

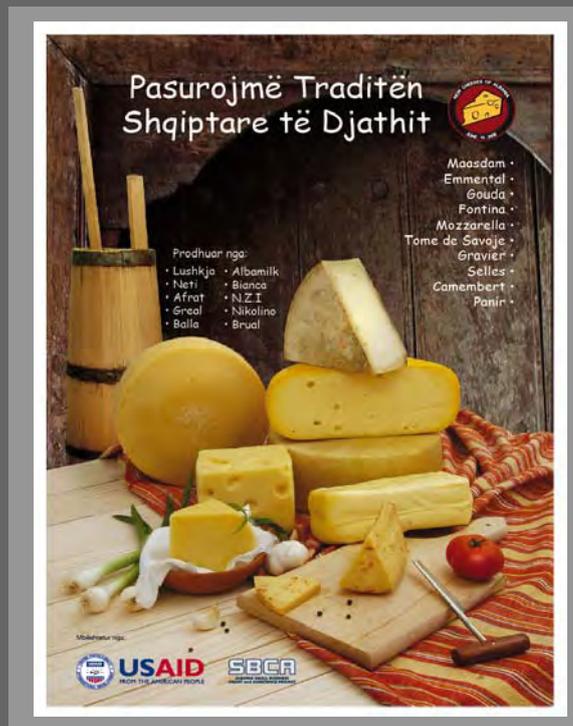


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QUARTERLY REPORT

FOR APRIL 1 TO JUNE 30, 2006 (Q3, FY 2006)

ALBANIA SMALL BUSINESS CREDIT AND ASSISTANCE PROJECT



JULY 2006

This publication was produced for review by the United States Agency for International Development. It was prepared by the Albania Small Business Credit and Assistance Project.

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FOR APRIL 1 TO JUNE 30, 2006 (Q3, FY 2006)

ALBANIA SMALL BUSINESS CREDIT AND ASSISTANCE PROJECT

USAID/ALBANIA

CONTRACT NUMBER 182-C-00-02-00102-00

IMPLEMENTING CONTRACTOR: CHEMONICS INTERNATIONAL

This project will assist USAID to achieve Strategic Objective SO 1.3

DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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ACRONYMS

ALCEBO	Albanian Certifying Body
BKT	<i>Banka Kombetare Tregtare</i> (National Commercial Bank)
BP	Business Promoter
BSP	Business Service Provider
COP	Chief of Party
ECAS	Dutch partner to ALCEBO
EDEM	Enterprise Development & Export Market Services (USAID project)
EU	European Union
EU CARDS 2003	Community Assistance for Reconstruction, Development and Stabilization program, created by the European Commission to support economic development in the Western Balkans countries
EUREPGAP	Euro-Retailers Produce Working Group's global partnership for safe and sustainable agriculture, Good Agricultural Practices
FORECAST	Focus on Results: Enhancing Capacity Across Sectors in Transition (USAID project)
FTE	full time equivalent (with regards to jobs)
FY2006	2006 Fiscal Year (October 2005 – September 2006)
HR	Human Resources
IFC	International Finance Corporation
IR	USAID Intermediate Result, under a Strategic Objective
ITSR	IFC's International Technical Standards and Regulations
KASH	Albanian Agribusiness Council (USAID project)
NAEOP	National Association of Edible Oil Producers, now the Albanian Olive Oil Association
PEPSE	Private Enterprise Partnership for Southeast Europe (IFC project)
PMP	Project Management Plan
PSHM	<i>Partneri Shqiptar ne Mikrokredi</i> (Albanian Partners for Micro-credit)
Q3	Third Quarter
RDA	Regional Development Agency
SBCA	Albania Small Business and Credit Assistance project (also SBCA)
SIFE	Students in Free Enterprise (worldwide student organization)
SME	Small- and Medium-Sized Enterprise
SO	USAID Strategic Objective
SSCAA	EU CARDS 2003 Support to Standards, Certification and Accreditation in Albania project
STTA	short-term technical assistance
TCN	third-country national (i.e.- neither from the United States nor the local host country)
USAID	United States Agency for International Development
USD	U.S. Dollar

1. EXECUTIVE SUMMARY OF THIRD QUARTER

In the third quarter of FY2006, the Small Business Credit and Assistance (SBCA) project began to see the clear and sustainable impact from Phase II's increased focus on providing credit and technical assistance to proven clients. Through its local and international specialists, SBCA has been successfully transferring new technology that is directly linked to market realities and needs, as well as helping Albanian business find new markets for their products.

Coming into the third quarter of FY2006, the SBCA strategy was to build on the established relationships of our short-term consultants from their initial assignments in Albania, introduce a fourth expert (Production Management Specialist) to round off the knowledge and skills needed by Albanian businesses, and showcase the project's successes in two major events: the New Albania Cheeses Promotion and the Albanian Olive Oil Promotional Event.

Since their initial assignments in Albania in the second quarter, international experts have committed their time to building relationships and trust through return visits and have coordinated short-term technical assistance to develop the capacity of project clients and professional staff. Local professional staff, in turn, have been ensuring the sustainability of their efforts through follow-up client visits and regular communication



SBCA consultants working with the Greal Company, Korçe, during production of Tome de Savoie cheese.

with the Business Service Providers (BSPs) and Business Promoters (BPs) partners. By the end of the second quarter of FY2006, SBCA and its clients showed concrete successes well beyond the ambitious targets in domestic and international sales, business creation and the number and volume of loans from its partners. The brief stories included at the end of this report help illustrate the impact of the project on a human level.

SBCA remains on target with regards to the fulfillment of its year five work plan and budget. While the palpable results of the third quarter have proven the success of emphasizing high-impact Albanian businesses, there is still a great deal of work to be done in the remaining months of the project. In the next quarter, SBCA will continue to focus on the sustainability of its efforts by coordinating local and international expertise with SBCA clients into the fall; hosting a promotional honey event; distributing marketing literature on new ideas in business and promoting the success of this USAID project; creating a marketing board for increased sales, marketing and efficiency for cheese and olive oil produced by SBCA-assisted businesses; and beginning preparations for a high quality final project report.

2. HIGHLIGHTS OF ACHIEVEMENTS AND RESULTS

2a. SUMMARY, PHASE 2 TO DATE

The following summarizes the main project achievements and results for SBCA Phase 2 to date: from March 2005 through the end of June 2006. The references in parenthesis refer to the respective Project Management Plan (PMP) Indicators.

- **Jobs Created (Indicator 1)** – A total of 751 new jobs (PMP Indicator 1) have been reported by SBCA-assisted enterprises to date.
- **Domestic Market Sales** – Estimated total domestic sales value of the enterprises receiving direct assistance from SBCA is \$163,606,536 (SO 1.3.3a); total estimated export sales is \$8,311,051 (SO 1.3.4). A further estimated 532 enterprises have benefited indirectly from SBCA assistance (SO 1.3.2).
- **Domestic Sales Increases** – Total estimated domestic sales increase of SBCA clients is \$11,318,228 (SO 1.3.3b) and export sales is \$292,508 (SO 1.3.4b)
- **Directly Assisted Enterprises** – A total of 1,433 clients have benefited directly from SBCA assistance (SO 1.3.1), of which 153 enterprises received technical assistance, 987 received training, and 352 received loans.
- **New Technology** – A total of 694 people (Sub-IR 1.1.2) from 673 enterprises (Sub-IR 1.1.1) have received training in new technologies, and a total of 308 assisted enterprises have applied new technology (IR 1.1).
- **Management Practices** – A total of 419 people (Sub-IR 1.2.2) from 372 enterprises (Sub-IR 1.2.1) have been trained in good management, of which 28 enterprises have applied good management practices (IR 1.2).
- **Marketing Strategies** – A total of 197 people (Sub-IR 1.3.2) from 83 enterprises (Sub-IR 1.3.1) have received marketing strategy training, of which 58 enterprises have applied marketing strategies that enhance competitiveness (IR 1.3).
- **SBCA Fund** – A total of 84 loans (Sub-IR 2.1) to a value of \$2,000,973 (Sub IR 2.3) have been disbursed through the SBCA Fund at BKT.



A range of product packaging designed by SBCA.

- **SME Fund** – A total of 305 loans (Sub-IR 2.2) to a value of \$3,462,133 (Sub-IR 2.4) have been disbursed through the SME Fund at PSHM.
- **New Cheeses of Albania Day** – Held on June 16, 10 new varieties of cheeses produced by SBCA dairy clients were exhibited for, and marketed to, hundreds of attendees at the Rogner Hotel in Tirana. Approximately 900 kg of cheese were sold as a direct result of the event, and sustainable business relationships and future sales are expected.
- **Workshop on Olive Oil Quality Standards** – Held on June 22, the workshop trained olive oil producers on quality standards, exporting and cost of production. Awards were presented to local producers by a panel of honored guests.
- **Promoting Albanian Olive Oil Day** – Held on June 23, (in cooperation with World Learning and the Albanian Edible Oil Association), 10 olive oil processors exhibited and marketed their products at the Rogner Hotel in Tirana. Approximately 250 bottles (\$1,200) of Albanian olive oil were sold on the day and contacts were established for future sales.
- **The Business Promoter Newsletter** – The first two editions of the Business Promoter, sub-titled “Growing Albanian Businesses” were published during the quarter. They highlighted the clients and products featured at the cheese and olive oil events, as well as SBCA’s contribution to their businesses.

Nurturing Innovation in Albanian Entrepreneurs



“Due to SBCA, I have become well-known in the Albanian market. In the recent years I have had a 20% increase in sales and part of it comes as a result of what the project has done for my business. The quality of my olive oil has improved, the packaging has been enhanced; it’s a serious cooperation. In a recent fair on traditional Vlora products, my olive oil attracted maximum attention because of the new packaging and labels provided by the project. The presence of SBCA creates an encouraging drive for businesses like mine.”

*Vesaf Musai, Olive Oil Producer
ERVM company, Vlorë*

2b. SPECIFIC ACTIVITIES

In this section we report on activities that do not fall directly under Key Results One, Two or Three.

The New Cheeses of Albania Promotional Event

As a dairy producer with his own retail shop near the population centers of Tirana and Durres, Hysen Koci observed firsthand how Albanian emigrants returning to the country were asking for cheeses other than the traditional white *Feta* or yellow *Kackavall*. Despite this, he found it technically difficult to expand into more “Western” types of cheeses until SBCA answered his request for help. Not only did the project help Mr. Koci develop the necessary techniques to produce *Emmental* cheese, it also helped him attain a loan to purchase the necessary equipment, and provided assistance in creating a new logo and packaging for his new cheese.



Attendance was high, and approximately 120 kg of cheese was sold on the day and 736 kg was sold by the producers themselves, after the event.

Emmental, Gouda, Maasdam, Tomme de Savoie, Mozzarella, Fontina, Gravier, Selles, Camembert, and Panir. Some of these cheeses may sound familiar to Western ears but, without the assistance of the Albanian Small Business and Credit Assistance (SBCA) project, they would still be largely foreign to Albania. Furthermore, with growing competition and shrinking profits, Albanian cheese producers are being forced to diversify to be competitive. The culmination of SBCA’s effort to meet these realities was the “New Cheeses of Albania” event, which took place in Tirana on June 16. Organized by SBCA, this event hosted workshops on quality control and the certification of cheese products before the event officially opened to retailers, wholesalers, restaurants and the public.

The public were able to see, taste and buy the new cheese varieties at the event’s “Corner Shop” and speak with the producers. Approximately 120 kg of cheese was sold on the day; an additional 736 kg was sold by the producers themselves, after the event. SBCA staff helped market the products at the event with high quality promotional materials, including posters (shown on cover page of this report), brochures, and a cheese day newsletter. USAID’s Mission Director and senior Albanian government officials (including the Albanian Minister of Agriculture, Food and Consumer Protection) were in attendance and took part on the event panel.

With SBCA assistance, 10 local producers introduced the 10 new types of cheese listed above into a market that had previously known only two types: white and yellow. Marc de Carheil, short-term cheese specialist from France, and three local specialists (Drini Imami from the Agricultural Training Centre, Drita Decolli from ADAMA and Xhuljeta Hamiti from the Agricultural University) provided clients with the technical expertise to develop these new lines. Cheese is now being produced from cow, sheep and goat milk, and assistance is being provided on techniques of ripening, the introduction of new cultures, and environmental and temperature controls. The next batches of the new cheeses will become available from late August 2006, and SBCA will continue to provide assistance in their marketing. In addition to introducing the new cheeses, SBCA has also helped design and print new logos and labels for the clients. For the first time, Albanian cheese makers will differentiate themselves from their competitors.

At the cheese event, numerous stores and restaurants expressed interest in buying selected varieties of the new cheeses from a single source, rather than from each individual producer. As a result, SBCA will be investigating the possibility of encouraging cheese producers to form a marketing cooperative that would buy cheeses from dairies and distribute to customers. SBCA will prepare proposals for consideration that will include the legal options available under existing Albanian law.

Since the beginning of this year, SBCA has been working with a total of 69 dairy producers, introducing new varieties of cheese to a relatively homogenous industry, helping producers acquire and use new technology, and advising clients on meeting new domestic and international market demands. The project estimates an average growth in sales of 10-15% for each of these businesses. It is these producers, including Hysen Koci with his new *Emmental* cheese, who showcased their new products, entrepreneurial ideas and marketing skills acquired through SBCA assistance at the “New Cheeses of Albania” event.

NEW CHEESES INTRODUCED BY SBCA PROJECT	
	Producer: Bardhi Balla Location: Vlore Cheese: Gravier
	Producer: Greal Shpk Location: Korçe Cheese: Tomme de Savoy
	Producer: Lushkja Location: Kavaje Cheese: Maasdam
	Producer: Nikolino Shpk Location: Lezhe Cheese: Fontina
	Producer: Afrat Shpk Location: Gjirokastrer Cheese: Gravier
	Producer: Bianca Shpk Location: Vlore Cheese: Selles
	Producer: Brual Shpk Location: Elbasan Cheese: Panir
	Producer: NZI Shpk Location: Shkoder Cheese: Gouda
	Producer: Albamilk Shpk Location: Shkoder Cheese: Canenbert

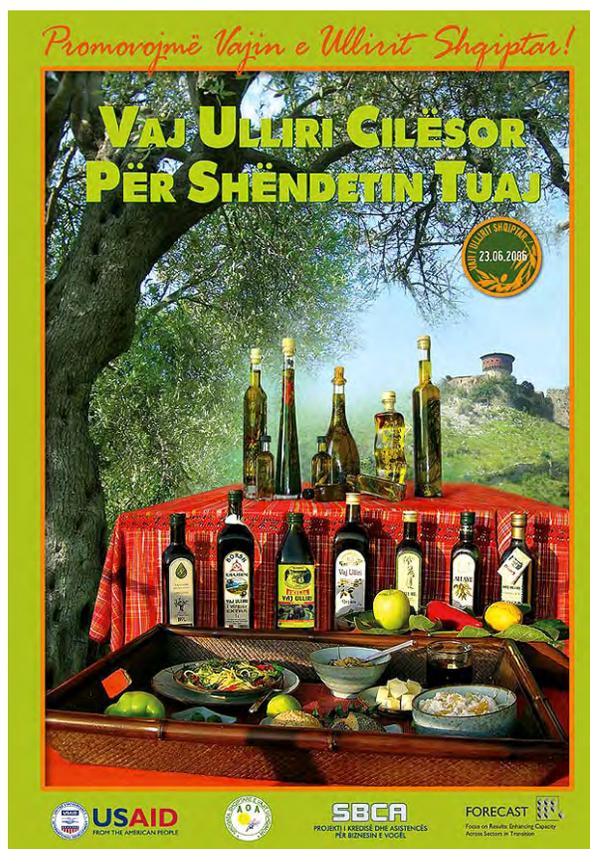
All these logos and labels have been designed and produced with the support of SBCA Project

Albanian Olive Oil Promotional Event

About 90% of worldwide olive oil production comes from Mediterranean countries, and demand is steadily increasing. With 3.4 million olive trees and 20 varieties of olives, Albania is well-positioned to be a major producer and exporter of olive oil, despite the challenges of a highly-developed and competitive global market. Since the mid 1990s, Albanian producers have begun investing in new technology, have increased production, and have been proving their quality at the international level, including SBCA-assisted SHKALLA sh.p.k, which won *Biol Mediterraneo's* award in May 2006 in Andria, Italy for the best Mediterranean olive oil. In partnership with the Albanian Olive Oil Association and USAID's FORECAST project, SBCA organized a workshop and special fair on June 22 and 23 at the Rogner Hotel in Tirana to showcase the progress, quality and potential of these producers.

The goals of the workshop were: to train olive oil producers on quality certification systems; to increase their awareness of olive oil production costs; to provide training on practical issues in exporting; and to provide them with market information on export opportunities. The fair, which took place the day after the workshop, showcased the products of 10 SBCA-assisted olive oil producers from across the country and gave attendees the opportunity to taste their products. As with the cheese promotion, producers, potential buyers, and representatives from the Albanian government attended, including those from departments of agriculture in various districts.

Three honored podium guests included the USAID Mission Director; the Albanian Deputy Minister of Agriculture, Food and Consumer Protection; and the Chairman of NAEOP. Representatives from other organizations and agencies in attendance included: the U.S. and other Embassies; donor organizations; the Albanian Ministry of Economy and Energy; the Albanian SME Agency; and other USAID project teams. Prior to the event, and in cooperation with the FORECAST project and NAEOP, SBCA organized a competition, for which the panel of special guests presented awards to the best extra virgin, virgin, and best packaged olive oils. The best extra virgin and packaging prizes went to Gjikondi shpk and the best virgin olive oil prize went to Hajdari Shpk. After the prize-giving the event was officially opened by USAID Mission Director, Harry Birnholz, and Ndue Preka, the Chairman of NAEOP.



*Promoting the Albanian Olive Oil!
The Olive Oil Day Poster designed by SBCA.*

At the event, SBCA's COP stressed to producers the importance of costing and accounting for assessing the competitiveness of olive processing in Albania. SBCA will continue to work with the most advanced oil producers in these important areas and will hold a series of workshops where training and information on certification systems, export procedures, and modules on costing and book-keeping will be provided. Additional technical assistance was provided by Kristaq Jorgji, USAID's Agricultural Specialist.

Producers exhibited their newly-branded and packaged olive oils on SBCA's specially-designed stands. Each stand was manned by a representative of the participating oil producer and a student assistant, selected from a SIFE competition at the University of Tirana and the Agricultural University. Visitors bought exhibitors' olive oils at the "Corner Shop," organized and managed by SBCA's business promoters. BPs invited supermarket managers, wholesalers, hotel and restaurant owners, and other retailers to the fair to link processors with new buyers, particularly in the Tirana market. A special poster was designed and distributed throughout the city to attract visitors. Announcements were placed in four local newspapers and on News 24 TV. An estimated 230 visitors attended the event, and a total of 250 bottles of olive oil were sold, at a total value of \$1,200.



Olive oil labels designed by SBCA marketing specialists provide a professional image for an internationally-recognized Albanian industry.

SBCA and FORECAST designed and distributed approximately 1,000 special leaflets, entitled "Understanding the Benefits of Olive Oil," at the event to inform consumers on the types and benefits of olive oil and to increase demand for higher-quality products. The text was written by Renata Kongoli from the Albanian Quality Institute, with assistance from Kristaq Jorgji of USAID. The remaining 4,000 leaflets will be distributed to retailers, wholesalers, supermarkets and consumers by SBCA's business promoters, as well as through the Albanian Olive Oil Association.

SBCA will continue to assist oil producers to penetrate the Tirana market with their products. As with its dairy assistance initiatives, the project is proposing the formation of a marketing cooperative that will enable member processors to access wider domestic and export markets.

Other Events and Activities

- **Cooperation with IFC's PEPSE Project** – SBCA is cooperating with IFC's PEPSE Project to assist two SBCA-referred clients: Miell Tirana (wheat) and Apollon shpk (paper products). SBCA, through its Fier RDA subcontractor, helped draft Apollon's application to PEPSE for a loan to finance the relocation of the company's recycling operation from Fier to Tirana.
- **Cooperation with EU's ITSR and IFC on Standards, Certification and Accreditation**– SBCA is cooperating with IFC's International Technical Standards and Regulations (ITSR) PEPSE project, and with the EU CARDS 2003 Support to Standards, Certification and Accreditation in Albania (SSCAA) project. SBCA held a joint meeting with SSCAA and ITSR on March 28 to plan future collaboration. On April 12 and 13, the three projects jointly organized two seminars, in Elbasan and Korca, to promote understanding and raise awareness among Albanian companies of the benefits deriving from compliance with standards, and the implementation and certification of quality management systems. More than half of the participating businesses were SBCA clients.
- **Certification of Watermelon Producer Groups in Saranda** – SBCA has implemented EUREPGAP systems to six watermelon producer groups in Saranda, bringing them toward EU standards. This has involved assessing each of the farms, explaining the EUREPGAP concepts to producers, holding workshops with farmers on all production processes, implementing EUREPGAP standards on each individual farm, drafting a quality manual, implementing internal audits of each farm, and completing the application for certification. Producers are now preparing for certification. An external auditor will visit the six farms on 9-10 July, to perform an assessment before final decision is made. SBCA is working to ensure certification from the Dutch organization, ECAS (a 25% shareholder in ALCEBO) for the first year. For the subsequent two years, certification will be provided by ALCEBO, the Albanian Certifying Body. ALCEBO will be accredited by the EUREPGAP international organization until December 2006, when it will become Albania's accredited EUREPGAP certifying body.

3. THIRD QUARTER CHALLENGES AND RECOMMENDATIONS

By the end of the second quarter, the SBCA focus on achieving results through technical assistance led to a challenge in finding the time and resources to complete the requisite monitoring and evaluation for capturing accurate and uncontested results of its efforts (Key Result 3). As a result, the second quarter report showed the project missing some of its targets, most clearly in jobs creation. This, however, was not indicative of reality. Rather, it was simply a case of the numbers not having been checked and double-checked and, therefore, kept out of the quarterly report for the second quarter of FY2006.

To address the challenge of capturing the project's results and successes in its final year, SBCA began in the third quarter to emphasize to its staff the importance of these numbers for final strategy development and to prepare for a definitive final project report. In this quarterly report, we can see the first results of this increased effort in monitoring and evaluation. As the short-

term technical assistance winds down, monitoring and evaluation will continue to ramp up, capturing uncontestable results in time for the final project report.

However, SBCA also realized it would not be enough to simply report on the numbers, as impressive as they have been. Instead, the project wanted to showcase the successes of this USAID initiative in its final year by organizing large events for its clients in the cheese, olive oil, honey and lending industries. In the third quarter, alone, two of these events, the cheese and olive oil events, took place, with great success.

Other challenges and outcomes from this quarter include:

- During the preparation for the Cheese Day event, two clients (Dhimo Velo and Pallumb Haliraj) were excluded from the project because they were unable to work with SBCA in finalizing their cheese production. They were replaced by Bianca Shpk. (from Vlora) and Brual (from Elbasan).
- Upon request from USAID Budapest, SBCA resubmitted all loan liquidation reports since the start of the project.

4. ANTICIPATED ACTIVITIES FOR JULY – SEPTEMBER 2006

Specific SBCA Activities

- **Cheese Marketing Cooperative** – SBCA will submit a proposal for organizing the New Cheeses of Albania producers into a sustainable marketing cooperative, providing a single location for cheese consumers in Albania and a sustainable resource for market expansion for SBCA clients.
- **Olive Oil Marketing Cooperative** – SBCA will submit a proposal for organizing major olive oil producers into a marketing cooperative, providing a simpler and more accessible point of sales for potential customers, well into the future.
- **National Honey Day Event** – Following on the successes of the cheese and olive oil events, as well as the strategy laid out in the Year 5 work plan, a National Honey Day Event will showcase the products of SBCA-assisted clients in this field, encouraging product and professional development and market expansion. This is planned for September 2006.
- **Business Linkages Exhibition** – Also based on the experience of the cheese and olive oil events, SBCA will organize an event that will showcase the wide variety of business sectors that have been receiving assistance from USAID through the SBCA project and encourage their continued expansion beyond the life of the project.
- **Shpresa Shkalla BIOL Award** – SBCA will assist in the organization of this event when Shkalla sh.p.k., an SBCA-assisted olive oil producer, will receive an award for her extra virgin olive oil.

Key Result One: Increasing Sales and Employment in Target Enterprises

- **Business Promoters** – Through close collaboration with SBCA staff, international consultants, and local clients, SBCA will encourage an increase in the numbers of orders taken by the business promoters, as well as their own professional capacity to continue providing technical assistance.
- **EUREPGAP Certification** – SBCA will coordinate with ALCABO for the certification of mandarin growers from Saranda to EUREPGAP standards.

Key Result Two: Enhancing Access to Finance for Target Enterprises

- **BKT Close Out** – SBCA will complete the plan for closing the guarantee agreement with BKT, after completing the final audit and submitting the final plan for approval to USAID.

- **PSHM Close Out** – SBCA will consult with USAID to agree upon a solution for the disposal of the \$2,550,000 loan fund at PSHM. SBCA will then complete the plan for closing the agreement with PSHM after the final audit.

Key Result Three: Monitoring, Measuring and Communicating SBCA Impact

- **Combining the Phase 1 and Phase 2 Databases** – To accurately account for statistics over the life of the project, in preparation for the final project report and permanent records, SBCA will combine the databases for the two project phases during the next quarter.
- **Publishing three editions of the “Business Promoter”** – Through its newsletter, SBCA will continue to report on project achievements and feature key clients and activities. One edition will focus specifically on the National Honey Day Event and SBCA-assisted honey producers.
- **Watermelon Producer’s Certification Award Ceremony** – This event will be organized by SBCA, in cooperation with the Xara commune, for EUREPGAP certification in July.
- **Impact of Loan Guarantee Program** – SBCA will measure the impact of guaranteed loans on jobs and sales.
- **Films of the Cheese and Olive Oil Events** – From the footage taken at these two events, SBCA will produce short promotional films on these events in July, capturing these successes for the final report and as a resource for future initiatives.
- **Final Report** – Project and home office staff will begin collecting material and planning for drafting, publishing and distributing a comprehensive final project report.

APPENDIX A

PROGRESS ACCOMPLISHED VS SCHEDULED (PMP CHART)

2. APPENDIX A – Progress Accomplished vs Scheduled (PMP Chart)

Table 1 SBCA Phase 2 PMP Indicators

PMP Indicators		Phase 2			
		Actual to date	Target	Over/(under) Target	
Indicator 1	Number of jobs created	751	2,300	(1,549)	
SO.1.3.1	Number of self-sustaining private enterprises benefiting directly from USAID assistance	1,433	1,550	(117)	
SO.1.3.2	Number of self-sustaining private enterprises benefiting indirectly from USAID assistance	523	640	(117)	
SO.1.3.3 (a)	Value (USD) of sales of Albanian products in domestic markets by USAID assisted enterprises	\$163,606,536	\$90,000,000	\$73,606,536	
SO.1.3.3 (b)	Increase (USD) of sales of Albanian products in domestic markets by USAID assisted enterprises	\$11,318,238	\$4,800,000	\$6,518,238	
SO.1.3.4 (a)	Value (USD) of sales of Albanian products exported by USAID assisted enterprises	\$8,311,051	\$2,750,000	\$5,561,051	
SO.1.3.4 (b)	Increase (USD) in sales of Albanian products exported by USAID-assisted enterprises	\$292,508	\$220,000	\$72,508	
IR 1: Competitiveness Capacity of Assisted Enterprises Strengthened	IR 1.1	No. of assisted enterprises applying new technology	308	420	(112)
	Sub-IR 1.1.1	Number of assisted enterprises receiving training in new technologies	673	754	(81)
	Sub-IR 1.1.2	Number of people trained in new technologies	694	808	(114)
	IR 1.2	Number of assisted enterprises applying management practice	28	150	(122)
	Sub-IR 1.2.1	Number of assisted enterprises receiving training in good management practices	372	278	94
	Sub-IR 1.2.2	Number of people trained in good management	419	327	92
	IR 1.3	Number of assisted enterprises applying marketing strategy which enhance competitiveness	58	100	(42)
	Sub-IR 1.3.1	Number of assisted enterprises receiving training in marketing strategies	83	137	(54)
	Sub-IR 1.3.2	Number of people trained in marketing strategies	197	171	26
IR 2: Access to Credit increased	Sub IR 2.1	Number of Loans from Commercial Banks	84	100	(16)
	Sub IR 2.2	Number of Loans from Non-Bank Financial Institutions	305	320	(15)
	Sub IR 2.3	Value of Loans from Commercial Banks	\$6,340,025	5,500,000	840,025
	Sub IR 2.4	Value of Loans from Non-bank Financial Institutions	\$3,462,133	3,840,000	(\$377,867)

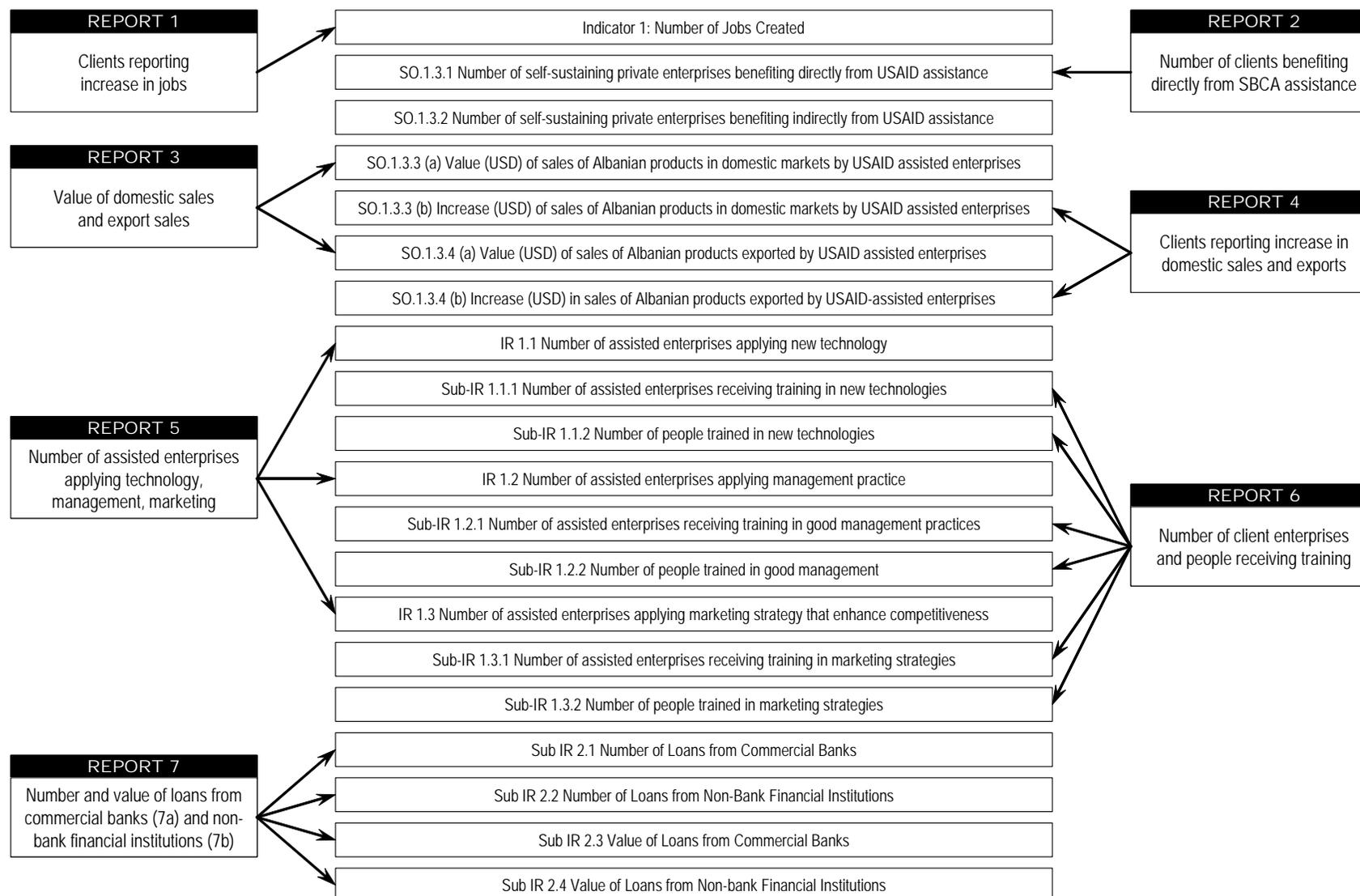
PMP Indicators are reported in each of the sections above. Table 1 summarizes all the SBCA Project PMP Indicators, through the end of June 2006, comparing actual results to the targets submitted in the USAID-approved Year 5 Work Plan.

A separate annex has been produced that includes a summary of sales orders completed by SBCA's business promoters; a summary of all SBCA Phase 2 clients and the services provided; clients that have received direct technical assistance showing types of services provided; a table of disaggregated PMP indicators; and STTA reports prepared by the Production Management and Costing Specialist and the Cheese Production Specialist.

APPENDIX B

STRUCTURE OF PMP REPORTING AND STATISTICAL REPORTS FROM SBCA DATABASE

3. APPENDIX B – Structure of PMP Reporting and Statistical Reports from SBCA Database



REPORT 1 – Clients Reporting Increase in Jobs up to June 30, 2006

No	BSP/Partners	Client ID	Business Name	Name	Surname	Earliest value recorded		Latest value recorded		Increase in Jobs
						FTE	Document	FTE	Document	
1	ABMC	2434	SHABANI Shpk	Shkelqim	Hoxhaj	8	PQF	19	Baseline	11
2	ABMC	2570	VASILI Shpk	Spiro	Fuqi	46	PQF	65	ImpactQuestionarie	19
3	ABMC	4960	FIDAL	Luigj	Frangaj	18	Baseline	21	ImpactQuestionarie	3
4	ABMC	4962	CLASS	Ardian	Mema	10	Baseline	14	ImpactQuestionarie	4
5	ABMC	5275	BACKMAN TIRANE	Mimoza	Zenelaku	10	PQF	11	Baseline	1
6	Berat RDA	4224	MIRI Shpk	Flamur	Abedini	16	PQF	37	Baseline	21
7	Berat RDA	4951	QEVANI Shpk	Fatmir	Qevani	3	Baseline	4	ImpactQuestionarie	1
8	Elbasan RDA	693	BOVA Shpk	Enver	Dyrma	10	Baseline	12	ImpactQuestionarie	2
9	Elbasan RDA	3848	AKPER QATIPI	Akper	Qatipi	6	Baseline	8	ImpactQuestionarie	2
10	Elbasan RDA	5006	EUROPA Shpk	Vangjel	Rula	16	Baseline	19	ImpactQuestionarie	3
11	Fieri RDA	1988	EROGERT Shpk	Agim	Driza	5	PQF	6	Baseline	1
12	Fieri RDA	3733	TEIST Shpk	Leonidha	Hoxhaj	4	Baseline	7	ImpactQuestionarie	3
13	Fieri RDA	4346	SULEJMAN SALIASI	Sulejman	Saliasi	1	PQF	2	Loan	1
14	Fieri RDA	4953	NEXHIP GJOSHI	Nexhip	Gjoshi	8	Baseline	12	ImpactQuestionarie	4
15	Korca RDA	1393	ADRIATIK BECOLLI	Adriatik	Becolli	3	Training	8	Training	5
16	Korca RDA	4696	HABA BALLKAN Shpk	Petrit	Hajdelli	17	Baseline	19	ImpactQuestionarie	2
17	Korca RDA	5173	SEFIT IBI	Sefit	Ibi	1	Training	2	Training	1
18	Korca RDA	5175	KIMET BAKOLLARI	Kimet	Bakollari	1	Training	3	Training	2
19	NATC	350	ALBAMILK	Orhan	Miloti	2	PQF	10	Baseline	8
20	NATC	1077	BAJRAM UKU	Bajram	Uku	2	PQF	7	Baseline	5
21	NATC	2010	ELMIGVAN	Mustafa	Zuna	6	Baseline	8	ImpactQuestionarie	2
22	NATC	2503	ZEF NDRECA	Zef	Ndreca	5	Baseline	8	ImpactQuestionarie	3
23	NATC	4955	SHOQATA BLETAREVE	Kadri	Bulica	28	Baseline	32	ImpactQuestionarie	4
24	PSHM Durres	3083	PAHERO Shpk	Roland	Lala	8	PQF	12	Closed Loan	4
25	PSHM Durres	3571	NEVZAT HOXHAI	Nevzat	Hoxhaj	6	PQF	8	Closed Loan	2
26	PSHM Elbasan	4886	FAIK SHKALLA	Faik	Shkalla	2	PQF	4	Closed Loan	2
27	PSHM Fier	4366	ALIM KAPIDANI	Alim	Kapidani	4	PQF	5	Loan	1
28	PSHM Fushe-Kruje	4874	GJET	Gjet	Dodaj	1	PQF	2	Closed Loan	1

No	BSP/Partners	Client ID	Business Name	Name	Surname	Earliest value recorded		Latest value recorded		Increase in Jobs
						FTE	Document	FTE	Document	
29	PSHM Korce	5215	XHENTIL SPAILLARI	Xhentil	Spaillari	2	PQF	3	Closed Loan	1
30	PSHM Sarande	3586	KOSTANDIN KOCO	Kostandin	Koco	2	PQF	4	Closed Loan	2
31	PSHM Sarande	4353	ALEKSANDER BALLA	Aleksander	Balla	2	PQF	4	Closed Loan	2
32	PSHM Sarande	4851	EQEREM ABDULLAJ	Xhaferr	Abdullaj	2	PQF	5	Loan	3
33	PSHM Sarande	4909	PAVLLO HITO	Pavullo	Hito	1	PQF	2	Loan	1
34	PSHM Sarande	4917	PANDO BAKALLI	Pando	Bakalli	1	PQF	6	Loan	5
35	PSHM Shkoder	2831	QAZIM CAFI	Qazim	Cafi	1	PQF	2	Loan	1
36	PSHM Tirane	2066	KOZETA SHKEMBI	Kozeta	Shkembi	6	PQF	14	Loan	8
37	PSHM Tirane	2439	SHEFQET BRIJA	Shefqet	Brija	3	PQF	6	Closed Loan	3
38	PSHM Tirane	3516	AGRON QOKU	Agron	Qoku	3	PQF	4	Closed Loan	1
39	PSHM Tirane	3577	ARIS GUDA	Aris	Guda	1	PQF	5	Loan	4
40	SBCA	2994	KARAFILI Shpk	Islam	Karafili	13	PQF	31	Baseline	18
41	TEULEDA	2980	FLORIAN V Shpk	Viktor	Marku	16	Baseline	18	ImpactQuestionarie	2
42	TEULEDA	3336	TOME SHELQETJA	Tome	Shelqetja	18	Baseline	22	ImpactQuestionarie	4
43	TEULEDA	3583	AGIM BUSHATI	Agim	Bushati	4	PQF	6	Baseline	2
44	TEULEDA	5430	MELGUSHI Shpk	Ferdinand	Melgushi	75	PQF	92	Baseline	17
45	Tirana RDA	1021	ISMAIL HAXHIU	Ismail	Haxhiu	15	PQF	22	Baseline	7
46	Tirana RDA	4004	EUROPAN DRURI Shpk	Kadri	Kurti	11	Baseline	15	ImpactQuestionarie	4
47	Tirana RDA	4964	BLLAMA Shpk	Andon	Bllama	5	Baseline	6	ImpactQuestionarie	1
48	Tirana RDA	5343	EGDI - GRAMA	Armand	Reveli	18	Baseline	20	ImpactQuestionarie	2
49	Vlora RDA	4910	SHAQIR MAZE	Shaqir	Maze	5	Baseline	8	ImpactQuestionarie	3
50	Vlora RDA	4954	YLSI LAZE	Ylsi	Laze	9	Baseline	10	ImpactQuestionarie	1
51	Vlora RDA	5053	HASIM MEMINAJ	Hasim	Meminaj	13	Baseline	23	ImpactQuestionarie	10
52	Vlora RDA	5086	ILIAS BILBILAJ	Ilias	Bilbilaj	4	Baseline	5	ImpactQuestionarie	1
53	Vlora RDA	5123	LEONIDHA GERVENI	Leonidha	Gerveni	1	Training	4	Training	3
54	Vlora RDA	5124	GEZIM ARAPI	Gezim	Arapi	1	Training	4	Training	3
55	Vlora RDA	5127	MYZAFER TUSHI	Myzafer	Tushi	1	Training	3	Training	2
56	Vlora RDA	5128	BARDHYL QAMILI	Bardhyl	Qamili	1	Training	3	Training	2
57	Vlora RDA	5532	RAMIZ BEGAJ	Ramiz	Begaj	2	Training	4	Training	2
58	Vlora RDA	5697	LLUKAN KOTE	Llukan	Kote	32	Baseline	40	ImpactQuestionarie	8
59	Vlora RDA	5698	ILA BUZUQI	Ilia	Buzuqi	27	Baseline	31	ImpactQuestionarie	4
60	Vlora RDA	5799	PELLUMB SALIU	Pellumb	Saliu	8	Baseline	17	ImpactQuestionarie	9

No	BSP/Partners	Client ID	Business Name	Name	Surname	Earliest value recorded		Latest value recorded		Increase in Jobs
						FTE	Document	FTE	Document	
61	Vlora RDA	5800	LEFTER RUBIA	Lefter	Rubia	6	Baseline	7	ImpactQuestionarie	1
A. Sub-TOTAL						556		811		255
B. Closed Loans						1,614		1,449		496
TOTAL (A+B)						2,170		2,260	Indicator 1	751

REPORT 2 – Number of Clients Benefiting Directly from SBCA Assistance up to June 30, 2006

SECTOR	Type of Assistance				*Adjusted Client Total (SO 1.3.1)
	Tech. Assistance	Loans	Training	Subtotal	
Fruit and Vegetables Cultivation and Processing	50	33	321	404	388
Cut flowers, Seedlings and Ornamental Plants	6	3	48	57	52
Bee products and Processing	8	0	54	62	56
Livestock Farming	4	81	38	123	120
Grapes Cultivation and Processing	4	1	160	165	164
Dairy Products	20	14	33	67	57
Olive Cultivation and Processing	11	1	150	162	154
Bread and Pastries Production	9	37	1	47	47
Herbs and Spices	2	2	21	25	24
Meat Processing	9	5	7	21	19
Water and Soft Drinks Producers	1	2	1	4	4
Other Agribusinesses	7	21	39	67	66
Sub-Total Agribusiness	131	200	873	1204	1151
Wood Processing	3	42	3	48	45
Construction	3	49	9	61	60
Carpet Producers	2	1	0	3	3
Giftware Producers	1	1	1	3	3
Clothing and Textile Producers	5	16	6	27	26
Leather Products	0	3	1	4	4
Other Non-Agribusiness Producers	3	19	14	36	35
B. Sub-Total Non-Agribusiness	17	131	34	182	176
Wholesalers	0	5	2	7	7
Retailers	0	5	20	25	25
Input Suppliers	4	1	15	20	20
Services	1	10	43	54	54
Sub - Total Other	5	21	80	106	106
TOTAL	153	352	987	1492	1433

* To avoid double counting, i.e. those clients that have received more than 1 unit of assistance.

REPORT 3 – Value of Domestic Sales and Export Sales up to June 30, 2006

Sectors	Value of Sales in Domestic Markets (00's LEK) SO 1.3.3(a)	Value of Sales in Exported (00's LEK) SO 1.3.4(a)
Agribusiness Sectors		
Fruit And Vegetables Cultivation And Processing	11,250,823	1,331,400
Cut Flowers, Seedlings And Ornamental Plants	1,382,590	0
Bee Products And Processing	700,380	25,208
Livestock Farming	3,040,250	0
Grapes Cultivation And Processing	711,479	0
Dairy Products	14,545,459	0
Olive Cultivation And Processing	2,507,419	20,136
Bread And Pastries Production	11,032,972	30,000
Herbs And Spices	2,608,900	0
Meat Processing	7,398,317	0
Water And Soft Drinks Producers	405,250	0
Other Agribusinesses	29,728,344	4,373,588
A. Sub-Total Agribusiness Sectors	85,312,182	5,780,332
Non-Agribusiness Sectors		
Wood Processing	9,882,910	1,108,000
Construction	32,993,737	100,000
Carpet Producers	102,195	1,000
Giftware Producers	395,000	166,400
Clothing And Textile Producers	6,227,573	1,135,320
Leather Products	6,398,600	0
Other Non-Agribusiness Producers	6,954,344	20,000
B. Sub-Total Non-Agribusiness Sectors	62,954,359	2,530,720
Other Businesses		
Wholesalers	3,208,339	0
Retailers	1,142,420	0
Input Suppliers	8,349,640	0
Services	2,639,595	0
C. Sub-Total Other Businesses	15,339,994	0
TOTAL (A+B+C)	163,606,536	8,311,051

REPORT 4 – Clients Reporting Increase in Domestic Sales and Exports up to June 30, 2006

No	BSP/Partners	Client ID	Business Name	Name	Surname	Earliest value recorded		Latest value recorded		Increase in Sales (00's LEK)
						(00's LEK)	Document	(00's LEK)	Document	
DOMESTIC SALES										
1	ABMC	2570	VASILI Shpk	Spiro	Fuqi	61,300	PQF	120,000	ImpactQuestionarie	58,700
2	ABMC	4960	FIDAL	Luigj	Frangaj	48,000	Baseline	60,000	ImpactQuestionarie	12,000
3	ABMC	4962	CLASS	Ardian	Mema	14,144	Baseline	158,040	ImpactQuestionarie	143,896
4	ABMC	5275	BACKMAN TIRANE	Mimoza	Zenelaku	101,520	PQF	2,028,000	Baseline	1,926,480
5	Berat RDA	3876	ADIL JAHO	Adil	Jaho	46,600	Baseline	50,328	ImpactQuestionarie	3,728
6	Berat RDA	4406	ARIF QATO	Arif	Qato	84,000	Baseline	90,720	ImpactQuestionarie	6,720
7	Berat RDA	4951	QEVANI Shpk	Fatmir	Qevani	20,000	Baseline	30,300	ImpactQuestionarie	10,300
8	BKT Korce	5428	HROMODHOMI ALBANIA	Aristotel	Mindili	655,730	PQF	1,676,262	Loan	1,020,532
9	Elbasan RDA	693	BOVA Shpk	Enver	Dyrma	185,500	Baseline	204,600	ImpactQuestionarie	19,100
10	Elbasan RDA	5006	EUROPA Shpk	Vangjel	Rula	552,000	Baseline	627,900	ImpactQuestionarie	75,900
11	Fieri RDA	581	AGOLLI	Xheladin	Agolli	87,500	Baseline	97,990	Loan	10,490
12	Fieri RDA	1988	EROGERT Shpk	Agim	Driza	15,000	PQF	170,000	Baseline	155,000
13	Fieri RDA	2183	BEDRI BANUSHI	Bedri	Banushi	25,000	PQF	31,750	Closed Loan	6,750
14	Fieri RDA	3733	TEIST Shpk	Leonidha	Hoxhaj	72,000	Baseline	438,000	ImpactQuestionarie	366,000
15	Fieri RDA	4504	APOLLON Shpk	Hilmi	Brace	648,300	Baseline	848,000	ImpactQuestionarie	199,700
16	Fieri RDA	4953	NEXHIP GJOSHI	Nexhip	Gjoshi	15,000	Baseline	38,000	ImpactQuestionarie	23,000
17	Korca RDA	4696	HABA BALLKAN Shpk	Petrit	Hajdelli	179,460	Baseline	192,121	ImpactQuestionarie	12,661
18	Korca RDA	4967	ATLAS 1	Vasfi	Haruni	294,750	Baseline	306,540	ImpactQuestionarie	11,790
19	Korca RDA	5173	SEFIT IBI	Sefit	Ibi	0	Training	3,990	Training	3,990
20	Korca RDA	5175	KIMET BAKOLLARI	Kimet	Bakollari	0	Training	2,200	Training	2,200
21	Korca RDA	5365	LEOPARD Shpk	Deshira	Miho	70,000	Baseline	70,363	ImpactQuestionarie	363
22	NATC	215	MIRELI	Aqif	Caca	187,425	Baseline	630,000	ImpactQuestionarie	442,575
23	NATC	2010	ELMIGVAN	Mustafa	Zuna	72,000	Baseline	116,750	ImpactQuestionarie	44,750
24	NATC	2503	ZEF NDRECA	Zef	Ndreca	72,000	Baseline	111,150	ImpactQuestionarie	39,150
25	NATC	2649	BUTRINTI Shpk	Viktor	Cela	110,000	Baseline	110,550	ImpactQuestionarie	550
26	NATC	4955	SHOQATA BLETAREVE	Kadri	Bulica	112,000	Baseline	130,500	ImpactQuestionarie	18,500
27	NATC	4958	ALBA-MAJA Shpk	Ibrahim	Hoxha	438,000	Baseline	473,040	ImpactQuestionarie	35,040
28	NATC	5675	GJERGJI KRESHPANI	Gjergji	Kreshpani	150,000	Training	1,500,000	Training	1,350,000

No	BSP/Partners	Client ID	Business Name	Name	Surname	Earliest value recorded		Latest value recorded		Increase in Sales (00's LEK)
						(00's LEK)	Document	(00's LEK)	Document	
29	PSHM Durres	3571	NEVZAT HOXHAI	Nevzat	Hoxhaj	60,000	PQF	66,000	Closed Loan	6,000
30	PSHM Elbasan	4886	FAIK SHKALLA	Faik	Shkalla	5,000	PQF	5,750	Closed Loan	750
31	PSHM Fier	3355	VELEDIN BOGDANAJ	Veledin	Bogdanaj	12,000	PQF	23,640	Closed Loan	11,640
32	PSHM Fier	4366	ALIM KAPIDANI	Alim	Kapidani	11,930	PQF	24,000	Loan	12,070
33	PSHM Fushe-Kruje	4874	GJET	Gjet	Dodaj	150,000	PQF	165,000	Closed Loan	15,000
34	PSHM Korce	5215	XHENTIL SPAILLARI	Xhentil	Spaillari	173,000	PQF	207,600	Closed Loan	34,600
35	PSHM Sarande	3750	VELI NEXHIPI	Veli	Nexhipi	0	PQF	13,000	Loan	13,000
36	PSHM Sarande	4353	ALEKSANDER BALLA	Aleksander	Balla	19,000	PQF	22,420	Closed Loan	3,420
37	PSHM Sarande	4851	EQEREM ABDULLAJ	Xhaferr	Abdullaj	0	PQF	72,000	Loan	72,000
38	PSHM Sarande	4909	PAVLLO HITO	Pavlo	Hito	0	PQF	22,000	Loan	22,000
39	PSHM Sarande	4917	PANDO BAKALLI	Pando	Bakalli	0	PQF	954,800	Loan	954,800
40	PSHM Sarande	4983	MUSA GROSHI	Musa	Groschi	3,000	PQF	5,000	Loan	2,000
41	PSHM Shkoder	2831	QAZIM CAFI	Qazim	Cafi	8,500	PQF	23,760	Loan	15,260
42	PSHM Shkoder	2895	PRENGE MHILLAJ	Prengje	Mhillaj	60,000	PQF	69,000	Closed Loan	9,000
43	PSHM Tirane	2439	SHEFQET BRIJA	Shefqet	Brija	60,000	PQF	73,200	Closed Loan	13,200
44	PSHM Tirane	3516	AGRON QOKU	Agron	Qoku	72,000	PQF	82,800	Closed Loan	10,800
45	PSHM Tirane	3577	ARIS GUDA	Aris	Guda	24,000	PQF	82,000	Loan	58,000
46	PSHM Tirane	5010	ASTRIT XHIXHA	Astrit	Xhixha	900	PQF	990	Closed Loan	90
47	SBCA	5351	FERLAT Shpk	Ferdinand	Ibrahimi	601,419	Baseline	780,714	ImpactQuestionarie	179,295
48	TEULEDA	2496	NIKOLINO	Arben	Kolaj	760,051	Baseline	780,000	ImpactQuestionarie	19,949
49	TEULEDA	2980	FLORIAN V Shpk	Viktor	Marku	95,000	Baseline	165,000	ImpactQuestionarie	70,000
50	TEULEDA	3336	TOME SHELQETJA	Tome	Shelqetja	631,050	Baseline	651,900	ImpactQuestionarie	20,850
51	TEULEDA	3583	AGIM BUSHATI	Agim	Bushati	10,000	PQF	302,000	Baseline	292,000
52	TEULEDA	5430	MELGUSHI Shpk	Ferdinand	Melgushi	280,920	PQF	300,000	Baseline	19,080
53	Tirana RDA	899	RESHIT HOXHA	Reshit	Hoxha	24,790	Baseline	27,269	ImpactQuestionarie	2,479
54	Tirana RDA	3969	EVEREST	Hyqmet	Shehi	38,600	Baseline	41,300	ImpactQuestionarie	2,700
55	Tirana RDA	4004	EUROPAN DRURI Shpk	Kadri	Kurti	250,000	Baseline	255,000	ImpactQuestionarie	5,000
56	Tirana RDA	4963	VRAPI	Enver	Vrapi	42,500	Baseline	50,500	ImpactQuestionarie	8,000
57	Tirana RDA	4964	BLLAMA Shpk	Andon	Bllama	55,100	Baseline	70,000	ImpactQuestionarie	14,900
58	Tirana RDA	5343	EGDI - GRAMA	Armand	Reveli	156,000	Baseline	166,920	ImpactQuestionarie	10,920
59	Vlora RDA	1168	ERVM Shpk	Vesaf	Musai	10,000	Baseline	12,000	ImpactQuestionarie	2,000
60	Vlora RDA	4940	BARDHI BALLA	Bardhi	Balla	200,000	Baseline	220,000	ImpactQuestionarie	20,000

No	BSP/Partners	Client ID	Business Name	Name	Surname	Earliest value recorded		Latest value recorded		Increase in Sales (00's LEK)
						(00's LEK)	Document	(00's LEK)	Document	
61	Vlora RDA	4954	YLSI LAZE	Ylsi	Laze	0	Baseline	10,000	ImpactQuestionarie	10,000
62	Vlora RDA	5088	AVNI SKENDAJ	Avni	Skendaj	9,000	Baseline	25,000	ImpactQuestionarie	16,000
63	Vlora RDA	5124	GEZIM ARAPI	Gezim	Arapi	0	Training	4,000	Training	4,000
64	Vlora RDA	5516	XHYER ALIRA	Xhyer	Alira	0	Training	6,000	Training	6,000
65	Vlora RDA	5696	STAVRI BAMI	Stavri	Bami	206,400	Baseline	288,400	ImpactQuestionarie	82,000
66	Vlora RDA	5799	PELLUMB SALIU	Pellumb	Saliu	160,000	Baseline	182,000	ImpactQuestionarie	22,000
Sub-total Domestic Sales						8,507,389		16,568,057		8,060,668
Closed Loans						28,106,137		16,581,385		3,257,570
Total DOMESTIC SALES						36,613,526		33,149,442	SO 1.3.3(b)	11,318,238
EXPORT SALES										
1	Fieri RDA	4504	APOLLON Shpk	Hilmi	Brace	0	Baseline	20,000	ImpactQuestionarie	20,000
2	NATC	4955	SHOQATA BLETAREVE	Kadri	Bulica	0	Baseline	13,008	ImpactQuestionarie	13,008
3	Tirana RDA	4004	EUROPAN DRURI Shpk	Kadri	Kurti	37,000	Baseline	42,000	ImpactQuestionarie	5,000
4	Vlora RDA	4910	SHAQIR MAZE	Shaqir	Maze	42,500	Baseline	45,500	ImpactQuestionarie	3,000
5	Vlora RDA	5696	STAVRI BAMI	Stavri	Bami	98,000	Baseline	182,500	ImpactQuestionarie	84,500
6	Vlora RDA	5697	LLUKAN KOTE	Llukan	Kote	240,000	Baseline	288,000	ImpactQuestionarie	48,000
7	Vlora RDA	5698	ILA BUZUQI	Ilija	Buzuqi	360,000	Baseline	448,000	ImpactQuestionarie	88,000
8	Vlora RDA	5799	PELLUMB SALIU	Pellumb	Saliu	102,000	Baseline	132,500	ImpactQuestionarie	30,500
9	Vlora RDA	5800	LEFTER RUBIA	Lefter	Rubia	34,000	Baseline	34,500	ImpactQuestionarie	500
Total EXPORT SALES						913,500		1,206,008	SO 1.3.4(b)	292,508

REPORT 5 – Number of Assisted enterprises Applying New Technologies, Management Practices and Marketing Strategies, up to June 30, 2006

SECTOR	IR 1.1 New Technology	IR 1.2 Management Practices	IR 1.3 Marketing Strategies
Fruit And Vegetables Cultivation And Processing	10	12	9
Cut Flowers, Seedlings And Ornamental Plants	2	0	2
Bee Products And Processing	1	2	2
Livestock Farming	1	1	0
Grapes Cultivation And Processing	4	0	0
Dairy Products	6	2	6
Olive Cultivation And Processing	2	3	7
Bread And Pastries Production	1	2	2
Herbs And Spices	0	0	0
Meat Processing	1	2	1
Water And Soft Drinks Producers	0	0	0
Other Agribusinesses	0	1	0
A. Sub-Total Agribusiness	28	25	29
Wood Processing	1	1	1
Construction	1	0	1
Carpet Producers	0	0	0
Giftware Producers	0	0	1
Clothing And Textile Producers	1	1	1
Leather Products	0	0	0
Other Non-Agribusiness Producers	2	1	2
B. Sub-Total Non-Agribusiness	5	3	6
Wholesalers	0	0	0
Retailers	0	0	0
Input Suppliers	0	0	0
Services	0	0	0
C. Sub-Total Other	0	0	0
Total from Impact Monitoring Questionnaires	33	28	35
Action Plans	0	0	23
Use of Loan	275	0	0
Total Number of Assisted Enterprises	308	28	58

REPORT 6 – Number of SBCA clients Enterprises and People Receiving Training up to June 30, 2006

Knowledge Increased	Enterprises		People	
	Number	Sub IR	Number	Sub IR
New Technologies	673	1.1.1	694	1.1.2
Good Management	372	1.2.1	419	1.2.2
Marketing Strategies	83	1.3.1	197	1.3.2

REPORT 7a – Number and Value of Loans from the Commercial Bank (BKT) up to June 30, 2006

SECTORS	SBCA LOAN FUND PORTOFOLIO	
	Number of loans	Value of Loans (USD)
Fruit And Vegetables Cultivation And Processing	3	99,515
Cut Flowers, Seedlings And Ornamental Plants	0	0
Bee Products And Processing	0	0
Livestock Farming	2	51,426
Grapes Cultivation And Processing	0	0
Dairy Products	3	28,224
Olive Cultivation And Processing	1	4,992
Bread And Pastries Production	6	193,672
Herbs And Spices	1	11,246
Meat Processing	3	97,091
Water And Soft Drinks Producers	0	0
Other Agribusinesses	3	35,965
A. Total Agribusiness	22	522,131
Wood Processing	16	301,392
Construction	19	384,242
Carpet Producers	0	0
Giftware Producers	0	0
Clothing And Textile Producers	6	186,348
Leather Products	1	11,428
Other Non-Agribusiness Producers	10	277,510
B. Total Non - Agribusiness	52	1,160,921
Wholesalers	4	117,106
Retailers	1	14,349
Input Suppliers	1	27,210
Services	4	159,257
C. Other Businesses	10	317,921
Total A + B + C	84	2,000,973

REPORT 7b – Number and Value of Loans from the Non-bank Financial Institution (PSHM) up to June 30, 2006

SECTORS	SME LOAN FUND PORTFOLIO	
	Number of Loans	Value of Loans (USD)
Fruit and vegetables cultivation and processing	35	299,397
Cut flowers, seedlings and ornamental plants	3	46,640
Bee products and processing	0	0
Livestock farming	87	867,345
Grapes cultivation and processing	1	5,150
Dairy products	12	232,167
Olive cultivation and processing	0	0
Bread and pastries production	33	347,581
Herbs and spices	1	8,896
Meat processing	2	24,140
Water and soft drinks producers	2	14,140
Other agribusinesses	20	206,699
A. Total agribusiness	196	2,052,156
Wood processing	31	363,542
Construction	40	519,778
Carpet producers	1	5,253
Giftware producers	2	40,173
Clothing and textile producers	10	97,551
Leather products	2	30,547
Other non-agribusiness producers	10	114,017
B. Total non - agribusiness	96	1,170,862
Wholesalers	1	52,428
Retailers	5	54,231
Input suppliers	0	0
Services	7	132,457
C. Other businesses	13	239,116
Total A + B + C	305	3,462,133

APPENDIX C

KEY RESULTS

KEY RESULT ONE: Increasing Sales and Employment in Target Enterprises

KEY RESULT TWO: Enhancing Access to Finance for Target Enterprises

KEY RESULT THREE: Monitoring, Measuring and Communicating SBCA Impact

4. APPENDIX C – Key Results

KEY RESULT ONE: Increasing Sales and Employment in Target Enterprises

A summary of the clients receiving assistance from SBCA to date is shown, by sector, in Table 2 below.

Table 2 Number of Clients benefiting from the SBCA Technical Assistance and Training up to June 30, 2006

SECTOR	Type of Assistance				*Adjusted Client Total (SO 1.3.1)
	Tech. Assist.	Loans	Training	Sub-total	
Fruit and Vegetables Cultivation and Processing	50	33	321	404	388
Cut flowers, Seedlings and Ornamental Plants	6	3	48	57	52
Bee products and Processing	8	0	54	62	56
Livestock Farming	4	81	38	123	120
Grapes Cultivation and Processing	4	1	160	165	164
Dairy Products	20	14	33	67	57
Olive Cultivation and Processing	11	1	150	162	154
Bread and Pastries Production	9	37	1	47	47
Herbs and Spices	2	2	21	25	24
Meat Processing	9	5	7	21	19
Water and Soft Drinks Producers	1	2	1	4	4
Other Agribusinesses	7	21	39	67	66
Sub-Total Agribusiness	131	200	873	1204	1151
Wood Processing	3	42	3	48	45
Construction	3	49	9	61	60
Carpet Producers	2	1	0	3	3
Giftware Producers	1	1	1	3	3
Clothing and Textile Producers	5	16	6	27	26
Leather Products	0	3	1	4	4
Other Non-Agribusiness Producers	3	19	14	36	35
B. Sub-Total Non-Agribusiness	17	131	34	182	176
Wholesalers	0	5	2	7	7
Retailers	0	5	20	25	25
Input Suppliers	4	1	15	20	20
Services	1	10	43	54	54
Sub - Total Other	5	21	80	106	106
TOTAL	153	352	987	1492	1433

* To avoid double counting, i.e. those clients that have received more than 1 unit of assistance.

A total of 61 clients reported a FTE increase of 751 jobs. Report 1 in the Appendix lists all the companies included in this total. The number of self-sustaining private enterprises benefiting directly is 1,433 (SO 1.3.1) and the number of indirectly benefiting enterprises is 523 (SO 1.3.2).

The value of sales of Albanian products in domestic markets is \$163,606,536 (SO1.3.3a) and the increase of domestic sales is \$11,318,328 (SO 1.3.3b). The value of export sales is \$8,311,051 (SO 1.3.4a) and the increase in export sales is \$292,508 (SO 1.3.4b). A summary of overall domestic and export sales, by sector, is shown in Report 3, and a list of clients reporting increases in domestic and export sales is shown in Report 4. Both these reports are included in the appendix to this report.

A summary of the types of assistance SBCA has provided to its Phase 2 clients is shown in the separate Annex 4, and, the number of clients assisted, is shown in Report 2 in the Appendix. This report groups clients into knowledge increased in: new technology, good management and marketing strategies. A summary of the types of assistance provided to SBCA's 153 clients that have completed action plans is shown in the separate Annex 2.

Selected results are shown under each of the headings below. The first "assistance" sections refer to results by type of assistance, and the second sections show results achieved by selected clients based on the main assistance offered, e.g. a client receiving assistance mainly on technology issues, but that is also receiving assistance in management and marketing is shown only under technology.

1. Increased Knowledge in New Technology

In the SBCA Project to date 694 people, from 673 enterprises, have received training in new technology. Of the latter, 308 enterprises have applied new technology in their businesses.

a. By Type of Assistance

- **Quality and Productivity** – New techniques to increase productivity and quality have been implemented in 98 client enterprises.
- **Sourcing of Equipment** – SBCA has assisted 28 enterprises in equipment sourcing.
- **New Products** – SBCA has assisted 21 clients in introducing and developing new products.
- **Bee Disease Control in Vlora** – On May 24, 2006, SBCA (through Vlora RDA) delivered training to 13 bee-keepers in Llogara, Vlora. The training focused on varroa disease control and included a demonstration of the advanced bee park of Bilbil Cobaj.
- **Livestock Farmers Producers in Berat** – On May 1, 2006, SBCA (through Berat RDA) delivered training to 11 livestock farmers in Perondi, Berat. The training focused on improving nutrition practices and food recipes for cattle that will increase productivity and the quality of milk.
- **Training of Beekeepers in Korca Region** – On April 7, 2006 SBCA, through the Beekeepers Association of Korca, organized a training session for 20 beekeepers on the latest techniques to prevent and fight *varroa* and *nozematosis* diseases in bee colonies, and how to label and market honey. The trainers included Mr. Haxhi Demukaj, Head of

the Kosova Beekeepers League, Prof. Aleks Pëllumbi from the Institute of Veterinary Studies and Ropi Miti, from Korca RDA. During the training some beekeepers that had just returned from a honey fair in France shared their experience of their trip.

- **Training with vegetable farmers in Pogradec** – On June 2006, SBCA, through Korca RDA, organized training for 15 vegetable farmers in the Pogradec region. The vegetables planted in this region include potatoes, beetroots, melons, and peppers. Topics delivered during the training include agro-technical services that increase plant output and the correct use of fertilizers. Training on costing, pricing and loan application procedures were also delivered during the day.
- **Planting and Storage Techniques in Finiq, Sarande**– On June 12, 2006 SBCA (through ABMC) organized training for 17 citrus producers from Saranda district. The training was in response to farmer’s requests for learning new production techniques for growing citrus fruits in greenhouses. The training was delivered by Nikollaq Bardhi, a specialist from Tirana University and Vito Vitelli a specialist from Bari University.
- **Apple Growers in Dvoran - Korca** – On April 9, 2006 SBCA organized training for 27 apple growers in Dvoran Korca. Techniques covered included ‘green pruning’, which can increase apple tree productivity by up to 50%, and techniques on how to fight varieties of different apple diseases.
- **Training on herbs and spices** – In April 2006, TEULEDA delivered training in Bajze, Malesia e Madhe to farmers that supply Mucaj shpk. with herbs and spices. The training included new techniques for increasing the production and quality of heterous oleum herbs. A total of 20 businesses were trained.

b. By Client

- **Astrit Kadilli, Astrit Hoxha, Dashamir Caushi, Melsi Begolli, Nexhat Mullalli**, - Are apple Growers in Korca region that have been assisted in adopting “green pruning” techniques for apples. The use of these techniques, adopted from France, will lead to a reduction of tree maintenance costs and will lead up to 50% increase in the output of apples per tree.
- **Fran Ndreu** - The vegetable producer based in Shkodra, has received assistance in equipment sourcing.
- **Vasel Mucaj** – The suppliers of this company received firm-level technical assistance on first time cultivation of thyme and lavender, and on sourcing thyme and lavender seeds from abroad.
- **Artflex** – SBCA has assisted this Shkodra-based client on finding equipment for producing sponge used in the production of mattresses. The client exports to Italy and the region.
- **Simon Lamaj** – SBCA has assisted this dairy producer from Lac in producing a new type of “Kackavall” cheese.

- **Behadir Aksoy** – This flour producer, based in Vora-Tirana, is being assisted by SBCA in the improvement of flour quality through the use of additives and the application of new analysis techniques that will lead to increasing the capacity of the plant.
- **Agim Ibrahim** – This Durres-based client is receiving assistance on fighting greenhouse diseases and other agro-technical methods for producing tomatoes and cucumbers.
- **Albamilk** – SBCA has assisted the client in producing a new type of Camembert cheese.
- **Mireli** – This Kavaja-based dairy client is receiving assistance on application of new practical methods and completion of microbiological analyses on milk supplies and his final dairy products.
- **Arben Mema** – SBCA assisted this Durres-based client on grape yard management systems, on improving soil fertility and meeting production standards.
- **Greal Shpk** – SBCA has assisted the Greal Dairy located in Korca in introducing and producing (for the first time in Albania) a new variety of sheep cheese - Tomme de Savoie, and, branding and labeling his cheese products. This client also exhibited at the “New Cheeses of Albania” fair on June 16, 2006.
- **Akper Qatipi** – This cheese and yoghurt producer from Elbasan has been assisted in organizing his production, branding and labeling, and, the sourcing of new packaging for his yoghurt and cheeses. His new cheese, Panir, produced with the assistance of SBCA, was exhibited at the “New Cheeses of Albania” fair on June 16, 2006.
- **Bardhi Ballaj** – SBCA has assisted the Ballaj Dairy (based in Gjorma near Vlora) in: introducing two new varieties of sheep cheese (Gravier and Perail); assisting milk suppliers with increasing the supply and quality of milk; preparing a marketing plan; and, branding and labeling his cheese products. Ballaj also exhibited at the Cheese fair.
- **Fredi Mahmutaj** – This cheese producer from Gjirokastra has been assisted in producing a new Gravier variety of cheese and in the branding and labeling of his cheeses ready for exhibiting on June 16.
- **Kastriot Shehaj** – He has received assistance in the implementation of solar greenhouse technology for his seedlings farm (located outside Vlora) that will reduce costs and raise productivity.

2. Increased Knowledge in Good Management

To date SBCA has trained 419 people, from 372 enterprises in good management, of which 28 reported that they have applied, or are applying, new management practices.

a. By Type of Assistance

- **Budgeting and management of a business** – During June 2006, ABMC organized a series of group trainings for agribusiness and non-agribusiness clients on good budgeting procedures and the management of a business. 86 clients were trained in different cities including Saranda, Fier, Berat, Kavaja, Durres and Vlora. The training in Vlora was delivered to PSHM loan clients at the request of PSHM's Vlora Branch Manager. The training was delivered by Vjollca Karapici a specialist from the Economic Faculty at the University of Tirana.
- **Training on Making Cent\$** - During this quarter SBCA has organized three days training on Making Cent\$, on how to prepare a business plan. Five training sessions were delivered by Tirana, Fier, Korca, Vlora and Elbasan RDAs to a total of 60 businesses.
- **Management Training** – During Q3 2005/6, SBCA subcontracted business service providers to deliver training on management issues. A total of 105 businesses received training during this quarter.
- **Seedling Producers Training in Vlora, Fier and Berat Districts** – On June 28 and 29, 2006, SBCA (through Vlora RDA) organized 2 two-day training sessions, in Vlora, on producing certified seedlings for intensive fruit tree farming. Seedlings producers and fruit tree farmers attended the training. A practical demonstration was also organized at the Institute of Fruit Trees in Vlora. In total, 30 seedlings producers and 40 fruit tree farmers from Vlora, Fier and Berat, will attend the training. This will result in improvements in the quality of fruit produced and an increase in sales from seedlings purchases.
- **Pepper Suppliers of Alcred in Sulzotaj, Lushnja** – On June 28, 2006, SBCA (through Fier RDA) delivered training to 11 pepper growers in Sulzotaj, Lushnja. The training focused on group leadership, dispute management, and contract farming.
- **Training on Using Organic Waste as Fertilizer in Vlora** – In June 2006, SBCA (through Vlora RDA) organized two training sessions, in Vlora for 31 farmers. The purpose of the training was to show farmers how to use waste as fertilizer for producing organic fruits. Training included a demonstration of collection, processing and the use of organic fertilizers in the seedlings farm of Kastriot Shehaj, Vlora. In total 140 farmers will be trained in the technology, who will apply the techniques in 16 villages.
- **Business Planning** – SBCA is now implementing its standard format of business plan. SBCA's Credit Assistant, Dorela Shani and the SBCA short term specialist David Douglas have been working on three business plans for Jeta Shpk, Sabin Shpk and Apollon Shpk. SBCA's short term specialist, David Douglas, conducted business planning coaching to Vasili Shpk. and Jeta Shpk. Mr. Douglas will be directly responsible for the production of at least 15 business plans of the 50 SBCA will complete before the end of the Project.
- **Agro-businesses from Tirana and other towns** – On June 30, 2006, the NATC delivered entrepreneurship and strategic management training to 15 productive and services enterprises.

- **Non-agribusinesses from Tirana and Durres** – On March 4, 2006, the NATC delivered entrepreneurship and strategic management training to 27 productive and services enterprises from Durres and Tirana
- **Cheese Production and Costing** – Marc De Carheil continued his short term missions assisting 10 dairies in the production of 10 new varieties of cheeses. His latest report is included in the separate annexes to this report. In July 2006 he will introduce dairies to costing techniques.
- **Production Management** – SBCA's short term production specialist, Harry Fitch, completed his first mission during this quarter. His report on the visit is included in the separate annexes to this report.

b. By Client

- **EDIPAK** – Is Albania's biggest cardboard and cardboard boxes manufacturer. Located in Durres, it has received assistance from SBCA in the implementation of a spreadsheet that calculates the optimum mix of orders that minimizes waste and increases production efficiency. SBCA has also referred some of its business clients that have already ordered cardboard packaging from Edipak.
- **Karafili Shpk** – The company has planned to make new investment of about Euro100,000 in new equipment. SBCA is looking at the best investment options, as well as the re-organization of some production processes. Work has started on a model that calculates production costs, profit margins, and process times that can be used to determine which products to produce and to identify areas for improving business efficiency and profitability. The model will be finalized during the next quarter.
- **Ilia Buzuqi, Llukan Kote, Stavri Bami, Lefter Rubia, Shefket Maze and Pellumb Saliu - Watermelon Producers in Saranda** – Implementation of EUREPGAP standards including: the assessment of the farm; explaining the EUREPGAP concepts; workshops on all production processes; the implementation of EUREPGAP standards in the individual farm; the drafting of a quality manual; the implementation of internal auditing; and completing the application for certification by ECAS and ALCEBO.
- **Alcred Shpk** – SBCA is assisting a producer group of 10 pepper growers from Sulzotaj and Spolata villages in Lushnja with specialized assistance in cultivation processes and with association building. This producer group is expected to supply Alcred Sh.a., the biggest frozen vegetable processor in Albania, with an estimated 400 tons of peppers with a sales value of \$60,000 for the farmers and \$145,000 for Alcred.
- **Hodo Shpk** – This fruit and vegetable producer from Mallakaster was assisted in: preparing financial analysis and loan application procedures that resulted in a loan of \$250,000, and the sourcing and purchasing of 20 tons quality cucumbers from Trifon Stambolliu, another SBCA Client.

- **JETA shpk.** – This Shkodra-based client is being assisted in the preparation of a sales and marketing plan, in business planning and in applying for bar codes.
- **Florjan-V** – SBCA encouraged the client and assisted him with legal advice for the compilation of a legal contract template for arranging a transport agreement for the shipment of raw material supplies.
- **Backman Shpk** – This woman-owned Company produces different kinds of breads which are unique in the Albanian market. They are supplying their products to the main hotels in Tirana and Durrresi including: The Rogner, Sheraton, Chateu Linza, Tirana International, Mak Albania, Grand Hotel, and the Adriatik. Their bread was used by SBCA for the olive oil tasting during the Albanian Olive Oil Promotion and on the New Cheeses of Albania events. SBCA has provided assistance in the installation of computerized production control system, the preparation of production cards, and sales through SBCA's business promoters.
- **Eurogramma Shpk** – Is another woman-owned business that is producing very special products like crackers, cookies, cibuk etc. The company is well-known for the quality of its products and was awarded with a "High Quality" Prize, at the Quality Summit held in New York in 2005. In addition the products of this company were promoted at SBCA's Olive Oil and Cheese events. SBCA has assisted Eurogramma in the installation of a computerized production control system, in the preparation of production cards, sales through SBCA's business promoters, and in the construction of a web site for the company.
- **Ferlat Shpk.** – SBCA accountants have assisted the company's financial manager with the design of a costing structure for product costing which can be implemented using "Finanza 5" software already being used by the company. SBCA is facing difficulty with implementing assistance with this client as there are frequent changes of middle management and no clearly defined responsibilities due to its shared family ownership. E.g.1: on one day Ferdinand is in charge of the business and on another his wife. This makes it very difficult for managers to operate effectively. E.g.2 – Ferdinand purchased 5 new delivery vehicles without informing his Marketing Manager. This is the main reason why the company has difficulty in achieving its targets.
- **Xheladin Agolli** – The Project has assisted the Centre for the Promotion of Industrial Plants with a business plan, in SBCA format, to be used as an internal management tool. The Centre was created by UMCOR, a USDA-funded project.
- **Miell Tirana sha** – Miell Tirana is an important player in the wheat processing industry in Albania. Due to SBCA technical assistance, the company has started the whole process of implementation and certification of ISO 9001:2000 and HACCP. This process is as result of collaboration between SBCA and the World Bank Group (IFC). A memorandum of understating has been signed between SBCA and IFC on how the two organizations will cooperate in the provision of assistance.
- **Nexcom shpk** – This Company produces decorative bricks that are exported to Italy. SBCA is assisting with good accounting practices such as providing templates for their book-keeping.

- **Fatmir Arishta** – Is a supplier of fertilizers and pesticides that is being assisted with maintaining good book-keeping records.
- **Shkalla Shpk** - As has already been mentioned in previous quarterly reports, SBCA has contributed to the company's survival. SBCA assisted in finding olive suppliers, setting up the technology line, packaging and labeling, branding, accounting, marketing, and increasing sales. The success is confirmed by another prize awarded to Shkalla, by BIOL International, for producing one of the 7 best olive oils in the Mediterranean region in 2006.

3. Increased Knowledge of Marketing Strategies

During SBCA Phase 2, the Project has trained 197 people, from 83 enterprises, in marketing strategies of which 58 enterprises have applied marketing strategies that have enhanced competitiveness.

a. By Type of Assistance

- **Bar Coding** – On May 4 SBCA met with the Maksim Dharmo, the representative of the newly formed branch of GS1 Albania, which when it will be admitted to membership of the Brussels-based Global Standards organization (GS1) it will be able to issue bar codes to Albanian companies. The new bar code charges are lower than those of Brussels GS1. SBCA will disseminate the latest information to its clients.
- **Branding** – SBCA has assisted 70 companies in introducing branding in the form of designing new logos, labels, stationery and promotional materials.
- **Sales Analyses** – In January, February and April 2006, two short term consultants, Antonio Calzada and Shannon Sanquist, worked with eight SBCA clients in compiling sales analyses. The sales information will be used to compile sales forecasts when Mr. Calzada returns in July 2006. These sales forecasts will form part of the financial section of SBCA's standard format client business plans.
- **Client Web Sites** – Web sites have been completed this quarter for Gorican Albania Association, Sidnej shpk, Gjikondi shpk, ERVM shpk. SBCA is also preparing web sites for Artflex, Klegen, Eurogamma and Trad.el.Skilja.
- **Linking Clients to Euromaxx** – SBCA has met with Euromaxx manager, Michel Brule on linking olive oil, honey and paper products companies with their supermarket. Euromaxx has expressed interest in buying own labeled olive oil, honey, toilet paper, and kitchen rolls. SBCA has already referred Anastas Gjikondi, and Apollon shpk to Euromaxx and negotiations are under way.
- **Business Promoters** – SBCA, through its business promoters, have written a total of 459 purchase orders (to the value of \$156,457) for assisted clients. The number and value of purchase orders taken, by client, is shown in separate Annex 1.

- **Market Surveys** – During this quarter SBCA has assisted two companies with market surveys – Eurofish and Fani Food. Both companies want to enter the domestic market.
- **Korca Beekeepers Association** – SBCA has assisted the Association in the design and publication of number 10 of the beekeeping magazine “Bleta”, published in May 2006 and distributed to beekeepers throughout Albania. The magazine featured two articles on SBCA training activities and SBCA’s proposed National Honey Day, which focused on honey branding and marketing. The event is planned to take place before the end of September 2006.
- **Business to Business Deals** – SBCA has assisted two of its clients to close deals for supplying olive oil. If the agreement is concluded it could result in sales of \$40,000.

b. By Client

- **Apollon Shpk** – This Fier client is receiving assistance from: SBCA’s short term marketing specialist in completing a marketing strategy for 2006; from the ST Production specialist on the design of a database that will track sales and inventory; and, with the preparation of a business plan in SBCA standard format.
- **Sidnej Shpk** – SBCA has assisted this Berat client in: web site design; providing e-mail links; obtaining information on exporting processed fruit and vegetables; market research for sauces and other products; and, in establishing its own greenhouses to ensure a more reliable supply of vegetables for processing.
- **Alsa Shpk** – This Vlora sausage producer is being assisted with: redesigning its logo and promotional materials; a 2006 marketing plan; and, with starting the process of introducing HACCP and ISO standards.
- **Gorican Greenhouse Owners Association (Agro-Green Life)** – SBCA assisted in designing a website that enhances the access of its Berat members to potential markets in Serbia and Kosova.
- **Erzeni Shpk** – Assisted with sourcing metal packaging for cheese in 5 and 13 kg tins and with the design of new labels and logo for the whole portfolio of products.
- **Fatmir Mehmetaj** – A beekeeper that for the first time is producing vinegar from honey is assisted by SBCA with a new company logo, labeling, packaging, leaflets and website.
- **Miell Tirana sh.a** –SBCA is providing in: the preparation of a marketing strategy and a business plan; website re-design; designing leaflets and other promotional materials; and increasing its sales through the business promoter’s network.
- **Agroblend shpk** – a seedling producer located in Vora, is being assisted by SBCA on trademark registration and business planning.

- **Trad. El. Skilja Shpk.** – In addition to participation in the Olive Oil day, SBCA is assisting the company on designing a new website.
- **E & B shpk** – This producer and importer of dairy packaging is being assisted by SBCA on the preparation of a Business Plan which facilitated him to get a loan of Euro350,000 from Tirana Bank.
- **Behari Shpk** – A desert producer from Tirana, SBCA has assisted the client on cost analysis and pricing.
- **Butrinti Imp-Exp shpk.** – SBCA has assisted this mussel processor from Saranda on marketing strategy; finding markets and the preparation of a company leaflet for use at a trade fair in Novi Sad, Serbia.
- **Florjan-V** – The only towel producer in Albania has received assistance in marketing strategy and with inventory control.
- **Mucaj** – This client of herbs and spices is assisted in preparation of a products catalogue, visiting cards and labels for his packaged products. SBCA has also been assisting in finding markets in England for its herbal oil products
- **Nesa** – This carpet producer from Shkodra is being assisted by SBCA in the preparation of a products catalogue, visiting cards, branding and a new logo.
- **Buna Food** – This Shkodra-based tomato sauce producer (formerly called Fani Foods), is receiving assistance on developing a new logo and brand for the company. SBCA is also assisting in the preparation of a marketing strategy and business plan.
- **Amarilto** – This canned vegetable producer has been assisted with the preparation of a sales catalogue (and business cards and stationery) for participating in the olive oil and cheese day organized by SBCA.
- **Arben Kolaj** – This cheese producer is being assisted with the preparation of a marketing plan.
- **Alfavo** – This olive oil packager is being assisted with redesign of the company's brand and logo.
- **Melgushi** – This Shkodra-based clothing manufacturer exports all his products to Italy. It is receiving assistance with the development of an own brand and with finding new domestic and foreign markets.
- **Besim Muriqi** - SBCA has assisted this olive oil producer and processor in finding new markets for its existing products and to change its legal status from a physical person to a juridical.
- **Eurofish** – SBCA has completed a market survey on the Albanian domestic market and has designed 2 new labels for sardines.

KEY RESULT TWO: Enhancing Access to Finance for Target Enterprises

1. Number and Value of Loans from Commercial Banks (BKT)

This is the section formerly headed 'Expand Loan Guarantee Program' in Phase 1 quarterly reports, and includes all lending through the SBCA Fund at BKT. The number and value of loans disbursed through BKT in Phase 2 are shown in Table 3 below.

Table 3 Number and Value of Commercial Loans through BKT (Report 7a)

SECTORS	SBCA LOAN FUND PORTOFOLIO	
	Number of loans	Value of Loans (USD)
Fruit And Vegetables Cultivation And Processing	3	99,515
Cut Flowers, Seedlings And Ornamental Plants	0	0
Bee Products And Processing	0	0
Livestock Farming	2	51,426
Grapes Cultivation And Processing	0	0
Dairy Products	3	28,224
Olive Cultivation And Processing	1	4,992
Bread And Pastries Production	6	193,672
Herbs And Spices	1	11,246
Meat Processing	3	97,091
Water And Soft Drinks Producers	0	0
Other Agribusinesses	3	35,965
A. Total Agribusiness	22	522,131
Wood Processing	16	301,392
Construction	19	384,242
Carpet Producers	0	0
Giftware Producers	0	0
Clothing And Textile Producers	6	186,348
Leather Products	1	11,428
Other Non-Agribusiness Producers	10	277,510
B. Total Non - Agribusiness	52	1,160,921
Wholesalers	4	117,106
Retailers	1	14,349
Input Suppliers	1	27,210
Services	4	159,257
C. Other Businesses	10	317,921
Total A + B + C	84	2,000,973

- **Number of Loans Disbursed** – SBCA has disbursed 84 loans (Sub IR 2.1) up to the end of Q3 FY2005 including 3 in the current quarter. The average loan size is \$24,000.
- **Value of Loans Disbursed** – The Phase 2 cumulative loan portfolio stands at \$2,000,973 (Sub IR 2.3), of which \$135,032 was disbursed during the current quarter. Of this,

\$522,131 (25.89%) was disbursed to agribusinesses and \$1,478,842 (74.1%) to non-agribusinesses. The highest number of loans (19) was made to the construction sector. The outstanding loan portfolio at the end of June 2006 is \$1,812,052 for which the outstanding guarantee cover is \$297,423. There are 3 clients (Dilinda shpk, Ferdinand Malocaj and Reklama GA.shpk) that are delinquent for over 30 days for a total outstanding guarantee cover of \$31,788.

- **Use of Funds** –SBCA and BKT signed the Amendment No. 3 of the Loan Guarantee Agreement on February 10, 2006 based on which BKT had access to additional guarantee funds of \$250,000 that could be used under the Loan Guarantee Program. Due to time restrictions as we approach the end of the SBCA Project, BKT has confirmed in writing that they cannot make use of those additional funds.
- **Fund Utilization and Leverage** – BKT has extended \$6,340,025 in additional credit to SBCA clients where the maturity extends beyond the current SBCA Project end date. This credit is 100% covered by BKT. The leverage is shown in Table 4 below:

Table 4 The Leverage Effect of the SBCA Loan Fund

Description	Cumulative Portfolio	Cumulative SBCA Guarantee	SBCA Guarantee Coverage	BK Coverage
Loan portfolio including the Guarantee Portion	\$6,340,025	\$655,532	10.3%	89.7%
Guarantee Loan Portfolio	\$2,000,973	\$655,532	32.4	67.6
Leverage Fund of BKT	\$4,339,052	None	0.0	100.0

- **SBCA Fund Performance to Date** – Of the total of 100 loans made during Phase 1, 5 loans are delinquent (Qeha 91 shpk, Kruja I shpk, Alba Ela shpk, Live 03 shpk and Natasha Canko) with a total outstanding guarantee of \$17,863. As is mentioned above the guarantee cover of delinquent loans for Phase 2 stands at \$31,788. The total outstanding guarantee cover for delinquent loans from Phase 1 and Phase 2 is \$49,651.
- **BKT Audit** – On June 30, 2006 SBCA undertook a one day audit at BKT on the loan client files included under the Loan Guarantee Program. A report on the audit will be completed during July 2006 and a copy of it will be submitted to BKT. This is a partial audit since another three day audit is planned for September 2006.
- **Amendment of the contract** – Due to the changes on Libor market rate, SBCA has undertaken an amendment of the Loan Grant Agreement in order to revise the interest rates charged on SBCA Holding Account and Loan Guarantee Account.

2. Number and Value of Loans from Non-Bank Financial Institutions (PSHM)

This is the section formerly headed “Expand Direct Lending Program’ in previous quarterly reports, and includes lending through SBCA’s SME Fund at PSHM. The number and value of loans disbursed during Phase 2 are shown in Table 5 below.

Table 5 Number and Value of Non-Bank Financial Institution Loans through PSHM (Report 7b)

SECTORS	SME LOAN FUND PORTFOLIO	
	Number of Loans	Value of Loans (USD)
Fruit and vegetables cultivation and processing	35	299,397
Cut flowers, seedlings and ornamental plants	3	46,640
Bee products and processing	0	0
Livestock farming	87	867,345
Grapes cultivation and processing	1	5,150
Dairy products	12	232,167
Olive cultivation and processing	0	0
Bread and pastries production	33	347,581
Herbs and spices	1	8,896
Meat processing	2	24,140
Water and soft drinks producers	2	14,140
Other agribusinesses	20	206,699
A. Total agribusiness	196	2,052,156
Wood processing	31	363,542
Construction	40	519,778
Carpet producers	1	5,253
Giftware producers	2	40,173
Clothing and textile producers	10	97,551
Leather products	2	30,547
Other non-agribusiness producers	10	114,017
B. Total non - agribusiness	96	1,170,862
Wholesalers	1	52,428
Retailers	5	54,231
Input suppliers	0	0
Services	7	132,457
C. Other businesses	13	239,116
Total A + B + C	305	3,462,133

- **Number of Loans Disbursed** – SBCA has disbursed 305 loans (Sub IR 2.2) up to the end of Q3 FY2005 including 63 in the current quarter. The average loan size is \$11,351.
- **Value of Loans Disbursed** – The Phase 2 cumulative loan portfolio is \$3,462,133 (Sub IR 2.4), of which \$921,171 was disbursed during the current quarter. Of this \$2,052,156 (59.3%) was disbursed to agribusinesses and \$1,409,977 (40.7%) to non-agribusinesses. The highest number of loans (87) was made to livestock producers. The outstanding loan portfolio for Phase 2 is at the end of March 2006 is \$2,446,645. There are 5 clients (Agim Bushati, Qazim Kuci, Servet Hadaj, Andon Nini dhe Selami Fundo) that are delinquent for over 30 days for a total of outstanding loans of \$51,813. This represents 2% of the outstanding loan portfolio of \$2,446,645.

- **Loan Approval Process** – Since the start of the SBCA Project 915 of the 1,263 loans applications submitted by PSHM have resulted in loans.
- **Phase 1 Loans** – At the end of March 2006 there were 66 phase 1 loans still outstanding to a value of \$197,762. During the current quarter 44 Phase 1 loans were closed. The delinquency rate for these outstanding Phase 1 loans is 4.58% (\$9,061) on 4 loans (Veli Valteri, Melqes Roboci, Kujtim Emini and Ramazan Kotorri) that are delinquent for more than 30 days.
- **SME Fund Performance to Date** – Of the \$6,040,968 loans disbursed from March 2002 to March 2006, a total of 18 client loans, to a value of \$79,000 have been written off. The write-off amount represents 3.9% of the Phase 1 outstanding loan portfolio of \$197,762. There are five loans written off for Phase 2 to a value of \$15,900 which represents 0.8% of the Phase 2 outstanding loan portfolio of \$2,446,645.
- **Funds Transfer** – Based on SBCA advance request, USAID Budapest transferred the first tranche of \$332,000 of the additional funds out of \$550,000 approved to PSHM. Those funds already are transferred to PSHM by SBCA.
- **PSHM Audit** – On March 28-30, SBCA conducted an audit of the SME Loan Fund at PSHM. A total of 99 files were checked and a copy of this report is submitted to PSHM for their approval.
- **PSHM Technical Assistance Fund** – On May 2006, PSHM and SBCA approved the revision of the technical assistance budget to transfer part of the unused travel budget to technical assistance.

KEY RESULT THREE: Monitoring, Measuring & Communicating SBCA Impact

1. Monitor and Measure Program Impact and Causality

- **PMP Indicators and the SBCA Database** – All data in this report has been extracted directly from the SBCA database. The structure of PMP reports is summarized in the Appendix to this report. It shows how the 7 reports supporting the various indicators are related, in diagrammatic form. For example, the number of assisted enterprises applying new technology, management practices and marketing strategies that enhance competitiveness are taken from Report 6. Each of the 7 reports is shown in the annex of this quarterly. The actual results for each PMP indicator, compared to targets set out in the work plan, are summarized in Report 1. These results have already been reported in the Key Results One and Two sections above. Where this is the case the report number is shown (in parenthesis) after the table heading description.

During the next quarter SBCA will be working on combining data from Phase 1 and Phase 2. This involves designing a program that links the databases for the 2 Phases. We expect to report on this in the next quarter.

- **Impact from Closed Loans** – Between February 2006 and June 2006, 72 loans were closed. SBCA conducted telephone interviews with those clients to ask about sales and

jobs. The number of jobs reported as being created was 57, and the increase in sales recorded for 2005 is \$348,940.

- **Use of SBCA Loans** – The use of loans, in terms of investment and working capital, is shown in Table 6 below.

Table 6 The Use of SBCA Loans during Phase 2

USE OF THE LOAN	PSHM	BKT	TOTAL
Working Capital	58	20	78
Investment (machinery, buildings, equipment)	241	58	299
Land	6	6	12
TOTAL	305	84	389

- **Continuous Monitoring of Impact** - SBCA will continue to regularly monitor the impact of the Project's intervention on its clients using the IMQ and verification.

2. Enhance Communications, Outreach and Coordination

- **SBCA's Newsletter "The Business Promoter"** – Sub-titled "Growing Albanian Businesses" was produced in two editions during this quarter. The first was designed to correspond with the New Cheeses of Albania Promotion and included articles on SBCA's client dairies that exhibited at the event. The second edition was published for the Promoting Albanian Olive Oil event and provided information on the classification of olive oil. The name of the newsletter comes from SBCA's team of business promoters that are marketing client products and successfully managed the "Corner Shop" at the cheese and olive oil events.
- **The New SBCA Web Site** – The SBCA web site has been completely revised during the current quarter and now presents a dynamic introduction to the Project that emphasizes the firm-level assistance being provided by SBCA and the impact the results of this assistance have had on client businesses.
- **New Cheeses of Albania Poster** – This poster (that appears on the cover of this quarterly report) was designed by SBCA with the assistance of one of its subcontracted design agencies. The poster contains both the names of the new cheese varieties and the producers. Small posters were distributed to shops and restaurants prior to the event. The poster design tried to capture the idea that, in producing the new varieties of cheeses, Albanian producers were simply building upon an old established tradition. Posters will also be distributed to retailers by SBCA's business promoters. A framed copy of the large poster has been presented to the USAID Mission and is already on the wall of the new Embassy building.
- **New Cheeses Information Cards** – The cover reflected the poster design and each card carried a suggested serving idea, and, on the reverse side, information on each of the cheeses. The idea was suggested by Kristaq Jorgji, USAID's Agricultural Specialist, who had shown SBCA a similar idea from Armenia.

- **USAID Albania Web Site** – A report on the SBCA organized New Cheeses of Albania promotion has been published on USAID’s Albania web site.
- **Promoting Albanian Olive Oil Poster** – This was also designed by SBCA in cooperation with another of its design agency subcontractors. The poster tried to capture the natural, organic nature of extra virgin and virgin olive oils produced in Albania. Smaller versions of the poster were widely distributed before the event. A framed copy of the large poster is on the wall of the new US Embassy building in Tirana.
- **Olive Oil Information Leaflet** – This leaflet, “Understanding the Benefits of Olive Oil”, is designed to educate retailers and consumers of the way olive oil is classified internationally. It focused on Extra Virgin and Virgin olive oils and the benefits to the consumer. The brochure was designed by SBCA and written by Renata Kongoli from SBCA’s partner BSP – the Albanian Institute of Quality.
- **Client Profiles** – Client profiles have now been completed for more than 40 clients. Profiles for the exhibiting cheese producers and olive oil processors were distributed at both events.
- **Media Coverage** – During this quarter, SBCA was featured both in the press and in the electronic media. Eight articles appeared in the Albanian press covering SBCA activities and, seven TV channels and one radio station also covered SBCA events. Five newspaper articles on SBCA’s New Cheeses of Albania Day appeared in *Shekulli*, *Shqip*, *Biznesi*, and *The Albanian Daily News*. Three articles appeared on the Olive Oil Day in *Biznesi* and *The Albanian Daily News*. One radio program, that included an interview with SBCA consultants, was broadcast on the BBC World Service (Albanian section).

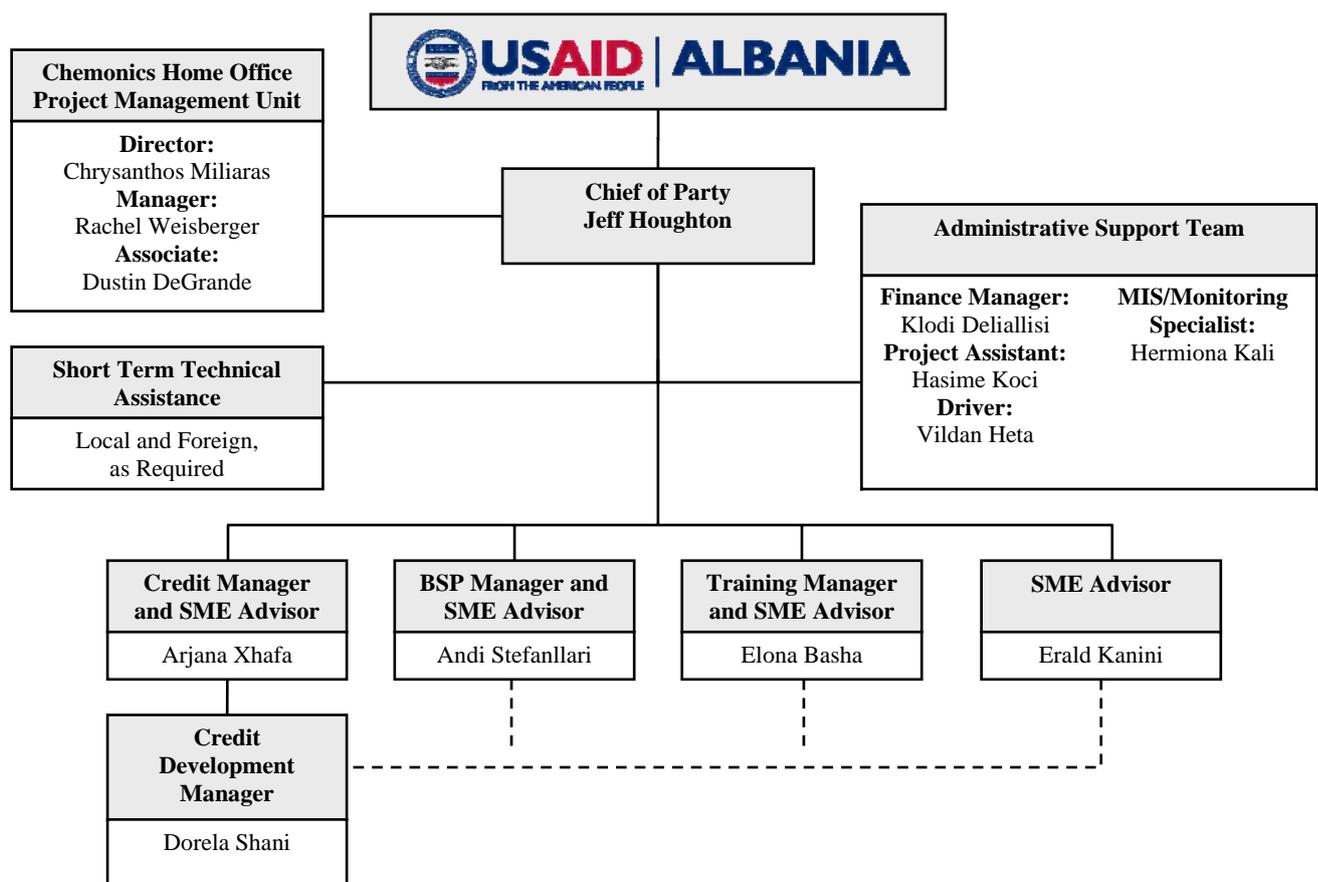
APPENDIX D

SBCA STAFF

APPENDIX Local Professional Staff

The professional local staff at the SBCA Office has continued to work hard to meet the project's objectives. On June 28, Dorela Shani's promotion from Project Assistant in the SBCA Office to Credit Development Manager was approved by USAID/Budapest. Dorela has been an efficient and productive member of the SBCA team since she began in April 2005 and will make strong contributions to the project in her new role.

ALBANIA SBCA PROJECT ORGANIZATION CHART



Person Days

Table 7 Phase II Use of Person Days

Name	Arrival/Departure Date (Expat/TCN) Hire/Termination Date (Local)	Person Days to Date	Remaining Projected Person Days
Jeffrey Houghton (Chief of Party – TCN)	April 8, 2002 – present	1021	173
Arjana Xhafa (Credit Manager and SME Advisor– Local)	April 22, 2002 – present	1011	152
Klodian Deliallisi (Office and Finance Manager – Local)	March 1, 2002– present	993.5	173
Elona Basha (Trading Manager and SME Advisor– Local)	March 5, 2003– present	806	152
Andi Stefanllari (BSP Manager and SME Advisor – Local)	June 2, 2003 – present	715	152
Erald Kanini (SME Advisor– Local)	March 27, 2002– present	1021	150
Hermiona Kali (MIS/Monitoring Specialist – Local)	May 2, 2005 – present	294	173
David Douglas (Business Planning Specialist)	January 3, 2006 to present	38	51
Marc de Carheil (Cheese Specialist)	January 10, 2006 to present	59	28
Harry Fitch (Production Management Specialist)	May 21, 2006 to present	17	61
Eric Howell (Director – Home Office)	March 2005 to February 13, 2006	15	0
Chrysanthos Miliaras (Director— Home Office)	February 14, 2006 to present	6	40
Rachel Weisberger (Manager—Home Office)	December 2005 to present	0	15
Dustin DeGrande (Associate—Home office)	December 12, 2005 to present	8	0
Suzanne Savage (Sales Training Specialist)	September 5 to October 14, 2005	29	0
James Riordan (Competitiveness Expert – Home Office)	March 27 to April 3, 2005	7	0
Karen Potter (Marketing Strategy/Communications Specialist)	December 1 to December 22, 2004	19	11
Shannon Sanquist (Marketing/Sales Consultant)	January 21, 2006 to February 9, 2006	18	0
Antonio Calzada (Marketing/Sales Consultant)	January 26, 2006 to present	39	79
Zachary Hubbell (Field Accountant— Home Office)	March 13, 2006 to present	6	0
William Taylor (Procurement Agent – Home Office)	April 30, 2002 to present	4.02	2

APPENDIX E

QUARTERLY FINANCIAL UPDATE

Quarterly Financial Update

The numbers in Table 8 below reflect the actual and estimated amounts for the SBCA project, as of the end of June 2006.

Table 8 Quarterly Financial Update