a water permit is needed.
BRICKOS Production of clay bricks.	Environmental and water permits, and to use an alternative fuel instead of mazut (heavy oil).	The company has received environmental and water permits from the MESP. The company has started to use petroleum coke to fuel its kiln. Heavy oil still accounts for 30 percent of fuel use.
BASHKIMI Vegetable and fruit collection.	Maintenance of the cooling chamber, and initiating the HACCP procedure.	The cooling chamber is maintained by “Frigoterm,” which installed it originally. Bashkimi plans to initiate the HACCP certification procedure next year.
WIDOWS ASSOCIATION Pepper, pickles, and ajvar production.	HACCP and hygiene	The owner plans to initiate the HACCP certification procedure in the near future. In general, hygiene was at an acceptable level.
RUGOVA LLC Milk processing/milk products	Storage of hazardous material, whey collection, and final product storage.	A new small facility, separated from the main facility, is used for the storage of hazardous materials (NaOH). The whey is given to the farmers the company works with. The company will analyze if it is feasible to market the whey as a drink.
DST PRODUCT Vegetable (greenhouse) production	Well water quality, and fuel for heating purposes	Well water is not yet monitored. The company plans to use pellets for greenhouse heating.
THESARI Wood waste processing into briquettes/pellets	Ventilation, wood supply contract, fire risk prevention, fuel used for drying.	Ventilation was adequately maintained. Company staff carries out maintenance. No contracts are available. Company does have evidence of its suppliers and quantities supplied. Four extinguishers visible and easily accessible. Pellets/briquettes are used for drying process.
VINEX Metal galvanizing	Occupational health and safety, ventilation, storage of hazardous materials,	All at an acceptable level. Workers were wearing adequate PPE. The overall indoor environment was appropriately maintained.

Company/Activity	Main EDD Indications	Situation
	wastewater treatment	Hazardous materials stored in a separate and adequate location. Wastewater is treated at the wastewater treatment plant.
AGROCELINA Vegetable and fruit collection	Cooling chamber maintenance, and initiating the HACCP procedure	No maintenance activities were needed or undertaken so far. No activities under way during visit. No problems seen in terms of facility organization. HACCP certification procedure not yet initiated.
RUGOVA COOPERATIVE Wild fruit collection and processing	Cooling chamber maintenance, ozone-friendly refrigeration	The cooling chamber has not yet been installed.
AGROALBI Vegetable and vegetable seed production and trading	Monitoring results of well water quality; Fuel for greenhouse heating; HACCP	No well water quality monitoring results available. Pellets will be used for heating during the cold season. HACCP certification first steps taken.
MOEA Fruit and NWFP collection and processing	Cooling chamber maintenance; gas storage; hazardous materials.	The cooling chamber is not yet operational. The company uses bottled gas. Chemicals are stored in a separated but temporary location.
BIOPAK Fruit and vegetable processing (<i>ajvar</i> , juice and wine)	Emergency plan, gas reservoir maintenance, PPE	10 fire extinguishers are visible and easily accessible. No smoking/fire signs are visible across the facility. The gas reservoir is guarded with metal grids, with access controlled by an authorized employee. Workers seen to wear PPE.
RIZAM Production of clay bricks	Permits, PPE, mines closure plan	Rizam has an environmental permit. No workers were seen during a visit. According to the owner, Rizam purchases raw materials (clay) and is not responsible for actual mining (clay extraction) activities.
BYLMETI Milk processing/dairy	Permits; firefighting equipment; wastewater management	Bylmeti has received the required permits for construction, EIA, dairy processing and fire safety. It is HACCP-certified. Currently, Bylmeti is expanding and reconstructing its facilities. This includes constructing a new WWTP and improving overall environmental conditions.
MAGIC ICE Milk processing / dairy	Permits, wastewater management	The company has received the construction, EIA, and dairy processing permits. It is under HACCP implementation process. The

Company/Activity	Main EDD Indications	Situation
		company has received an additional support from European Commission and plans to improve its overall environmental conditions, in particular wastewater treatment.
SCARDUS Non-wood forest products collection	Sustainable harvesting of NWFP.	Scardus reported to have organized appropriate trainings for its workers in order to ensure they collect NWFP following sustainable harvesting guidelines. The relevant training material is available. Scardus also has produced leaflets that help workers and other interested parties better understand the importance of sustainable NWFP harvesting. The company was advised to keep records of staff training, and to plan on regularly cooperating with authorities. Scardus is HACCP certified.
BESIANA Non-wood forest products collection	Sustainable harvesting of NWFP; maintenance of the cooling chamber and HACCP.	Besiana is HACCP certified. The owner reported to have trained staff on sustainable harvesting practices. Besiana has contracted for the maintenance of its cooling chamber. The company is advised to keep organized training records that include: participant lists, photos, etc., and to invite a relevant KPEP expert when organizing trainings.
M & A Help and Support, Leposavic/ Leposaviq Forest thinning	Potential soil contamination; degradation of ecological system due to improper and overharvesting; human impairment / loss from accidents.	No problems seen at the site. Workers add fuel to chainsaws correctly and no soil pollution problems were seen. Workers use small tractors to transport wood. The firm does not build new roads as part of its forest activities. The project manager reported that all workers receive proper training. When hiring new workers, the firm provides theoretical and practical training, as well as close supervision during the first three days on the job. Also, the firm provides adequate instructions to the workers related to threatened species, despite the local absence of any such species. With PPEs, workers were seen to be wearing gloves and adequate clothing. They were recommended to wear helmets, in particular when working with

Company/Activity	Main EDD Indications	Situation
		chainsaws.
KABI Milk processing / dairy	Wastewater treatment; solid waste management; hygiene; and health.	<p>The KABI dairy company operates a wastewater treatment facility installed by Slovenian experts. No wastewater quality data are available, but the municipal wastewater management company collects the majority of material with a potential to create water pollution.</p> <p>The company deposits solid waste in containers emptied twice weekly by the municipal public waste collection company. The company has an Environmental Impact Assessment permit issued by the Ministry of Environment, and receives inspection visits from authorities. No problems were reported. The company remains in the final stages of receiving HACCP certification, which should create a further incentive for proper hygiene maintenance.</p>
MOEA Cultivating and processing of fruits and vegetables	Cooling chamber maintenance.	The company has purchased cooling/freezing equipment and has begun installing it. All newly installed equipment functions properly, with the remainder expected to enter function soon. So far, it has not carried out any maintenance activities.
ASK FOODS Cultivating and processing of fruits and vegetables	HACCP certification; storage of chemicals used for cleaning; maintenance of gas reservoir; use of PPEs.	The company is HACCP certified. Water quality is controlled by the Public Health Institute. The company has developed an emergency plan and has placed fire extinguishers at visible and easily accessible places. Its gas reservoir is controlled, “Gazi”. No problems were seen in terms of hazardous materials (chemicals for cleaning) storage. Solid waste is collected by the contracted company and transferred to the legal landfill in Gjilan.
HIT FLORES Non-wood forest products collection	Sustainable harvesting of NWFP; maintenance of cooling chamber; occupational hazard.	The owner of company reported to have organized appropriate trainings for its workers in order to ensure they collect NWFP following sustainable harvesting guidelines.

Company/Activity	Main EDD Indications	Situation
		The company has installed cooling equipment provided by KPEP. It has a two-year maintenance contract with the company “Termocooling.” The company is still investing in infrastructure, including construction of a new, high-quality storage facility. The company is “Bio” certified.
LAS PALMAS Vegetable production, and vegetable seed production and trading	Coal used for heating purposes; wastewater management.	Las Palmas has begun to reconstruct and improve its wastewater collection system. It is looking for donors to help improve its heating system, shifting from coal to a gas or briquette/pellet-fired system.
EMINEL Production of cardboard crates for fruits and vegetables	Waste management; noise pollution; PPE.	Eminel recently received new equipment. No activity was underway during the visit; consequently no problems were seen regarding waste management, noise pollution or PPE. KPEP recommended Eminel develop a fire-risk management plan, and to purchase and deploy an adequate number of fire extinguishers.
FITIMI Production, collection and conservation of vegetables	Organic waste management; PPE; HACCP.	The owner reports the firm generates very low quantities of organic waste, which it then composts on the company’s owner land. No problems were seen in terms of using the PPE. The company plans to begin the HACCP certification process in the near future.
METALAC Restaurant	Training of Workers Ventilation Fire safety Food waste	The workers are experienced, adequately trained and certificates for this are available. Ventilation is properly installed and functional. Fire extinguishing facility is placed adequately. Oil and other food waste are properly disposed in adequate containers and then collected from farmers which use it for their farms.
FAST TRADE Production of Furniture and Joinery Services	Training of Workers PPEs Ventilation	Workers are trained PPE are worn adequately Ventilation is properly functional.

Company/Activity	Main EDD Indications	Situation
	Fire safety Raw material (wood) origin	Fire extinguishers are visible and placed at easy access places. According to the owner, the raw material (wood panel) is purchased from licensed companies in Pristina and Ferizaj
MILIC (Small scale furniture production)	Training of workers PPEs Ventilation Fire safety Raw material (wood) origin	Workers are trained PPE are worn adequately Ventilation is properly functional. The company has switched from using the raw wood to using ply wood. The company is recommended to develop a fire risk management plan and to place the fire extinguishers as appropriate
AVES PROM (Poultry farm)	Odor from / at the farm Manure management	The Aves Prom poultry farm was maintained clean and no odor problems were noticed, while the manure is spread at the agricultural land of local farmers adequately. The company did not develop a fire risk management plan
MARKOVIC (Woodwork)	Training of workers PPEs Ventilation Fire safety Raw material (wood) origin Asbestos at the rear of the building	Workers are trained and PPE are worn adequately Ventilation is functional, but there is still room for improvement. Relevant recommendations are given to the company. Fire extinguishers are visible and placed at easy access places. According to the owner, the raw material (wood panels) is purchased from licensed companies in Pristina and Ferizaj/Urosevac. The asbestos problems were seen at the site.
ANTONIJE (Greenhouse)	Water consumption Energy used for heating the greenhouse	The company has introduced a drip irrigation system, and uses biomass for heating purposes. The company is recommended to train the staff on IPM.
EKOCENTAR (Integrated grain milling and packaging)	Indoor air quality, workers health concerns	The indoor air quality was well maintained and the workers were wearing face masks adequately. Overall this company was meeting the environmental requirements
AS PROMET (NWFP collection and	Sustainable NWFP harvesting	The claimed to have trained the employers who collect the NWFP. The company is

Company/Activity	Main EDD Indications	Situation
processing)	Origin of wood used for fruit drying	recommended to keep records of trainings organized, and to maintain contacts with relevant authorities in order to make sure the sustainable harvesting of NWFP us practiced. The company uses biomass for heating purposes.
ZOOTREJD (Pig minifarm)	Odor - indoor air quality; wastewater (slurry) and manure management;	The company is advised to pay more attention to maintaining the ventilation, in order to reduce the odor level in the farm, and to prevent any disease for the workers. Wastewater (slurry) and manure were adequately managed
NAJA (Greenhouse)	Energy source used for heating	The company uses the biomass for heating the green house during cold season. The company is advised to consider using pellet / briquette as a more efficient energy source
AGROPRODUKT SYNE Collection, cultivation and drying of medical and aromatic plant and forest fruits	Sustainable harvesting of NWFP	The company is certified for sustainable use of NWFP. Usually, trained and experienced collectors are hired. Several meetings are organized with authorities with regard to sustainable harvesting of NWFP. Also, the company has established a water reuse system, which decreases the water consumption.
HOSA FRESH Fruit and vegetable collection and trading	Cooling chamber maintenance, Operation according to the HACCP procedure	No problems are evident. The company is well organized and considering seriously all details the environmental compliance related. The areas of operation are well defined.
LAS PALMAS Vegetable production, and vegetable seeds production and trading	Coal used for heating purposes, and wastewater management.	The company has constructed a new facility, which allows for more efficient energy use. Coal is used partially while gas is the main energy source. The company has improved the wastewater management, and constructed a new septic tank.
GRATE FERMERE / The company name changed to "Apetiti" Pickles and ajvar production.	Contract with the wood supplier; areas of action defined according to HACCP.	The company reported to have purchased the wood from licensed company only. A better organization of the operational space is visible and the sanitary conditions are improved.

Company/Activity	Main EDD Indications	Situation
FERODA Wood pellets production.	Fire risk management, wood supply contract, filtration system and PPE	Four fire extinguishers are placed at the pellet production facility. No wood supply contract is available. Filtration systems in place, no problems were seen in this regard. At the visiting time, there were no operations ongoing.
LIRIA Vegetable and fruit collection	Cooling chamber maintenance, roof from asbestos, PPE	The cooling chamber is installed but not yet functional. The roof is not removed. The roof needs to be repaired and insulated from the inner side. No activities were ongoing at the site. No workers were seen at the site.
VOKRRI Cultivation, storage, and trade of vegetables	Cooling chamber maintenance Develop the operation plan in accordance with HACCP	The cooling chamber is recently installed. It was functional and no problems were seen. No maintenance activities are conducted so far. The company is recommended to organize the works in accordance with HACCP requirements.
FRUTI Vegetable collection center	Cooling chamber maintenance	The company is operating under the given recommendations (mitigation measures).
FIDANISHTJA E GODANCIT Vegetable seedling production, greenhouse vegetable cultivation	Irrigation system Maintenance of the seedling machine	The company has put in place a drip irrigation system, which is considered as an efficient system regarding the water consumption. The company is recommended to switch from using coal to another energy source for greenhouse heating purposes, such as pellet, or natural gas.

ANNEX 6: LIST OF ACRONYMS

ADI	Association Development Index
AFAS	Association for Finance and Accounting Services
AmCham	American Chamber of Commerce
ASAK	Association of Architects of Kosovo
AWPK	Association of Wood Processors of Kosovo
BAH	Booz Allen Hamilton
BEE	Business Enabling Environment
BEEP	Business Enabling Environment Project
Biz-CLIR	Business Climate, Legal and Institutional Reform
BPO	Business Process Outsourcing
BSP	Business Service Providers
BSS	Business Support Services
BSCK	Business Support Center Kosovo
B2B	Business To Business
CAGR	Compound Annual Growth Rate

ccTLD	Country Code Top Level Domain
CDF	Community Development Fund
CEE	Central and Eastern Europe
CEFTA	Central European Free Trade Agreement
CFF	Crimson Finance Fund
CoC	Chain of Custody
EFCB	European Foundation Certificate in Banking
EU	European Union
ECLO	European Commission Liaison Office
EDTF	Economic Diplomacy Task Force
EN	European Norm
DFID	Department for International Development
FDI	Foreign Direct Investment
FSC	Forest Stewardship Council
FTE	Full time equivalent
GAP	Good Agriculture Practice
GDP	Gross Domestic Product

GIZ	German Society for International Cooperation/ Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
GBTI	Global Business, Trade and Investment
GoK	Government of Kosovo
HACCP	Hazard Analysis Critical Control Point
HEOT	Heavy Equipment Operator's Training
ICK	Innovation Center Kosovo
ICO	International Civilian Office
ICT	Information and Communication Technology
ISO	International Organization for Standardization
IPAK	Investment Promotion Agency of Kosovo
IPR	Intellectual Property Rights
IQC	Indefinite Quantity Contract
IRCA	International register of Certified Auditors
IXP	Internet Exchange Point
KATA	Kosovo Alternative Tourism Association
KBA	Kosovo Bankers Association
KCBS	Kosovo Cluster Business Support

KCC	Kosovo Chamber of Commerce
KDPA	Kosovo Dairy Processors Association
KEK	Kosovo Energy Corporate
KFVA	Kosovo Food and Veterinary Agency
KOTAS	Kosovo Tourist Association
KPEP	Kosovo Private Enterprise Program
KSA	Kosovo Standards Agency
MAFRD	Ministry of Agriculture, Forestry and Rural Development
MEST	Ministry of Education Science and Technology
MF	Ministry of Finance
MED	Ministry of Economic Development
MFA	Ministry of Foreign Affairs
MLSW	Ministry of Labor and Social Welfare
MTI	Ministry of Trade and Industry
MoU	Memorandum of Understanding
NGO	Non-Governmental Organization
PBMS	Performance Based Management System

POP	Period of Performance
PPP	Public-Private Partnership
RCAK	Road Construction Association of Kosovo
RFA	Request for Application
RFP	Request for Proposal
RFQ	Request for Quotation
ROI	Return on Investment
SAF	Strategic Activities Fund
SEAD	Systems for Enforcing Agreements and Decisions
SEGIR	Support for Economic Growth and Institutional Reform
SDG	Standards Development Group
SOE	Socially-Owned Enterprises
SIDA	Swedish International Development Agency
SME	Small and Medium Enterprise
STTA	Short-Term Technical Assistance
STIKK	Kosovo Association for of Information and Communication Technology /AICT/
TAK	Tax Administration of Kosovo

TAM/BAS	Turn Around Management / Business Advisory Service
TPA	Tons per annum
TRA	Telecommunications Regulatory Authority
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Program
USA	United States of America
USAID	United States Agency for International Development
USG	United States Government
VAT	Valued added tax
VET	Vocational Education and Training
VEC	Vocational Education Center
VTC	Vocational Training Center
WFD	Workforce Development
YES	Youth Employment Service
YEP	Youth Entrepreneurship Program