



**ALBANIA SMALL BUSINESS CREDIT  
AND ASSISTANCE PROJECT**



**SECOND QUARTERLY REPORT**

**Second Year:  
June 1 to September 30, 2003**

Submitted by:  
Chemonics International Inc.

For:  
Albania Small Business Credit and Assistance Program  
Contract Number 182-C-00-02-00102-00

Submitted to:  
United States Agency for  
International Development

**OCTOBER 2003**

## TABLE OF CONTENTS

<b>1. HIGHLIGHTS OF ACHIEVEMENTS TO DATE .....</b>	<b>3</b>
<b>2. SPECIFIC ACTIVITIES .....</b>	<b>4</b>
<i>Activity One: Continue to Focus on and Reporting by Selected Target Clusters .....</i>	<i>4</i>
<i>Activity Two: Create Communications Strategy to Raise Visibility and Demand for the Services of the Project.....</i>	<i>8</i>
<i>Activity Three: Build RDA Training Capacity .....</i>	<i>10</i>
<i>Activity Four: SBCA Will Continue to Provide Specific Cross-cutting Training.....</i>	<i>12</i>
<i>Activity Five: RDA Continues to Train and Provide Counseling to Target Clients.....</i>	<i>12</i>
<i>Activity Six: Assisting the RDA and SBCA Clients to Establish New Domestic and Export Market Contacts .....</i>	<i>14</i>
<i>Activity Seven: Expand PSHM Direct Lending Program.....</i>	<i>14</i>
<i>Activity Eight: Continue to Implement Guaranteed Loan Program .....</i>	<i>16</i>
<i>Activity Nine: Strengthen BKT's Commercial Bank Lending Officers Skills.....</i>	<i>17</i>
<i>Activity Ten: Continue and Strengthen Referral System among Project Partners and Other USAID Contractors.....</i>	<i>18</i>
<i>Activity Eleven: Expand SME Lending Capability in Other Commercial Banks through SME Department and Procedures Training.....</i>	<i>18</i>
<b>3. PROBLEMS ENCOUNTERED .....</b>	<b>18</b>
<b>4. OTHER ACTIVITIES .....</b>	<b>18</b>
<b>5. ANTICIPATED ACTIVITIES FOR THE PERIOD OCTOBER – DECEMBER 2003 .....</b>	<b>20</b>
<b>6. QUARTERLY FINANCIAL UPDATE .....</b>	<b>23</b>
<b>7. ANNEXES .....</b>	<b>25</b>
<i>ANNEX 1 – Summary of SBCA Assistance by Type, Number of Businesses and Cluster, Q. 2, 2003/4.....</i>	<i>27</i>
<i>ANNEX 2 – Performance Based Management Task Schedule.....</i>	<i>29</i>
<i>ANNEX 3 – Scope of Work for the Short-term Communications Strategy Specialist.....</i>	<i>32</i>
<i>ANNEX 4 – RDA Brochure Publicizing Training Courses.....</i>	<i>35</i>
<i>ANNEX 5 – Project Proposal and Agenda of RDA Study Tour to Poland.....</i>	<i>37</i>
<i>ANNEX 6 – Summary of Rejected Loan Applications Submitted to PSHM.....</i>	<i>51</i>
<i>ANNEX 7 – Outstanding SME Fund (PSHM) Loans as of September 30, 2003.....</i>	<i>63</i>
<i>ANNEX 8 – Summary of SME Loans (PSHM) by Cluster as of September 30, 2003.....</i>	<i>74</i>
<i>ANNEX 9 – BKT Human Resources Implementation Project Report.....</i>	<i>76</i>
<i>ANNEX 10 – Summary of Outstanding SBCA Fund (BKT) Loans as of September 30, 2003.....</i>	<i>88</i>
<i>ANNEX 11 – Scope of Work for the DCA Short-term Specialist.....</i>	<i>93</i>

## 1. HIGHLIGHTS OF ACHIEVEMENTS TO DATE

After agreement with USAID, Tirana the second quarter of year 2, i.e. the period June to August 2003, has been extended to include September 2003. This enables SBCA Project reporting to correspond with USAID quarterly reporting.

Highlights for this 'quarter', June to September 2003, and the project to date are summarized below:

- A total of 2,549 businesses have been assisted by the project to date, 749 of which were in Q2, 2003/4.
- General and specialized business training has been delivered to 1466 businesses to date, including 454 in Q2, 2003/4. Of the latter 369 were agribusinesses.
- Of the total of 476 businesses consulted to date, 124 received consulting in Q2 2003/4.
- A total of 733 businesses received loan application procedures training as part of general business training, 281 of which were trained in this quarter. An additional 197 businesses have been trained exclusively in loan application procedures, 18 of which were in Q2 2003/4.
- The RDAs have conducted 102 training sessions, 30 of which were in this quarter. In addition a specialized training session was delivered to beekeepers by the Beekeeping Association of Korca.
- The SBCA has disbursed \$1,931,622 of the PSHM \$2Million Fund and all of the BKT (\$750,000) Funds, from which loans of more than \$5million (i.e. a leverage of 5x) have been made, therefore all future loans will be made out of recycled funds.
- A total of 36 clients have fully repaid their loans of which 16 have taken out further loans.
- The SME Fund (PSHM) has achieved a repayment rate of 99.8%, and the SBCA Fund (BKT) 100%.
- SBCA, through PSHM, has disbursed a total portfolio of 193 direct SME loans (including 92 in Q2, 2003/4) totaling \$1,931,622 and averaging \$10,008 per loan.
- A total of 62 guaranteed loans have been disbursed by BKT (18 of which were in Q2, 2003/4) totaling \$2,069,575 with an average guarantee cover of 37.3% (i.e. \$772,300) and an average loan size of \$33,380.
- The SBCA Fund has already been leveraged 4.2 times from \$750,000 to a total loan portfolio of \$3,131,548.
- The ten RDA Directors, the Director of ABMC, and an interpreter from SBCA participated in a study tour in Poland, organized by World Learning, from June 22-29.

- A curriculum development (DACUM) round table was held, in cooperation with Harry Fultz School, to determine the standards needed to become “qualified” RDA business consultants.
- SBCA conducted “Making Cents” TOT training to RDA trainers and sub-contractors (selected by SBCA), 19 of which qualified as Making Cents RDA trainers.
- A Greenhouses Round Table was held, in cooperation with Fier RDA and ABMC, in Lushnje on August 27, 2003.
- A Beekeeping Round Table was held in Tirana in August 2003, followed by training by beekeeping specialists from Macedonia, Greece and Kosova in September 2003.
- The SBCA Project is assisting the SME Agency at the Ministry of Economy with establishing an Advisory Group to advise on donor coordination and SME policy development, and in the institution building of the Agency.
- A Project office has been identified in Saranda where, in cooperation with BKT, SBCA will extend project activities in the Delvina and Saranda districts of southern Albania.
- A second RDA retreat was held on September 28-30 during which the RDA Directors reached agreement on amendments to the constitution of the Association of RDAs.

## 2. SPECIFIC ACTIVITIES

Completion of progress to date, in relation to the phases in the Year 2 work plan approved by USAID:

### **Activity One: Continue to Focus on and Reporting by Selected Target Clusters**

The cluster concept continues to be applied by Chemonics as a “focus for action” to assist enterprises to achieve higher levels of competitiveness. A summary of SBCA Project activities by type, number of businesses and cluster is shown in Annex 1. The performance based management task schedule is shown in Annex 2.

- **Horticulture** – A greenhouses round table was organized by SBCA at the Transfer Technology Center (TTC) in Krutje-Lushjne on August 27, 2003. The TTC is financed by USAID and managed by ABMC. The purpose of the round table was to introduce new advanced greenhouse technology to producers, to discuss available finance for procuring the new technology and to find ways that the SBCA Project can assist the horticulture sector. Twenty farmers participated in the event. Mr. Robert Pavaci, from ABMC, presented a new gravity drip irrigation system and Mr. Amir Asaf, from AGRODEV, discussed the greenhouses technology installed and operating at the TTC. Identified areas where SBCA could focus in the future are: the high price of imported pesticides and fertilizers; the reconstruction of the drainage system; the supply of seeds and saplings; and the extension of the loan maturity period on SBCA credits to the horticulture sector.

The OSCE and the Small Grants Program of UNDP have financed a new solar panel-powered drip irrigation system installed by the Energy Efficiency Center (EEC). SBCA

participated in a workshop organized by OSCE, UNDP and EEC and are considering ways of financing these irrigation systems through a combination of credit and UNDP grants. The EEC will be responsible for installing the systems for SBCA clients.

A total of 76 horticulture businesses have been consulted in the project to date, 37 of which were consulted in Q2, 2003/4. Training has been delivered to 198 businesses in Q2 and 397 to date. A total of 29 loans have been disbursed to horticulture businesses to date, 22 by PSHM and 7 by BKT. In Q2, 2003/4 13 loans were disbursed by PSHM and 4 by BKT.

- **Scrap Metal** – The GOA has introduced a new legal framework for scrap metal earlier this year. A meeting will be held, in October 2003, with Kurum and representatives of the Ministry of Economy, the Ministry of Environment and the Institute of Transport Studies to discuss ways of identifying points where SBCA can intervene. The SBCA Project has obtained copies of the relevant laws and regulations.

Two loans have been disbursed to scrap businesses to date through PSHM, one of which was in Q2, 2003/4. One business has received consulting from the SBCA Project.

- **Bee Products and Processing** – A bee products and processing round table was held on August 19 2003, the main objective of which was to identify ways in which SBCA could offer further assistance to beekeepers. The round table was attended by national and regional beekeeping association representatives and by one of the largest honey processors in Albania. One outcome of the round table, suggested by SBCA, was agreement on the establishment of a working group to develop a standard beehive for use in Albania. Another group will be formed to identify specific training needs, including packaging and labeling, processing, technology, and marketing. The SBCA Project will adapt existing training modules to make them more specific to the beekeeping cluster. SBCA also floated the idea of the various beekeeping associations cooperating more closely on lobbying issues. SBCA will offer technical assistance on advocacy if requested.

Following on from the round table, SBCA sponsored a training session in Korça, on September 13, 2003. The training was organized by the Korça beekeepers association, and delivered by Albanian, Macedonian and Greek specialists. The training aimed at improving honey production by fighting the varratosa bee disease.

Other areas where the SBCA Project could offer support to the bee products cluster include marketing of bee products, production of bio-honey, packaging and labeling, and upgrading honey processing technology.

SBCA is also considering sending a small group of beekeepers to Greece to look at best beekeeping practices. One beehive manufacturer has already been referred to PSHM by the SBCA Project.

Ten bee products and processing businesses were consulted in Q2, 2003/4, a total of 74 businesses to date. So far the Project has trained 259 businesses including 53 in the current quarter. The Project's first loan to a bee products and processing business was disbursed, through PSHM, in Q2.

- **Fish Collection and Processing** – As mentioned in the previous quarterly report, the Project tried to arrange for an Italian fishing specialist to visit Albania to demonstrate sonar and navigation equipment and to assist in the development of fishing equipment supply lines. A SOW was prepared and the expert agreed, in principle. However his fee rates were unacceptable and his visit was cancelled. An alternative expert will be identified during the next quarter.

In fish collection and processing, one loan was disbursed through PSHM in Q2, 2003/4. A further 3 loans have been disbursed through BKT to date. A total of 37 businesses have been trained in Q2 and 162 in the project so far. To date a total of 30 fish collection and processing businesses have received consulting, 4 of which were consulted in Q2, 2003/4.

- **Herbs and Spices** – The SBCA Project has designed a new mobile rack of drying trays for use by herb collectors and processors. The first prototype rack was manufactured in Tirana and the plastic trays were supplied by a Macedonian company that manufactures plastic products in Ohrid. A series of regional demonstrations will be held, starting in October 2003, in cooperation with IFDC. Loan application procedures training will also be included. SBCA is also cooperating with IFDC on quality certification laboratories they are establishing around Albania. Credit can be provided through the SBCA Project.

A total of 30 herbs and spices businesses have been trained in the project to date, 5 of which received training in the current quarter. Three PSHM loans have been disbursed to date, one of which was in Q2. The first BKT loan to the herbs and spices cluster was disbursed in the current quarter. Four businesses were consulted in Q4, making an overall project total of 18 business in this cluster.

SBCA will bring a short term Herbs and Spices specialist to Albania, in November 2003, to assist in the development of a strategy for the herbs and spices cluster. A one day round table will be held as part of this mission.

- **Olive Processing** - The Project's first loan disbursed to an olive processor was made, through PSHM, in Q2, 2003/4. To date, 146 olive processing businesses have been trained including 30 in the current quarter. SBCA provided consulting to 11 businesses in the current quarter and a total of 28 businesses to date.
- **Dairy Products** – In the dairy products cluster, 13 businesses were consulted in Q2 making a total of 40 businesses to date. Training has been delivered to 325 dairy businesses to date including 51 in the current period. Through PSHM, SBCA has disbursed 31 loans including 13 in Q2. The Project has disbursed one BKT loan in Q2, 2003/4, a total of three to date.
- **Food Processing** – Sixty food processing businesses have received consulting to date, including 12 in the current quarter. To date, 22 businesses have been trained by the Project, 13 of which received training in Q2. Through PSHM, SBCA has disbursed 19 loans in Q2, 2003/4 and 45 overall. The Project has disbursed 1 BKT loan in Q2 and five to date.
- **Wood Processing** – The Project has disbursed, through PSHM, 27 loans to wood processing businesses to date including 11 in Q2, 2003/4. Through BKT, the Project has made 3 loans in Q2 and 7 loans to date. Fifty wood processing businesses have received training from the Project so far, 30 of which were trained in Q2. Consulting has been delivered to a total of 35 wood processing businesses so far including 9 in Q2.

- **Construction** – Twelve businesses were consulted in Q2, 2003/4 and a total of 40 to date. Training has been delivered to a total of 25 construction businesses including 6 in Q2. Through PSHM, a total of 31 loans have been disbursed to construction businesses and through BKT, 16 loans to date. The corresponding loans disbursed in Q2 are 19 and 3 loans.
- **Light Manufacturing** – Through PSHM, 13 loans have been disbursed by the Project so far, five of which were in Q2. BKT have made 6 loans, 3 of which were in the current quarter. To date 109 businesses have received training, eight of which were in the current quarter. Eight businesses were consulted in Q4, a total of 35 in the Project to date.
- **Domestic Housing Insulation** – The SBCA is awaiting the results of a survey, financed by CORE International, which will be conducted by the National Energy Agency before any further intervention can be affected in this cluster.
- **Other Cross Cluster Developments** – SBCA team members met with World Learning to assist in the design of a study tour for packaging training and experience. It was agreed that 8-10 businesspeople from the food-processing, beekeeping and dairy clusters will visit a packaging exhibition and packaging companies. SBCA will identify half of the participants. A honey processor has already been identified. Before departure the businesspeople will receive training in communication and negotiation skills.

In August, 2003 SBCA team members held a meeting with Albanian Directorate of Standardization, the only Albanian Government body dealing with national, European and other international standards. SBCA will include information provided by the Directorate in future training events. The Directorate will also be invited to future cluster events to update participants on the latest standards information.

In cross cluster enterprises, 4 businesses were consulted in Q2, 2003/4 and a total of 39 so far. Training has been delivered to 138 businesses including 41 in the current quarter. Sixteen PSHM loans have been disbursed by the Project so far including 7 in Q2, 2003/4. Through BKT, the Project made 2 loans in the current quarter and a total of 14 loans to date.

- **Vlora Energy Park** – The short term Vlora Energy Park Zone Concept Development Director, Jim Jessamine, arrived in Tirana on September 30 on a four-week mission. The overall purpose of the mission is to facilitate a comprehensive master plan for the establishment of an integrated infrastructure and economic development project, including an industrial park, at the new Thermal Power Plant at the port of Vlora. This will create many future opportunities for the provision of consulting, training and credit by the SBCA Project.

- **SBCA Cluster Impact** – SBCA Project assistance provided to Albanian business clusters to date is shown in table 1 below:

**Table 1: Summary of SBCA Assistance by Type,  
Number of Businesses and Cluster to September 30, 2003/4**

SERVICES CLUSTERS	TRAINING			CONSUL TING	LOANS			TOTAL BUSINESSES ASSISTED
	General	Specialized	*Loan Applications		Applica- tions Submitted **	SME Fund (PSHM)	SBCA Fund (BKT)	
Horticulture	331	1	65	76	15	22	7	517
Olive Processing	146	0	0	28	3	1	0	178
Fish Collection and Processing	144	0	18	30	5	1	3	201
Herbs and Spices	30	0	0	18	4	3	1	56
Bee Products and Processing	225	24	10	74	11	1	0	345
Dairy Products	291	0	34	40	24	31	3	423
Food Processing	18	3	1	60	21	45	5	153
<b>Sub-total Agribusiness</b>	<b>1185</b>	<b>28</b>	<b>128</b>	<b>326</b>	<b>83</b>	<b>104</b>	<b>19</b>	<b>1873</b>
Wood Processing	37	2	11	35	10	27	7	129
Construction	13	7	5	40	20	31	16	132
Scrap Metal	0	0	0	1**	1	2	0	4
Light Manufacturing	97	3	9	35	11	13	6	174
Cross Cluster Businesses	89	5	44	39	30	16	14	237
<b>Sub-total Non- Agribusiness</b>	<b>236</b>	<b>17</b>	<b>69</b>	<b>150</b>	<b>72</b>	<b>89</b>	<b>43</b>	<b>676</b>
<b>TOTAL</b>	<b>1421</b>	<b>45</b>	<b>197</b>	<b>476</b>	<b>155</b>	<b>193</b>	<b>62</b>	<b>2549</b>

\* Includes only those businesses that have received exclusive loan application training.

\*\* Includes only those businesses that have applied for loans from both BKT and PSHM and have either been rejected or still in progress.

\*\*\* Counseling was provided directly by the SBCA Project before the FPC system with the RDAs was established.

### **Activity Two: Create Communications Strategy to Raise Visibility and Demand for the Services of the Project**

- **Donor Group Presentation** – The SBCA Project participated in a Donor Group meeting, organized by SEED, on June 12, 2003. The SBCA COP, Jeff Houghton, and the Credit

Development Specialist, Arjana Xhafa, gave a presentation on the Development of the Albanian Banking system since 1992.

- **SBCA Database** – The short term Chemonics Database specialist arrived on June 2, 2003. The overall purpose of his mission was to review the existing SBCA database and to recommend and implement software to enable the Project to compile reports and statistical information from the database. Reports on deliverables required by USAID will then be produced directly from the SBCA database that will relate back to each individual client input record. As a result of his work the database is now on the Project server and is accessible by all terminals on the SBCA network. A part time local specialist is assisting the Project in designing reports and other on other technical issues.

All training, consulting and loan applications information has been input into the database. Loans information will be input during Q3, 2003/4. The Project will also be able to report by gender from Q3, 2003/4 onwards. In this quarterly report, the following two main Annexes have been produced directly from the database.

Annex 1: Summary of SBCA Assistance by Type, Number of Businesses and Cluster, Q.2, 2003/4, including quarterly and to date information on the number of businesses that have received:

- general business training;
- specialized business training;
- loan application procedures training (offered as part of general business training sessions and through specific loan application training sessions); and
- one-on-one business consulting;

Annex 2: Performance-based Management Task Schedule

By the end of 2003 we expect that all financial and statistical reports will be produced for the database. The Project will continue to ensure the integrity of the data it reports and that it will meet USAID's latest reporting standards.

- **Shkodra Workshop** – Resulting from an earlier visit to Shkodra by the U.S. Ambassador to Albania, the SBCA Project was asked to conduct a workshop on the availability of credit in Shkodra. It was held on June 5, 2003. BKT, PSHM, SEED, Shkodra RDA, the Shkodra Chamber of Commerce, the AAEF, the American Reconstruction Equity Fund (AREF), and local businesses and institutions also participated. The objective of the workshop was to provide information on the availability and distribution of credit in Shkodra to counterbalance the negative impression projected by the Shkodra Chamber of Commerce to the Ambassador.
- **Communications Specialist** – SBCA will bring a short term Chemonics Communications Specialist, in November, to work with Project partners on developing a communications strategy. A copy of his SOW is shown in Annex 3.
- **RDAs Awareness Survey** – A Tirana-based consulting company, the Center for Research and Development, was subcontracted by the SBCA Project to conduct a survey of the business community in 10 Albanian cities to test their awareness of the RDAs and their activities. The survey was completed on September 15 and final results should be

available in October 2003. The results will be used by the Communications Specialist in developing his strategy for promoting the RDAs.

### Activity Three: Build RDA Training Capacity

- **Monitoring RDA Training** – SBCA team members continued to monitor the performance of trainers used by the RDAs under Fixed Price Contracts.
- **RDA Making Cents Training** – From June 16-27, 2003 the Making Cents “Plan it!” and “Game Plan” training was held in the Shalom Center, Tirana. Two US-based Making Cents trainers delivered the training. The Plan it! Curriculum provided trainers with tools to deliver training to small businesses, while Game Plan is designed for training micro-enterprises. There were 34 participants in the first week of the training including the 10 RDA Directors. Twenty four participants were trainers either directly hired by the RDAs or from their pool of associated trainers. All of the trainers had been selected by the SBCA team, members of which had already observed the trainers during earlier sub-contracted training events. They were evaluated on the basis of their hard and soft skills.

During the first week of the training all the participants gained experience in preparing and evaluating their own business plans and in approaching a loan institution with confidence. Certification was in two parts. The first was for those successfully completing the first week – these included the RDA Directors. The 19 trainers chosen to attend the second week of training were selected by the Making Cents trainers. The second week emphasized the importance of experiential learning. Participants took part in group work, plenary discussions, individual reflections and practical application of what they had learned. They also had the opportunity to practice soft skills such as communication and stress management. The 19 trainers were certified by the facilitator of Making Cents. These are the only trainers that will be used in future SBCA FPCs to the RDAs.

- **Reviewing Training Modules** – SBCA is cooperating with Tirana RDA in the preparation of two modules on marketing and selling techniques. The marketing module will incorporate Making Cents material and include specific cluster foci and loan application procedures (LAP) training. Selling techniques will also have cluster foci and include LAP training. Both modules will be completed in October 2003.
- **New Cluster Training Modules** – Specific cluster training modules have been developed, by Durres RDA, for livestock farming and fish farming. Durres RDA is also working on a module for sea fishing. The modules are designed to train livestock farmers and fishermen on modern business practices and the benefits from receiving an SBCA loan. They will be incorporated into future loan application procedures training and as part of SBCA focusing on more cluster-specific training
- **TOT “NxLevel” Training** – From June 3-5, 2003 the Harry T. Fultz School organized a 3-days TOT course called “NxLevel”. It is aimed at providing trainers with more advanced knowledge of supporting entrepreneurs in improving their businesses. The modules provided by the Harry T. Fultz School will be used by the RDAs for future training.
- **RDA Trainers TOT** – The SBCA sub-contracted a Tirana based trainer, Mirian Kessler, to prepare and deliver one-day training with two main components. The first was in “*How to Organize Training from A to Z*” and the second was “*How to Find*

*Clients that are Ready to Pay*". The RDAs certified trainers will, in future, also share the responsibility of finding paying clients.

As a result the SBCA Project prepared a special leaflet, in Albanian, to publicize the new Making Cents training courses offered by the RDAs. A copy of this leaflet is shown in Annex 4. All Making Cents training clients will be expected to pay for the training. This will be reflected in future FPCs.

- **The Amended RDAs Association Constitution** – The SBCA Project have been providing technical assistance in reviewing the amendments to the Association of RDAs ('the RDA Network'). There are adequate 'checks and balances' that ensure equitable treatment for all ten RDAs. SBCA used an experienced lawyer to draw-up the amendments into a draft constitution for final review by the RDAs. After a final review by the lawyer, the amended constitution will be deposited at the court.
- **Developing Standards for Business Counselors** – On August 28 and 29, at the request of SBCA, Terry Clement and members of the Harry T. Fultz School staff held a workshop to facilitate developing standards for business counselors. Also in attendance were 5 RDA Directors, 4 SBCA staff, and representatives from BKT and PSHM. RDA Directors stressed the need for improving the quality of business services, especially business planning, to meet the needs of today's Albanian financial institutions. The School circulated a paper they had drawn up, as a result of the workshop, to all the RDAs. Their feedback will help in developing a training curriculum.
- **The Second RDA Retreat** – A second RDA Retreat was held in Ulcin, Montenegro on September 28 and 29, 2003. Nine RDA Directors and one representative from Korça RDA attended the Retreat. The Director of PSHM, The Credit Manager from BKT and the SBCA team also attended. The main points covered at the retreat are:
  1. Improving Cooperation Between SBCA Partners - The quality of business plans was discussed in some detail. The representative from BKT, Arturo Baboçi, gave the bank's perspective. Before any exclusivity agreement can be made between BKT and the RDAs the style and quality of the business plans must be changed to meet the Bank's requirements. This will be an integral part of the training for certified business consultants. In the short term, SBCA will provide additional business planning training for RDA Directors in cooperation with BKT staff.
  2. RDA Capacity Building – The participants discussed capacity building for RDAs. Emphasis was placed on continuing to improve the quality of services provided. A working group of RDA Directors will try to identify capacity building needs and report back to the Association of RDAs. The SBCA will continue to support capacity building for RDAs and for the Association of RDAs.
  3. Strategic Planning – The RDAs working group will also identify in which market segments they have a competitive advantage and where they are more able to charge for services. The working group will draft a strategy for the RDAs network.
- **RDA Fixed Price Contracts (FPCs)** – The current RDA FPCs cover the period from September to December 2003. New FPCs will be issued to RDAs before the end of this year.

#### Activity Four: SBCA Will Continue to Provide Specific Cross-cutting Training

- **Export 101 Training** – SBCA has started to select suitable trainers for Export 101 TOT. They will be selected on the basis of an evaluation of their hard and soft skills. The Project is planning to select 20-25 trainers in total, at least 2 from each RDA. The rest will be free-lance independent trainers. The selection process should be completed in October 2003.
- **New RDA Fixed Price Contracts (FPCs)** – All FPCs due at the end of August 2003 have been completed by the RDAs. SBCA negotiated a new round of four-month contracts covering the period September to December 2003. The objective of the new contracts is to improve the synergy between the credit and technical assistance components of the Project.
- **Study Tour to Poland** – The ten RDA Directors, ABMC's Mr. Tritan Cako, and SBCA's Erald Kanini participated in a study tour to Poland, organized through World Learning, on June 22-29 2003. The purpose of the study tour was to assist RDAs and other business service providers in learning from Polish SME support experience. Participants visited institutions supporting SMEs including: the Ministry of Economy; the Ministry of Labor and Social Policy; the Polish Parliament; and regional business support agencies. On the last day they worked on an action plan based on their findings during the study tour. A project proposal and agenda of the visit, managed by the Polish NGO "UNILOB", is shown in Annex 5.

#### Activity Five: RDA Continues to Train and Provide Counseling to Target Clients

A total of 124 businesses received consulting in this quarter, and 476 to date. A summary of training and counseling provided by the RDAs to target clients is shown in table 2 below.

**Table 2: Training and Consulting Provided by RDAs to the end of Q2, 2003/4**

Training Provider	General Business Training		Specialized Training		Exclusive LAP		Total Training		Consulting	
	Q.2	Project to Date	Q.2	Project to Date	Q.2	Project to Date	Q.2	Project to Date	Q.2	Project to Date
Beekeepers Assoc.	0	0	24	24	0	0	24	24	0	0
Berat RDA	15	151	0	0	0	19	15	170	17	60
Durres RDA	0	119	0	0	0	46	0	165	15	43
Elbasan RDA	27	112	0	10	0	0	27	122	18	50
Kruja RDA	30	30	0	0	0	0	30	30	7	10
Korça RDA	80	155	0	0	0	11	80	166	5	34
Vlora RDA	35	202	0	11	18	41	53	254	10	63
Shkodra RDA	61	164	0	0	0	8	61	172	19	61
Fier RDA	21	94	0	0	0	50	21	144	16	53
Tirana RDA	98	138	0	0	0	22	98	160	11	40
Gjirokastra RDA	63	256	0	0	0	0	63	256	6	61
SBCA Staff	0	0	0	0	0	0	0	0	0	1
<b>TOTAL</b>	<b>430</b>	<b>1,421</b>	<b>24</b>	<b>45</b>	<b>18</b>	<b>197</b>	<b>472</b>	<b>1663</b>	<b>124</b>	<b>476</b>

- **RDA Counseling Services and Training** – The SBCA Project, through the RDAs, provided one-on-one business consulting to 124 out of a total of 476 businesses since the start of the project. A total of 1,074 hours of business consulting was provided during Q2 2003/4. The SBCA Project, through the RDAs, provided training to 472 businesses and to a total of 1,663 businesses since the start of the project.

**RDA Tirana:** During Q2, 2003/4 RDA Tirana provided training to 98 businesses and to a total of 160 businesses in the Project to date. One-on-one business consulting was provided to 11 businesses in Q2 making a total of 40 to date. The types of training and consulting services provided are: marketing, accounting, loan application procedures, cost analysis, equipment sourcing, technology, business plan preparation, human resources and association building.

**RDA Durres:** Since the start of the project RDA Durres provided training to a total of 165 businesses. RDA Durres provided one-on-one business consulting to 15 businesses out of a total of 43 to date. Types of training and consulting services provided by RDA Durres were: cash flow analysis, livestock farming, fish farming, loan application procedures, business plan preparation, marketing, cost analysis, equipment sourcing, technology, procedures of licensing fish for exporting to the European market, contract design for orders from foreign customers, rules and procedures for privatizing a state enterprise, import custom tax and VAT.

**RDA Vlora:** RDA Vlora provided training to 53 businesses, a total of 254 in the Project to date. One-on-one business consulting was provided to 10 businesses out of a total of 63 to date. Types of training and consulting services provided by RDA Vlora were: disease prevention in bees and olive groves, marketing, e-commerce for women, accounting, loan application procedures, fishing, cost analysis, export information, financial analysis, feasibility-studies, international trade, equipment sourcing and procurement, management skills

**RDA Berat:** RDA Berat provided training to 15 businesses and a total of 170 to date. One-on-one business consulting was provided to 17 businesses and to a total of 60 to date. Types of training and consulting services provided were: marketing, loan application procedures, cost analysis, business plan preparation, marketing and disease prevention in olive groves.

**RDA Shkodra:** RDA Shkodra provided training to 61 businesses and a total of 172 to date, and one-on-one business consulting to 19 businesses and a total of 61 to date. Types of training and consulting services provided by RDA Shkodra are: characteristics of an entrepreneur, marketing, loan application procedures, diseases prevention in bee hives, cost analysis, business plan preparation, cash flow analysis, development of the business idea, selling strategies, and business partnership with foreign party.

**RDA Gjirokaster:** During Q2, 2003/4 RDA Gjirokaster provided training to 61 businesses out of a total of 256 to date. One-on-one business consulting was provided to 6 businesses out of a total of 61 to date. The types of training and consulting services provided by RDA Gjirokaster were: marketing, loan

application procedures, cost analysis, business plan preparation, honey packaging, equipment sourcing and procurement, business expansion and restructuring, marketing, and cost and price analysis.

**RDA Elbasan:** RDA Elbasan provided training to 27 businesses out of a total of 122 to date, and consulting to 18 businesses out of total of 50 to date. Types of training and consulting services provided by RDA Elbasan were: association statute development, marketing, loan application procedures, cost analysis, business plan preparation, export procedures, fingerlings and larvae for fish farming, human resource management, and market research and feasibility studies.

**RDA Korça:** RDA Korça provided training to 80 businesses out of a total of 166 to date, and consulting to 5 businesses and a total of 34 to date. The types of training and consulting services provided by RDA Korca were: business plan preparation, marketing, loan application procedures, cost analysis, selling techniques, cash flow and business management

**RDA Fier:** RDA Fier provided training to 21 businesses and a total of 144 to date, and one-on-one business consulting to 16 businesses and a total of 53 to date. The types of training and consulting services provided by RDA Fier were: operations management, accounting, marketing, loan application procedures, cost analysis, business plan preparation, product standards and certification.

#### **Activity Six: Assisting the RDA and SBCA Clients to Establish New Domestic and Export Market Contacts**

- **Honey** – The SBCA Project has been cooperating with the USAID’s Kosovo Business Support Project, managed by Chemonics International, to create linkages between cluster members and to exchange information on beekeeping in the two countries. The Project is assisting an Albanian honey processor to find markets in Kosovo where domestic producers cannot meet demand.
- **Herbs and Spices** – The Kosovo Business Support Project is also cooperating with SBCA on the new rack drying trays. The Kosovo Project provided SBCA with the coordinates of the Macedonian manufacturer of the plastic trays.

#### **Activity Seven: Expand PSHM Direct Lending Program**

- **A New PSHM Branch** – PSHM is planning to expand its activities in the South and East of Albania. A new PSHM branch was opened in Korça in June 2003. The Korça RDA provided support in locating an office and in promoting the new branch.
- **Saranda Sub Office** – SBCA opened a sub office in Saranda on September 4, 2003. The Project has contracted the manager, Mrs. Elvana Lula, for a six month period. The first activities will be training and counseling, in close cooperation with our other partners, BKT and PSHM. The latter wants to extend its lending in Saranda and Delvina. They have prepared a concept paper for USAID to raise funds for additional lending. PSHM will share the office facilities during its market development phase.

- **Currency Gains/Losses** – An evaluation of currency gains and losses was undertaken by SBCA for loans disbursed between May 2002 and June 2003 to investigate the effects of the strong LEK on the PSHM loan portfolio. The currency gains are favorable to PSHM for loans made in LEK but negative in the case of loans made in USD.
- **Liquidation and Advances Reports** – The system of Liquidation Reports and Advances requests for PSHM is operating efficiently through USAID Budapest. Following on from the exchange rate issue discussed in the previous bullet point, SBCA has agreed that PSHM should continue to report the outstanding loan portfolio using the average exchange rate of the reporting month.
- **New USAID Reporting System** – USAID Budapest has introduced a new system for dealing with BKT and PSHM Reimbursement requests based upon the monthly liquidation reports. It avoids the need for the preparation of Monthly Advances Requests and allows for faster transfers of funds from Budapest.
- **Shkodra RDA Referrals** – SBCA met with the Shkodra PSHM Regional Branch Manager to clarify issues relating to the approval process for clients referred to PSHM by Shkodra RDA. The RDA has referred 17 clients out of which only 5 have received loans. In order to improve the quality of the referral process the SBCA Credit Development Specialist will monitor loan applications referrals from Shkodra RDA before submission to PSHM.
- **Loan Applications** – By the end of Q2, 2003/4, 346 SBCA loan applications have been submitted to PSHM out of which 135 were rejected, 193 loans disbursed and 18 were still in progress at the end of September 2003. A summary of rejected loan applications, with reasons for rejection, and loans still in progress is shown in Annex 6.
- **Loans Disbursed** – The total number of loans disbursed up to the end of September 2003 was 193 out of which 92 were made in Q2, 2003/4. The total PSHM SME Loan Fund Portfolio is \$1,931,622. A summary of outstanding SME Fund (PSHM) loans are shown in Annex 7.
- **Average Loan Size** – The average loan size has been decreased to \$10,008, compared to \$11,685 in Q1, 2003/4.
- **Loan Portfolio** – As at the end of September 2003, PSHM had disbursed 96.6% of its portfolio. From October 2003 all future loans will be made from recycled funds.
- **Cluster Spread** – The loan portfolio distribution between cluster groups is close to target. Out of the total loan portfolio, 53.8% loans went to agribusinesses and 46.2% to the non agribusiness clusters. The best performing cluster is food processing where 45 loans have been disbursed to date, see Annex 8.
- **Portfolio at Risk** – Three clients, Pranera Shima, Hamza Toro and Anton Lleshi have delayed payments of more than 30 days on a total of \$3,863. This is mostly due to poor cash management rather than lack of cash revenues. Without these clients the repayment performance rate is 99.8%. RDA Tirana and RDA Fier will be providing cash management training in Q3, 2003/4.

- **Repaid and Recycled Loans** – Out of 193 loans disbursed, 29 clients have repaid and 16 of these have taken a further loan from recycled funds.

### **Activity Eight: Continue to Implement Guaranteed Loan Program**

- **Human Resources Policy at BKT** – The short term HR Specialist, Srilata Rao, arrived in Tirana for her second mission on June 8, 2003. This followed on from her first mission in March-April this year. The purpose of the June assignment was to assist BKT in the implementation of a more progressive personnel and human resources policy that would improve management-staff relations and increase staff motivation and loyalty. BKT were very positive about the results of the previous mission, and, at their request, a review of head office job descriptions was added to the SOW. As a result of the June mission BKT have already started to implement part of the recommendations. A copy of the final report, minus annexes, is shown in Annex 9.
- **Liquidation and Advances Reports** – The system of Liquidation Reports and Advances requests for BKT is operating efficiently through USAID Budapest. The BKT Advances Request submitted by SBCA was under credited by Budapest. SBCA resolved the problem and the shortfall was reimbursed by USAID in August 2003.
- **Hi-Tech Greenhouse Loan** – The first loan for a hi-tech greenhouse was disbursed by BKT during this period. The total loan approved by BKT is \$142,000. BKT divided the loan into two, \$124,000 financed totally by the bank and maturing in July 2007. The other \$18,000, maturing in August 2005, was partially financed by SBCA with a 40% cover. This is an example of how the SBCA Project can leverage credits in excess of those allowed under the current contract. This kind of leverage is particularly important in the case of hi-tech greenhouses.
- **Loan Applications** – During Q2, 2003/4 64 loan applications were submitted to BKT out of which 6 were referred by the RDAs. All six clients received loans. Collaboration is working better from the perspective of the RDAs. BKT has referred 15 clients to the RDAs for business plans. A summary of Outstanding BKT Loans is shown in Annex 10.
- **Average Loan Size** – The average loans size has fallen to \$33,380 in Q2 compared to \$35,343 in Q1, 2003/4.
- **Loans Disbursed** – By the end of this quarter 62 loans have been disbursed, 18 of which were in Q2. The loan portfolio stands at \$2,069,575 with a guarantee cover value of \$772,300 representing a cover ratio of 38.1%. The overall loan portfolio coverage is 37.3%. This is only that part of the client portfolio covered by the SBCA guarantee.
- **Portfolio at Risk** – Out of the 62 loans disbursed, 7 clients had fully repaid by the end of September 2003. BKT have reported that no loans are at risk so the repayment rate for the SBCA Fund is 100%.
- **Leveraging the Guarantee** – There is additional leverage in that, where loans require a maturity date beyond the current SBCA Project end date, BKT has disbursed an additional \$1,061,973 in credit to SBCA clients where the risk is 100% covered by the bank. The originally allocated SBCA guarantee fund has already been leveraged 4.2 times, from \$750,000 to \$3,131,548. A summary of the effect of this is shown in table 3 below.

**Table 3: The Leverage Effect of the SBCA Fund Guarantee**

Description	Portfolio in \$	SBCA Guarantee in \$	SBCA Guarantee % Coverage	BKT % Coverage
Total Loan Portfolio including Guaranteed Portion	3,131,548	772,300	24.6	75.4
Guaranteed Loan Portfolio	2,069,575	772,300	38.1	61.9
Loan portfolio without guarantee	1,061,973	None	0	100.0

- **Lending Constraints** - The original guarantee fund of \$750,000 has been exceeded by \$22,300 to \$772,300. All future loans will be made out of recycled guarantees. However, this will slow down lending for two main reasons:
  - Any new loans are dependent on the schedule of loan repayments. New loans will slow down until next year when repayments will start to increase; and
  - The two year loan tenure condition restricts long term lending, this especially affects agribusinesses.

As a result BKT is asking for guarantees for relatively short term working capital loans rather than for investment loans. Table 4 below illustrates the estimated loan fund availability, between October 2003 and August 2005 based on a 30% coverage rate.

**Table4: Estimated SBCA Loan Funds Made Available from Guarantee Repayments Inflows**

Sources of Funds	Oct. 2003	Nov.2003 To Jan.2004	Feb to Apr. 2004	May to Oct. 2004	Nov. 2004 to Apr.2005	May to Aug. 2005
Loan funds made available from recycled guarantees (\$)	75,885	239,358	332,439	443,289	275,864	174,517
Recycled Guarantees (in \$) based on a 30% ratio	22,765	71,807	99,731	132,986	82,759	52,354

In the February to April period of 2004, for example, \$99,731 of guarantees would be available for tenure of one year. Based on a 30% guarantee cover, this means that the \$332,439 of loans could be made for working capital only. Future lending to businesses such as hi-tech greenhouses would be severely constrained.

#### **Activity Nine: Strengthen BKT's Commercial Bank Lending Officers Skills**

- **Making Cents Training** - Nine recently employed BKT loan officers will receive 'Plan It!' and "Game Plan" training from Tirana RDA delivered by their Certified Trainer, Laura Grezhda.
- **Study Tour Follow-up** - As a follow up action plan for the loan officers that were on the SBCA/World Learning study tour in Ireland earlier this year, they conducted a market survey on the construction and wood processing sectors. The results of the surveys will be used by BKT's Credit Department to establish new credit manuals for these sectors. The

first draft will be discussed by representatives of SBCA, BKT and World Learning in December 2003.

#### **Activity Ten: Continue and Strengthen Referral System among Project Partners and Other USAID Contractors**

- **New BKT Branches** - BKT expanded its geographical coverage by opening five new branches in Saranda, Berat, Fier, Pogradec, and Tirana. SBCA team members attended all of the official openings of these branches.
- **“Agribusiness 2003” Exhibition** – The four SBCA partners jointly participated at the Agribusiness 2003 Exhibition held in Tirana on June 7-12. The exhibition was organized by KASH. Participants included international companies, Albanian companies, business associations and donors. The Albanian President, Prime Minister and Minister of Economy visited the SBCA stand. A number of contacts were made including that of a honey processor from Korça with whom the project is now working on a number of beekeeping issues.
- **SBCA Project Web Site** – The Project Web site is now ready for publication. There are links to USAID, CI and all Project partners. The Site will be on-line in October, 2003.

#### **Activity Eleven: Expand SME Lending Capability in Other Commercial Banks through SME Department and Procedures Training**

- **Introducing the DCA Program** - SBCA has opened discussions with USAID on expanding the guarantee scheme to other banks, either/or through additional funds or using the Development Credit Authority (DCA). This could be the subject of a possible project extension. In October-November 2003, SBCA is proposing to bring out a short-term specialist, Mr. Jack Thompson, to evaluate the feasibility of introducing the DCA Program in Albania and to propose a timeline for implementation. The DCA Specialist’s SOW is shown in Annex 11.

### **3. PROBLEMS ENCOUNTERED**

- No significant problems have been encountered in this quarter.

### **4. OTHER ACTIVITIES**

- **Household Solid Waste Disposal** – In collaboration with the ARD Project and the Urban Institute, SBCA have been discussing ways of solving the solid waste disposal problem in the City of Pogradec. A meeting will be held with the Mayor of Pogradec on October 2, 2003.
- **Association of Women Manufacturers** - The SBCA has been supporting the formation of an association of women manufacturers.
- **The SME Agency** – On July 30, 2003, SBCA held a meeting with Mr. Bashkim Sykja, Director of the Ministry of Economy’s Business Promotion Department, and Gavril

Lasku, the recently appointed Director of the Ministry's SME Agency. Mr. Sykja asked the project for assistance in the formulation of a strategy for the Agency and coordination of all donor activities related to SMEs. The SBCA team informed the two of Project activities including the credit programs and the work of the RDAs. SBCA has offered a possible organization structure for the Agency and a system for ongoing policy formulation and revision. The Project designed a form for collecting information on donor activities which has already been distributed. A database of the collected information will be built with SBCA assistance.

- **Mountain Areas Financing Fund (MAFF)** - Also in July, 2003, SBCA met with representatives of MAFF which provides loans in the East and North East of Albania. MAFF asked for more technical assistance to be provided to SMEs in these parts of the country. Cooperation could be for the RDAs to provide TA to MAFF borrowers and loan applicants.
- **North East Albania** – SBCA team members conducted a fact finding mission to Kukes and Peshkopi to collect information on agencies already working there and to try to identify points for SBCA intervention. RDA Tirana will be contracted to provide training and counseling.
- **Saranda Office** – A Project branch office will be opened in Saranda in October 2003, for a five month period, through which training and counseling will be provided by Vlora RDA in the Delvina and Saranda Districts.
- **The Union of Small and Medium Enterprises (USME)** – USME asked SBCA for technical assistance in developing its organization and expanding membership. SBCA has already assisted in the formulation of an appropriate statute.

## **5. ANTICIPATED ACTIVITIES FOR THE PERIOD OCTOBER – DECEMBER 2003**

Anticipated activities:

### **Activity One: Continue to Focus on and Reporting by Selected Target Clusters**

- Input loan data (SBCA Fund and SME Fund) into the SBCA Database
- An Herbs and Spices Round table will be held, in October 2003, to demonstrate the drying trays rack system designed by SBCA.
- A Food Processing round table will be held in November 2003, on how to improve their HR management and marketing.
- A Wood Processing round table will be held in December 2003, to: improve the competitiveness of Albanian producers; to make more efficient and environmentally acceptable use of raw materials; education and training in new wood processing technology; and accessing SBCA loans.
- A Scrap Metal round table will be held in November 2003 to identify points of intervention for technical assistance by the SBCA Project.
- SBCA will meet with OSCE, EEC and the Small Grants Program of UNDP to discuss the installation of solar powered gravity-drip irrigation systems financed by the SBCA's SME Fund and UNDP grants.

### **Activity Two: Create Communications Strategy to Raise Visibility and Demand for the Services of the Project**

- Complete RDAs Awareness Survey Report.
- A Short term Chemonics communications specialist, partially using the results of the RDA Awareness Survey, will work with partners on developing a communications strategy for the Project.

### **Activity Three: Build RDA Capacity**

- The Business Consultants curriculum will be developed and a qualification system implemented to ensure RDA staff and sub-contractors meet agreed standards.
- SBCA will investigate the feasibility of assisting in the creation of an Association of Business Consultants, members of which will be qualified business consultants.
- Amendments to the constitution of the Association of RDAs will be approved by the RDAs as a result of agreement made on the first day of the RDA retreat held at the end of September 2003.

- The SBCA will provide support to the RDA working group in compiling their policies and procedures manual and the by-laws with the objective of further strengthening the Association of RDAs.
- A business communications and negotiations skills training session will be delivered to selected RDA Directors and staff by the Harry Fultz School in October 2003.
- In cooperation with ACIT the RDAs will be trained in using the extensive ACIT database on export and international trade and will incorporate this material into their consulting activities.
- In order to increase the status and profile of Berat RDA, SBCA will support the participation of food processing businesses in an Agribusiness Fair to be held in Berat on October 7, 2003.
- SBCA will train RDAs in business planning for Albanian Banks, including BKT, in December 2003.
- The SBCA Project will support the activities of a working group of RDA Directors to determine their strategic planning needs and will bring a short term specialist, before the end of 2003, to provide technical assistance to meet their needs.

#### **Activity Four: SBCA Will Continue to Provide Specific Cross-cutting Training**

- A short term training specialist will train RDA trainers in the use of Export 101 training materials.

#### **Activity Five: RDA Continues to Train and Provide Counseling to Target Clients**

- During this (three month) quarter the SBCA Project expects to consult with at least 150, and provide training to at least 500 businesses.
- A cash management training module, for SBCA loan clients that have borrowed more than \$15,000, will be developed for delivery in Q3, 2003/4.
- SBCA will conduct business training in Kukes, Bathore and Peshkopi districts before the end of 2003.
- Post-loan business consulting will be provided to clients referred by PSHM and BKT.

#### **Activity Six: Assisting the RDA and SBCA Clients to Establish New Domestic and Export Market Contacts**

- In November 2003, SBCA is also supporting a competition amongst Albanian Beehive producers to find the best quality beehive, based on the standards recommended by the working group.

**Activity Seven: Expand PSHM Direct Lending Program**

- The Saranda SBCA sub-office will be opened and will also be used as a base for PSHM to evaluate the potential for lending in the Saranda Region.

**Activity Eight: Continue to Implement Guaranteed Loan Program**

- A short term DCA specialist will work with the USAID mission and the Project on introducing the DCA guarantee funds program into Albania.

**Activity Nine: Strengthen BKT's Commercial Bank Lending Officers Skills**

- Discussion will be held with World Learning to arrange for another study tour for BKT staff.

**Activity Ten: Continue and Strengthen Referral System among Project Partners and Other USAID Contractors**

- SBCA, PSHM, BKT and RDA managers will complete their regional visits to Durres and Gjirokaster to strengthen cooperation between partners.

**Activity Eleven: Expand SME Lending Capability in Other Commercial Banks through SME Department and Procedures Training**

- The DCA Specialist will arrive in Tirana at the end of October 2003.

## 6. QUARTERLY FINANCIAL UPDATE

### Quarterly Financial Update

Line Items	Cost-to-Date	Budget Estimate	Estimated Cost to Complete
Albania SBC-CLIN#1-Esti. Cost	\$1,522,376.09	\$2,839,286.00	\$1,316,908.91
Albania SBC-CLIN#2-Grants	\$79,905.00	\$227,746.00	\$147,841.00
Albania SBC-CLIN#3-Grant-Loan	\$1,366,524.00	\$2,000,000.00	\$633,476.00
Albania SBC-CLIN#4-Guarantees	\$550,000.00	\$750,000.00	\$200,000.00
Albania SBC-CLIN#5-Fixed Fee	\$99,279.31	\$180,852.00	\$81,572.69

\*Please note: Financial figures are through August 2003.

### Man Months

Name	Arrival/Departure Date (Expat/TCN) Hire/Termination Date (Local)	Person Days to Date	Projected Person Dates
Jeffrey Houghton (Chief of Party – TCN)	March 20 - April 8, 2002 April 30, 2004	383	740
Ronald Ivey (Senior Project Manager – Expat)	March 20-28, 2002	12.5	24
Olya Smolyanova (Project Manager–Expat)	February 22-27, 2003	6	0
Marisa Cebulski (Project Administrator – Expat)	March 20 - April 5, 2002	15	16
William Taylor (Procurement Agent – Home Office)	April 30,2002	2.02	4
Mark Weisberg (Procurement Agent – Home Office)	May 31, 2002	.32	0
Lilit Yoo (Editor – Home Office)	March 17,2002	.06	0
William Kedrock (Business Development Advisor – Expat)	June 5 - 21, 2002	13	60
Richard Smith (Banking and Guarantee Specialist – Expat)	July 3-6, 2002 July 29 - August 11, 2002	17	36
Patrick Pender (Bank Training Specialist – Expat)	October 14 - November 1, 2002	16	0
Andrew Baird (RDA Trainer and Training Modules Specialist --Expat)	December 1-14, 2002	14	0
Srilata Rao (HR Development Specialist – Expat)	March 23 – April 6, 2003	32	0
Dominic Sharp (Database Specialist – Home Office)	May 19-23, 2003	13.5	0
Arjana Xhafa (Business Development Specialist – Local)	April 22, 2002	357	630
Andi Stefanllari (RDA Coordinator – Local)	June 2, 2003	65	630

<b>Name</b>	<b>Arrival/Departure Date (Expat/TCN) Hire/Termination Date (Local)</b>	<b>Person Days to Date</b>	<b>Projected Person Dates</b>
Ines Dika (Business Development Specialist – Local)	April 12, 2002-January 2, 2003	190	630
Anila Arapi (RDA Coordinator – Local)	June 3, 2002	253	630
Altin Muka (Driver – Local)	March 28 - May 21, 2002	52	780
Vildan Heta (Driver – Local)	May 21, 2002	344	728
Erald Kanini (Admin Assistant / Translator – Local)	March 27, 2002	367	714
Klodian Deliallisi (Office Manager – Local)	March 1, 2002	342	720
Rajmonda Mesiti (Administrative Assistant – Local)	May 13, 2002	253	758
Mirela Deda (Administrative Assistant – Local)	June 2, 2003	65	758
Elona Basha (Business Development Specialist – Local)	March 5, 2003	152	0
Anna C. Johnson	September 2003	0.19	0
Terry Collier	September 2003	0.06	0

## 7. ANNEXES

ANNEX 1 – Summary of SBCA Assistance by Type, Number of Businesses and Cluster, Q. 2, 2003/4 .....	27
ANNEX 2 – Performance Based Management Task Schedule .....	29
ANNEX 3 – Scope of Work for the Short-term Communications Strategy Specialist .....	32
ANNEX 4 – RDA Brochure Publicizing Training Courses.....	35
ANNEX 5 – Project Proposal and Agenda of RDA Study Tour to Poland .....	37
ANNEX 6 – Summary of Rejected Loan Applications Submitted to PSHM .....	51
ANNEX 7 – Outstanding SME Fund (PSHM) Loans as of September 30, 2003 .....	63
ANNEX 8 – Summary of SME Loans (PSHM) by Cluster as of September 30, 2003 .....	74
ANNEX 9 – BKT Human Resources Implementation Project Report .....	76
ANNEX 10 – Summary of Outstanding SBCA Fund (BKT) Loans as of September 30, 2003 .....	88
ANNEX 11 – Scope of Work for the DCA Short-term Specialist.....	93

ANNEX 1

---

SUMMARY OF SBCA PROJECT ACTIVITIES BY TYPE,  
NUMBER OF BUSINESSES AND CLUSTER

**ANNEX 1 – Summary of SBCA Assistance by Type, Number of Businesses and Cluster, Q. 2, 2003/4**

SERVICES CLUSTERS	TRAINING										CONSULTING		LOANS								TOTALS	
	General		Specialized		Specific Loan Application Training		LAP as part of General Training		Total LAP				Net Applications Submitted*		SME Fund		SBCA Fund		Total Applications Submitted			
	Q.2 Yr. 2	Proj. to Date	Q.2 Yr. 2	Proj. to Date	Q.2 Yr. 2	Proj. to Date	Q.2 Yr. 2	Proj. to Date	Q.2 Yr. 2	Proj. to Date	Q.2 Yr. 2	Proj. to Date	Q.2 Yr. 2	Proj. to Date	Q.2 Yr. 2	Proj. to Date	Q.2 Yr. 2	Proj. to Date	Q.2 Yr. 2	Proj. to Date	Q.2 Yr. 2	Proj. to Date
Horticulture	198	331	0	1	0	65	155	218	155	283	37	76	5	15	13	22	4	7	22	44	257	517
Olive Processing	30	146	0	0	0	0	4	96	4	96	11	28	2	3	1	1	0	0	3	4	44	178
Fish Collection and Processing	19	144	0	0	18	18	4	13	22	31	4	30	1	5	1	1	0	3	2	9	43	201
Herbs and Spices	5	30	0	0	0	0	3	26	3	26	4	18	1	4	1	3	1	1	3	8	12	56
Bee Products and Processing	29	225	24	24	0	10	16	87	16	97	10	74	7	11	1	1	0	0	8	12	71	345
Dairy Products	51	291	0	0	0	34	37	186	37	220	13	40	4	24	13	31	1	3	18	58	82	423
Food Processing	13	18	0	3	0	1	8	13	8	14	12	60	0	21	19	45	1	5	20	71	45	153
<b>Sub-total Agribusiness</b>	<b>345</b>	<b>1,185</b>	<b>24</b>	<b>28</b>	<b>18</b>	<b>128</b>	<b>227</b>	<b>639</b>	<b>245</b>	<b>767</b>	<b>91</b>	<b>326</b>	<b>20</b>	<b>83</b>	<b>49</b>	<b>104</b>	<b>7</b>	<b>19</b>	<b>76</b>	<b>206</b>	<b>554</b>	<b>1,873</b>
Wood Processing	30	37	0	2	0	11	27	36	27	47	9	35	8	10	11	27	3	7	22	44	61	129
Construction	6	13	0	7	0	5	3	6	3	11	12	40	3	20	19	31	3	16	25	67	43	132
Scrap Metal	0	0	0	0	0	0	0	0	0	0	0	1	1	1	2	0	0	2	3	2	4	4
Light Manufacturing	8	97	0	3	0	9	3	7	3	16	8	35	4	11	5	13	3	6	12	30	28	174
Cross Cluster Businesses	41	89	0	5	0	44	21	45	21	89	4	39	7	30	7	16	2	14	16	60	61	237
<b>Sub-total Non-Agribusiness</b>	<b>85</b>	<b>236</b>	<b>0</b>	<b>17</b>	<b>0</b>	<b>69</b>	<b>54</b>	<b>94</b>	<b>54</b>	<b>163</b>	<b>33</b>	<b>150</b>	<b>23</b>	<b>72</b>	<b>43</b>	<b>89</b>	<b>11</b>	<b>43</b>	<b>77</b>	<b>204</b>	<b>195</b>	<b>676</b>
<b>TOTAL</b>	<b>430</b>	<b>1,421</b>	<b>24</b>	<b>45</b>	<b>18</b>	<b>197</b>	<b>281</b>	<b>733</b>	<b>299</b>	<b>930</b>	<b>124</b>	<b>476</b>	<b>43</b>	<b>155</b>	<b>92</b>	<b>193</b>	<b>18</b>	<b>62</b>	<b>153</b>	<b>410</b>	<b>749</b>	<b>2,549</b>

\* Businesses that did not subsequently receive a loan or applications are still in process.

ANNEX 2

---

PERFORMANCE-BASED MANAGEMENT TASK SCHEDULE

**ANNEX 2 – Performance Based Management Task Schedule**

Performance Tasks:	Project Year 1: March 2002 - February 2003				Year 1 TOTAL	Project Year 2: March 2003 - February 2004				Year 2 TOTAL	Project Year 3: March 2004 - February 2005				Year 3 TOTAL	PROGRAM TOTALS
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		
<b>A. Number of businesses assisted in the agriculture and agribusiness sectors</b>																
Planned	0	49	84	300	<b>433</b>	171	191	135	180	<b>677</b>	92	82	55	60	<b>289</b>	<b>1399</b>
Actual	0	13	429	350	<b>792</b>	525	676	0	0	<b>1201</b>	0	0	0	0	<b>0</b>	<b>1993</b>
Variance	0	36	345	50	359	354	485	135	180	524	92	82	55	60	289	594
<b>B. Number of enterprises assisted in non-agriculture production sectors</b>																
Planned	0	33	58	205	<b>296</b>	124	140	115	150	<b>529</b>	68	58	34	46	<b>206</b>	<b>1031</b>
Actual	0	16	104	272	<b>392</b>	141	328	0	0	<b>469</b>	0	0	0	0	<b>0</b>	<b>861</b>
Variance	0	17	46	67	96	17	188	115	150	60	68	58	34	46	206	170
<b>C. Number of production sector borrowers achieving positive cash flow</b>																
Planned	0	0	0	0	<b>0</b>	39	66	71	85	<b>261</b>	50	90	50	35	<b>225</b>	<b>486</b>
Actual	0	13	28	39	<b>80</b>	65	110	0	0	<b>175</b>	0	0	0	0	<b>0</b>	<b>255</b>
Variance	0	13	28	39	80	26	44	71	85	86	50	90	50	35	225	231
<b>D. Number of loan applications submitted</b>																
Planned	0	0	50	170	<b>220</b>	85	100	70	90	<b>345</b>	60	53	22	30	<b>165</b>	<b>730</b>
Actual	0	29	60	73	<b>162</b>	95	153	0	0	<b>248</b>	0	0	0	0	<b>0</b>	<b>410</b>
Variance	0	29	10	97	58	10	53	70	90	97	60	53	22	30	165	320
<b>E. Number of loans extended to agriculture, livestock, and non-agriculture SMEs</b>																
Planned	0	10	21	26	<b>57</b>	33	50	65	56	<b>204</b>	50	90	50	35	<b>225</b>	<b>486</b>
Actual	0	13	28	39	<b>80</b>	65	110	0	0	<b>175</b>	0	0	0	0	<b>0</b>	<b>255</b>
Variance	0	3	7	13	23	32	60	65	56	29	50	90	50	35	225	231
<b>F. Number of full-time employment positions attributable to SBCA loans and training</b>																
Planned	0	0	0	0	<b>0</b>	0	0	75	75	<b>150</b>	100	100	100	100	400	<b>550</b>
Actual	0	0	0	0	<b>0</b>	0	0	0	0	<b>0</b>	0	0	0	0	0	<b>0</b>
Variance	0	0	0	0	0	0	0	75	75	150	100	100	100	100	400	550
<b>G. Increase in client sales attributed to SBCA</b>																
Planned	0	0	0	0	<b>2%</b>	0	0	0	0	<b>4%</b>	0	0	0	0	<b>0%</b>	<b>11%</b>
Actual	0	0	0	0	<b>0</b>	0	0	0	0	<b>0</b>	0	0	0	0	<b>0</b>	<b>0</b>
Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>H. Total number of businesses receiving general business training</b>																
Planned	0	80	140	498	<b>718</b>	285	315	225	300	<b>1127</b>	145	120	75	100	<b>440</b>	<b>2285</b>
Actual	0	0	371	227	<b>598</b>	393	430	0	0	<b>823</b>	0	0	0	0	<b>0</b>	<b>1421</b>
Variance	0	80	231	271	120	108	115	225	300	304	145	120	75	100	440	864

Performance Tasks:	Project Year 1: March 2002 - February 2003				Year 1 TOTAL	Project Year 2: March 2003 - February 2004				Year 2 TOTAL	Project Year 3: March 2004 - February 2005				Year 3 TOTAL	PROGRAM TOTALS
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		
<b>J. Number of businesses receiving training in specialized business practices</b>																
Planned	0	2	4	5	11	10	12	25	30	77	15	20	14	8	57	145
Actual	0	0	10	0	10	11	24	0	0	35	0	0	0	0	0	45
Variance	0	2	6	5	1	1	12	25	30	42	15	20	14	8	57	100
<b>K. Number of businesses trained in loan application procedures</b>																
Planned	0	20	40	170	230	100	120	80	200	500	82	100	30	50	262	992
Actual	0	0	125	164	289	342	299	0	0	641	0	0	0	0	0	930
Variance	0	20	85	6	59	242	179	80	200	141	82	100	30	50	262	62
<b>L. Number of business assistance group training sessions held</b>																
Planned	0	4	8	22	34	11	13	8	12	43	6	7	3	4	20	97
Actual	0	0	18	25	43	29	31	0	0	60	0	0	0	0	0	103
Variance	0	4	10	3	9	18	18	8	12	17	6	7	3	4	20	6
<b>M. Number of businesses receiving one-on-one business counseling services</b>																
Planned	0	30	50	70	150	100	120	50	80	350	110	130	100	60	400	900
Actual	0	0	92	170	262	90	124	0	0	214	0	0	0	0	0	476
Variance	0	30	42	100	112	10	4	50	80	136	110	130	100	60	400	424
<b>N. Value of loans disbursed</b>																
Plan. \$000	0	50	200	700	950	330	250	150	430	1160	200	500	200	0	900	3010
Actual	0	118	251.1	542.1	911.283	812.3	980.3	0	0	1792.64	0	0	0	0	0	2703.922
Variance	0	68	51.14	157.86	38.72	482.31	730	150	430	632.64	200	500	200	0	900	306.08

ANNEX 3

---

SCOPE OF WORK FOR THE SHORT-TERM  
COMMUNICATIONS STRATEGY SPECIALIST

## **ANNEX 3 – Scope of Work for the Short-term Communications Strategy Specialist**

### **Background**

The Albanian Small Business and Credit Assistance Program (SBCA) is managed by Chemonics International (CI) Inc., in partnership with the sub-contractors Partneri Shqiptar në Mikrokredi (PSHM) and the Regional Development Agency Network (RDAs).

One of the SBCA programs' tasks is to undertake a review of the RDAs curriculums and training modules. SBCA team members have already reviewed the physical RDA training facilities and have attended SBCA training sessions conducted by the RDAs.

The RDAs have developed a number of training modules and curriculums. However, they are limited in number and the overall quality is not consistent. In some cases they are not appropriate for the current Albanian business environment. New modules and training concepts are needed.

### **Purpose**

The overall purpose of the mission is to make an evaluation of existing RDA training materials, and to propose a methodology for the regular monitoring and evaluation of RDA trainers and the quality of training delivered. The proposed specialist will make recommendations on improving the inventory of quality training materials available to the RDAs, and a program of training RDA trainers in using the new and revised modules and curriculums. Further short term missions will follow from this first assignment.

### **Period of Performance and Specific Tasks**

This assignment will begin on December 2 and end on December 13, 2002. It will include the following tasks:

- |         |  |
|---------|--|
| TASK 1. | To visit selected RDAs and to prepare an inventory of existing training modules used by the RDAs   |
| TASK 2. | To make an initial review of current RDA training materials and make recommendations on ways to strengthen and enhance them, particularly in terms of their appropriateness to support agribusiness and other sub-sectoral growth. |
| TASK 3. | To propose a system for evaluating both the internal and sub-contracted trainers used by the RDAs.   |

### **Deliverables**

- |                |  |
|----------------|--|
| DELIVERABLE 1: | An inventory of training materials currently used by the RDAs.     |
| DELIVERABLE 2: | A proposed methodology for evaluating and monitoring RDA trainers. |

**DELIVERABLE 3:** Written report on results of mission, which includes a review of existing training materials, and recommendations for new training modules and further RDA trainer development.

### **Roles and Qualifications of Technical Specialist**

In regards to specific tasks and deliverables envisioned in this Scope of Work, the following technical expertise is required:

- Knowledge and substantial experience in enterprise development and training.
- Experience in designing systems for monitoring and evaluating SME trainers.
- Experience in delivering training to trainers and SMEs.

### **Reporting**

During this assignment the consultant will report to the SBCA Chief of Party and will be assisted by the SBCA business development specialist responsible for client training.

### **Level of Effort**

Task 1.	4 days
Task 2.	1 day
Task 3.	1 day
Deliverable 1.	1 day
Deliverable 2.	1 day
Deliverable 3.	2 days

### **Changes in the Scope of Work**

The SBCA Chief of Party, who in turn may be obligated to obtain approval in writing from USAID, must approve changes to this scope of work in writing.

### **Proposed Technical Specialist**

Andrew Baird

ANNEX 4

---

RDA BROCHURE PUBLICIZING TRAINING COURSES

## ANNEX 4 – RDA Brochure Publicizing Training Courses

### ***Çfarë shërbimesh ofron një Agjensi Rajonale Zhvillimi (ARZH)?***

ARZH-të, do të ofrojnë trajnime të përgjithshme biznesi dhe konsulencë, si edhe do të luajnë rolin kryesor në dhënie të konsulencës së drejtpërdrejtë të biznesit, ndërmarrjeve të vogla (SME-ve) të interesuara dhe të përshatshme. Fokusi kryesor i ARZH-ve është të inkurajojë zhvillimin ekonomik nëpërmjet rritjes së sektorit të SME-ve. Shërbimet dhe produktet e ARZH-së përfshijnë:

- *Këshillime dhe konsulencë*
- *Trajnime*
- *Informacion*
- *Mbështetje teknike*
- *Studime dhe kërkime tregu*

ARZH-të kryejnë një larmi kurseesh trajnimit në bashkëpunim me "Projektin e Kredës dhe Asistencës për Biznesin e Vogël" (SBCA), projekt ky i financuar nga USAID-i.

### ***Çfarë është Projekti SBCA?***

Projekti Shqiptar i Kredës dhe Asistencës për Biznesin e Vogël (SBCA) nxit rritjen ekonomike të komuniteteve nëpërmjet zhvillimit të ndërmarrjeve të vogla dhe të mesme shqiptare, duke i kushtuar vëmendje të veçantë sektorëve të bujqësisë, agrobiznesit, industrisë së lehtë dhe sektorëve të tjerë prodhues, nëpërmjet trajnimit, konsulencave dhe kreditimit. Projekti SBCA është vënë në zbatim nga kompania Chemonics International Inc., me qendër në SHBA.

### ***Një shërbim i ri ekskluziv i ARZH-ve***

Trajnimi praktik i përgatitur nga "Making Cent\$" për përgatitjen e një plani biznesi si edhe hapjen dhe menaxhimin e një biznesi të vogël ose të mesëm, të cilin sipërmarrësit mund ta aplikojnë në bizneset e tyre.

### ***Çfarë është "Making Cent\$"?***

Kursi "Making Cent\$" është i klasifikuar në dy nivele:

- "Micro Plan"*** është një trajnim interaktiv me ushtrime dhe aktivitete me bazë përfshirjeje dhe përvojë që përfshijnë simulime biznesi, punë në grupe, diskutime të moderuara dhe përgatitje plani biznesi. Objektivat e "Micro Plan" janë:
  - ndërtimi dhe forcimi i njohurive të sipërmarrësve dhe pajisja e tyre me një bazë të fortë për konceptet e biznesit;
  - rritja e vetëbesimit dhe e motivimit të sipërmarrësve; dhe
  - udhëzimi i sipërmarrësve se si të shkruajnë një plan biznesi të thjeshtë.



Në të përfshihen temat e mëposhtme:

- Të shesësh me fitim
- Marketingu
- Llogaritja e kostos, fitimit dhe humbjes
- Mbatja e llogarive

Kursi "Micro Plan" zgjat afërsisht 30 orë, dhe është hartuar në mënyrë të atillë që të përputhet me axhendat e ngarkuara të sipërmarrësve.

- "Master Plan"*** i pajis sipërmarrësit me një grup të plotë mjetesh dhe metodash planifikimi për të zhvilluar një plan biznesi dhe për ta prezantuar veten

dhe planin e tyre të biznesit me sukses tek institucionet kredituese. Ky kurrikulum është përgatitur për sipërmarrësit që fillojnë një biznes për herë të parë, ashtu si edhe për ata sipërmarrës që duan të zgjerojnë bizneset e tyre ekzistuese. Objektivat e kursit janë si vijon:

- të krijojë njohuri të përgjithshme mbi konceptet e biznesit që kanë lidhje me bizneset mikro dhe të vogla;
- t'u japë mundësi sipërmarrësve të përgatitjen planit e tyre të biznesit për t'ia paraqitur ato institucioneve kredituese; si edhe
- të ofrojë artëste teknike për përshatjen dhe ndryshimin e planit në përputhje me ndryshimet e mjedisit të tyre të biznesit.

Në të përfshihen temat e mëposhtme:

- Vlerësimet për tregun
- Çmimi
- Shpërndarja
- Plani i prodhimit
- Analizat financiare

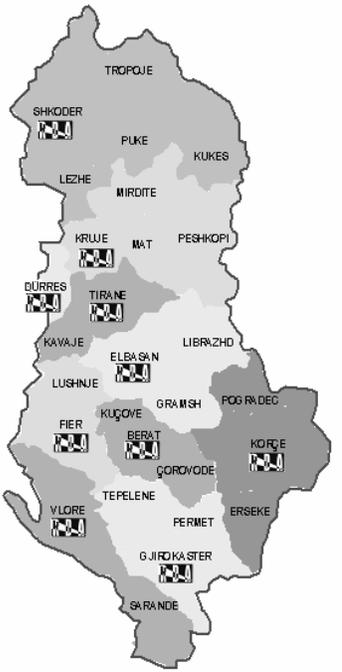
Kursi "Master Plan" zgjat afërsisht 40 orë, dhe është hartuar në mënyrë të atillë që të përputhet me axhendat e ngarkuara të sipërmarrësve.

### ***Për kë dhe me çfarë kostoje?***

Kursi "Making Cent\$" është hartuar kryesisht për sipërmarrësit e bizneseve të vogla dhe të mesme. Çdo sipërmarrës do të paguajë një tarifë, e cila do të jetë në përputhje me normat e tregut për shërbime të ngjashme biznesi.



### ***Zyrat e ARZH-ve dhe rajonet përkatëse***



### ***Kontaktoni ARZH-të për t'u regjistruar në kursin e trajnimit "Making Cent\$"!***

Ju mund të kontaktoni me ARZH-të në numrat e mëposhtëm të telefonit:



**AGJENSIA RAJONALE E ZHVILLIMIT**

ARZH-të	Numrat e telefonit
ARZH Berat	(032) 34364
ARZH Durrës	(052) 23790
ARZH Elbasan	(054) 52857
ARZH Fier	(034) 24537
ARZH Gjirokastrë	(084) 63813
ARZH Korçë	(082) 42626
ARZH Krujë	(068) 2151526
ARZH Shkoder	(022) 42327
ARZH Tiranë	(04) 235704
ARZH Vlorë	(033) 22928



## **AGJENSIA RAJONALE E ZHVILLIMIT**

### *Elbasan*





ANNEX 5

---

PROJECT PROPOSAL AND AGENDA OF THE RDA  
STUDY TOUR TO POLAND

## **ANNEX 5 – Project Proposal and Agenda of RDA Study Tour to Poland**



**UNILOB S.C.**  
03 – 919 Warsaw, ul. Nobla 43  
tel. (48 22) 616 25 15/16, fax. (48 22) 616 25 17  
[www.unilob.pl](http://www.unilob.pl)

### **PROJECT PROPOSAL**

**Regional Development Agency Support to SMEs  
Study Tour for Managers of Regional Development Agencies  
from Albania**

**(22 – 28 June 2003, Poland)**

**Warsaw, May 2003**

## I. Program Overview

### **Background information on Regional Development Agencies in Poland and their role in support to Small and Medium Enterprise – arguments for implementing the training in Poland.**

After 13 years of successful transformation of Polish economy one of the best “success stories” is the local development and significant positive change in the mentality and attitude of local community. Most of the gminas (municipalities) as well as all powiats (counties) voivodships (regions) created regional and local development strategies. The systemic reforms have been designed to improve significantly the flexibility and responsiveness of public authority by placing more power and control in the hands of local and regional communities. This ensures the better realization of diverse public interests, while also allowing Poland to better adjust to a dynamic international environment

It is very common situation that in many cases local authorities interested in economic development and entrepreneurship development do not have enough personnel and financial resources for implementation of these tasks. Thus they have to cooperate with business support organizations on the national and local level. In Poland there are many institutions supporting business and entrepreneurship defined in broad terms. Some concentrate exclusively on providing support to SMEs via provision of advisory services, training, technology transfer, certification, financial activities, etc. Others act on behalf of other entities as well, but cater to the needs of SMEs. Both non-commercial and commercial institutions are among the organization s supporting SMEs.

One of the most visible and efficient group of these organizations are the Regional and Local Development Agencies. Currently there are over 48 RDAs in Poland. Most of them covers the area of voivodship (there are 16 regions called “voivodships” in Poland). The range of 18 agencies is smaller than the region. Within last 13 years the RDAs have become very useful support organizations for local authorities. They enable the authorities to direct tasks and competences connected with local business development to the NGO sector and they are very important in creation and implementation of local and regional development policy. The main objective of RDAs activity is local and regional development. Their tasks include, but are not limited to:

- Provision of consulting and advisory services for SMEs;
- Support for the SMEs by creation of the educational, information and advisory infrastructure (business support centers, business incubators, business information centers);
- Financial support for SMEs including loan guarantees,
- Diagnosing the needs of enterprises, defining the type and scope of required assistance, and available support instruments (grants);
- Provision of information concerning available grants, programs and participation conditions;
- Assistance in selecting contractors for subsidized training and advisory services;
- Administration of PHARE programs;
- Promotion of programs addressed to potential contractors for advisory and training services;
- Promotion of programs addressed to potential beneficiaries (entrepreneurs);
- Maintaining a database including information on the participants of the programs

There are some specific features of Regional Development Agencies in Poland caused by specific character of the Polish reality. The RDAs make use of varied legal forms ( joint stock companies, limited liability companies, associations, and foundations). The RDAs also perform various types of activities, depending on the needs and local conditions. There are different sources and means of financing the activities of the agencies including generated funds – revenues from commercial activities and profits from property, funds received as donations, funds from public charity sources (collected for a particular purpose) and funds received from aid resources, available in course of the execution of programs offered by the European Union and governments of particular states. The clients of the Agencies are local and regional authorities, SMEs, the unemployed people, business start-ups, state enterprises (especially the restructured ones) and business environment institutions.

The benefits resulting from the functioning of RDAs in Poland include:

- A network of co-operation, despite the great number and dispersion of agencies;
- A systematic sharing of experiences, mainly at the level of the National Association of Regional Development Agencies and the National SME Services Network;
- Well trained, creative, innovate and experienced staff;
- Well developed tools for conducting activities and achieving objectives;
- Openness and fast response to the constantly appearing regional challenges;
- Undertaking business and developmental activities as methods for solving.

### **Arguments for Unilob qualifications as a training provider.**

Since 1992 Unilob experts have participated in numerous SME development initiatives in Poland and other CEE countries. Their efforts led to creation and implementation of SME Policies, simplification of business registration as well as implementation of efficient local development instruments. We closely cooperate with the central government agencies involved in drafting and implementation of the economic policy instruments, especially those that enable public-private dialog, SMEs development and regional development policy. Among these agencies are: the Ministry of Economy, the Parliamentary Economic Committee, the Parliamentary Committee for Regional Development and Local Government, the Polish Agency for Enterprise Development, the National Association of Loan Guarantee Funds, the National Association of Regional Development Agencies and others. When implementing projects, Unilob cooperates with regional and local business associations, as well as with municipalities and regional development agencies in Poland, including Dzialdowo Regional Development Agency DARR, Ostoleka Regional Development Agency, Lublin Development Foundation, and NIDA Development Foundation in Nidzica.

Unilob is qualified to provide the Training on Regional Development Agency Support to SMEs because of following reasons:

1. Within last four years our company organized and implemented over 20 training courses (over 250 participant were trained). The areas of training included: SME Sector Development, Economic Activity Law and SME Registration Systems, Regional and Local Development, Intergovernmental Finance, Social Security Law, Privatization Investment Funds, Corporate Governance, Public Private Partnership, Advocacy and Lobbying Techniques, Membership Based Business Organizations, Transparency of the Legislative and Decision-Making Processes, Brokerage Activities, Media and Public Relations. Most of the study tours were organized within the framework of fruitful cooperation with World Learning Inc. and some of them were delivered for participants from Albania.
2. Unilob has developed unique and effective method of training which is a combination of professional meetings and site visits with facilitated, interactive discussions, case studies, seminars, workshops, group working. Each training course was concluded with careful planning of actions to be taken upon return of the participants to their home country. This method gained high appreciation both from participants and World Learning.
3. Unilob has been involved in SME development and local development projects implemented in Balkan countries, such as Bulgaria and Bosnia and Herzegovina. Our experts have deep understanding of legal and economic aspects of local development as well as history, mentality and culture of these countries. This has always positively influenced our working relations with participants and had the impact on better understanding of solutions and examples presented during the training. (For the details please see Unilob Capability Statement attached to the Proposal).

4. Within the framework of cooperation with World Learning, in May 2001 Unilob provided the training on “*Wicker Production and Marketing for Export*” for the group of Albanian wicker producers and exporters. The training was highly evaluated by participants and one of its results and success stories was post-training visit of the group of Albanian businessmen to Poland and establishing fruitful trade relations. This led not only to exchange of information and experience between Polish and Albanian entrepreneurs, but also to conclusion of business contracts.

## II. Technical Design

### Training Objectives

Overall Program Goal and Training Objectives: As stated in RFTP the participants of the study tour will attend a one week hands on training designed to assist them in the practical side of growing their organizations. They will visit, four Regional Development Agencies: three of them are located in Warmia and Mazuria region of Poland, which has been, and to some extent still is, not very well developed area of Poland. The participants will learn from practitioners how to serve SMEs in these areas and remain sustainable. They will also visit one RDA in better developed area to see different environment of the Agency’s operations as well as different types of client and services provided by the agency.

The visited agencies are members of the National Association of Regional Development Agencies (NARDA) as well as in National SME Services Network and they will demonstrate the importance of collaboration among them and also practical ways and results of such cooperation. The participants will meet with several clients of the agencies to learn about the services they received as well as get familiar with joint development initiatives of SMEs and agencies in particular regions.

### Training Objectives related to SME development:

1. Identify the main elements of strategic thinking as a Regional Development Agency aiming for sustainability including staffing issues and how to win repeat business and grow with the client;
2. Identify effective means of handling multiple clients simultaneously including nurturing a cadre of sub-contractors;
3. Identify effective means of building community relationships;
4. Identify changes necessary for effective orientation towards SMEs and less towards donors;
5. Identify the main elements of effective fee structures;
6. Identify means of effective marketing of Regional Development Agency services and image.
7. Identify effective negotiation techniques in offering services to large firms;
8. Identify effective means of networking with other Regional Development Agencies for win/win relationships.

During the training we will also refer to issues of effective techniques for initiating and supporting change, principles of effective leadership and management, business ethics and transparency.

### Training Methodology

Training program will consist of short courses and seminars, professional meetings, and site visits. We would like to give participants a valuable opportunity to make professional contacts that will result in lasting linkages and to exchange ideas with counterparts in Poland in order to improve the current situation of RDAs as well as environment in which small and medium enterprises act in Albania

The participants of the study tour will meet with respective national and local bodies and get acquainted with the specific knowledge on legal environment, operational procedures and tools that are used to improve performance of Regional Development Agencies in Poland. Second important element will be getting knowledge on SME development related issues and linking it up with local development.

Having in mind the objectives of the training course, as well as the fact that the group of participants will include senior representatives of Regional Development Agencies and Management of Agro Business Management Center, we would like to propose combination of lectures, site visits including presentations, interactive discussions and case studies.

To fulfill requirements expressed in RFTP we have decided to divide Training into three main components:

- Visits to the central government agencies and national level organizations and NGOs involved in the process of regional and local development as well as in Small and Medium Enterprises sector development. These visits will include: the Ministry of Economy SME Department, the Parliament of the Republic of Poland – Committee of Self-Government and Regional Policy, Polish Agency for Enterprise Development, National SME Services Network, National Association of Regional Development Agencies, Agency of Industrial Development – Department of Instruments for the Support of Regional Development and the National Association of Loan Guarantee Funds. These visits will give the participants broad and comprehensive picture on issues of regional development, SME development and the role of RDAs in the process of development of the country. These visits will allow participants to reach following objectives of the training:
  - Objective # 1 - identify the main elements of strategic thinking as a Regional Development Agency aiming for sustainability including staffing issues and how to win repeat business and grow with the client;
  - Objective # 3 - identify effective means of building community relationships;
  - Objective # 4 - identify changes necessary for effective orientation towards SMEs and less towards donors;
  - Objective # 8 - identify effective means of networking with other Regional Development Agencies for win/win relationships.
- Visits to Regional Development Agencies and their clients. These will include visits to Dzialdowo Regional Development Agency, Nidzica Development Foundation NIDA, Warmia and Mazuria Regional; Development Agency, Foundation of Entrepreneurship Development and Local Initiatives in Zabki near Warsaw and representatives of local authorities and entrepreneurs. These visits will allow participants to reach following objectives of the training:
  - Objective # 1 – identify the main elements of strategic thinking as a Regional Development Agency aiming for sustainability including staffing issues and how to win repeat business and grow with the client;
  - Objective # 2 - identify effective means of handling multiple clients simultaneously including nurturing a cadre of sub-contractors;
  - Objective # 5 - identify the main elements of effective fee structures;
  - Objective # 7 - identify effective negotiation techniques in offering services to large firms;
  - Objective # 6 - identify means of effective marketing of Regional Development Agency services and image;
- At the end of the Training: one half-day session divided into two parts: first part will be a workshop on effective tools for distribution and use of knowledge gained during the Training.

During this workshop the participants will also get familiar with lobbying techniques necessary for influencing the local and central authorities in order to create better environment for the growth and development of their organizations. Second part of the session will be devoted to the Action Planning.

For the detailed description of the meetings please see Agenda below.

### Basic Logistic Information

<b>Training Provider:</b>	UNILOB S.C. Address: Ul. Nobla 43, 03-919 Warszawa Tel/Fax: 616 25 15/16, fax 616 25 17
<b>Training Coordination and Facilitation:</b>	Artur Nowicki, Unilob Director Telephone: +48 22 616 25 15/16; Mobile: + 48 605 672 199 Email: artur@unilob.pl
<b>Interpretation:</b>	Mr. Enea Hoti, The Embassy of Albania to Poland Address: Ul. Sloneczna 15, 00-789 Warsaw Tel. +48 22 849 84 27
<b>Accommodations:</b>	Hotel "Warszawa" Participants will be housed in single-occupancy rooms in the following hotels: Plac Powstancow Warszawy 13, 00-071 Warsaw Tel: +48 22 826 94 21
	Hotel Gregorovius Ul. Zamkowa 2, 13-100 Nidzica Tel: +48 89 625 57 58 Fax: + 48 89 625 38 77 E-mail: info@hotelgregorovius.com.pl

**NOTE:** During the whole study tour participants will be accommodated in Warszawa Hotel in Warsaw, three stars standard, suitably located in the Center, near to the Old Town. The exception will be done on 24 June 2003, when the participants will be accommodated in Gregorovius Hotel in Nidzica.

### Detailed Training Agenda

#### Sunday, 22 June 2003

Arrival of Participants:	TBD by World Learning
Pick-up at Warsaw Airport:	TBD by World Learning
Contact:	Artur Nowicki, tel. +48 605 672 199
Bus driver:	Slawomir Elwich, tel. +48 602 220 021
Translator:	Enea Hoti, tel. +48 602 87 97 32

Check in at Hotel "Warszawa"

Afternoon:	Sightseeing in Warsaw: Old Town, Royal Castle, Palace of Culture
Evening:	Orientation Meeting facilitated by Artur Nowicki – we decided to organize Opening Dinner on Tuesday, 24 June at the Castle of Nidzica and connect it with cultural event "Castle Knights Feast".

**Monday, 23 June 2003, Warsaw**

- 9.00 – 9.30 **Study tour orientation meeting**, presentation of the objectives and the program of the Training. (session facilitated by A. Nowicki, conference room at Warsaw Cytadela, Dyminska 1. Str.)
- 9.30 – 11.30 **Introduction lecture on the existing system of local government structure**, the history and the role of the regional development agencies in the structure of NGOs supporting SME sector development in Poland. Presentation of main policy programs of SME development on the central and local level. Issues of spatial planning documents, drafted by local self-governments and regional development agencies and finally adopted as binding local law by municipal authorities. Participation of local public groups in elaboration of local economic development strategies (Local Public ad-hoc Committees). The lecture will be completed with listing most common problems as regards the role of regional development agencies in supporting/influencing Small and Medium Enterprises development as well as cooperation with local administration. (Lecture presented and facilitated by Dorota Bienias and Artur Nowicki, conference room at Warsaw Cytadela, Dyminska 1. Str.)
- 12.00 – 13.00 Lunch.
- 13.15 – 15.15 **Visit to the National Association of Regional Development Agencies in Warsaw – NARDA** (Warsaw, Domaniewska 41/208 Str., “Mars Building”). Meeting with Mr. Andrzej Szkudlarek, President of the Management Board. Discussion on support to small and medium enterprises provided on the regional and local level, the role and competencies of the Association, methods of advocacy and coordination of the activities of regional development agencies in Poland. Identifying effective means of building network of Regional Development Agencies for win/win relationships.
- 15.30 – 17.00 **Visit to Polish Agency for Enterprise Development.**<sup>1</sup> (Warsaw, Al. Jerozolimskie 125/127 Str.). Meeting with Manager of the National SME Services Network, Ms. Mariola Kowalska. Presentation of the main activities of the Agency as the largest state institution providing support to SME sector and local development. Discussion on the role of the Agency in the system of promotion of SME sector in Poland, services provided to small businesses on the local level, including legal consulting on how to establish and operate successful public private partnerships, the role of the Agency Board in the creation of linkages and partnership between business society and authorities on various levels. Question and answer session.
- 17.00 – 17.30 Daily feedback and action planning design (facilitation – A.Nowicki)

**Tuesday, 24 June 2003, Działdowo, Nidzica**

- 8.00 – 10.00 **Trip to Działdowo.** (All day facilitated by A. Nowicki and K. Margol)

---

<sup>1</sup> **The Polish Agency for Enterprise Development (PARP)** is a governmental entity established in 2001 on the basis of Polish Foundation for the SME Promotion and Development joint with the Polish Agency for Regional Development. Following the reform of the central government, the PARP's main partner in the government is the Ministry of Economy. The main objective of the Agency is to increase the competitiveness of the small and medium-sized enterprise sector by creating a favorable climate and supporting regional development and the development of private sector in Poland. The Agency cooperates with the government, Parliament, business associations, and other business support programs in Poland and abroad. The Council of the Agency, which supervises its activities, consists of representatives of different ministries, central government agencies, banks, organizations of entrepreneurs.

- 10.00 – 11.30 **Visit to Dzialdowo Regional Development Agency (DAR)<sup>1</sup>.** Meeting with Mr. Zenon Szacherski, Chairman of the Board of the Agency. Presentation of the Agency's main activities. Presentation of the main elements of strategic thinking as a Regional Development Agency aiming for sustainability including staffing issues and how to win repeat business and grow with the client. Discussion on the main elements of effective fee structures and marketing tools used by the agency in order to better provision of services for the client. Issues of networking between other RDAs.
- 11.30 – 12.30 Transfer to Nidzica.
- 12.30 – 14.00 **Meeting with Chairman of the NIDA Development Foundation<sup>2</sup>,** Mr. Krzysztof Margol. Presentation of the role of the of Foundation in a local economic and community development including broad cooperation with the local authorities. Presentation of joint Foundation and authorities initiatives including reducing unemployment in the municipality, creation of the Local Development Strategy of Nidzica Municipality. Discussion on changes necessary for effective orientation towards SMEs and less towards donors. Presentation on effective means of building community relationships. Issues of networking with other RDAs.
- 14.00 – 15.15 Lunch at the Castle of Nidzica.
- 15.30 – 16.30 **Meeting with representatives of Nidzica Convention of Entrepreneurs and Employers.** Discussing issues of development initiatives supported by the Convention. Discussing issues of cooperation between the Convention, the Development Foundation NIDA and local authorities.
- 16.30 – 17.30 **Meeting with the President of the National Association of Loan Guarantee Funds,** Mr. Krzysztof Margol and the Director of the Nidzica Loan Guarantee Fund, Mr. Slawomir Guminski. Presentation of the Association activities, SME loan guarantee scheme as an effective tool of financing SMEs and local developments. Presentation of achievements of Nidzica Fund. Discussion and exchange of experience and ideas with the participants. Possibilities of implementation of the loan guarantees in Albania.
- 19.00 **“Castle Knight Evening”** – dinner and the special cultural event organized for the participants in the Castle of Nidzica where the Hotel Gregorovius is located. Within five years Nidzica became well known in Poland and abroad, thousands of tourists visited the Castle of Nidzica and participated in this specially designed and conducted unique cultural event.

Accommodation: Hotel Gregorovius in Nidzica.

---

<sup>1</sup> **The Dzialdowska Regional Development Agency (DAR)** is one of the most recognized business support organizations in Warmia and Mazuria Region, which functions in favor of SMEs development. Mission of the Karkonoska Agency for Regional Development is economic activity of the region. Supporting and promotion of economic development in the municipalities is a very important activity area of the Agency. It is realized through preparing of local development strategies and introducing restructuring processes of the municipal enterprises and budgetary entities. The scope of service is very wide: starting from languages courses for children and youth, through stirring unemployed into action, to supporting of small business. Nowadays DAR is to serve to develop new job places and to rise new economic entities.

<sup>2</sup> **NIDA Development Foundation is Regional Development Agency** established in 1994 as a non-governmental organization. Its main objectives include: support to development of SMEs in the area of Nidzica community, establishment of the environment for development of tourism and support to all initiatives aiming at a decrease of unemployment and stimulating the local economic development. The means to achieve the objectives include financial assistance to SMEs, economic and legal advisory services, training, assistance to local self-governments in their activities in the area of development, facilitation of the contacts with foreign local government bodies and business associations. It is very important, that the Foundation is engaged in many initiatives funded by the joint financial resources of public and private sector.

**Wednesday, 25 June 2003, Olsztyn, Warsaw**

- 8.30 – 9.30 Trip to Olsztyn, the Capital of the Warmia-Mazuria Voivodship.
- 9.30 – 11.30 **Visit to the Warmia-Mazuria Regional Development Agency<sup>1</sup>.** Meeting with Ms. Bozena Cybulska, the Chairman of the Agency. Presentation of the main Agency activities and the differences between local and regional development agencies. Discussion on main elements of strategic thinking as a Regional Development Agency aiming for sustainability including staffing issues and how to win repeat business and grow with the client. Presentation of the effective negotiation techniques in offering services to large firms. Questions and answer session.
- 12.00 – 14.30 Travel back to Warsaw (including lunch).
- 15.00 – 16.30 **Visit to the Municipal Development Agency<sup>2</sup>,** meeting with the Management including Chairman, Mr. Jacek Szymanderski and Director Mr. Olgierd Dziekonski. Presentation of main Agency activities including mechanisms through Agency support and cooperation with the regional development agencies. Discussing the role of the development organizations in lobbying and negotiating with the central government and participation in legislative process concerning local development. Presentation of the practical examples of local development projects where the Agency was involved.
- 16.45 – 17.15 Daily feedback session and action plan design (facilitated by Artur Nowicki).

**Thursday, 26 June 2003, Warsaw, Zabki n. Warsaw**

- 9.00 – 10.30 **Visit to the Ministry of Economy, Department of Small and Medium Enterprises.** Meeting with the Director, Ms. Ewa Swedrowska. Discussing the issues of the Department's coordination of the cooperation between public and private sector on the field of drafting and implementing laws and regulations concerning small business. Discussing linkages between main SME support institutions, such as Polish Agency for Enterprise Development, Parliamentary Economic Committee, business associations and NGOs supporting SMEs at the local level, including regional development agencies.

---

<sup>1</sup> **The Warmia and Mazuria Regional Development Agency Joint Stock Company** was founded in 1993 as a co-initiative joint stock company of the Olsztyn province local government - Sejmik - and the Olsztyn Industry and Trade Chamber. The stock holders of the W-M RDA are the following bodies: The State Treasury, represented by the Voivode of Olsztyn, the Agency for Agricultural Property of the State Treasury, communal units of the local government, commercial partnerships including the Agency of Industry Development Joint Stock Company in Warsaw and other associations and individuals - altogether 59 shareholders. The main objective of the Agency's activities is to initiate, support and promote any activities related to developing the region and dissemination of the European Union Standards within the regional development program implementation. The Agency is a member of NARDA the National Association of Regional Development Agencies.

<sup>2</sup> **The Municipal Development Agency (MDA)** was established by Minister of Finance in March 1995 on request of national representations of local governments. It is MDA's mission to support development of municipalities and local governments by providing them with advice and information services and carrying out extensive research programs. MDA provides services to both central and local governments, as well as to domestic and foreign financial institutions. MDA's activities are focused on providing support to local governments by helping them to make the best use of existing local resources, encouraging growth of municipal credit market and improving efficiency of municipal investment expenditures. MDA provides local governments with advice in the following areas: elaboration of strategic economic development plans, analyses of municipalities' budgets, financial operations, borrowing and capital investment capacities, restructuring of municipal enterprises, public property management and development planning MDA provides financial institutions and other interested business entities with services focusing on research of current trends in municipal budget management and their financial policies, as well as on their capital endowment.

- 11.00 – 12.30 **Visit to Sejm (Lower Chamber of Polish Parliament). Meeting with representatives of Local Self-Government and Regional Policy Committee<sup>1</sup>**, including Mr. Waldy Dzikowski and Mr. Witold Gintowt Dziewaltowski. Discussing the role of the Committee in process of creation of the laws related to structure of self-government and local development in Poland. Issues of coordination of the legislative process with the budgetary requirements, participation of the representatives of local government of all levels in the process of creation and implementation of the laws, particularly those concerning introduction of the new provisions and amendments of the laws on self-government structure of authorities. Discussion on models and practices of local government roles and responsibilities and their execution.
- 12.30 – 13.30 Garden Lunch
- 14.30 – 16.30 **Visit to Foundation of Enterprise Development and Local Initiatives (RDA) in Zabki n. Warsaw.** Meeting with General Director, Mr. Dariusz Blizniak and the staff of the Foundation. Presentation of the main local and SME development initiatives implemented by the Foundation and the local authorities to increase growth of the private sector in Zabki municipality. Discussion on effective means of building community relationships. Presentation of effective means of handling multiple clients simultaneously including nurturing a cadre of sub-contractors. The visit will include meeting and discussion with several entrepreneurs/clients of the Foundation.
- 16.30 – 17.00 Daily feedback and action planning design (facilitation A. Nowicki)

#### Friday, 27 June 2003, Warsaw

- 9.15 – 11.00 **Visit to Industrial Development Agency<sup>2</sup> in Warsaw.** Meeting with the Management of the Department of Instruments Supporting Regional Development including Director, Ms. Maria Zaborowska and Ms. Dorota Bienias. Presentation of the scope of activities of the Agency related to cooperation with RDAs for which the IDA is main shareholder. Discussion on issues of independence of the Agencies and coordination of activities of those Agencies by IDA.
- 11.00 – 13.00 **Workshop on tools for effective transfer the knowledge gained during the training.** The main objective of the workshop will be to learn how to write strategy on ways to improve the operational and organizational structures of the Regional Development Agencies represented by the participants of the study tour in order to better support of small and medium enterprises. Second objective will be learning how

---

<sup>1</sup> **Parliamentary Local Self-Government and Regional Policy Committee** plays a vital role in the activities of the Sejm. Its scope of activities cover issues of organization and functioning of the structures of local self-government, local revenues and resources, economic activity of the communes, and the development of regions and local society. The Committee has 40 members, and exists as standing committee. According to the provisions of the rules of procedure (i.e. the Standing Orders) of the Sejm, the main function of the committees is to examine and prepare issues which are currently the object of parliamentary debates and to deliver opinions on matters which have been referred to them by the Sejm, the Marshal or the Presidium. Within the range determined by the Constitution and statutes, the Committee also work as organs of parliamentary control.

<sup>2</sup> The objective of the Agency's activity is to support the process of transformation of the Polish enterprises into efficient entities capable of functioning in free market economy conditions. The Agency's activities include: assistance in corporate restructuring, among others within advisory, training, organizational and financial support, participation in the creation of legal and institutional solutions, by state and local administration for the further transformation of the economy, **support to the institutional infrastructure, which assist the regional policy realization. The Agency is a shareholder of 34 Regional Development Agencies and coordinates their operations and development activities.** The Agency activities relate to individual enterprises, groups of entities, entire branches/sectors, regions, institutional business infrastructure.

to disseminate the knowledge among other partners and stakeholders upon the participants' return to Albania. During the workshop we would like to include elements on managing change after the training as well as elements of leadership and management for participants. There will be also elements of lobbying and advocacy techniques included in the program of the workshop. (Workshop conducted by Mr. Miroslaw Zielinski, Mr. Artur Nowicki and Ms. Dorota Bienias)

- 13.00 – 14.00 Lunch
- 14.15 – 16.15 **Action Planning Session** (facilitated by M. Zielinski, A. Nowicki and D. Bienias). The participants will develop Action Plans to apply acquired knowledge. The facilitators will focus on steps that the regional development agencies and local key players need to take in order to develop a comprehensive strategy for efficient RDAs support to SMEs in Albania.
- 16.30 – 17.00 **Evaluation of the Study Tour.**
- 17.00 **Award Ceremony.**

### **Action Plan**

During the study tour there will be daily feed-back and action planning design session conducted at the end of the each day of the training. The participants will spend 30 minutes everyday together with the training facilitator on such session to sum-up information and lessons learned during the meetings and visits and to better prepare Action Planning session at the end of the training. The session is scheduled for last day of the study tour for 2 hours. The Action Plan of each participant will be scheduled for a six-month time frame and will be done using the SMART method (S-specific, M - measurable, A - applicable, R - realistic and T – Time-Frames). The essential elements of a Plan will be included in the recapitulation of the main objectives of the training and the general strategy for achieving the goals, benchmarks of the participant's strategy and deadlines determined for each step, the human and material resources available and those unavailable (but necessary) to achieve the goals, possible sources to obtain the necessary resources and the steps required to ensure these sources, persons and institutions responsible for each step of the Plan implementation.

### **Evaluation Session**

Evaluation session will be conducted by the Training Provider at the end of the last day of the training after the Action Planning Session.

### **Monitoring Session**

As requested in RFTP the Training Coordinator and facilitator, Artur Nowicki (+48 605 672 199) will be ready to receive calls from either training administrator or WL Field Office at the time decided upon after the program has been awarded to the training provider. We could also call WL if needed.

### III. Project Personnel

For the implementation of the Project and professional fulfillment of the requirements as provided in RFTP, as well as reaching the objectives of the Study Tour we propose following staff:

1. Miroslaw Zielinski      Project Manager, backstopping, final report writing.
2. Artur Nowicki          Project Coordinator, set up meetings and meetings facilitator.
3. Krzysztof Margol      Trainer, local development expert, responsible for organization and facilitation of regional and local part of the training.
4. Dorot Bienias          Trainer, municipal and regional development expert.
5. Enea Hoti                Translator.

**Miroslaw Zieliński**, lawyer – Unilob Manager. In years 1992-99 he served as Director of USAID Gemini Small Business Project. Considerable experience in project management, planning, drafting and implementing recommendations for the decision-makers, concerning various proposals and regulations connected with the development of modern institutions influencing private sector in Poland. Experienced in work in and with the governmental agencies and business associations in Poland, Ukraine, Bulgaria, Czech Republic, Uganda, USA. Responsible for financial and technical supervision of training programs implemented under Third Country Training and START Projects for professionals from CEE countries including (Over 250 people trained during 25 training courses on SME development, financial instruments for SMEs, NGOs development, corporate governance, financial market, media and advertisement, regional and local development, public private partnership, intergovernmental finance, transparency procedures and others). He was responsible for organization and supervision of all study tours implemented by Unilob overseas (USA, Spain) and in Poland for senior government officials, members of Parliament, members of business associations and other NGOs from Albania, Armenia, Bosnia, Bulgaria, Ukraine, Georgia, Albania, Romania, Kirgistan, Moldova. In addition, Mr. Zielinski has conducted several policy and institutional analyses in support of SME development, and assisted in coordinating, developing, and implementing seminars and workshops aimed at supporting enterprise development.

**Artur Nowicki** Co-owner of Unilob. He brings to the project 10 years of experience in designing, evaluating and implementing projects for SME development, regional development, deregulation of economies in Central and Eastern Europe countries, financial instruments in support of SMEs, high level of understanding of key legal issues and environment associated with implementation of these instruments. He has knowledge on legislative process in Poland and other CEE countries, especially in Bulgaria, Bosnia and Herzegovina, Ukraine, Moldova, experience in evaluating the economic and financial impact of laws and regulations. He has participated in numerous legislative initiatives, and other related activities in particular with regard to the SME sector in Poland, Bulgaria and Bosnia and Herzegovina, close cooperation with parliamentary and governmental bodies responsible for drafting, implementing and evaluation of the policy towards the SME sector. In Unilob supervisor and coordinator of training programs implemented for various Polish institutions as well as for the participants from CEE countries.

He has worked for USAID Projects since 1994. He was legal advisor to IRIS Poland during works on drafting new Law of 1996 on Registered Pledges and the Pledge Registry in Poland and The Law on National Business Registry. He was also responsible for drafting, organization and implementation of the Judicial Training Program implemented by International Development Law Institute in Rome within the framework of Registration System Reform in Poland. In USAID Gemini Project responsible for coordination of actions to support establishment and effective administration of legal and regulatory policies which are conducive to broad-based competition and private sector growth. He was also involved in a design and implementation of the loan guarantee system for SMEs in Poland, which is one of the most successful in CEE countries.

**Krzysztof Margol**, economist. Nidzica Development Foundation NIDA President, President of National Association of Credits Guarantee Funds. Mr. Margol's key qualifications include theoretical and practical knowledge of local development (4 years in a position as a Nidzica Mayor, 5 years as NIDA President, Lecturer at Olsztyn Management School). He was Chief of a team working on projects: "Strategy of Nidzica Development", "New job places..." He was coordinating implementation of the PHARE Program of Local Initiatives including designing and managing local loan guarantee fund for SMEs, creation of the Local Development Agency, implementation of PPP projects in Nidzica and numerous training courses and seminars for local authorities and business associations. He is also a member of team working on Olsztyn Voivodship strategy, member of Voluntary Consultancy Board of Olsztyn Voivodship Economic Development, member of Voivodship Board for European Integration. Specialized in: developing and implementing projects of local development, projects of SME supporting, initiatives towards local economic development and unemployment decreasing. Participated training and courses: study visits on local development support in Denmark, France, Ireland, England, USA.

**Dorota Bienias**, economist – Expert in National Association of Regional Development Agencies (NARDA) since 1996. Currently she works for Industrial Development Agency (IDA) in Department of Instruments Supporting Regional Development as a Key Specialist. She has been working as an Editorial Secretary of "Regional Development" quarterly for 5 years. Ms. Bienias has knowledge and practical experience in training, workshops leading and advisory skills. She is specializing in local/regional development issues with emphasis on implementation of economic development support strategies and instruments. She has been cooperating and advising to regional and local development agencies and other non-profit institutions in Poland and Europe for last 10 years. Proficient in drawing up materials of regional development problems and preparing European projects applications.

**Enea Hoti**, lawyer and translator of Polish, Albanian and English languages. Graduate of University of Warsaw Faculty of Law and Administration – specialization: European Law and local development. Currently Mr. Hoti works as the Secretary of Albanian Embassy to Poland. He translated into Albanian the book "Experiences of Local Government in Poland". In 1999 – 2000 Mr. Hoti participated in the "Polish Democracy for Albania" Program financed by the Polish Ministry of Foreign Affairs. Within the framework of the Program he worked as a translator for 10 training courses for the groups of 25 participants from Albania. He also worked as a translator for two USAID-financed World Learning Training Programs for participants from Albania in Poland (one of them implemented by UNILOB on Wicker Production and Marketing for Export in 2001). Mr. Hoti worked as a translator for four groups of professionals and government officials from Albania visiting Poland within the framework of cooperation with The Center of Documentation and Tax Studies in Warsaw.

\* \* \*

ANNEX 6

---

SUMMARY OF REJECTED LOAN APPLICATIONS  
SUBMITTED TO PSHM

**ANNEX 6 – Summary of Rejected Loan Applications Submitted to PSHM**

No.	Name Surname	Date of application	District	Type of Business	Source	Amount Required			Amount Disbursed			SBCA Decision	Date of Disburs.	PSHM Date of Rejection	Reason for rejection or others
						LEK	USD	EUR	LEK	USD	EUR				
1	Agron Xhyra		Elbasan	Dairy Processing, Hotel, Bar Restaurant, Furniture Trade	PSHM		20,000					Approved		30/06/2002	Approved by SBCA and PSHM for USD 8,000 which client didn't like to take.
2	Simon Lamaj		Laç	Sausage Production, Bakery, Mini-market	PSHM		10,000					Approved		30/06/2002	Client Approved by SBCA and PSHM but the process stopped since the client would not like to have the loan.
3	Halil Karaj		Kruje	Production of stones and gravel	PSHM		14,000					Approved		30/06/2002	Approved by SBCA but Rejected by PSHM since the business plan didn't support the size of investment.
4	Aferdita Hajredini		Tirane	Retail of Groceries	PSHM		7,000					Rejected		30/06/2002	Rejected by SBCA since doesn't fit with the cluster
5	Leonard Cikliqaj		Shkoder	Production of clothes	PSHM		5,000					Rejected		30/06/2002	Rejected by SBCA since the loan size was too small.
6	Kico Noti		Tirane	Production of trahane	PSHM	1,500,000						Approved		30/06/2002	Rejected by PSHM since the client wanted to use the loan not for the purpose that he applied
7	Lezina Gjoni		Tirana	Restaurant	PSHM		20,000					Rejected		20/08/2002	Rejected by SBCA since doesn't fit with the cluster
8	Alfred Naska		Durres	Fishing Boat	PSHM	1,000,000						Approved 29/08/2002		9/10/2002	Client withdrew since the procedures seems too long for him
9	Ferit Cela		Elbasan	Building a water supply system	PSHM	1,500,000						Approved			Client would like to have the loan by the beginning of year 2003.
10	Martin Frroku		Shkoder	Duralumin Production	PSHM	1,500,000						Rejected 29/08/2002		29/08/2002	Rejected by SBCA since doesn't fit with the cluster
11	Ludovig Doda		Shkoder	Gas Station	PSHM	1,500,000						Rejected 29/08/2002		29/08/2002	Rejected by SBCA since doesn't fit with the cluster
12	Rakip Kovaci		Kruje	Production of breads	PSHM	700,000						Rejected 13/09/2002		13/09/2002	Many clients financed in this sector

No.	Name Surname	Date of application	District	Type of Business	Source	Amount Required			Amount Disbursed			SBCA Decision	Date of Disburs.	PSHM Date of Rejection	Reason for rejection or others
						LEK	USD	EUR	LEK	USD	EUR				
13	Shkelqim Cela		Kruje	Production of breads	PSHM	900,000						Rejected 13/09/2002		13/09/2002	Many clients financed in this sector
14	Mimoza Lame		Tirane	Production of flour	PSHM	750,000						Rejected 13/09/2002		13/09/2002	Many clients financed in this sector
15	Myftar Jaho		Durres	Hotel	PSHM	800,000						Rejected 13/09/2002		13/09/2002	Do not fit with cluster
16	Bajram Cala		Durres	Hotel	PSHM	1,000,000						Rejected 13/09/2002		13/09/2002	Do not fit with cluster
17	Qazim Kuci		Lushnje	Production of breads	PSHM	700,000						Rejected 13/09/2002		13/09/2002	Many clients financed in this sector
18	Pranvera Shima		Tirane	Gravel Rock Mining	PSHM	1,000,000						Rejected 13/09/2002		13/09/2002	Many clients financed in this sector
19	Alban Dedja		Shijak	Production of breads	PSHM	2,000,000						Rejected 13/09/2002		13/09/2002	Many clients financed in this sector
20	Kozeta Shkempi		Tirane	Production of breads	PSHM	2,000,000						Rejected 13/09/2002		13/09/2002	Many clients financed in this sector
21	Bashkim Sylkaj	14/10/2002	Tirane	Production of tar and bitumen	PSHM		25,000					Approved 25/10/2002		26/12/2002	Rejected by PSHM since the client didn't submitted all the required documents.
22	Ferit Balla	01/11/2002	Tirana	Production of carton package and hygienic paper.	PSHM		20,000					Approved 5/11/2002		20/11/2002	Rejected by PSHM since the client was not correct during the application loan procedures.
23	Hysen Mani	30/09/2002	Saranda	Collection of mollusks	Vlora RDA			40,000		25,000		Approved 5/11/2002		12/5/2002	Rejected by PSHM because the client didn't submitted any of documents required.
24	Antonio Martini	31/10/2002	Tirana	Physiotherapy	Tirana RDA		7,000					Rejected 5/11/2002		5/11/2002	Rejected from PSHM & SBCA because will be considered as a micro borrower.
25	Guri Leskaj	13/09/2002	Vlora	Beekeeping	Vlora RDA		15,000					Rejected 5/11/2002		5/11/2002	Rejected by PSHM & SBCA as result of not enough collateral to cover the loan.

No.	Name Surname	Date of application	District	Type of Business	Source	Amount Required			Amount Disbursed			SBCA Decision	Date of Disburs.	PSHM Date of Rejection	Reason for rejection or others
						LEK	USD	EUR	LEK	USD	EUR				
26	Atem Avdullaj	14/10/2002	Fier	Livestock	Fieri RDA	1,000,000						Rejected 25/10/2002		25/10/2002	The client is rejected from both SBCA and PSHM because from its activity will be considered as a micro borrower.
27	Sander Popaj	30/10/2002	Shkoder	Livestock	Shkodra RDA	2,000,000						Approved 13/11/2002		26/12/2002	The client didn't follow the loan application procedures.
28	Fehmi Golemi	7/11/2002	Shkoder	Shoes production	PSHM		25,000					Approved 13/11/2002		26/12/2002	The company doesn't have the adequate financial capacities currently.
29	Xhelal Danaj	7/11/2002	Shkoder	Collection of medicinal herbs	Shkodra RDA	700,000						Approved 13/11/2002		26/12/2002	The client didn't follow the loan application procedures.
30	Agron Taullaj	06/11/2002	Durres	Livestock	Durrresi RDA	2,000,000						Approved 13/11/2002		26/12/2002	The client didn't offered enough collateral
31	Fatbardh Gjyshi	4/11/2002	Durres	Fish collection	Durrresi RDA		25,000					Approved 13/11/2002		26/12/2002	The client didn't submitted all the required documentation
32	Arti Kapplani	6/11/2002	Tirane	Production of deserts	PSHM		25,000					Approved 19/11/2002		26/12/2002	The client didn't approve the maturity offered by PSHM.
33	Ruzhdi Xhumra	6/11/2002	Tirane	Livestock, husbandry	PSHM		25,000					Approved 19/11/2002		26/12/2002	The client does not have a license for cows import.
34	Thoma Binaj	5/11/2002	Vlora	Livestock, husbandry	PSHM	2,000,000						Approved 14/11/2002		26/12/2002	The client wife didn't agree with the loan application.
35	Nexhip Hoxhaj	24/10/2002	Vlora	Livestock, husbandry	Vlora RDA		7,000					Approved 14/11/2002		26/12/2003	Not enough collateral
36	Dilaver Rrapushi	5/11/2002	Vlora	Livestock, husbandry	Vlora RDA	300,000						Approved 14/11/2002		25/11/2002	Client was considered for a micro loan.
37	Mustafa Kusi	20/11/2002	Durres	Dairy	RDA Tirana		5,000					Rejected 26/11/2002		22/11/2002	Rejected both by PSHM and SBCA since the client has a bad debt history.
38	Baki Rezi	11/1/2002	Tirane	Leather processing	PSHM		10,000					Rejected 26/11/2003		22/11/2002	Rejected since the client didn't share the information with PSHM.
39	Ilirian Kokedhima	18/11/2002	Vlore	Olive processing	PSHM		10,000					Rejected 26/11/2004		20/11/2002	The client suspended the procedures

No.	Name Surname	Date of application	District	Type of Business	Source	Amount Required			Amount Disbursed			SBCA Decision	Date of Disburs.	PSHM Date of Rejection	Reason for rejection or others
						LEK	USD	EUR	LEK	USD	EUR				
40	Zyra Agoi	12/11/2002	Tirane	Handicraft	RDA Tirana	600,000						Rejected 26/11/2005		19/11/2002	Rejected because it is included in micro loan fund.
41	Eduard Mesutaj	11/7/2002	Fier	livestock	RDA Fieri	1,000,000						Rejected 26/11/2006		25/11/2002	Rejected since the client did not offer enough collateral.
42	Dilaver Rapushi	5/11/2002	Vlore	Livestock	RDA Vlora	300,000						Rejected 26/11/2007		25/11/2002	Rejected because it is included in micro loan fund.
43	Bajram Muka	23/10/2002	Vlore	Beekeeping	RDA Vlora			5,000				Rejected 26/11/2008		25/11/2002	Rejected since the client did not offer enough collateral
44	Bujar Hametaj	19/11/2002	Vlore	Beekeeping	RDA Vlora			5,000				Approved 26/11/2002		16/12/2002	The information given by the client was not consistent.
45	Xhevalin Agolli	21/10/2002	Fier	Seedling	RDA Fieri			12,000				Approved 26/11/2003		11/1/2002	It is pending since the client wants the loan to be disbursed on March 03.
46	Xhelal Kerri (1/4)	27/11/2002	Fier	Agribusiness	RDA Fier	750,000						Approved 06/12/2002		17/12/2002	The client is considered for a micro loan
47	Sait Kuci (7)	27/11/2002	Fier	Livestock	RDA Fier	2,000,000						Approved 06/12/2002		18/12/2002	The client was not correct in presenting the documentation.
48	Arian Cara (9/2)	13/12/2002	Durres	Production of construction materials	RDA Durres			6,000				Approved 18/12/2002		21/12/2002	Absence of cash, high cost and a bad business management
49	Sabah Ramadani (1/2)	19/11/2002	Shkoder	Greenhouse	RDA Shkoder	1,000,000			500,000			Approved 18/12/2002	24/12/2002		Client received a micro loan
50	Arben Velcani (9/2)	12/10/2002	Fier	Production of construction materials	RDA Fier	2,500,000						Approved 18/12/2002		28/01/2003	The client was not correct in the appointment. He was applying parallel to FEFAD from where he got a loan.
51	Thimio Zaka (7)	12/10/2002	Fier	Livestock	RDA Fier	1,000,000						Approved 18/12/2002		28/01/2003	Inadequate collateral.
52	Rrapo Lazaj (11)	12/4/2002	Vlore	Production of sparkling water	PSHM	1,000,000						Approved 18/12/2002		withdrew	
53	Vesel Avdyli (8)	23/12/2002	Durres	Wood processing	RDA Durres			5,000				Approved 18/12/2003		withdrew	

No.	Name Surname	Date of application	District	Type of Business	Source	Amount Required			Amount Disbursed			SBCA Decision	Date of Disburs.	PSHM Date of Rejection	Reason for rejection or others
						LEK	USD	EUR	LEK	USD	EUR				
54	Bashkim Murati (13)	23/12/2002	Tirane	Dental Care	PSHM		28,000					Rejected 18/12/2003		18/12/2003	Rejected by SBCA since the client doesn't fit with the cluster
55	Ali Doda (9/5)	20/12/2002	Tirane	Service of transport for construction	PSHM	2,500,000						Approved 18/12/2003		18/12/2003	Based on the cash flow, the client couldn't repay the loan.
56	Myftar Papinari (13)	31/12/2002	Tirane	Fast Food	PSHM	700,000						Rejected 17/01/2003		17/01/2003	Rejected since doesn't fit with the Cluster
57	Pjeter Stomici (5)	12/4/2002	Shkoder	Beekeeping	RDA Shkoder	300,000						Approved 17/01/2003		18/01/2003	Rejected by PSHM since the client can't repay the loan with the existing financial figures.
58	Edmond Muzaka (1/5)	27/12/2002	Fier	Trade of agricultural inputs	RDA Fier	700,000						Rejected 17/01/2003		17/01/2003	Rejected since the client doesn't fit with the cluster
59	Rakip Hoxha (9/1)	13/01/2003	Tirane	Production of plastic tubes	PSHM	13,000						Approved 17/01/2003		Withdraw	Client withdrew as he could not found guarantee.
60	Lulezim Sauqeti (11)	15/01/2003	Shijak	Small mill	PSHM	50,000						Approved 17/01/2003		Rejected	Source of recommendation was not reliable
61	Agim Mesuti (7)	16/01/2003	Fier	Livestock	RDA Fier	800,000						Approved 17/01/2003		22/01/2003	The client did not accept the micro loan of Lek 400,000 and using individual guarantors
62	Ismail Haxhiu (9/2)	20/01/2003	Tirane	Production of concrete materials	PSHM		20,000					Approved 24/01/2003		Withdraw	Client withdrew this time from the application and will do it in the future. Right now is continuing with the existing loan
63	Miranda Alikaj (13)	12/2/2002	Fier	Trade of various articles	RDA fier		5,000					Rejected 24/01/2003		24/01/2003	Rejected since the client doesn't fit with the cluster.
64	Ismail Zajmi (10/3)	25/01/2003	Tirane	Tailor	RDA Tirana	2,000,000						Approved 31/01/2003		withdrew	Could not find guarantor
65	Ded Guri	1/6/2003	Shkoder	Trade	RDA Shkoder	200,000						Rejected 18/02/2003			Client doesn't fit with the cluster
66	Mark Doda	23/12/2003	Shkoder	Medicinal herbs collection	RDA Shkoder		25,000					Rejected 18/02/2003			The client had bad debt history
67	Marash Doci	2/4/2003	Tirane	Vehicle service	PSHM	1,000,000						Rejected 18/02/2003			Client doesn't fit with the cluster

No.	Name Surname	Date of application	District	Type of Business	Source	Amount Required			Amount Disbursed			SBCA Decision	Date of Disburs.	PSHM Date of Rejection	Reason for rejection or others
						LEK	USD	EUR	LEK	USD	EUR				
68	Agron Xhyra	2/7/2003	Elbasan	Packaging of drinkable water	PSHM		20,000					Approved 18/02/2003	20/06/2003		Client's proposal for SME loan was not accepted, he was recycled as normal micro-loan client for 850,000 Leke.
69	Adriatik Gramozi	17/02/2003	Tirane	Coffee shop	PSHM		10,000					Rejected 18/02/2003			Client doesn't fit with the cluster
70	Fejzi Fisheku	11/1/2002	Berat	Bakery	PSHM	700,000						Rejected 18/02/2003			Client withdrew
71	Enver Bregasi	26/12/2002	Fier	Chicken production	RDA BERAT		12,000					Rejected 18/02/2003			Client was not correct in the meetings
72	Shpetim Goga	2/3/2003	Berat	Greenhouse	RDA BERAT	600,000						Approved 03/03/2003		Withdraw	Client found the money from another source
73	Asqeri Tafa	3/2/2003	Berat	Greenhouse	RDA BERAT	600,000			500,000			Approved 03/03/2003			The loan was disbursed through PSHM funds.
74	Merita Alla	26/02/2003	Tirane	Distributor of Coca-Cola	PSHM	1,500,000						Approved 03/03/2003		Withdrawn	Client was disbursed from PSHM funds as she changed the investment plan, just for inventory.
75	Arben Tabaku	27/02/2003	Tirane	Construction materials	PSHM			25,000				Approved 03/03/2003		Withdrawn	Client has started the application, but has decided not to continue the procedure
76	Jonuz Drazhi	25/02/2003	Tirane	Construction materials	PSHM		25,000					Approved 03/03/2003	Still in Process		Client right now is in the hospital and has not been able to continue with loan procedures. PSHM continue to consider him as potential as soon as he will be able to work again.
77	Halil Karaj	24/02/2003	Kruje	Construction materials	PSHM	1,800,000			850,000			Approved 03/03/2003	28.02.2003		CC decided to recycle the client as micro loan for this cycle.
78	Pajtim Shkua	27/02/2003	Fier	Livestock	RDA Fier	600,000						Approved 03/03/2003	07.03.03		Loan has been disbursed through PSHM funds.
79	Fedinand Poçi	18/2/2003	Berat	Retail Shop	RDA Berat	250,000						Rejected 03/03/2003			Client does not fit with the cluster
80	Pajtim Shkua	27/02/2003	Fier	Livestock	RDA Fier	600,000						Approved 03/03/2003	07.03.03		Loan has been disbursed through PSHM funds.

No.	Name Surname	Date of application	District	Type of Business	Source	Amount Required			Amount Disbursed			SBCA Decision	Date of Disburs.	PSHM Date of Rejection	Reason for rejection or others
						LEK	USD	EUR	LEK	USD	EUR				
81	Fecor Toska	11/1/2002	Berat	Retail Shop	RDA Berat	500,000						Rejected 03/03/2003			Client does not fit with the cluster. The client is approved by PSHM for Lek 300,000
82	Petrit Qerimaj	2/10/2003	Fier	Agribusiness	RDA Fier	700,000						Rejected 03/03/2003			SBCA/PSHM rejected since based on current financial performance the client could'n repay the loan.
83	Kastriot Selimaj	21/03/2003	Elbasan	Production of vegetables	PSHM		15,000					Approved 26/03/2003		withdrawn	Client withdraw during application process.
84	Bedri Tare	3/7/2003	Vlore	Livestock	RDA Vlore		15,000					Approved 26/03/2003		Withdrawn	Client was Approved, but did not withdraw the check.
85	Fatmir Murati	31/03/2003	Kruje	Trade of fuel	PSHM	1,500,000						Rejected 07/04/2003			Client does not fit with the cluster
86	Hysni Domi	31/03/2003	Durres	Furniture production	PSHM		20,000					Approved 07/04/2003		4/5/2003	Client has made a lot of delays in previous cycles and CC decided not to give him another loan.
87	Tomorr Shehu	31/03/2003	Fier	Installing electrical appliance	RDA Fier		20,000					Rejected 07/04/2003			Client doesn't fit with the cluster
88	Fatos Rama		Shkoder	Food service	PSHM	500,000						Rejected 07/04/2003			Client doesn't fit with the cluster
89	Enkelejda Hoxha		Lushnje	Production of bread	PSHM	2,000,000						Approved 07/04/2003	Disbursed only 700,000 Leke		Approved for 1,500,000 Leke, but 800,000 Leke will be disbursed when client gets the permission to build the shop.
90	Artur Puka	4/10/2003	Shkoder	Food business.	PSHM	700,000						Rejected 11.04.03		11/4/2003	Client doesn't fit with the cluster
91	Menduh Kraja	3/9/2003	Shkoder	Construction business	PSHM	300,000						Rejected 11/04/2003		11/4/2003	Client doesn't fit with the cluster
92	Tonin Lleshi	3/9/2003	Shkoder	Service of sporting center in one village area of Shkodra	PSHM	400,000						Rejected 11.04.03		11/4/2003	Client doesn't fit with the cluster
93	Mark Lulgjura	4/10/2003	Shkoder	Production of milk and meat through rearing of cows and calves.	LAND O'LAKE	2,000,000						Rejected 11/04/2003		11/4/2003	Client doesn't fit with the cluster

No.	Name Surname	Date of application	District	Type of Business	Source	Amount Required			Amount Disbursed			SBCA Decision	Date of Disburs.	PSHM Date of Rejection	Reason for rejection or others
						LEK	USD	EUR	LEK	USD	EUR				
94	Bujar Mersinaj	16/04/2003	Durres	Fishing	Agr. Dept. Lushnja	1,000,000						Approved 17.04.03		17/04/2003	Rejected by LO as his business could not handle the loan
95	Jak Hila	18/04/2003	Shkoder	Public service of supplying 3 village community with drinking water.	PSHM	1,000,000						Approved 17.04.03		2/5/2003	Client wanted to buy imported cow but LOL has not cows to sell for the moment.
96	Nesti Doko	29/04/2003	Fier	Production of pork through rearing of pigs.	PSHM	1,800,000						Approved 01.05.03		Withdraw	Clients could not arrange immovable property documentation. He will come back when all his papers will be ok.
97	Elman Tafa	30/04/2003	Berat	Production of furniture especially couches using wood.	PSHM							Rejected 01.05.03		30/04/2003	Appeared very unstable plan and risky
98	Gramoz Joldashi	30/04/2003	Elbasan	Production of furniture	Tirana Bank	3,000,000						Approved 05.05.03		Withdraw	Client withdrew after taking the first information
99	Dritan Dudushi	13/05/2003	Fier	Tailor	PSHM	25,000						Approved 16.05.03		Withdraw	Client withdrew during application process.
100	Hydajet Bajri	26/05/2003	Tirane	Internet provider	PSHM	10,000						Rejected 28.05.03		28/05/2003	Rejected because the client doesn't fit with the cluster.
101	Veli Cabko	27/05/2003	Tirane	Production of flour	PSHM	2,000,000						Approved 02/06/2003		Withdraw	Client withdrew from the loan application
102	Fran Tomaj	6/2/2003	Shkoder	Restaurant	PSHM	800,000						Rejected 03/06/2003			
103	Natasha Gjylameti	6/6/2003	Tirane	Tourism	PSHM		15,000					Rejected 10/06/2003			
104	Besnik Meci	6/6/2003	Tirane	Dough Production	PSHM	500,000						Approved 10/06/2003		Withdraw	Client withdrew after taking the first information
105	Sokrat Allushi	13/06/2003	Tirane	Water bottling	RDA Tirana		6,000					Approved 19/06/2003		Withdraw	Client withdrew as could not found guaranty tools to cover the loan
106	Lulezim Xhindi	5/9/2003	Vlore	Olive processing	PSHM	3,000,000						Approved 19/06/2003		Withdraw	Client withdrew after taking the first information
107	Ylli Kotorri	23/06/2003	Tirane	Greenhouse	PSHM	800,000						Approved 24/06/2003		Withdraw	Client withdrew during disbursements as he did not agree with loan amount decided from CC

No.	Name Surname	Date of application	District	Type of Business	Source	Amount Required			Amount Disbursed			SBCA Decision	Date of Disburs.	PSHM Date of Rejection	Reason for rejection or others
						LEK	USD	EUR	LEK	USD	EUR				
108	Artur Tali	30/06/2003	Fushe Kruje	Trade of industrial products	PSHM	1,000,000						Rejected 15/07/2003			Client does not fit with the cluster.
109	Agim Qordja	30/06/2003	Fushe Kruje	Transport	PSHM	1,500,000						Rejected 15/07/2003			Client does not fit with the cluster.
110	Dritan Duduci	27/06/2003	Fier	Production of T-shirts	PSHM			25,000				Approved 10/07/2003		11/7/2003	Rejected by PSHM because the client didn't follow the loan procedures.
111	Shpresa Ferzaj	7/11/2003	Tirane	Production of food products	PSHM	600,000						Approved 14/07/2003			Rejected by PSHM as she could not fulfill requirements of guarantee.
112	Bujar Gockaj	5/12/2003	Vlore	Beekeeping	RDA Vlora		4,000					Rejected 14/07/03		29/05/2003	The client didn't follow the loan procedures until the end. He withdrew
113	Pilo Aliaj	5/12/2003	Vlore	Beekeeping	RDA Vlora	200,000						Rejected 14/07/03			Client was considered for a micro loan.
114	Vangjel Kamberi	19/05/03	Vlore	Fishing	RDA Vlora		2,000					Rejected 14/07/03			Client was considered for a micro loan.
115	Sokol Belaj	6/11/2003	Vlore	Olive farming	RDA Vlora	500,000						Approved 14/07/2003		withdraw	Client couldn't find the guarantors
116	Nuredin Hodaj	5/12/2003	Vlore	Beekeeping	RDA Vlora	200,000						Rejected 14/07/03			Client was considered for a micro loan.
117	Anesti Koka	21/07/2003	Tirane	Production of mosaics with stones and tiles	PSHM	1,000,000						Approved 23/07/2003		withdrew	Client withdrew from application process as he did not like the loan conditions
118	Kol Shkambi	25/07/2003	Shkoder	Tourism and Hunting	PSHM	2,000,000						Rejected 28/07/2003			Client doesn't fit with the cluster
119	Astrit Baca	29/07/2003	Shkoder	production of iron products	BKT	500,000						Approved 30/07/2003			Delayed recycling for later, right now is active client with previous loan
120	Xhovalin Luka	30/07/2003	F-Kruje	production of bricks	PSHM	300,000						Approved 30/07/2003			Client disbursed as micro client from PSHM funds as did not met requirements of SME loan
121	Esat Cara	8/7/2003	Tirane	Dough Production	PSHM	900,000						Approved 08/08/2003	Still in process		Client continue with the previous loan from PSHM and has put in hold the new application

No.	Name Surname	Date of application	District	Type of Business	Source	Amount Required			Amount Disbursed			SBCA Decision	Date of Disburs.	PSHM Date of Rejection	Reason for rejection or others
						LEK	USD	EUR	LEK	USD	EUR				
122	Viktor Sauli	8/8/2003	Fier	Salami Production	PSHM			30,000				Approved 20/08/2003	Still in process		Client will be sent in CC next week
123	Artur Bakalli	7/10/2003	Fier	Wool processing	PSHM	500,000						Rejected 22/08/2003		8/8/2003	Client withdrew
124	Faredin Jaho	21/07/2003	Berat	No information was given.	RDA Berat	150,000						Rejected 22/08/2003		8/8/2003	Client was rejected since based on his income he couldn't afford the repayment.
125	Edmir Palushani	15/05/2003	Shkoder	Production of construction materials	RDA Shkoder	400,000						Rejected 22/08/2003		8/8/2003	Client withdrew after the first meeting with PSHM.
126	Ndoc Haxhari	19/05/2003	Shkoder	Livestock	RDA Shkoder	600,000						Rejected 22/08/2003		8/8/2003	Client didn't visit PSHM office.
127	Nush Marashi	18/03/2003	Shkoder	Trade	RDA Shkoder	500,000						Rejected 22/08/2003		8/8/2003	Client was not reliable.
128	Luc Gjolaj	6/9/2003	Shkoder	Livestock	RDA Shkoder	1,000,000						Rejected 22/08/2003		8/8/2003	
129	Hle Hila	6/9/2003	Lezhe	Beekeeping	RDA Shkoder		5,000					Rejected 22/08/2003		8/8/2003	This region is not covered by PSHM.
130	Ndoc Bashota	29/04/2003	Shkoder	Medicinal Herbs	RDA Shkoder	1,000,000						Rejected 22/08/2003		8/8/2003	Client didn't have enough collateral.
131	Nikoll Jaku	19/12/2002	Shkoder	Horticulture	RDA Shkoder	500,000			200,000			Rejected 22/08/2003			Client was approved for a micro loan of Lek 200,000.
132	Geltion Bardhi	21/08/2003	Korce	Decorative stone	PSHM			12,000				Approved 27/08/2003	Still in process		
133	Artan Busha	21/08/2003	Korce	Livestock	PSHM	1,500,000						Approved 27/08/2003		27/08/2003	Rejected by PSHM as the business of the clients is three hours far way from Korca.
134	Shaqir Tafaruci	9/4/2003	Kruje	Primary school	PSHM			25,000				rejection 05/09/2003			Client doesn't fit with the cluster
135	Gezim Reci	22/08/2003	Shkoder	Bar -billiard	PSHM	400,000						Rejected 05/09/2003			Client doesn't fit with the cluster
136	Sabah Hidri	1/9/2003	F. Kruje	Transport	PSHM	500,000						Rejected 05/09/2003			Client doesn't fit with the cluster
137	Shleqim Hoxhaj	9/10/2003	Fier	Flour processing	PSHM							Pending	Still in process		PSHM and SBCA is waiting for further explanation from BKT.
138	Petrit Dervina	9/9/2003	Fier	Poultry	PSHM			11,000				Approved 15/09/2003	Still in process		

No.	Name Surname	Date of application	District	Type of Business	Source	Amount Required			Amount Disbursed			SBCA Decision	Date of Disburs.	PSHM Date of Rejection	Reason for rejection or others
						LEK	USD	EUR	LEK	USD	EUR				
139	Besnik Serali	17/09/2003	Elbasan	Production of curtains	PSHM	2,000,000						Approved 15/09/2003	Still in process		
140	Lindita Prifti	16/09/2003	Tirane	Production of plastic bags	PSHM			25,000				Approved 15/09/2003	Still in process		
141	Koce Gjecal	9/10/2003	Shkoder	Livestock	PSHM	350,000						Approved 15/09/2003	Still in process		
142	Pandi Sukulli	8/3/2003	Fier	Agriculture	RDA Fieri	300,000			200,000			Approved 23/09/2003	Disbursed		Client has received a micro loan.
143	Xhemal Bajraktari	13/09/2003	Tirane	Production of shoes	PSHM			25,000				Approved 24/09/2003	Still in process		
144	Gezim Tabaku	22/09/2003	Berat	Greenhouse	RDA Berat	1,000,000						Approved 24/09/2003	Still in process		
145	Zamir Sinori	19/09/2003	Shkoder	Bar -Restaurant	PSHM	700,000						Rejected 24/09/2003			Client doesn't fit with the cluster
146	Hekuran Bregasi	22/09/2003	Fier	Processing of wheat	PSHM	1,000,000						Approved 24/09/2003	Still in process		
147	Lazer Maka	28/08/2003	Shkoder	Dairy	PSHM	1,250,000						Approved 26/09/2003	Still in process		
148	Ded Dedi	25/09/2003	Shkoder	Hotel	PSHM			10,000				Rejected 26/09/2003			Client doesn't fit with the cluster
149	Arben Kola	25/09/2003	Shkoder	Dairy	PSHM			25,000				Approved 26/09/2003	Still in process		
150	Ramiz Shkreli	29/08/2003	Shkoder	Beekeeping	RDA Shkoder	300,000						Rejected 26/09/2003			Client is rejected since is under limit amount and is rejected by PSHM because he didn't show up at PSHM office.
151	Nike Bregu	14/08/2003	Shkoder	Dairy	RDA Shkoder	300,000						Rejected 26/09/2003			Client is rejected since is under limit amount and is rejected by PSHM because he didn't show up at PSHM office.
152	Martin Bregu	28/04/2003	Shkoder	Carpenter	RDA Shkoder	200,000			200,000			Rejected 26/09/2003			Client is rejected since is under limit amount but he has received a micro loan.
153	Sami Dini	25/08/2003	Shkoder	Beekeeping	RDA Shkoder	300,000						Rejected 26/09/2003			Client is rejected since is under limit amount and is rejected by PSHM because he didn't show up at PSHM office.

ANNEX 7

---

OUTSTANDING SME FUND (PSHM) LOANS

**ANNEX 7 – Outstanding SME Fund (PSHM) Loans as of September 30, 2003**

No.	Client Code	Company	G	City	Activity	Amount Disbursed			Disbursed Converted in USD	Date of Disbursement	Date of Maturity	Outstanding Principal			Outstanding Principal in USD
						Leke	USD	Euro				Leke	USD	Euro	
1	108382	Theothoraq Pashaj	M	Vlore	Production of flower and maintenance of green areas	1,000,000			8,291	02/05/2002	02/08/2003	0			0
2	100467	Shkelqim Hoxhaj	M	Fier	Production of flour	3,500,000			29,019	23/05/2002	23/05/2003	0			0
3	100092	Isa Alibali	M	Shkoder	Bread Production	700,000			5,804	29/05/2002	29/07/2004	0			0
4	101996	Gjon Pleshaj	M	Shkoder	Production of dairies	700,000			5,804	29/05/2002	30/11/2003	148,770			1,233
5	100022	Hajredin Cera	M	Tirane	Production of bed sheets	850,000			7,048	20/06/2002	20/12/2003	0			0
6	100288	Rasim Gjika	M	Kruje	Meat Processing		10,000		10,000	01/07/2002	03/01/2004		0		0
7	107911	Dragush Vogli	M	Kruje	Wood Artistic Processing			7,064	7,924	01/07/2002	01/10/2003			0	0
8	108072	Bilbil Abazi	M	Tirane	Bakery	800,000			6,633	01/07/2002	01/11/2002	0			0
9	107129	Tonin Gjinollari	M	Tirane	Bakery	1,500,000			12,437	12/07/2002	03/01/2003	0			0
10	106807	Gezim Kasemi	M	Fier	Production of iron works	850,000			7,048	19/07/2002	19/03/2004	0			0
11	106080	Simon Lala	M	Tirane	Mining of granite stones		20,000		20,000	25/07/2002	26/07/2004		0		0
12	100213	Gjovalin Shtjefni	M	Shkoder	Printing House	1,000,000			8,291	31/07/2002	2/2/2004	0			0
13	109014	Zef Keqaj	M	Shkoder	Medicinal herb processing	400,000			3,316	31/07/2002	31/05/2003	0			0
14	100192	Arben Kolaj	M	Shkoder	Dairy Processing	1,800,000			14,924	02/08/2002	03/02/2004	0			0
15	106080	Ndue Macaj	M	Tirane	Processing of marbles	800,000			6,633	08/08/2002	08/08/2003	0			0
16	100211	Xhaferr Duraku	M	Elbasan	Wood Processing	700,000			5,804	22/08/2002	22/08/2003	0			0
17	100013	Shpetim Bejleri	M	Tirane	Production of fruits& vegetables conserves		10,000		10,000	02/09/2002	02/09/2004			5,076	5,076
18	100686	Fillareta Duci	F	Tirane	Production of iron nets	2,000,000			16,582	29/08/2002	29/10/2003	305,217			2,531
19	106317	Shpetim Mehmetaj	M	Tirane	Detergent production		13,000		13,000	10/09/2002	02/03/2004			4,695	4,695
20	109172	Ali Nerjaku	M	Durres	Scrap Metal	2,800,000			23,215	10/09/2002	10/09/2003	0			0
21	107721	Merian Mati	M	Shijak	Furniture production		11,000		11,000	11/09/2002	11/05/2004			4,840	4,840

No.	Client Code	Company	G	City	Activity	Amount Disbursed			Disbursed Converted in USD	Date of Disbursement	Date of Maturity	Outstanding Principal			Outstanding Principal in USD
						Leke	USD	Euro				Leke	USD	Euro	
22	106359	Qamil Sylja	M	Tirane	Printing House		25,000		25,000	20/09/2002	20/09/2004		16,382		16,382
23	107789	Eliverta Shtylla	F	Tirane	Production of trahana and Trade of Vegetables	2,000,000			16,582	19/09/2002	19/03/2004	442,281			3,667
24	100048	Ylli Berdaj	M	Tirane	Vinegar, Grapes Juices and wine production	1,500,000			12,437	23/09/2002	23/09/2003	0			0
25	108247	Osman Lala	M	Tirana	Production of wood furniture	1,000,000			8,291	16/09/2002	16/09/2003	0			0
26	100360	Kujtim Kopliku	M	Shkoder	Juice Production	1,500,000			12,437	09/10/2002	09/05/2004	772,198			6,402
27	100048	Dashnor Hysi	M	Tirana	Wood Processing	1,000,000			8,291	21/10/2003	21/09/2003	0			0
28	109436	Vasil Sota	M	Fier	Cultivation of Flowers	1,600,000			13,266	21/10/2002	21/07/2003	0			0
29	108714	Ndrim Allaj	M	Elbasan	Production of flour	2,500,000			20,728	24/09/2002	24/04/2004	1,456,242			12,074
30	109306	Faik Palushi	M	Tirana	Carpenter	700,000			5,804	28/10/2002	28/04/2004	357,582			2,965
31	194486	Viktor Sauli	M	Fier	Meat Processing	1,000,000			8,291	30/10/2002	01/06/2003	0			0
32	107159	Institute of Maiser and rice		Shkoder	Seed Processing and Production	3,000,000			24,874	31/10/2002	01/06/2003	0			0
33	106476	Shaqir Tafaruci	M	Durres	Production of tiles		20,000		20,000	7/11/2002	7/11/2003		3,582		3,582
34	100572	Lavdi Pashkaj	M	Shkoder	Wood Processing		7,500		7,500	13/11/2002	13/11/2004		4,767		4,767
35	108705	Mezan Resuli	M	Durres	Production of textiles	2,000,000			16,582	14/11/2002	14/11/2003	362,897			3,009
36	1536	Aleksander Rista	M	Fier	Meat Processing	700,000			5,804	4/12/2003	4/10/2003	0			0
37	1005	Hamza Toro	M	Fier	Pesticides and herbicides		10,000		10,000	11/12/2002	11/8/2003		152		152
38	101357	Muhamet Kadillari	M	Tirane	Processing of conserved foods		25,000		25,000	16/12/2002	16/12/2003		6,651		6,651
39	125	Selim Roshani	M	Fier	Livestock	1,000,000			8,291	23/12/2002	23/12/2004	753,704			6,249
40	100372	Niman Mekshiqi	M	Tirane	Wood Processing	1,000,000			8,291	24/12/2002	24/12/2003	272,695			2,261
41	102784	Besnik Bami	M	Fushe-Kruje	Agricultural Mechanization	2,500,000			20,728	9/1/2003	9/7/2004	1,480,047			12,271
42	108097	Kujtim Mesja	M	Durres	Livestock	700,000			5,804	10/1/2003	10/9/2004	452,724			3,754
43	108359	Besnik Elezi	M	Fushe-Kruje	Construction	1,000,000			8,291	24/01/2003	24/07/2004	599,157			4,968
44	108044	Altin Basha	M	Lushnje	Livestock	700,000			5,804	27/01/2003	27/08/2004	503,621			4,176
45	100604	Martin Frroku	M	Shkoder	Livestock	1,000,000			8,291	27/01/2003	27/11/2003	135,696			1,125

No.	Client Code	Company	G	City	Activity	Amount Disbursed			Disbursed Converted in USD	Date of Disbursement	Date of Maturity	Outstanding Principal			Outstanding Principal in USD
						Leke	USD	Euro				Leke	USD	Euro	
46	106624	Hasime Shatri	F	Tirane	Bakery	1,000,000			8,291	27/01/2003	27/06/2004	0			0
47	107720	Anton Lleshi	M	Shkoder	Production of construction materials	600,000			4,975	29/01/2003	28/06/2004	50,122			416
48	107930	Jak Pacani	M	Shkoder	Production of fruits and vegetables	900,000			7,462	29/01/2003	28/01/2005	0			0
49	100659	Metush Leli	M	Shkoder	Wood processing	1,000,000			8,291	29/01/2003	29/07/2004	597,003			4,950
50	100506	Pranvera Shima	F	Tirane	Mining of stones	1,000,000			8,291	10/2/2003	10/12/2003	721,523			5,982
51	110265	Myslym Pepa	M	Durres	Medicinal Herbs		10,000		10,000	14/02/2003	14/02/2005		8,070		8,070
52	100445	Skender Miri	M	Fushe Kruje	agricultural mechanization	2,500,000			20,728	13/02/2003	13/02/2005	1,872,287			15,523
53	110259	Gjovalin Toma	M	Shkoder	Planting fruits	1,800,000			14,924	14/02/2002	14/08/2004	1,363,545			11,305
54	100231	Lazer Hile Mandi	M		Dairy Processing	1,800,000			14,924	19/02/2003	19/08/2004	1,362,801			11,299
55	110407	Artur Hoxholli	M	Tirane	Clothes production			25,000	28,043	7/3/2003	7/5/2005			19,571	21,953
56	110535	Qani Brahushaj	M	Fier	Fruit and veg. production	650,000			5,389	12/03/2003	12/1/2004	382,467			3,171
57	106322	Natasha Kordha	F	Fier	Fruit and veg production	1,500,000			12,437	12/3/2003	13/09/2004	1,247,883			10,346
58	110544	Thanas Bano	M	Lushnje	Fruit and veg. production			10,000	11,217	14/03/2003	14/03/2005			7,863	8,820
59	100369	Thanas Papa	M	Tirane	Clothing production		15,000		15,000	19/03/2003	21/03/2005		11,789		11,789
60	100080	Miter Kola	M	Lushnje	Cow milk and meat production	1,477,632			12,251	18/03/2003	18/03/2005	1,166,191			9,669
61	107151	Robert Shtembari	M	Tirane	Production and installation of shutters.			25,000	28,043	18/03/2003	18/03/2005			19,560	21,940
62	109945	Engjellushe Abazi	F	Tirane	Production of flour and bread	3,200,000			26,532	31/03/2003	30/11/2004	2,348,455			19,471
63	4569	Kozeta Shkemi	F	Tirane	Production of "brume" products	2,000,000			16,582	25/03/2003	27/09/2004	1,468,756			12,178
64	107129	Tonin Gjinollari	M	Tirane	Sweets and deserts production	1,500,000			12,437	28/03/2003	29/09/2003	0			0
65	100079	Ilir Dita	M	Tirane	Furniture production	900,000			7,462	31/03/2003	30/09/2004	633,464			5,252

No.	Client Code	Company	G	City	Activity	Amount Disbursed			Disbursed Converted in USD	Date of Disbursement	Date of Maturity	Outstanding Principal			Outstanding Principal in USD
						Leke	USD	Euro				Leke	USD	Euro	
66	110730	Haki Shala	M	Kruje	Mining and rock and gravel production	2,800,000			23,215	31/03/2003	30/09/2004	1,957,584			16,231
67	110813	Xheladin Agolli	M	Lushnje	Vegetables production			12,000	13,460	4/4/2003	5/4/2004			0	0
68	107427	Ferit Cela	M	Elbasan	Supply with drinking water	1,000,000			8,291	4/4/2003	4/4/2005	886,904			7,353
69	110811	Gani Ethem	M	Shkoder	Diary production	3,000,000			24,874	4/4/2003	6/12/2004	2,340,127			19,402
70	103072	Kujtim Idrizi	M	Shkoder	Diary production	900,000			7,462	9/4/2003	11/10/2004	680,025			5,638
71	100537	Sami Beshku	M	Tirane	Furniture production	1,000,000			8,291	14/04/2003	14/06/2003	673,391			5,583
72	110950	Agron Qemalaj	M	Korce	Cow milk and meat production	1,800,000			14,924	17/04/2003	18/10/2004	1,497,697			12,418
73	110940	Pali Xhavo	M	Korce	Cow milk and meat production	1,600,000			13,266	17/04/2003	18/04/2005	1,470,416			12,191
74	110903	Arben Vathi	M	Kruje	Furniture production	1,200,000			9,949	18/04/2003	20/12/2004	1,027,288			8,517
75	111009	Kelmend Bufazi	M	Lushnje	Sheep milk and meat production	1,000,000			8,291	23/04/2003	25/10/2004	734,049			6,086
76	111068	Sokrat Kuqi	M	Lushnje	Bread and flour production	1,000,000			8,291	30/04/2003	27/02/2004	523,778			4,343
77	107911	Dragush Vogli	M	Kruje	Production of artistic products with wood and decorative stones.		25,000		25,000	30/04/2003	29/04/2005		20,501		20,501
78	106418	Bashkim Cala	M	Durres	Tourism service for Kosovars	1,000,000			8,291	2/5/2003	3/5/2003	691,675			5,735
79	107719	Kujtim Kullaj	M	Kruje	Meat products	2,000,000			16,582	2/5/2003	2/5/2005	1,649,082			13,673
80	100475	Agim Brama	M	Kruje	Furniture production		25,000		25,000	2/5/2003	2/5/2005		21,365		21,365
81	108283	Arjana Vrap	F	Berat	Pork meat production	2,000,000			16,582	7/5/2003	7/3/2004	1,557,298			12,912
82	108764	Sali Doda	M	Tirane	Veal meat production	600,000			4,975	7/5/2003	7/5/2004	415,911			3,448
83	111157	Haxhi Hoxha	M	Fier	Production of beds for children	500,000			4,146	7/5/2003	7/5/2004	346,595			2,874
84	108247	Osman Lala	M	Tirane	Furniture production			21,000	23,556	12/5/2003	12/5/2005			18,000	20,191

No.	Client Code	Company	G	City	Activity	Amount Disbursed			Disbursed Converted in USD	Date of Disbursement	Date of Maturity	Outstanding Principal			Outstanding Principal in USD
						Leke	USD	Euro				Leke	USD	Euro	
85	108481	Myslym Kallari	M	Fushe - Kruje	Furniture production	450,000			3,731	8/5/2003	8/11/2004	363,368			3,013
86	111216	Ylli Allo	M	Fier	Marble products	500,000			4,146	14/05/2003	15/03/2004	312,009			2,587
87	111217	Astrit Ruko	M	Fier	Mechanization of agriculture businesses	700,000			5,804	14/05/2003	15/11/2004	565,654			4,690
88	111213	Bajram Uku	M	Tirane	Piglets productions	1,000,000			8,291	15/05/2003	15/09/2004	932,014			7,728
89	100300	Besim Cani	M	Fushe - Kruje	Furniture production	500,000			4,146	16/05/2003	16/11/2004	403,178			3,343
90	100378	Mimoza Lame	F	Tirane	Brown flour production	750,000			6,218	19/05/2003	19/08/2003	570,491			4,730
91	100669	Ramazan Nika	M	Tirane	Wood palette production			14,000	15,704	20/05/2003	20/05/2005			12,012	13,474
92	108651	Sanije Braholli	F	Durres	Sweets and ice-cream production	700,000			5,804	22/05/2003	22/12/2003	311,868			2,586
93	111402	Bajram Vogli	M	Durres	Diary production	400,000			3,316	22/05/2003	24/05/2004	277,054			2,297
94	111428	Besnik Cenalia	M	Tirane	Furniture production	400,000			3,316	22/05/2003	24/05/2004	277,054			2,297
95	100688	Xhevahir Nikolli	M	Tirane	Processing of wood	1,000,000			8,291	22/05/03	22/08/2004	760,487			6,305
96	100102	Esat Cara	M	Tirane	Bread and "brume" production	500,000			4,146	23/05/2003	24/05/2004	345,837			2,867
97	108001	Ernest Zaharia	M	Tirane	Porcelain and ceramic products	900,000			7,462	26/05/2003	28/03/2005	763,030			6,326
98	107514	Bujar Pula	M	Tirane	Marble products	1,000,000			8,291	26/05/2003	26/11/2004	806,358			6,686
99	106624	Hasime Shatri	F	Tirane	Bread Production	783,698			6,498	26/05/2003	26/11/2004	631,007			5,232
100	111454	Lutfi Lita	M	Tirane	Iron products production	400,000			3,316	28/05/2003	28/05/2004	277,235			2,299
101	102809	Tonin Kalziqi	M	Durres	Fresh drinks production	600,000			4,975	29/05/2003	31/05/2004	415,568			3,446
102	100482	Fatbardha Halili	F	Tirane	Grinding House	1,000,000			8,291	28/05/2003	28/03/2005	0			0
103	111317	Hysni Klosi	M	Tirane	Clothes production	400,000			3,316	29/05/2003	29/11/2004	322,989			2,678
104	107282	Aleksander Laska	M	Lac	Milk and meat production			20,000	22,434	2/6/2003	2/2/2005			17,367	19,481
105	107930	Jak Pacani	M	Shkoder	Vineyard	2,700,000			22,386	4/6/2003	6/6/2005	2,412,759			20,005
106	111581	Toli Bodurri	M	Elbasan	Medicinal Plants	500,000			4,146	4/6/2003	4/6/2004	416,976			3,457

No.	Client Code	Company	G	City	Activity	Amount Disbursed			Disbursed Converted in USD	Date of Disbursement	Date of Maturity	Outstanding Principal			Outstanding Principal in USD
						Leke	USD	Euro				Leke	USD	Euro	
107	111636	Selami Nelaj	M	Tirane	Production of construction materials	500,000			4,146	6/6/2003	6/4/2004	360,755			2,991
108	100068	Ramazan Mullai	M	Tirana	Mechanization of agriculture businesses			10,000	11,217	6/6/2003	6/12/2004			8,543	9,583
109	100667	Zyhdi Isaku	M	Fushe - Kruje	Lime production	450,000			3,731	6/6/2003	6/4/2004	385,275			3,194
110	111776	Mustafa Zuna	M	Tirane	Pork meat production	500,000			4,146	19/06/03	19/10/04	128,716			1,067
111	111746	Hysen Kuqi	M	Fushe - Kruje	Production of marble and alabaster products	500,000			4,146	19/06/03	19/04/2004	360,291			2,987
112	109795	Klorita Topi	F	Fushe - Kruje	Dough production			15,000	16,826	20/06/2003	21/02/2005			14,295	16,035
113	100630	Nikoll Gjinaj	M	Kruje	Production of construction materials and livestock raise	700,000			5,804	24/06/2003	24/12/2004	598,625			4,963
114	100092	Isa Alibali	M	Shkoder	Bread Production	700,000			5,804	25/06/2003	27/12/2004	598,582			4,963
115	106481	Hilmi Celepia	M	Shkoder	Fire wood processing	700,000			5,804	25/06/2003	25/09/2004	650,811			5,396
116	111873	Roland Drini	M	Tirana	Gypsum production	500,000			4,146	25/06/2003	27/12/2004	428,027			3,549
117	100301	Adriatik Basha	M	Shkoder	Aluminum services			2,800	3,141	25/06/2003	25/06/2004			2,262	2,537
118	111846	Kamer Sinani	M	Elbasan	Marble processing	800,000			6,633	26/06/2003	27/06/2005	718,783			5,960
119	106453	Agron Pervizi	M	Shkoder	Production of construction materials	500,000			4,146	25/06/2003	27/09/2004	470,724			3,903
120	111879	Ilijan Hasanaj	M	Berat	Production and conserving of agricultural products	3,000,000			24,874	27/06/2003	27/12/2004	2,565,817			21,274

No.	Client Code	Company	G	City	Activity	Amount Disbursed			Disbursed Converted in USD	Date of Disbursement	Date of Maturity	Outstanding Principal			Outstanding Principal in USD
						Leke	USD	Euro				Leke	USD	Euro	
121	110325	Kostandin Pilku	M	Elbasan	Distribution of bricks and construction materials	1,500,000			12,437	7/7/2003	7/1/2005	1,357,331			11,254
122	111928	Kristina Mile	F	Tirane	Production of dough products	500,000			4,146	8/7/2003	8/7/2004	500,000			4,146
123	109185	Kristaq Gjika	M	Fier	Raising of hogs	500,000			4,146	9/7/2003	9/7/2004	500,000			4,146
124	109604	Preng Grezaj	M	Tirane	Production and processing of wood	600,000			4,975	14/07/2003	14/07/2004	509,973			4,228
125	101675	Ndoc Filipi	M	Shkoder	Production of milk and meat through sheep raising	500,000			4,146	14/07/2003	14/07/2004	424,642			3,521
126	112036	Dragush Trendafili	M	Korce	Livestock raise and production of milk	500,000			4,146	14/07/03	14/07/2004	459,229			3,808
127	106942	Feim Sallku	M	Fier	Livestock raise and production of milk	1,000,000			8,291	15/07/03	15/09/2004	872,847			7,237
128	100362	Ali Idrizi	M	Shkoder	Greenhouse	600,000			4,975	18/07/2003	18/01/2005	598,990			4,966
129	109436	Vasil Sota	M	Fier	Production of wood and decorative saplings	1,600,000			13,266	23/07/2003	23/09/2004	1,600,000			13,266
130	107148	Agim Driza	M	Fier	Raising of chicken birds	2,000,000			16,582	24/07/2003	25/07/2005	2,000,000			16,582
131	112248	Kosta Cucka	M	Korce	Mechanization of agriculture businesses	350,000			2,902	24/07/2003	26/07/2004	321,016			2,662
132	112179	Rebeka Nico	F	Tirane	Production of plastic bags	1,000,000			8,291	24/07/03	24/01/2005	905,666			7,509
133	112255	Fatmir Licaj	M	Fier	Grapes processing	400,000			3,316	25/07/2003	25/10/2004	375,760			3,115
134	100169	Dashnor Hysi	M	Tirane	Furniture production	2,000,000			16,582	24/07/2003	24/03/2005	1,828,431			15,160
135	106807	Gezim Kasemi	M	Fier	Production of iron products	2,000,000			16,582	25/07/2003	25/07/2005	1,864,523			15,459

No.	Client Code	Company	G	City	Activity	Amount Disbursed			Disbursed Converted in USD	Date of Disbursement	Date of Maturity	Outstanding Principal			Outstanding Principal in USD
						Leke	USD	Euro				Leke	USD	Euro	
136	102560	Koco Meci	M	Tirane	Raising of chicken for egg production	2,000,000			16,582	29/07/2003	29/07/2005	1,861,891			15,437
137	106353	Gani Hoxha	M	Tirane	Production of doors and gates from iron	400,000			3,316	29/7/2003	31/01/2005	361,987			3,001
138	112737	Rustem Xhoraj	M	Fier	Vineyard	500,000			4,146	30/07/2003	30/07/2004	500,000			4,146
139	100100	Agim Sulejmani	M	Shkoder	Greenhouse	500,000			4,146	30/07/2003	31/01/2005	495,128			4,105
140	103053	Shtjefen Ftoni	M	Shkoder	Trade of agriculture inputs and raw materials	600,000			4,975	30/07/2003	31/01/2005	537,555			4,457
141	107154	Zydi Shehi	M	Tirane	Processing of grapes and livestock	550,000			4,560	31/07/2003	31/01/2004	550,000			4,560
142	112178	Skender Murati	M	Tirane	Production of construction materials	500,000			4,146	04/08/03	04/02/04	420,708			3,488
143	112838	Kujtim Ferati	M	Tirane	Furniture production	500,000			4,146	06/08/03	06/08/04	463,369			3,842
144	108026	Ilmi Bukaci	M	Tirane	Furniture production	500,000			4,146	07/08/03	09/08/04	463,035			3,839
145	102757	Hydajet Haxhia	M	Shkoder	Processing of old vehicles	700,000			5,804	06/08/03	07/02/05	667,945			5,538
146	108392	Hasan Kaloshi	M	Lushnje	Meat and milk production	500,000			4,146	06/08/03	06/02/05	477,304			3,957
147	112242	Agim Velo	M	Korce	Production of big beans	500,000			4,146	08/08/03	08/01/04	500,000			4,146
148	112859	Safet Manati	M	Lushnje	Dough production	500,000			4,146	08/08/03	08/08/04	462,705			3,836
149	112889	Bedri Banushi	M	Fier	Agribusiness	500,000			4,146	13.08.03	13/08/2004	463,369			3,842
150	106090	Simon Lala	M	Mirdite	Production of granite			25,000	28,043	15/08/2003	15/08/2005			24,109	27,043
151	112871	Skender Ismaili	M	Tirane	Production of paint for walls			3,600	4,038	11/08/03	11/3/2004			3,600	4,038
152	112249	Sofkli Sejdi	M	Korce	Beekeeper	500,000			4,146	31/07/2003	29/10/2004	500,000			4,146
153	102553	Qazim Kuci	M	Berat	Dough production	1,300,000			10,779	31/07/2003	31/03/2005	1,190,221			9,868
154	110426	Qamil Farruku	M	Fushe - Kruje	Lime production	400,000			3,316	31/07/2003	31/05/2004	326,213			2,705
155	112914	Ilia Bregu	M	Korce	Collection and export of leather			15,000	16,826	15/08/2003	15/08/2005			14,481	16,243

No.	Client Code	Company	G	City	Activity	Amount Disbursed			Disbursed Converted in USD	Date of Disbursement	Date of Maturity	Outstanding Principal			Outstanding Principal in USD
						Leke	USD	Euro				Leke	USD	Euro	
156	4650	Kristaq Cibuku	M	Korce	Sheep milk and meat production	350,000			2,902	19/08/2003	19/04/2004	350,000			2,902
157	112984	Jak Hila	M	Shkodra	Livestock raise and production of milk	500,000			4,146	22/08/2003	22/02/2005	475,944			3,946
158	102634	Arjan Muja	M	Fushe - Kruja	Furniture production			25,000	28,043	22/08/2003	23/08/2004			25,000	28,043
159	10022	Hajredin Cera	M	Tirane	Curtains and sheet production	1,500,000			12,437	25/08/2003	25/08/2005	1,449,657			12,019
160	101536	Faslli Sulejmani	M	Shkodra	Greenhouse	450,000			3,731	27/08/2003	27/12/2004	448,800			3,721
161	100213	Gjovalin Shtjefni	M	Shkodra	Printing House	400,000			3,316	27/08/2003	27/06/2004	363,499			3,014
162	107843	Shkelqim Karaj	M	Tirane	Wood production	900,000			7,462	27/08/2003	28/02/2005	858,786			7,120
163	112184	Astrit Cili	M	Tirana	Iron products production	1,300,000			10,779	29/08/2003	30/08/2005	1,258,561			10,435
164	102737	Mehmet Drito	M	Tirana	Wood processing	1,000,000			8,291	1/9/2003	1/5/2005	1,000,000			8,291
165	113107	Sajmir Hysenbelliu	M	Tirana	Baking and packaging of coffee for local market			5,000	5,609	1/9/2003	1/9/2005			5,000	5,609
166	2365	Lavdi Stafa	M	Kruja	Greenhouse	600,000			4,975	2/9/2003	2/5/2005	600,000			4,975
167	100553	Ismail Haxhiu	M	Tirana	Production of construction materials			18,000	20,191	2/9/2003	2/9/2005			18,000	20,191
168	103056	Dali Dushku	M	Tirana	Furniture production	500,000			4,146	3/9/2003	3/12/2004	500,000			4,146
169	108379	Pashuk Kulli	M	Shkodra	Mechanization of agriculture businesses	350,000			2,902	5/9/2003	6/12/2004	350,000			2,902
170	113175	Shenasim Sadikaj	M	Vlore	Poultry for meat	500,000			4,146	5/9/2003	6/9/2004	500,000			4,146
171	113226	Sali Meci	M	Lushnje	Agriculture	500,000			4,146	10/9/2003	10/3/2004	500,000			4,146
172	110337	Vlash Rista	M	Durres	Plastic bags production	800,000			6,633	11/9/2003	11/3/2005	800,000			6,633
173	113213	Sabile Igrishta	F	Elbasan	Sofa production	400,000			3,316	11/9/2003	11/3/2004	400,000			3,316
174	107789	Ylli Berdaj	M	Tirana	Processing of grapes	1,500,000			12,437	11/9/2003	11/3/2004	1,500,000			12,437
175	106080	Ndue Macaj	M	Tirana	Marble production	1,000,000			8,291	11/9/2003	12/7/2004	1,000,000			8,291
176	113253	Gezim Malushi	M	Korce	Fishing	500,000			4,146	12/9/2003	12/11/2004	500,000			4,146

No.	Client Code	Company	G	City	Activity	Amount Disbursed			Disbursed Converted in USD	Date of Disbursement	Date of Maturity	Outstanding Principal			Outstanding Principal in USD
						Leke	USD	Euro				Leke	USD	Euro	
177	102062	Kole Gjecaj	M	Shkoder	Livestock raise and production of milk	350,000			2,902	12/9/2003	13/12/2004	350,000			2,902
178	109555	Hatem Abdullaj	M	Fier	Beef production through raise of calves	1,000,000			8,291	12/9/2003	12/9/2005	1,000,000			8,291
179	113166	Olsi Belortaja	M	Korca	Production of chicken meat			10,000	11,217	12/9/2003	12/9/2005			10,000	11,217
180	100288	Rasim Gjika	M	Tirana	Salami production			15,000	16,826	15/09/2003	15/09/2005			15,000	16,826
181	113286	Arter Zerelli	M	Korce	Sheep milk and meat production	500,000			4,146	17/09/2003	17/11/2004	500,000			4,146
182	108563	Kadri Mane	M	Lushnje	Greenhouse	750,000			6,218	17/09/2003	17/03/2005	750,000			6,218
183	113613	Erkanda Jaupllari	F	Tirane	Clothes production	1,000,000			8,291	18/09/2003	19/09/2005	1,000,000			8,291
184	110395	Leonard Proko	M	Tirane	Furniture production			4,000	4,487	19/09/2003	19/07/2005			4,000	4,487
185	111146	Fitim Bedini	M	Vlore	Milk production	1,000,000			8,291	24/09/2003	24/05/2005	1,000,000			8,291
186	113640	Agim Mylkaj	M	Fier	Livestock raise and production of milk	3,000,000			24,874	24/09/2003	26/09/2005	3,000,000			24,874
187	113670	Joti Stambolliu	M	Lushnje	Greenhouse	500,000			4,146	24/09/2003	26/07/2004	500,000			4,146
188	113666	Themi Prifti	M	Lushnje	Greenhouse	500,000			4,146	24/09/2003	24/09/2004	500,000			4,146
189	113649	Syrja Manaj	M	Fier	Processing of olives	1,500,000			12,437	24/09/2003	26/09/2005	1,500,000			12,437
190	100412	Sabri Kallaku	M	Fushe - Kruje	Production of construction instruments	700,000			5,804	25/09/2003	25/05/2005	700,000			5,804
191	110236	Besnik Dalipaj	M	Vlore	Production of metallic and wood products	500,000			4,146	26/09/2003	27/09/2004	500,000			4,146
192	113975	Zef Ndreca	M	Lac	Production of pork meat	2,000,000			16,582	26/09/2003	26/09/2005	2,000,000			16,582
193	113588	Ilir Guni	M	Kruje	Production of shoes			15,000	16,826	29/09/2003	29/09/2005			15,000	16,826
<b>TOTALS</b>						<b>165,411,330</b>	<b>226,500</b>	<b>297,464</b>	<b>1,931,622</b>			<b>106,655,575</b>	<b>107,870</b>	<b>253,663</b>	<b>1,276,705</b>

ANNEX 8

---

SUMMARY OF SME (PSHM) LOANS BY CLUSTER

**ANNEX 8 – Summary of SME Loans (PSHM) by Cluster as of September 30, 2003**

CLUSTERS REGIONS	Horticulture	Olive Processing	Fish Collection & Processing	Herbs & Spice Collection and Processing	Bee Products & Processing	Dairy Products and livestock	Food Processing	Wood Processing	Construction	Scrap Metal	Light Manufacturing	Household solid waste disposal	Other	TOTAL
<b>Number of Businesses that have Received SME Fund (PSHM) Loans as of September 30, 2003</b>														
Vlore	1	0	0	0	0	1	1	0	1	0	0	0	0	4
Shkoder	7	0	0	1	0	7	4	3	3	1	0	0	4	30
Gjirokaster	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Berat	0	0	0	0	0	1	2	0	0	0	0	0	0	3
Elbasan	1	0	0	1	0	0	1	2	2	0	0	0	0	7
Korca	1	0	1	0	1	4	1	1	0	0	1	0	1	11
Durres	0	0	0	1	0	2	2	1	1	1	1	0	2	11
Tirane	0	0	0	0	0	6	21	14	15	0	8	0	5	69
Kruja	1	0	0	0	0	1	5	5	6	0	3	0	2	23
Fier	11	1	0	0	0	9	8	1	3	0	0	0	2	35
<b>TOTAL</b>	<b>22</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>31</b>	<b>45</b>	<b>27</b>	<b>31</b>	<b>2</b>	<b>13</b>	<b>0</b>	<b>16</b>	<b>193</b>
<b>Distribution of Loan Portfolio According To The Clusters</b>														
<b>Percentage weight</b>	11%	1%	1%	2%	1%	16%	23%	14%	16%	1%	7%	0%	8%	100%

ANNEX 9

---

BKT HUMAN RESOURCES IMPLEMENTATION  
PROJECT REPORT

**ANNEX 9 – BKT Human Resources Implementation Project Report**



**ALBANIA SMALL BUSINESS CREDIT  
AND ASSISTANCE PROJECT**



**BKT HUMAN RESOURCES  
IMPLEMENTATION PROJECT REPORT**

**Prepared by:**

Srilata Rao  
949 S. Hope Street #319,  
Los Angeles CA 90015  
Tel: (323) 251-2233  
E-mail: [srilata.rao.2002@marshall.usc.edu](mailto:srilata.rao.2002@marshall.usc.edu)

**Prepared for:**

Albania Small Business Credit and Assistance Project

**Funded by:**

U.S. Agency for International Development  
Contract No. 182-C-00-02-00102-00

**Implemented by:**

Chemonics International Inc.

**JUNE 2003**

## **Executive Summary**

### Purpose of the project and duration:

The overall purpose of the project is to assist in the implementation of a more progressive personnel and human resources policy that will improve management-staff relations and increase staff motivation and loyalty. This project was implemented from June 9-27 at the BKT premises in Tirana.

### Background:

A preliminary review of the human resource practices and policies was carried out in March-April, 2003 and some recommendations were made. The management of BKT wanted to go ahead and implement some of the suggested changes contained in the report.

### Specific tasks achieved:

- Draft personnel/human resource policy manual was developed
- A training needs analysis was undertaken and the tools for carrying it further were delivered
- A self-appraisal form was created for use in the forthcoming appraisal cycle
- A document entitled 'Performance Appraisal and You' was developed to provide detailed explanation of the existing reward system and also some guidance to managers on how to conduct appraisal meetings effectively
- Draft job descriptions at the Head Office were prepared for 8 positions
- Review of initiatives taken to improve staff motivation and loyalty was carried out
- Methods of improving management-staff relations and communication were recommended

### Further steps:

- In general, a senior level employee should be designated as champion for all HR initiatives and provided with adequate resources and authority to complete the tasks listed in the following pages
- The policy manual needs to be completed for content and format by the personnel committee and the human resources department
- Skills/competency inventory needs to be compiled for each employee as a part of the performance management system
- A training information system using database technology needs to be developed
- Training of managers/supervisors on effective performance management techniques needs to be implemented
- Job descriptions prepared for 7 head office jobs need to be reviewed for completeness and accuracy

- Job description exercise for the remaining positions needs to be completed including preparation of first draft, review by respective Head of Department and preparation of final version
- An annual ‘Open House’ type of event needs to be planned to improve communication and interaction within the Bank
- Management must consider regular travel to branch locations to get a hands-on view of employee morale and circumstances

### **Purpose of the Project and Background**

In March-April, 2003, a comprehensive review of existing human resource policies and practices was undertaken with a view to recommend changes towards a more progressive policy to improve management-staff relations as well as have a positive impact on staff motivation and loyalty.

The report of the review contained recommendations specifically in the area of better communicating the rewards system, opening up the performance management system, developing a comprehensive policy manual, undertaking a training needs analysis to better link job requirements, performance, training and career development and improving channels of communication across the organization, both vertically and laterally.

BKT was interested in implementing many of the suggested changes in their human resource policies and systems and therefore, this next project was undertaken to specifically address those requirements. During the course of the project, at the specific request of BKT management, a review of Head Office job descriptions was added to the scope of the project.

### **Personnel Policy Manual**

Deliverable: A draft of the manual was prepared and handed over to the Human Resources department.

Purpose: It is envisaged that the personnel/human resources policies contained in the manual are designed to provide employee-relations direction to supervisors and managers so that they can make logical, fair, and consistent management decisions. The policy manual is meant for supervisors and managers, not for all employees. It should be distinguished from an employee handbook (already available), which is the basic employee communications document for all employees. A personnel policies manual (as opposed to an employee handbook) should state clearly that it is meant for supervisors and not for others. At a minimum, management should always reserve the right to (1) make changes in the policies at any time and at its sole discretion, and (2) interpret and administer the policies in light of changing circumstances and events.

Benefits: As BKT has been growing and is spread over several different geographical locations, there are bound to be internal conflicts over policy application, informing and training new supervisors or managers, and managing administrative changes or reorganizations. Such events have necessitated that policies be written down and communicated to all managers to provide the following advantages:

- Eliminate misunderstandings and poor morale, as well as charges of favoritism or discrimination caused by unwritten policies.
- Cut down on the number of redundant questions asked of managers and the human resources department.
- In the case of a lawsuit, a written policy may be very useful to the employer-as long as it has been consistently followed.

Methodology: The following methodology was used to compile the draft policy manual:

- A format and structure of a comprehensive policy manual was chosen that covered all major aspects of employment with the bank.
- All existing policy information made available to the consultant was organized into the structure.
- Some sections were completed based on common understanding.
- Finally, the gaps have been highlighted

Further steps:

- The Human Resources department should work towards filling the highlighted gaps either based on existing information or by having the Personnel Committee discuss and decide on these issues.

A copy of the draft policy manual can be found in Appendix 1.

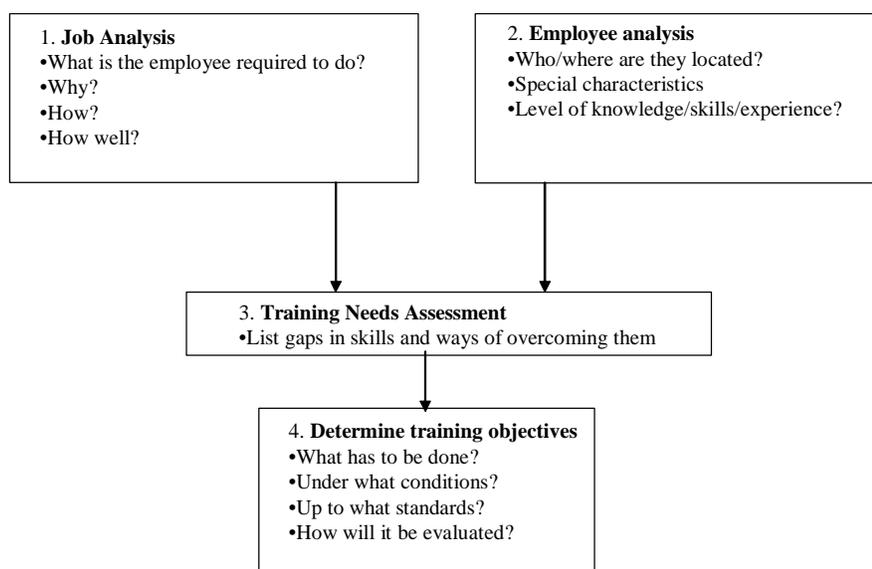
### **Training Needs Analysis**

Deliverable: Job-wise skill inventories, inventory of training programs attended by employees and a template for skills/competency inventory for each employee were developed. Linkages between job requirements, performance appraisal, training needs and career development were established and explained.

Purpose: Analyzing training needs for each position and employee helps to identify requirements for improving job-related performance within the context of current responsibilities and personal development for career progression. Furthermore, it helps in constructing a framework (themes and content) for generic training modules that meet these training requirements.

Benefits: Training budget will be spent with more focus on effectively serving the needs of both the organization and its employees. There will be a direct link between job requirements, performance management and career progression with training investment. Furthermore, it will help track the amount and type of training received by each employee and provide managers with a snapshot of whether such training has translated into improved on-the-job performance.

Process: A diagrammatic representation of planning for training can be seen in the following picture:



Methodology: The process that was followed consists of 10 steps:

1. Choose job descriptions to be reviewed and review job descriptions based on:
  - a. Completeness
  - b. Standardization

Job descriptions for certain common jobs across branches were reviewed to identify the education, experience, and skills required for the position. Certain credit positions in the Head office were also included for this exercise. This was the first step involving the proper identification of training needs for each position. However, as the jobs and the job descriptions change (as they are bound to), training and career development planning and activities must keep pace accordingly. As with all job descriptions, tasks were listed based on what the position is required to do and not based on the skills and qualifications of the incumbent(s) in that role at present. This will also enable for planning training needs for more junior staff to prepare them to take on the position in the future thus facilitating the career progression process.
2. Prioritize top 7-10 duties/responsibilities for each position
3. Determine what skills are required to accomplish each of the duties/responsibilities
  - a. Technical
  - b. Behavioural
  - c. Administrative
  - d. Other
4. Determine what proficiency level is required for each skill:
  - a. Basic
  - b. Intermediate
  - c. Advanced
  - d. Expert
5. Develop a template of training requirements for each position
6. Rate each employee on their proficiency level of each required skill

- a. Excellent
  - b. Good
  - c. Fair
  - d. Poor
  - e. Nil
7. Review training attended by employee in last 2 years and compare relevance with required skills for the job and also effectiveness on the job.
  8. Analyze gap between required skill level and existing level of skills/ training received for each employee to determine training need for existing job.
  9. Similarly determine gap between existing skill level and that required for the next higher level of responsibility.
  10. Plan training over the next 2-3 years based on existing gap as well as to prepare for next level of responsibility within the organization, using template of training requirements for each position.

Steps 1-5 were completed for the following jobs and can be found in Appendix 2:

1. Branch Manager
2. Operations Manager
3. Customer Services Specialist
4. Teller
5. Marketing Manager/Specialist
6. Branch Credit Specialist
7. Head Office Credit Specialist
8. Credit Monitoring Specialist

Step 7 was carried out to a certain extent based on the information provided to the consultant on training programs attended during the period 2002 – June 2003 and can be found in Appendix 3 (A&B).

Further steps:

- Step 4 of determining the proficiency level of each employee as against the required level as determined in the template needs to be carried out.
- The next part of Step 7 involving comparing the relevance of already attended training programs needs to be done.
- Steps 8-10 to carry out a gap analysis and plan for future training programs also needs to be done in order to comprehensively tie together the job description, performance appraisal and training needs for each employee.

As a result of the above process, a Skills/Competency inventory for each employee needs to be created (see Appendix 4 for template for skills/competency inventory).

Training Information System: It is recommended that such inventories be stored and updated on a regular basis using database software such as MS-ACCESS. Separate tables can be created for training program details, job-related skill details and employee details which can be linked using a common field such as 'Training ID'. Using such a database also provides flexibility to design and generate different types of reports that can be used during performance appraisal and for on-going gap analysis to determine future training needs.

## **Performance Appraisal**

Deliverable: A draft of document entitled ‘Performance Appraisal & You’ was delivered

Purpose: To introduce the process of progressive performance management techniques within the existing system and to communicate the process and benefits of the existing system to all employees. Furthermore, managers will be instructed on how to conduct appraisal meetings in a constructive and effective manner.

Benefits: To gradually evolve a system of performance management with a greater degree of openness and to empower both managers and employees to give and receive feedback for the overall improvement of BKT’s performance.

Recommended changes: At the moment, the system is closed and there is no structured forum available to employees to receive feedback about their performance. Therefore, the following changes have been suggested:

- Self-appraisal has been introduced along with an annual structured appraisal meeting for each employee
- A self-appraisal form has been developed to enable the employee to reflect on his/her own performance during the year (Appendix 5)
- A document entitled ‘Performance Appraisal and You’ explaining the existing system of appraisal and determination of reward has been developed. This document also explains the link between performance appraisal, training needs and career progression. This should help in reducing the non-clarity among the employees about the existing system to some extent. (see Appendix 6 for draft copy of ‘Performance Appraisal and You’).
- The steps to conducting effective appraisal meetings for supervisors are also presented in the aforementioned document.

Further steps: The next step in this process would be to conduct a training of supervisors and managers on how to run appraisal meetings effectively and how to give feedback to employees in a positive and constructive manner. Such a training program would have the following objectives:

- Describe their role in the performance appraisal system.
- Understand the importance of frequent feedback and clear communication in the appraisal process.
- Assess their own documentation for completeness, accuracy, and fairness.
- Plan an appraisal discussion by identifying a desired outcome, setting an agenda, and considering possible problems and solutions.
- Meet the optimum physical conditions for an appraisal meeting.

Additional training related to this aspect could be in the area of supervision/coaching for managers and supervisors. Coaching is spontaneous, one-on-one training on the job. Providing immediate, specific feedback and correction is an important tool managers can use

to improve performance. Further, as a motivational tool, it offers managers an opportunity to give personal attention and recognition to employees, and to gain their participation in advancing growth and achievement. In addition, it establishes the supervisor as expert model and, if done effectively, acknowledges the differences between one individual employee and another. Such training would accomplish the following objectives:

- Characterize the key elements of coaching
- Understand its advantages in the workplace
- Apply several effective techniques in coaching situations

It is recommended that a trainer with expertise in performance management be invited to implement these training programs to enhance the effectiveness of the progressive techniques being introduced into the existing system. Alternatively, the human resources manager can be trained in this area for carrying out the necessary transfer of techniques to the managers and supervisors.

### **Job Descriptions at the Head Office**

Deliverable: Draft job descriptions for 7 jobs at the Head Office were developed for review by the respective Head of Department.

Purpose: To ensure that all representative jobs in the head Office have structured, up-to-date job descriptions

Benefits: Job descriptions clarify who is responsible for what within the company. Because they help define relationships among individuals and among departments, they can be used to settle grievances, minimize conflicts, and improve communications. Complete and accurate job descriptions can also help determine which positions to eliminate when workforce reductions become necessary as well as identify which positions are suitable for "outsourcing," part-time or temporary hiring. As seen earlier, accurate and up-to-date job descriptions help in planning for training and tying it with performance management.

Methodology: Job descriptions have been available for branch jobs and also some of the jobs at the head office, but many of them needed to be updated. In order to strengthen their link with the performance appraisal system as well as the training needs analysis, a comprehensive review was undertaken, in the first instance for descriptions of head office jobs. Twelve departments were chosen with 2 jobs in each department.

The departments are:

- Human Resources
- Legal
- Security
- Operations
- IT
- Treasury Operations
- Treasury
- Credit

- Retail Banking Credit
- Financial Control
- International banking/Financial planning/Marketing
- Internal audit

The jobs selected are:

- Manager
- Specialist

A questionnaire was distributed to gather relevant data about each of the selected jobs (see Appendix 7 for questionnaire template). Thereafter, each manager was interviewed to obtain greater depth of information about the job and to eliminate any inconsistencies in the information provided. Using this information, draft job descriptions for 7 positions were compiled (see Appendix 8).

Further steps: The following steps are yet to be completed in order to arrive at a comprehensive listing of job descriptions for all representative head office jobs:

- Using the completed questionnaires and the job description template (Appendix 9), draft job descriptions need to be prepared for the remaining jobs
- All draft job descriptions to be reviewed by the respective Head of Department for accuracy, consistency and comparability between jobs
- Final job descriptions to be prepared based on the above review and discussions
- Implement the same exercise with Branch jobs, dependent on time constraints.

### **Results-oriented Reward System**

Based on discussions with the CEO and the Head of Operations, Financial Control and Human Resources, it was decided that the existing system which has been in existence for over a year needs to be better communicated to the staff. This is being achieved through the document 'Performance Appraisal and You' discussed earlier (Appendix 6). There did not seem to be a need to set up an incentive program at this stage as no specific product or service is being promoted at this stage.

### **Staff Motivation and Loyalty**

Although monetary rewards are very important motivators, BKT management has recognized that that contrary to common belief, money is not the only driving force behind job performance. Employees are most strongly affected by:

- A sense of achievement: knowing they have accomplished something important.
- Recognition: knowing their achievements and personal qualities make a difference and are valued and appreciated. This comes from other people
- Participation: knowing their ideas and opinions count, that they have some control over their work and environment. This comes from working with others in a collaborative way

- Growth: knowing that what they do is challenging them to fulfill their potential and move forward in their lives. This is an inner sense, but much can be done externally to build it into a job

Several new initiatives have been undertaken by the management which are likely to achieve the aforementioned objectives such as:

- 'All for the Best': This is a self-managed team of employees who, as a team, play the role of an intermediary to help build a closer relationship between the management and staff. The team meets periodically to come up with new ideas in any field relating to banking and BKT and will be the receiving point for thoughts, ideas and proposals concerning BKT from all the employees. The team does not have any formal authority nor does it fit into the formal hierarchy, but would function as an informal suggestion and innovation program for the bank.
- Employee magazine/newsletter: The 'All for the Best' team also is responsible for designing and running an employee magazine/newsletter. This would go a long way in fostering a feeling of belonging towards the Bank amongst the employees in both the Head Office as well as the branches. Furthermore, this periodical will provide a creative outlet for those who wish to express themselves.
- 'Branch of the Quarter': Effective the first quarter of 2003, this award will be given to the branch most successful based on a set of criteria such as profitability, growth and so on. All employees of the branch then receive one month salary as bonus.

### **Management-staff Relations**

Although the management has taken some very active steps towards improving management-staff relationships such as instituting 'All for the Best' and the magazine/newsletter, some further ideas were discussed such as:

- An annual event in the form of an 'Open House' where all employees from all locations could get together for a day to exchange ideas, information and discuss plans for the Bank's future. This would also provide a forum for employees from different branches/departments to get acquainted with each other. There could be a theme for such an event and each branch/department could make presentation regarding the theme in an innovative and creative manner. T-shirts with the BKT logo could be distributed at such an event along with awards/honors for exemplary performance.
- At present, monthly meetings with branch managers are conducted in the Head Office. Possibly, the senior management could travel to a cluster of branches located within reasonable geographical proximity of each other and use the opportunity to meet with all employees located in those branches. The chosen cluster would be different each month/quarter. Ideally, each branch should have hosted at least one such visit from the senior management every six months.

**List of Appendices**

Appendix 1: Draft Human Resources Policy Manual

Appendix 2: Training Needs Analysis Steps 1-5 for select jobs

Appendix 3: Inventory of Training Programs Attended

a. Head Office staff

b. Branch Staff

Appendix 4: Template for Skills/Competency Inventory

Appendix 5: Self-appraisal form

Appendix 6: Draft of 'Performance Appraisal and You'

Appendix 7: Job Description Questionnaire

Appendix 8: Job Descriptions for Select Head Office Jobs

Appendix 9: Job Description Template

ANNEX 10

---

SUMMARY OF OUTSTANDING SBCA FUND (BKT) LOANS

**ANNEX 10 – Summary of Outstanding SBCA Fund (BKT) Loans as of September 30, 2003**

No.	Brn.	Customer	Amount disbursed	USD equivalent	Outstanding	CCY	Disburs. Date	Maturity Date	Sector	USD Equivalent	Coverage Rate	Coverage Amount	Coverage outstand.
1	401	Jusaldo Shpk	48,000	48,000	48,000	USD	3/6/2003	3/6/2004	Duraluminim products	48,000	30%	14,400	14,400
2	401	"Gjoni" Shpk Spahi Jahja	58,000	58,000	58,000	USD	30/07/2003	1/12/2004	Horticulture	58,000	50%	29,000	29,000
3	401	Viar Shpk	50,000	50,000	50,000	USD	13/08/2003	13/08/2004	Leather processing	50,000	50%	25,000	25,000
4	401	Qeha 91 Shpk	2,000,000	16,935	2,000,000	ALL	17/09/2003	17/08/2005	Greenhouse-horticulture	16,935	0%	8,300	8,300
5	402	"Kristi" Shpk Naum Dhimoshi	30,000	30,000	22,500.00	USD	26/11/2002	1/12/2005	Cutting, shaping and finishing of stone	22,500	30%	9,000	6,750
6	402	Ramazan Preni Person Fizik	15,000	15,000	10,000.00	USD	8/1/2003	10/1/2005	Manufacturing of made-up textile articles	10,000	30%	4,500	3,000
7	402	"Euro Mobil 2 V " Shpk	6,000,000	48,411	3,275,000	ALL	12/3/2003	12/3/2004	Wood and wood products	27,731	0	14,000	7,642
8	402	"I & L" Shpk	40,000	40,000	20,000	USD	12/3/2003	12/3/2004	Manufacturing of bricks	20,000	30%	12,000	6,000
9	402	"ISMAILI" Shpk	2,500,000	20,171	2,500,000	ALL	29/08/2003	1/9/2005	Manufacturing of bricks	20,171	0%	6,300	6,300
10	402	Reshit Hoxha Physical Person	950,000	8,044	950,000	ALL	18/09/2003	18/08/2005	Greenhouse-horticulture	8,044	0%	3,900	3,900
11	403	Shpk "Tel-Mak"	45,000	45,000	33,750.00	USD	23/1/2003	24/1/2005	Other manufacturing	33,750	50%	22,500	16,875
12	403	Plast-Alba Shpk	30,000	30,000	25,710.00	USD	20/2/2003	21/2/2005	Manufacture of plastic Products	25,710	30%	9,000	7,713
13	403	Alb Paper 02 Shpk	30,000	30,000	27,500.00	USD	16/05/2003	16/05/2005	manufacturing of articles paper	27,500	50%	15,000	13,750
14	403	"LAMA" Shpk	3,640,000	29,369	3,640,000.00	Lek	14/08/2003/	14/06/2005	Diary products	29,369	0%	15,000	15,000
15	404	Nalo Shpk	5,000,000	40,342	3,125,000.00	ALL	20/12/2002	20/12/2004	Other manufacturing	30,257	0	11,000	6,875

No.	Brn.	Customer	Amount disbursed	USD equivalent	Outstanding	CCY	Disburs. Date	Maturity Date	Sector	USD Equivalent	Coverage Rate	Coverage Amount	Coverage outstand.
16	404	Krali Shpk	50,000	50,000	0.00	USD	27/12/2002	5/1/2004	Other manufacturing	0	30%	15,000	0
17	404	Alba-'96 Shpk	3,000,000	24,205	2,500,000.00	ALL	30/12/2002	4/1/2006	Cutting, shaping and finishing of stone	20,171	0	6,700	5,583
18	404	Sherif Vrioni	30,000	30,000	22,500.00	USD	13/2/2003	14/2/2005	Fishing	22,500	50%	15,000	11,250
19	404	Regashi Shpk	20,000	20,000	15,000	USD	12/3/2003	14/03/2003	Manufacturing of plastic products	15,000	30%	6,000	4,500
20	404	FREDI Shpk	50,000	50,000	50,000	USD	4/8/2003	4/8/2005	Poultry	50,000	50%	25,000	25,000
21	405	Elektrik Universal Shpk	20,000	20,000	0	USD	26/11/2002	2/6/2003	Equipment	0	30%	6,000	0
22	405	2A Shpk	6,000,000	48,411	3,000,000.00	ALL	3/2/2003	3/2/3004	Manufacturing of other wood products	24,205	0	14,000	7,000
23	405	Elbagas Shpk	25,000	25,000	18,750.00	USD	28/2/2003	1/3/2005	Manufacturing of other chemical products	18,750	50%	12,500	9,375
24	405	"Bajrami – N" Shpk	30,000	30,000	30,000	USD	9/4/2003	9/4/2004	Manufac.of artic. Of concrete material	30,000	50%	15,000	15,000
25	405	Marceli Shpk	50,000	50,000	37,500	USD	5/5/2003	5/5/2004	Cutting, shaping and finishing of stone	37,500	30%	15,000	11,250
26	405	Banush Elezi, "Elezi" Shpk	5,000,000	40,342	5,000,000	ALL	3/7/2003	5/7/2004	wood products	40,342	0%	17,000	17,000
27	405	"GJELBERIMI" Shpk	1,260,000	10,166	1,260,000	ALL	13/08/2003	15/08/2003	seedling	10,166	0%	5,250	5,250
28	405	"KAPLLANI" Shpk	2,800,000	22,592	2,800,000	ALL	27/08/2003	1/9/2004	Manufacturing of wood products	22,592	0%	7,000	7,000
29	405	Çlirimi	4,500,000	38,103	4,500,000	ALL	3/9/2003	3/9/2004	Construction	38,103	0%	11,500	11,500
30	405	Herba Fruktus	2,700,000	22,862	2,700,000	ALL	24/09/2003	24/12/2003	Medicinal Herbs	22,862	0%	11,250	11,250
31	406	Thomaq Cule	50,000	50,000	31,818.00	USD	30/10/2002	1/11/2004	Other manufacturing	31,818	40%	20,000	12,727

No.	Brn.	Customer	Amount disbursed	USD equivalent	Outstanding	CCY	Disburs. Date	Maturity Date	Sector	USD Equivalent	Coverage Rate	Coverage Amount	Coverage outstand.
32	406	Agim Topulli	30,000	30,000	23,826.00	USD	17/12/2002	19/12/2005	Manufacturing of light. equip. & electric lamps	23,826	40%	12,000	9,530
33	406	Nefail Shukulli	2,000,000	16,720	800,000.00	ALL	24/1/2003	26/1/2004	Agriculture and animal husbandry services	6,774	0	4,600	1,840
34	406	Angelo Shoes Shpk	6,000,000	48,411	0.00	ALL	10/3/2003	10/3/2004	Manufac. Of apparel & accessories	0	0	14,500	0
35	406	Jorega Dural Shpk	5,000,000	40,342	3,000,000	ALL	19/03/2003	19/03/2004	Wholesale of fertilizer	25,402	0	11,000	6,600
36	406	Krek Shpk	50,000	50,000	50,000	USD	17/04/2003	19/04/2004	Manufact. Of bricks and concrete material	50,000	30%	15,000	15,000
37	406	Shoq. Grupi E	3,370,000	27,191	3,370,000	ALL	29/08/2003	1/9/2005	Textile products	27,191	0%	14,000	14,000
38	406	Cukali Co Shpk	800,000	6,774	800,000	ALL	4/9/2003	6/6/2005	Manufacturing of other textile	6,774	0%	3,400	3,400
39	407	Daniel Ramadan Bakiasi	5,000,000	40,342	3,125,000.00	ALL	20/12/2002	20/12/2004	Wood and wood products	26,461	0	11,000	6,875
40	407	Gorreja Shpk	50,000	50,000	37,500.00	USD	8/1/2003	10/1/2005	Manufact. of grain mill production and starch	37,500	30%	15,000	11,250
41	407	Shabani Shpk	50,000	50,000	0.00	USD	30/1/2003	2/2/2004	Manufact. of grain mill production and starch	0	40%	20,000	0
42	407	Vladimir Mahmutaj	3,000,000	25,079	0.00	ALL	12/2/2003	12/8/2003	Agr., hunting, forestry	0	0	6,700	0
43	407	Gezim Sinani	3,500,000	28,239	3,191,300.00	ALL	14/04/2003	14/04/2005	Livestock	27,022	0	13,500	12,309
44	408	Pespa Shpk	50,000	50,000	0.00	USD	10/12/2002	10/12/2004	Other manufacturing	0	0	15,000	0
45	408	Osmenaj Shpk	30,000	30,000	22,500	USD	15/1/2003	17/1/2005	Fishing	22,500	50%	15,000	11,250
46	408	Mehillaj Shpk	30,000	30,000	30,000	USD	21/05/2003	22/05/2005	Manuf. Of concrete and plastic material	30,000	50%	15,000	15,000
47	409	Versik Shpk	50,000	50,000	21,428.00	USD	27/11/2002	1/12/2003	Manufacturing of domestic appliances	21,428	40%	20,000	8,571

No.	Brn.	Customer	Amount disbursed	USD equivalent	Outstanding	CCY	Disburs. Date	Maturity Date	Sector	USD Equivalent	Coverage Rate	Coverage Amount	Coverage outstand.
48	409	Alba – Ela Shpk	50,000	50,000	50,000.00	USD	17/12/2002	19/12/2005	Basic metals and fabricated metal prod.	50,000	50%	25,000	25,000
49	409	Fredi Mahmutaj	6,500,000	52,445	6,500,000.00	ALL	14/04/2003	14/04/2004	Dairy products	52,445	0%	15,000	15,000
50	409	Iria Shpk	50,000	50,000	44,445.00	USD	15/05/2003	17/05/2004	Cutting, shaping and finishing of stone	44,445	30%	15,000	13,334
51	409	Simon Agjah Lani	1,400,000	11,296	1,400,000.00	Lek	7/8/2003	8/8/2005	Wood products	11,296	0%	5,000	5,000
52	410	Florian V Shpk	30,000	30,000	19,000.00	USD	14/11/2002	15/11/2004	Finishing of textiles	19,000	40%	12,000	7,600
53	410	Peraj Shpk	1,000,000	7,825	0.00	ALL	27/11/2002	1/12/2003	Food products	0	0%	9,000	0
54	410	Orhan Miloti	35,000	35,000	24,000.00	USD	30/12/2002	3/1/2005	Manufacturer of dairy products	24,000	30%	10,500	7,200
55	410	Mirdita Shpk	2,600,000	20,978	2,230,000.00	ALL	16/1/2003	17/1/2005	Manufact. of grain mill production and starch	18,882	0	6,000	5,146
56	410	Nika 1 Shpk	3,800,000	30,660	3,166,700.00	ALL	3/4/2003	4/4/2005	Agricultural products	26,814	0	8,900	7,417
57	410	Ksenja Shpk	2,000,000	16,137	2,000,000	USD	8/4/2003	10/10/2005	Fish processing	16,935	0	7,500	7,500
58	410	Bekimi Shpk	25,000	25,000	25,000	USD	24/04/2003	25/04/2005	Manufact. Of bricks and concrete material	25,000	30%	7,500	7,500
59	411	Vittra Shpk	3,000,000	24,205	3,000,000	ALL	7/5/2003	9/5/2003	Manufac. Of apparel & accessories	25,402	0	6,900	6,900
60	411	Dilinda Shpk	32,000	32,000	32,000	USD	15/05/2003	15/05/2005	Manuf. of wood products	32,000	30%	9,600	9,600
61	411	Shtypshkronja At Gjergj Fishta	49,000	49,000	49,000	USD	16/07/2003	18/07/2005	Printing house	49,000	40%	19,600	19,600
62	411	Luis Vata Shpk	2,600,000	20,978	2,400,000	Lek	22/08/2003	22/08/2005	Production of oxygen	20,322	0%	8,000	7,385
		<b>TOTAL</b>		<b>2,069,575</b>						<b>1,532,395</b>		<b>772,300</b>	<b>583,997</b>

ANNEX 11

---

SCOPE OF WORK FOR THE DCA SHORT-TERM SPECIALIST

## **ANNEX 11 – Scope of Work for the DCA Short-term Specialist**

### **Background**

The Albanian Small Business and Credit Assistance Program (SBCA) is managed by Chemonics International (CI) Inc., in partnership with Partneri Shqiptar në Mikrokredi (PSHM), the Regional Development Agency Network (RDAs) and the Commercial Bank of Albania (BKT).

The SBCA program operates a (\$750,000) loan guarantee program through BKT that started in November 2002 (The SBCA Fund). By the end of August 2003, a total of 57 had been disbursed by BKT totaling \$1,976,857. The guarantee cover was \$733,950 i.e. a coverage rate of 37.1%. This is the first successful guarantee scheme operating in Albania with a guarantee cover of less than 100%. BKT has increased its loan portfolio from \$713,367 to \$12.7 million over the last year, part of which resulted from its experience with the SBCA Fund.

Other commercial banks, including those that were not interested during the SBCA Fund tendering, have expressed an interest in operating guarantee schemes. PSHM are also interested accessing additional

Chemonics International Inc. has successfully implemented a DCA Loan Guarantee Program through seven commercial banks in Uganda. Our proposed specialist was responsible for designing and implementing the program there.

### **Purpose**

The overall purpose of the mission is to evaluate the feasibility of introducing the DCA Program in Albania and to propose a timeline for implementation. A further short term mission will follow from this first assignment.

### **Period of Performance and Specific Tasks**

This assignment will begin on October 13 and end on October 24, 2003. It will include the following tasks:

- |         |   |
|---------|---|
| TASK 1: | To discuss with USAID Tirana the possible implementation of a DCA facility in Albania.        |
| TASK 2. | To evaluate the level of interest of Albanian banks in participating in a DCA guarantee fund. |
| TASK 3. | To draft a proposal on behalf of USAID Tirana, for submission to DCA in Washington.           |
| TASK 4. | To prepare a timeline for implementing a DCA facility.  |

**Deliverables**

DELIVERABLE 1: A draft proposal, on behalf of USAID, Tirana for submission to DCA Washington.

DELIVERABLE 2: A timeline for possible implementation of a DCA facility in Albania.

DELIVERABLE 3: A Report on the current mission with recommendations for future action.

**Roles and Qualifications of Technical Specialist**

In regards to specific tasks and deliverables envisioned in this Scope of Work, the following technical expertise is required:

- Knowledge and substantial experience of credit and loan guarantee schemes.
- Experience in working with USAID on designing and implementing credit programs.
- Previous experience in operating a successful DCA facility.

**Reporting**

During this assignment the consultant will report to the SBCA Chief of Party and will be assisted by the SBCA Credit Development Manager responsible for the SBCA credit lines with PSHM and BKT.

**Level of Effort**

Task 1: 1.5 days

Task 2: 2 days

Task 3: 2 days

Task 4: 0.5 days

Deliverable 1: 1 day

Deliverable 2: 1 day

Deliverable 3: 2 days

**Changes in the Scope of Work**

The SBCA Chief of Party, who in turn may be obligated to obtain approval in writing from USAID, must approve changes to this scope of work in writing.

**Proposed Technical Specialist**

Jack Thompson