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Kosovo Business Finance (KBF) Project

*Award Fee Self-Assessment Report
Evaluation Period 4*

USAID Contract No.
167-C-00-01-00106-00

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Submitted to:
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1.0 SUMMARY OF AWARD FEE SELF ASSESSMENT

This report describes progress in meeting the performance criteria during Evaluation Period 4 and 9 for the Kosovo Business Finance Project (KBF) as established by USAID Contract No. 167-C-00-01-00106-00, Attachment 1 and revised under Contract Modification 10.

The time of review covered under Evaluation Period 4 is six months, from December 11, 2002 through May 10, 2002. Period 9 ends May 10, 2003 and therefore is part of this self-assessment period.

2.0 EVALUATION PERIOD 4

Evaluation Period 4 for the Kosovo Business Finance project includes an assessment of the team's performance associated with the overall project and cost management of the Kosovo Business Finance contract. In addition, there are performance measures associated with several factors in the lending operations, business development, deposit mobilization and general operations at ABK. The table below lists the main evaluation factors along with their weighting and dollar value for this evaluation period.

Evaluation Period 4		
Total Award Fee Available		\$ 188,858.00
Cost Management	6%	\$ 11,331.48
Organization Management	7%	\$ 13,220.06
Loan Disbursements and Deposits	74%	\$ 139,754.92
Volume of Loan Disbursements	10%	\$ 13,975.49
Value of Loan Disbursements	30%	\$ 41,926.48
Delinquent Loan Rate	20%	\$ 27,950.98
Value of Deposits Mobilized	40%	\$ 55,901.97
Expansion, Service Quality and Risk Management of the Bank	13%	\$ 24,551.54

Each of the main categories listed in the table above are broken down into subcategories with very specific benchmarks and targets outlined. The chart on the following page provides a summary of the evaluation criteria set in each category for this period with a very brief synopsis of the team's performance against these targets. Our self-assessment against these factors is outlined below and explained in more detail in subsequent report sections.

Criteria	Summary Self-Assessment
<p>A. Cost Management Cost management, use of funds, quality of reporting, problems and trends identified, responsiveness to cost control measures</p>	<p>A. Cost Management Project spending has been maintained below projections for the second year of the project, signifying that total costs have remained within budget.</p>
<p>B. Organization and Management Proactive management to identify and anticipate problems; organized and detailed analysis of issues; solutions implemented with no impact to estimated cost and schedule. Organizational structure provides for personnel to achieve program goals ahead of schedule and within estimated cost. Lines of communication are well defined, clearly understood, and always facilitate rapid exchanges of information.</p>	<p>B. Organization and Management The team attempts to proactively address and anticipated issues and problems. The organizations under the KBF project have maintained a relatively flexible structure in order to adapt to evolving needs and goals. Innovative solutions are explored and applied in order to best address issues. The project management staff has been willing to perform beyond expectations in order to guarantee the success of the project.</p>
<p>C. Loan Disbursements and Deposits</p> <ul style="list-style-type: none"> • Volume of Loans Disbursed – 500 Loans disbursed • Value of Loans Disbursed – Euro 24,480,000 or ABK to have 2nd largest market share in Kosovo in loans outstanding, whichever is higher • Delinquent Loan Rate – 3% of loans 60 days or more past due and/or classified by examiners as substandard • Value of Deposit Mobilized – Euro 150,000,000 or ABK to have 2nd largest market share in Kosovo in deposits, whichever is higher 	<p>C. Loan Disbursements and Deposits</p> <ul style="list-style-type: none"> • Volume of Loans Disbursed – Over 1060 Loans disbursed during the period • Value of Loans Disbursed – Euro 27 million disbursed to ABK/RBKO borrowers • Delinquent Loan Rate – Of the outstanding portfolio, 1.4% of loans, by value, are 30 days or more past due • Value of Deposit Mobilized – ABK has the 2nd largest market share in Kosovo, with approximately 60 million Euro held in deposits
<p>D. Expansion, Service Quality and Risk Management of the Bank</p> <ul style="list-style-type: none"> • Branch and Service Expansion – A minimum of one additional branch established (7 total); Diversified lending services commenced • Customer Service – Independent customer survey rates ABK customer service ‘superior’ • Internal Efficiency – 75% of viable loan applications taken to credit committee within 3 weeks; 25% of viable loan applications taken to credit committee within 10 days • Risk Management and Sustainability – Independent assessment rates ABK risk management and other banking systems as ‘superior’ 	<p>D. Expansion, Service Quality and Risk Management of the Bank</p> <ul style="list-style-type: none"> • Branch and Service Expansion – Currently ABK has 7 branches and 10 sub-branches, including locations in the Serb enclaves. ABK is the second largest bank in Kosovo, by level of deposits. • Customer Service – An independent survey rated the customer service level at the bank as ‘Highly Positive’. • Internal Efficiency – 75% of all viable loan applications are taken to credit committee within 3 weeks; 25% of all viable loan applications are taken to credit committee within 10 days. • Risk Management and Sustainability – A qualified audit statement from the BPK for the Period ending December 31, 2002 rated the condition of the bank as “satisfactory”, demonstrating adequate internal controls. There were no major issues highlighted in the report.

A. Cost Management

Evaluation Criteria: *Reductions in costs to the Government below contract estimated costs are noteworthy. Provides detailed cost analysis in recommendations for resolution to problems identified. Funds and resources are optimally used to provide the maximum benefit. Documented savings are apparent. Financial reporting is clear, accurate, and pro-active. Responsive to cost control measures. Problems and/or trends are not only addressed thoroughly, but the contractor's recommendations and/or corrective action plans are implemented and are effective.*

The table below shows the estimated financial status of TA funds for the Kosovo Business Finance project through this evaluation period. As noted, project spending has been maintained under budget for Year 2 of the project. This is due, in part, to the timing of short-term technical assistance for the project. All short-term assistance was included in the Year 2 budget. However, any remaining budget will be carried over into Year 3 of the project. We are happy to provide further documentation in support of the cost management evaluation of specific line items, or to respond to specific questions on overall approach.

Estimated Kosovo Business Finance TA (CLIN 1)

	Year 2	Year 2	Year 2	Year 2	Year 2	Estimated	
	Budget (5/10/2002- 5/10/2003)	Quarter 1 (5/05/02-8/24/02)	Quarter 2 (8/25/02-11/16/02)	Quarter 3 (11/17/02-2/08/03)	Quarter 4 (2/09/03-5/03/03)	Amount - Year 2	Burn Rate
Salaries	\$ 1,210,998.00	\$ 345,837.57	\$ 221,368.67	\$ 207,662.79	\$ 212,145.70	\$ 987,014.73	81.5%
Fringe	\$ 124,258.00	\$ 36,484.31	\$ 24,467.86	\$ 25,622.76	\$ 24,961.35	\$ 111,536.28	89.8%
Overhead	\$ 1,010,395.00	\$ 290,682.89	\$ 185,884.34	\$ 176,866.17	\$ 178,942.35	\$ 832,375.75	82.4%
Travel	\$ 192,500.00	\$ 63,390.43	\$ 21,708.08	\$ 21,043.95	\$ 6,159.70	\$ 112,302.16	58.3%
Allowances	\$ 684,250.00	\$ 172,517.43	\$ 133,968.81	\$ 126,065.08	\$ 134,586.03	\$ 567,137.35	82.9%
Other Direct Costs	\$ 678,609.00	\$ 219,303.68	\$ 136,386.36	\$ 249,811.80	\$ 69,505.61	\$ 675,007.45	99.5%
Subcontractors	\$ 1,180,000.00	\$ 316,070.11	\$ 383,685.36	\$ 103,892.75	\$ 186,871.73	\$ 990,519.95	83.9%
General & Administration	\$ 406,481.00	\$ 115,536.80	\$ 88,597.56	\$ 72,877.22	\$ 65,053.80	\$ 342,065.38	84.2%
Base Fee	\$ 185,055.00	\$ 31,194.92	\$ 23,921.34	\$ 19,676.85	\$ 17,564.53	\$ 92,357.64	49.9%
Totals	\$ 5,672,546.00	\$ 1,591,018.14	\$ 1,219,988.38	\$ 1,003,519.37	\$ 895,790.79	\$ 4,710,316.69	83.0%
Award Fee	\$ 423,804.00	\$ -	\$ 54,964.00	\$ -	\$ 111,426.00	\$ 166,390.00	39.3%
Total Value for Clin 1	\$ 6,096,350.00	\$ 1,591,018.14	\$ 1,274,952.38	\$ 1,003,519.37	\$ 1,007,216.79	\$ 4,876,706.69	80.0%

The project management team closely monitored the project budget, especially with respect to short-term technical assistance (STTA), to ensure that we did not exceed the overall budget but still responded to the needs of the project and the team in the field. We were able to procure and provide the STTA in critical areas with the confidence that future STTA needs as forecast under the project could be met as well.

Cost Savings Measures

Transfer of asset ownership and operating costs to ABK/RBKO

As the bank has gained more autonomy, many of the project expenses have been transferred completely over to the ABK/RBKO. For example, all costs associated with the lending office in Zvecan are now part of the bank. All project vehicles, furniture, fixtures, etc. have also been transferred over to the bank. The only ODC costs that are maintained under the project are for a small, separate COP office. This has decreased the overall costs of the project significantly, resulting in substantial savings to USAID.

Cost controls at the ABK/RBKO

To reduce costs at the ABK/RBKO, it was decided by the team to take two key actions. The first was to delay the planned ATM launch, as several key issues would only add costs and possibly create a poor impression of ABK in the marketplace. The current processing costs would be too high to turn ATMs into a profitable business unit at this point. The planned changeover to 16 digits account codes necessary to meet BPK requirements and the need to change the name of the bank in May would result in the need to issue new cards shortly after release of the first ones at roughly Euro 1 each in direct costs, plus indirect expenses. The issuance of new cards so soon after the first ones would cause confusion and would delay potential additional revenue that could be gained from this service. The added costs would have been significant enough to make breakeven very difficult.

The second major decision proposed was to implement a loan upfront fee, identical to ABK's major competition MEB, of 2% of the loan amount for loans less than Euro 50,000 and 1% for loans over Euro 50,000. As most customers are more concerned about loan tenors and interest rates, and these rates match the key competitor, it was determined that no material adverse effect would occur, which has been the case.

These two changes have a net estimated benefit of approximately Euro 500,000.

B. Organization and Management

Evaluation Criteria: *Contractor practices proactive management to identify and anticipate problems prior to adverse impact. Contractor provides organized and detailed alternatives including risk assessments, trade-off analysis between cost, schedule and performance, plan of action and implementation schedule. Solutions are implemented with no impact to estimated cost and schedule. Organizational structure provides for highly qualified personnel assigned with duties, responsibilities, and authority necessary to achieve program goals ahead of schedule and within estimated cost. Lines of communication are well defined, clearly understood, and always facilitate rapid exchanges of information, both technical and contractual, in order to meet program goals.*

Flexible Project Structure

The KBF project was set up to maintain a relatively flexible project structure. With the sale of the majority of shares of ABK to RIB in December, the role of the KBFF and project teams shifted. In its current role, KBFF serves as the representative of USAID to ensure that the goals of the KBF project are met through the lending activities conducted at the American Bank of Kosovo. Currently, KBFF is considering selling the remaining 24% interest in the Bank to RIB. This may require another shift in structure for the project team and could potentially change the focus of the KBFF.

Dynamic Staffing

During this period, the project management team mobilized a new CEO and MIS manager. Alan Pieper, COP and acting CEO of ABK, transitioned back to his position of COP of the KBF project, where he was responsible for overseeing KBFF interests and representing USAID on the Supervisory Board for ABK. This was a major change in the role of the COP from the first year of the project. An additional change in scope is expected as we work with USAID to identify the main goals of the project in the third year. As before, Deloitte and the field team are prepared to respond accordingly.

As part of the Sales documents for the transfer of shares to RZB, USAID, through the KBF project, had included the long-term expatriate time for key management positions in the bank plus an additional 11 months (238 days) of short-term technical assistance. This short-term assistance included under the project is to be utilized by ABK in the most appropriate means necessary, as determined by the management staff, RZB and USAID. The project management team worked closely with the field team, ABK Board and USAID to source the right consultants, obtain the necessary approvals and mobilize the selected personnel as quickly as possible.

Assistance with Sales Documents

During this evaluation period, as the team was finalizing the documents for the sale of ABK shares to RIB, Deloitte provided the technical assistance of a legal team and a transaction specialist at no cost to review all sales documents to ensure that the documents accurately reflected the interests and specific goals of USAID. Additional project support was also sourced on an as needed basis.

Payment Out of Sales Proceedings

Due to the success of the project, and the increased demand for expatriate technical assistance to continue the momentum, the budget for the project was realigned in Year 2. In order to cover some of these additional costs, the project management team worked closely with USAID to outline a procedure of covering costs by utilizing the proceeds from the sale of ABK shares to RIB. A system was established where payment for technical assistance and related project costs were covered from November 17 – March 8, 2003.

Establishment of Indemnity Account

As part of the efforts to integrate the KBFF lending activities into the ABK, most of the loans initially granted through the KBFF were transferred over to create a fully functioning bank. After the sale of shares to RIB, an indemnity fund of USD 1 million was created to cover the existing ABK loan portfolio for any loan losses over 3% per annum. To date, we have not had to access this fund.

Action on Delinquent Loans

KBFF maintained ownership of 5 delinquent loans. During the later half of the period, the COP focused on taking actions to collect on these loans. One of the most significant actions was on April 30th, in the District Court of Prishtina, when the Judge convicted Mr. Berisha (BiBi Commerce borrower) of presenting fraudulent documents to KBFF and him to 4 years in prison and that he repay the original loan amount of 51,000 euro to KBFF. Winning this case was worth a lot more than the direct monetary results because of the message that it sent to all other borrowers. This one case will produce immeasurable beneficial results in maintaining the quality of the loan portfolio.

Rebranding ABK

With the sale of the majority of ABK shares to RIB, the name of the bank will soon change to Raiffeisen Bank Kosovo (RBKO). The rebranding campaign culminated in a formal ceremony held on May 8, 2003 to coincide with the Board Meetings held in Prishtina. A press conference was held along with a reception for RBKO's principal customers, senior locals and international officials and dignitaries. A six-week intensive media campaign was also launched to inform the general public and businesses of the bank's new name. As part of this campaign, several new products will also be launched.

C. Loan Disbursements and Deposits

Evaluation Criteria: 500 loans booked with a total value of EUR 24,400,000 or ABK to have 2nd largest market share in Kosovo in loans outstanding, whichever is higher. Delinquent loan rate 3% or less (% of loans 60 days or more past due and/or classified by examiners as sub-standard). Deposits at EUR 150,000,000 or ABK to have 2nd largest market share in Kosovo in deposits, whichever is higher.

This section provides a brief overview of the KBF team's performance in meeting the specific loan disbursement and deposit targets set for evaluation period 4. Each of the sub factors, as outlined in the evaluation criteria, is discussed below.

Volume of Loans Disbursed

For this evaluation period, from November 11, 2002 – May 10, 2003, the lending team disbursed over 1,060 loans and surpassed the targets set by USAID. Since November 11, 2002, the team has approved over 1,250 loans, which are currently in various stages of the loan process.

The lending team at ABK continues to maintain an active pipeline as over 2,000 loans have been approved by the ABK/KBF project to date. All closing activities (e.g. signed loan agreements, collateral filing, etc.) were finalized on approximately 1,800.

Value of Loans Disbursed

From November 11, 2002 – May 10, 2003, the team disbursed over 27 million Euros of loans to ABK borrowers, surpassing the target set in this area as well.

Approximately 46 million Euros has been disbursed to ABK borrowers since the beginning of the KBF project. Further disbursements of approved loans occur on a daily basis.

Delinquencies

According to the Credit Administration Department, as of May 10, 2003, there were forty three loans that were more than 30 days past due on all or a portion of their payments. These loans represent an arrears rate of 1.38% with a principal outstanding on the loans in arrears totaled at 378,517 Euros. The total portfolio at risk of 644,760 Euros represents approximately 2.34% of the outstanding loan portfolio.

Currently, the team continues to maintain a strong focus on pressing clients and collecting loans that are past due. Legal action has begun against all borrowers in arrears. Because of our aggressive actions, it is believed that the arrears rate will remain well below 3% for the duration of the project.

Value of Deposits Mobilized

As of year-end 2002, ABK held the second largest market share in deposits, behind MEB. ABK/RBKO continues to hold its position in the market and is expected to maintain this position going forward.

Although ABK/RBKO has grown faster than any other bank in Kosovo, it was not enough to meet the project target, deposit level at EUR 150 Million, set by USAID. However, the team has been continuously working to aggressively pursue additional deposits. Since November 2002, the level of deposits at ABK has grown to nearly EUR 60 million, with several more deposits expected.

D. Expansion, Service Quality and Risk Management of the Bank

Evaluation Criteria: *Branch Service and Expansion:* Minimum of one additional branch established (7 total); Diversified lending services commenced **Customer Service:** Independent customer survey rates ABK customer service “superior.” **Internal Efficiency:** 75% of viable loan applications taken to credit committee within 3 weeks; 25% of viable loan applications taken to credit committee within 10 days. **Risk Management and Sustainability:** Independent assessment rates ABK risk management and other banking systems ‘superior’

Branch and Service Expansion

In July 2002, ABK/RBKO established 7 branches and 9 sub-branches, which can be found in the following locations:

Branches: <ul style="list-style-type: none">• Prishtina• Ferizaj• Prizren• Mitrovica• Gjilan• Gjakova• Peja	Sub-branches: <ul style="list-style-type: none">• Strepce• Zvecan• Kacenic• Dragash• Malisheva• Vushtri• Kamenica• Gracanica• N. Mitrovica
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A new branch location was added during this evaluation period in the UNMIK headquarters.

Customer Service

The business development team worked with a local company in Kosovo to design and administer a customer service survey that was implemented at all branches. The customer surveys were administered during the month of April and results were tabulated for inclusion in this report. Based on the assessment, it was determined that the respondents rated ABK’s services to be ‘Highly Positive’. In fact, all factors measured by the survey received a rating between ‘Superior’ and ‘Good’. This rating fulfills the benchmarks set under the customer service factor.

Internal Efficiency

75% of all viable loans applications are taken to the credit committee within 3 weeks and the remaining 25% are taken to the credit committee within 2 weeks.

Risk Management and Sustainability

Since the opening of ABK, the team has continued to improve the risk management and operating systems at the bank. During this evaluation period, significant progress in this area has been made.

An independent audit conducted by the BPK for the period ending December 31, 2002 rated the bank operations and procedures as “satisfactory”. This rating was further supported by the PwC audit that was conducted for the same period. This meets the benchmarks set in this area.

3.0 EVALUATION PERIOD 9

Evaluation Criteria: *Percentage Share Capital in Banking Institution Owned by Reputable Foreign Financial Institution: Greater than or equal to 25% within Year 2 of the contract*

Evaluation Period 9 for the Kosovo Business Finance project includes an assessment of the team’s performance associated with the ownership structure of the bank established under the KBF project. As stated in the contract between USAID and Deloitte, if, at any time prior to the completion of the contract, the contractor attains greater than 50% ownership of the bank by a reputable foreign financial institution, then the entire award fee available under this sub factor will be earned. As RIB purchased 76% of the ABK shares, we are also including evaluation periods 8 and 10 in this assessment period. The following chart details the criteria and value for each evaluation period under this area, “Bank Opening and Ownership”. A summary of our performance during each evaluation period follows.

Evaluation Period 9 & 10*	
Total Award Fee Available	\$ 168,988.00
Evaluation Period 8 - Share of Foreign Bank equity greater than 10%	\$ 46,088.00
Evaluation Period 9 - Share of Foreign Bank equity greater than 25%	\$ 46,087.00
Evaluation Period 10 - Share of Foreign Bank equity greater than 50%	\$ 76,813.00

* If at any time prior to completion of the contract, the contractor attains greater than 50%, then the entire award fee available for this subfactor shall have been earned

During Evaluation Period 8, the team – together with USAID -- maintained close contact with representatives from Raiffeisen Zentral Bank (RZB). RZB is one of Austria’s two leading banks. It has corporate banking, retail and other services throughout Austria. RZB considers Central, Eastern and Southeastern Europe as core markets in its business strategy. They have successfully opened and operated banking subsidiaries in Romania, Bulgaria, Poland, the Czech Republic, Slovakia, Hungary, Poland, and Ukraine, and have recently established banks throughout the former Yugoslavia.

Representatives from RZB expressed an interest in a potential investment in the ABK and came to Prishtina for the specific purpose of evaluating the market to determine the investment potential. However, they were not quite ready to begin serious negotiations. Since this initial visit in March 2002, much activity occurred with respect to the sale of capital for the ABK. RZB decided that it would be interested in purchasing 76% of the shares of ABK, signed a draft purchase agreement and visited with the team in Prishtina and in Vienna several times. The Deloitte/ABK team continued to work closely with USAID and RZB to support the sale of the ABK.

During Evaluation Period 9, on December 10, 2002, the Kosovo Business Finance Fund (KBFF), established by the KBF project, and Raiffeisen International Beteiligungs AG (RIB) signed the “Sales and Purchase Agreement” whereby RIB purchased 76 percent of the American Bank of Kosovo’s (ABK) capital stock from USAID. It is intended that USAID, through the KBFF, will continue as a 24 percent shareholder through the duration of the project (until May 10, 2004). With the close of the sale, Deloitte met the criteria for Evaluation periods 8, 9 and 10.

APPENDIX A - PROGRESS AGAINST OTHER BENCHMARKS

The following table illustrates the progress made by the KBFF team through May 10, 2003 towards fulfillment of specific benchmarks set by USAID. All benchmarks set for the second year of the project have been exceeded.

	Completed Benchmarks	Comments
Within 30 Days		
1	<i>Comprehensive work plan to be approved by USAID</i>	<ul style="list-style-type: none"> The first draft of the work plan was completed and submitted to USAID in June, 2001 The final draft was approved by USAID in July 2001
2	<i>Comprehensive set of oversight procedures</i>	<ul style="list-style-type: none"> Deloitte has established several oversight procedures to ensure the smooth operation of the project The team continues to adapt procedures, as necessary, to ensure the success of the project
3	<i>Apply for lending license</i>	<ul style="list-style-type: none"> KBFF applied and was granted a lending license in June, 2001
4	<i>Establish and staff the Loan Unit office</i>	<ul style="list-style-type: none"> The KBF project team hired several Kosovar employees and moved into their offices at Aktash III in June, 2001 The team will continue to recruit and train employees as needed
Within 60 Days		
5	<i>Establish a budget and projected revenues</i>	<ul style="list-style-type: none"> A budget was established for the project in June and has been reviewed with the project staff in order to ensure its adequacy Cost control measures are continuously being evaluated and applied as necessary
6	<i>Establish framework operating procedures such as will ensure prudent operations</i>	<ul style="list-style-type: none"> Operating procedures were established for KBFF, including lending procedures, loan disbursement procedures, and daily operating procedures
7	<i>Provide USAID with a comprehensive design for the establishment of a full service banking institution</i>	<ul style="list-style-type: none"> A work plan was submitted to USAID in July, 2001 detailing the operating procedures and work plan for establishing a full service bank institution
8	<i>Detailed plan describing the proposed fiduciary responsibilities of a commercial banking institution towards USAID after the completion of the initial three year program implementation period</i>	<ul style="list-style-type: none"> An amendment was made to the contract detailing the responsibilities of the Kosovo American Bank in reporting to USAID A relationship with USAID and Deloitte in the daily operations of the Bank has been established
Within 90 Days		
9	<i>Complete a database of Kosovar companies with financial data and credit requirements</i>	<ul style="list-style-type: none"> A database has been established by the project staff to include several Kosovar companies eligible for loan funds from KBFF. The database continues to be expanded based on new contacts made by the lending team
10	<i>Commence training of Kosovar staff in SME lending practices</i>	<ul style="list-style-type: none"> The lending team has received on-the-job training since the first day of hire An intensive training session was held for the lending staff in August, 2001, incorporating SME lending procedures Follow-on training sessions are planned for when the lending associates are a bit more experienced
11	<i>Draft operational structure, credit policies and procedures, loan follow-up and</i>	<ul style="list-style-type: none"> KBFF opened its doors to customers in June, 2001

	<i>recovery policies, accounting systems, loan and collateral documentation and oversight and audit functions established Lending Unit to become licensed and formally opened with staff fully trained</i>	<ul style="list-style-type: none"> Lending procedures have been established and are detailed in the credit manual distributed to staff and used to guide them on lending procedures at KBFF Staff has received training in Financial Analysis, credit and lending. The Loan Information System was established as a means to track loans and repayment history
12	<i>A minimum of 50 business plans and loan applications prepared</i>	<ul style="list-style-type: none"> The staff is well on their way to having 50 loan applications completed As agreed with USAID and the KBS project, the KBFF team does not prepare business plans for its clients
Within 120 Days		
13	<i>Establish contractual agreement to ensure proper representation, reporting and commitment to adhere to prudent lending activities as well as continue the activities of the Lending Unit</i>	<ul style="list-style-type: none"> Contractual agreements have been established
14	<i>In conjunction with USAID, determine a partner bank/institution to form the business bank</i>	<ul style="list-style-type: none"> RIAS/Rabobank has been working as a subcontractor to Deloitte to assist with the establishment of the bank since project inception
Within 150 Days		
15	<i>The banking institution is provided an operating license</i>	<ul style="list-style-type: none"> A preliminary operating license was granted to the American Bank of Kosovo in October, 2001
Within 180 Days		
16	<i>Commence deposit gathering activities</i>	<ul style="list-style-type: none"> Deposit gathering activities commenced on November 12, 2001
17	<i>50 loans booked</i>	<ul style="list-style-type: none"> 61 loans booked
18	<i>2,000,000 DM disbursed</i>	<ul style="list-style-type: none"> 2,200,000 DM disbursed
19	<i>400 jobs created (cumulative)</i>	<ul style="list-style-type: none"> Nearly 500 jobs created
Within 270 Days		
20	<i>Deposit gathering - DM 9,000,000</i>	<ul style="list-style-type: none"> Deposit level exceeded 30 Million DM
21	<i>120 loans booked (cumulative)</i>	<ul style="list-style-type: none"> 182 loans booked
22	<i>5,500,000 DM disbursed (cumulative)</i>	<ul style="list-style-type: none"> Over 8,000,000 DM disbursed
23	<i>1100 jobs created</i>	<ul style="list-style-type: none"> Approximately 1,000 jobs created
Within 360 Days		
24	<i>Provide funding of a commercial banking partner institution</i>	<ul style="list-style-type: none"> RIAS currently owns approximately 1% of bank capital
25	<i>Deposit gathering - DM 15,000,000</i>	<ul style="list-style-type: none"> Deposit level exceeded 30 Million DM
26	<i>200 loans booked</i>	<ul style="list-style-type: none"> 260 loans booked
27	<i>10,300,000 DM disbursed</i>	<ul style="list-style-type: none"> 10,900,000 DM disbursed
28	<i>2,060 jobs created</i>	<ul style="list-style-type: none"> Approximately 2,180 jobs created
Within 720 Days		
29	<i>620 loans booked</i>	<ul style="list-style-type: none"> Over 2,000 loans approved by the credit committee
30	<i>46,500,000 DM disbursed (includes reflows – estimated loan life is one year)</i>	<ul style="list-style-type: none"> 27,000,000 Euros disbursed
31	<i>9,300 jobs created</i>	<ul style="list-style-type: none"> Approximately 20,000 new jobs created (as measured by the method stated in the RFP)
32	<i>49,000,000 DM in deposits gathered</i>	<ul style="list-style-type: none"> Over 60,000,000 Euros in deposits gathered
33	<i>Loan window operation fully integrated into the operation of the commercial banking partner institution</i>	<ul style="list-style-type: none"> Loan window fully integrated into the operations of the commercial bank in March, 2002