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# TOOLKIT FOR GREENHOUSE OPERATORS IN KOSOVO

Photo: Jeffrey Landau / Agriculture

**TECHNOLOGIES AND FINANCE**

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# ACRONYMS

APR	Annual percentage rate
GIZ	Gesellschaft für Internationale Zusammenarbeit
IRT	InfraRed Transmitting
kWp	Kilowattpeak
LM	Linear Meter
MAFRD	Ministry of Agriculture, Forestry and Rural Development
m <sup>2</sup>	Square meter
MFI	Micro Finance Institution
NBFI	Non-bank Financial Institution
NFT	Nutrient Film Technique
NIF	Farm Identification Number
PE	Polyethylene pH Potential of Hydrogen (acidity)
pH	Potential of Hydrogen (acidity)
PV	Photovoltaic
RE	Renewable Energy
SME	Small and Medium Sized Enterprise
USAID	United States Agency for International Development

# INTRODUCTION

This Toolkit for Agricultural Finance (the Toolkit) is produced as part of the “Improving Energy and Resource Efficiency in Greenhouse Cultivation in Kosovo” project (the Project), funded by the US Agency for International Development (USAID). The Project is a 13-month long initiative financed under USAID’s Small Business Applied Research (SBAR) pilot and is designed to research and bring to light improvements in technologies for greenhouse cultivation in Kosovo and how to finance them in two primary areas: (1) Renewable Energy Technologies; and (2) Hydroponics; in a format that is accessible, practical and usable for Kosovo’s greenhouse operators.

The Project hypothesis is that if technologies for reducing energy costs, reducing natural resource use (energy/water) and improving energy reliability in greenhouse production in Kosovo are better understood by greenhouse operators, combined with a better understanding of how to finance these technologies, then greenhouse operators in Kosovo will be more likely to uptake these technologies and the overall efficiency of greenhouse production in Kosovo will be improved.

The Project was launched in March 2019 with a field visit to Kosovo. Site visits to 10 different greenhouse farmers were conducted, to better understand their operations and the challenges they face as they seek to expand and grow their businesses (see **Project Deliverable 1** [https://pdf.usaid.gov/pdf\\_docs/PA00TTZX.pdf](https://pdf.usaid.gov/pdf_docs/PA00TTZX.pdf)). The Project team next conducted an analysis of renewable energy (RE) and hydroponic technologies best suited to Kosovo greenhouse operations (see **Project Deliverable 2** [https://pdf.usaid.gov/pdf\\_docs/PA00TTZZ.pdf](https://pdf.usaid.gov/pdf_docs/PA00TTZZ.pdf)) and then developed optimal technological sub packages for each of the 10 greenhouse operators sampled (see **Project Deliverable 3** [https://pdf.usaid.gov/pdf\\_docs/PA00TVII.pdf](https://pdf.usaid.gov/pdf_docs/PA00TVII.pdf)). In addition to renewable energy and hydroponic technologies, the deliverables presented various other improvements that greenhouse farmers could implement to increase yields, reduce waste and losses, and/or extend the growing season cost effectively.

This Toolkit is Project Deliverable 4 and is designed to help greenhouse farmers in Kosovo better understand technological options for improving efficiency in their operations and how to finance them. It is organized in two main sections. The first section presents a brief overview of **technological** options greenhouse operators in Kosovo may wish to consider in order to increase efficiency in their operations. The second section provides a simple, straightforward explanation of the range of **financing** products and services available to Kosovo agribusinesses. It is intended to better educate business owners on what types of finance may be appropriate for their businesses, and how to improve the likelihood of receiving financing. Section 2 also includes a non-comprehensive list of financial institutions and donors that cater to the agriculture sector in Kosovo, and summary information on their products, programs, terms and conditions.

Annex I of this Toolkit is a non-exhaustive list of equipment vendors that sell RE and hydroponic equipment suitable for application in greenhouses in Kosovo. Annex II presents financial template spreadsheets for calculating an Income Statement; a Balance Sheet; and Cash Flow Projections, which are critical to financial planning, determining financing needs and to accessing commercial finance.<sup>1</sup>

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<sup>1</sup> Originals of the financial template spreadsheets in excel format may be downloaded here:

<https://dec.usaid.gov/dec/content/Detail.aspx?vID=47&ctID=ODVhZjk4NWQtM2YyMi00YjRmLTcxNjktZTcxM-jM2NDBmY2Uy&rID=NTUyMzI>

# **SECTION I**

# **TECHNOLOGIES**

## TECHNOLOGICAL OPTIONS

In this section of the Toolkit, we provide summary information on technological packages that farmers may consider to improve the efficiency of their greenhouse operations, including hydroponics; ventilation; monitoring environmental conditions in greenhouse operations; pest monitoring and control; spring planting; and solar photovoltaics (solar PV). While these packages were developed for greenhouse operators specifically, some are applicable to open field farm applications as well. The sub packages assume a standard 1,000 m<sup>2</sup> greenhouse with dimensions of 25 m x 40 m with a sidewall of height of 2.5 m and a roof peak of 4 m (Figure 1). More detailed information on each technological sub package can be found in [Project Deliverable 3 \[https://pdf.usaid.gov/pdf\\\_docs/PA00TV11.pdf\]\(https://pdf.usaid.gov/pdf\_docs/PA00TV11.pdf\)](https://pdf.usaid.gov/pdf_docs/PA00TV11.pdf). A non-exhaustive list of vendors who sell the equipment listed in the technological sub packages is provided in Annex 1.

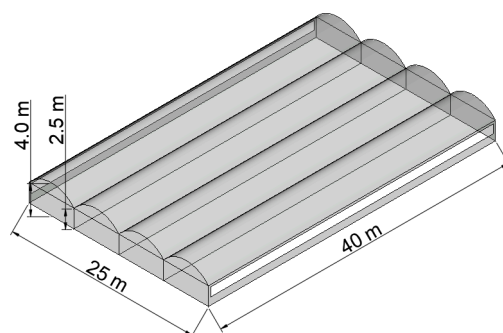


Figure 1: Isometric view of 1000 m<sup>2</sup> greenhouse dimensions



Figure 2: The GrowRack Seedling Production System

### HYDROPONIC STARTER SUB PACKAGE

This is a hydroponic starter kit which is a commercially available system called a GrowRack. It is a complete kit, easy to operate and a good way for operators to begin learning and using hydroponic systems in an easy to operate format. Operational expenses for this system include: power for lights, a small pump, a heater for the reservoir, nutrients, plugs for plants and chemicals to balance the system pH.

Components	Total Cost
GrowRack System	€4,000
GrowRack Add-on Package (nutrients, media, fans, timers, pH equipment, etc.), plus reservoir water heater	€750
Insulated greenhouse area for GrowRack	€500
<b>Total cost: GrowRack System &amp; Components</b>	<b>€5,250<sup>2</sup></b>

Table 1: GrowRack Component Cost Breakdown

### HYDROPONIC CROP SUB PACKAGE

The hydroponic crop sub package is a hydroponic system for strawberry production specifically.<sup>3</sup> This system is designed for operators who are currently cultivating strawberries and have an interest of their management in hydroponic production.

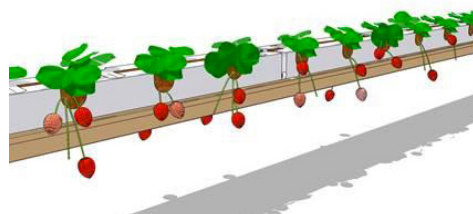


Figure 3: Example of strawberries growing in a hydroponic gutter system.

<sup>2</sup> This cost is US based pricing and does not include shipping or assembly costs. The production system comes unassembled and it is assumed that it will be assembled by the operator in conjunction with a technical expert so that the operator will learn how to maintain the system. Shipping costs may be significant and are not included.

<sup>3</sup> Strawberries were chosen as an optimal crop for beginning hydroponic production because the value of strawberries versus the other crops currently cultivated is high and because strawberries are a perennial crop so the system can be used year-round.

System	Capital Cost per LM	Total Capital Cost	Value of production <sup>4</sup> (Low Yield)	Value of production <sup>5</sup> (High Yield)	Estimated added profit for 1000 m <sup>2</sup> greenhouse
Strawberry (Mapal System <sup>6</sup> )	€15	€13,204	€3,652	€8,662	€4,913

Table 2: Cost of Hydroponic Crop Sub Package: 1,000 m<sup>2</sup> greenhouse, 880 linear meters of gutter system, 7 plants per linear meter

## GREENHOUSE VENTILATION SUB PACKAGE

Proper ventilation of greenhouses is essential to productivity of greenhouse operations. No ventilation other than sidewall vents was observed in any of the greenhouses visited in Kosovo, even though ventilation is poor in all except the smallest tunnels.



Figure 4: Overhead view from Google of Mamushë/Mamuša. Greenhouses with numerous different orientations can be seen.

Based on the results of computer modeling, two ventilation sub packages were created:

1. Basic Ventilation Sub Package - Incorporates Roof Vents
2. Advanced Ventilation Sub Package - Incorporates Exhaust Fans and Roof Vents

<sup>4</sup> 0.6 kg/ plant x 6160 plants= 3696 kg(low) x 0.9 €/kg (67%) 1.5 €/ kg (33%) = 1.098 €/kg x 0.9 (less wastage)= €3,652

<sup>5</sup> 1.2 kg/ plant x 6160 plants= 7392 kg (high) x 0.9 €/kg (33%) 1.5 €/ kg (67%) = 1.302 €/kg x 0.9 (less wastage)= €8,662

<sup>6</sup> Mapal is an Israeli brand that is sold by Magan Mak, a greenhouse supply company in North Macedonia. This is the closest hydroponic supplier to Kosovo.



The Basic Ventilation Sub Package reduces the daily hours that plants are in suboptimal conditions from 10.4 to 4.9 hours. The Advanced Ventilation Sub Package is more expensive, but reduces the daily hours that plants are in suboptimal conditions from 10.4 to 2.9 hours. This should result in significantly higher yields for fruiting crops due to reduced stress, reduced pollen death and reduced fruit abortion that were a result of the elevated temperatures in the poorly ventilated greenhouses.

The costs associated with implementing this are described below. It is important to note that each ventilation scenario will be different, depending on the exact size of the greenhouse, its orientation and local conditions. The number and placement of fans will vary. The costs described below are approximate for a 1,000 m<sup>2</sup> greenhouse.

Component	Quantity & Cost	Lifespan & Sourcing Information
<b>Basic Ventilation Package</b>  Roof/Ridge Vents	Assuming a 25 x 40 m greenhouse, sidewall vent area is approximately 156 m <sup>2</sup> . This same area should be created in roof vents. The cost is €3 per m <sup>2</sup> for a motorized system so total cost is €468 (A manual system using chains is €2.5 per m <sup>2</sup> ). A motorized system may require electrical upgrades/ modifications on site at greenhouses and these costs cannot be estimated.  Total Cost: €468	Mechanical system for opening and closing vents should last for at least 10 years. Motorized systems will likely fail sooner. If not maintained correctly or if excessive moisture intrusion, challenges may occur after 2-3 years.
<b>Advanced Ventilation Package</b>  Exhaust Fans plus Roof Vents	67 m <sup>3</sup> / per second (4,020 m <sup>3</sup> /min) of ventilation is recommended.  This will require 6 - 8 large exhaust fans with a total cost including fan, housing, shutters and thermostats of approximately €4,500.  Total Cost for the advanced package includes Roof Vents also: €5,000. <sup>8</sup>	Fans are high quality and should last 10 years or longer.

Table 3: Costs & Lifespan of Ventilation Sub Packages

The value per m<sup>2</sup> of the ventilation sub package will vary based on the type of package chosen, the existing site wind and environmental conditions, crops being grown and other factors. It is estimated that the value ranges from €0.15 - €0.30 per m<sup>2</sup> of greenhouse area.

## ENVIRONMENTAL MONITORING SUB PACKAGE

Greenhouse monitoring equipment allows operators to have a more accurate understanding of what their plants are experiencing in the greenhouse environment. Excess heat can greatly stress plants resulting in changes in flavor (bitterness in lettuce) or a lack of fruit production (tomatoes, peppers & cucumbers).

Monitoring equipment comes in many styles and price ranges but simple systems that can deliver smartphone alerts are available for a few hundred dollars if there is WiFi available near the greenhouse.

<sup>7</sup> Cost information provided by Ismet Babaj in e-mail correspondence. Cost information is from a local greenhouse fabricator and is from June 2019.

<sup>8</sup> Pricing is from Magan-Mak, a greenhouse supply company in North Macedonia. Magan-Mak estimates that installation, electrical cables and control panels would cost an additional €3,000 per installation, but this will vary by greenhouse. A controller is also required and that pricing has not been determined.

HT1 TEMPERATURE AND HUMIDITY SMART SENSOR



G1 WIFI GATEWAY



Figure 5: These sensors and gateway made by SensorPush are a low cost way to monitor environmental conditions.

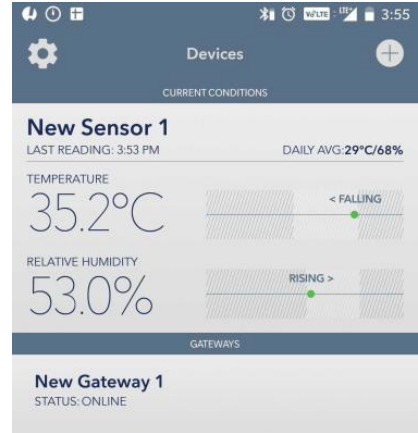


Figure 6: Operators can easily monitor greenhouse conditions on their smartphones from anywhere they have service.

Component	Quantity	Cost & Lifespan Information
Temperature/ humidity sensors	A 1,000 m <sup>2</sup> greenhouse, would require 2 sensors inside the greenhouse and 1 outside (per farm). A small tunnel, 200 m <sup>2</sup> , would only require 1 sensor inside plus 1 outside (per farm).	Sensors cost approximately €44 (U.S. price via Amazon <sup>9</sup> ). Sensors should provide value for many years (5-10) with almost no operational costs other than battery replacement once per year.
Wireless gateway	One gateway would be required per operation. Having WiFi on site is a requirement for the gateway and sensors to function.	A wireless gateway <sup>10</sup> costs €88 (allows sensors to be monitored from anywhere). Each gateway can service an unlimited number of sensors. There is no operational cost for the gateway other than a small amount of electricity to power. This device should last for numerous years.
<b>Total Cost:</b> Temperature/humidity sensors (3), wireless gateway (1)		<b>€220<sup>11</sup></b>

Table 4: Cost to incorporate Environmental Monitoring Package: 1,000 m<sup>2</sup> Greenhouse

<sup>9</sup> Here is the retail link: [https://www.amazon.com/SensorPush-Wireless-Thermometer-Hygrometer-Android/dp/B01AEQ9X9I/ref=sr\\_1\\_2?crid=1258WASI8KGBM&keywords=sensorpush+gateway&qid=1560301039&s=gateway&prefix=sensorpush%2Caps%2C220&sr=8-2](https://www.amazon.com/SensorPush-Wireless-Thermometer-Hygrometer-Android/dp/B01AEQ9X9I/ref=sr_1_2?crid=1258WASI8KGBM&keywords=sensorpush+gateway&qid=1560301039&s=gateway&prefix=sensorpush%2Caps%2C220&sr=8-2)

<sup>10</sup> Here is the retail link: [https://www.amazon.com/SensorPush-G1-WiFi-Gateway-Anywhere/dp/B01N17RWWV/ref=sr\\_1\\_1?crid=1258WASI8KGBM&keywords=sensorpush+gateway&qid=1560301218&s=gateway&prefix=sensorpush%2Caps%2C220&sr=8-1](https://www.amazon.com/SensorPush-G1-WiFi-Gateway-Anywhere/dp/B01N17RWWV/ref=sr_1_1?crid=1258WASI8KGBM&keywords=sensorpush+gateway&qid=1560301218&s=gateway&prefix=sensorpush%2Caps%2C220&sr=8-1)

<sup>11</sup> This is a U.S. based price so additional shipping costs would apply but the Team has spoken with the company and they said that on a large order (30 gateways plus 100+ sensors) then a 30% discount would apply.

## INSECT PROTECTION SUB PACKAGE

The Insect Protection Sub Package consists of two elements: Insect Screen and Pest Monitoring.

**Insect Screen** is a type of netting that is used to cover all the openings of a greenhouse to prevent entrance of insects. Insect screening comes in many different sizes based on the insect pests that are most problematic. Insect screening has an estimated use life of three years. Operators in Kosovo mentioned tuta absoluta, thrips, spider mites, and aphids as significant insect pests.

**Pest Monitoring** equipment is a very inexpensive method of monitoring and limited control of pest populations in greenhouses.

Two types of traps that are recommended are:

- Basic sticky cards which trap flying insects such as thrips, aphids, fruit flies and more.
- Pheromone traps for tuta absoluta (for tomato growers)



Photo: Jeffrey Landau / Agritecture

Figure 7: Sticky trap for insect monitoring

Component	Quantity	Cost, Lifespan & Sourcing Information
Insect Screen	A 1,000 m <sup>2</sup> greenhouse, measuring 25 x 40 m, would require approximately 185 m of screen. <sup>12</sup>	The cost to purchase insect screen locally (sourced from Turkey) is approximately 0.45 €/m <sup>2</sup> or a total cost of approximately €85. A 3 year lifespan is assumed for this product. <sup>13</sup> (local sourcing)
Tuta pheromone traps (pest monitoring)	A 1,000 m <sup>2</sup> greenhouse would require 2 traps. Assuming changing traps twice over the summer, then €6 traps would be required per season. For 3 years, 18 would be required.	The cost is €7.5 per pheromone trap. For 18 traps the total price would be €135. The lifespan of these traps depends on the level of infestation. (local sourcing)
Sticky Cards (pest monitoring)	It is beneficial to locate these every 200 m <sup>2</sup> , so assume 5 cards per 1,000 m <sup>2</sup> with 2 changes means 15 per year per greenhouse.	The lifespan of these traps depends on the level of infestation. The cost for sticky cards is likely €1 each. It is good to change these 2x per year to observe pests in each season or when heavily infested. A total of 45 cards would be needed. (local sourcing)
<b>Total Cost:</b> Insect screen, tuta pheromone traps (18), sticky cards (45)		<b>€265</b>

Table 5: Cost Breakdown of Insect Protection Sub Package for 1,000 m<sup>2</sup> Greenhouse

The economic value of the benefits provided by this sub package range from €0.03 - €0.08 per m<sup>2</sup> of greenhouse area. This means that the value for a 1,000 m<sup>2</sup> greenhouse will range from €30 - €80. This means that operator payback is between 1 - 3 years.

## SPRING PLANTING JUMPSTART SUB PACKAGE

The Spring Planting Jumpstart Sub Package is composed of four elements: Seedling Production Heating System; InfaRed Transmitting Plastic Mulch; and Frost Protection/Fleece; and Greenhouse Plastic (additional layer).

### Seedling Production Heating System

Many greenhouse operators have challenges with protection of seedlings from cold. Seedlings may be killed, stunted or simply delayed due to cold weather. Operators visited in Kosovo used simple items such as light bulbs to heat seedling areas. This proposed heating system is a package of items that allows operators to begin seedling production earlier and ensure that seedlings don't suffer damage from cold weather. The package consists of the following:

- Soil heating cables(2)<sup>14</sup>
- Temperature control unit
- Steel hoops for tunnel creation (locally available)
- Polypropylene fleece for insulation (locally available)

The package should allow for the creation of approximately 15 m<sup>2</sup> of heated seedling production area (1 m wide x 15 m long) or 11,250 seedlings.<sup>15</sup>

<sup>12</sup> (40+25) x 2 x 1.4 m (opening width = 1.2 m) = 182 m<sup>2</sup>. Based on a greenhouse measuring 40 m x 25 m.

<sup>13</sup> There is a Dutch product from Svensson that retails for €4.06 per m<sup>2</sup>. This may have a significantly longer lifespan and may be worth the additional investment. This product has smaller holes and will result in a further reduction in airflow so adjustments to ventilation packages should be made if this type of product is incorporated.

<sup>14</sup> [https://www.amazon.com/Hydrofarm-JSHC48-JumpStart-Heating-48-Feet/dp/B00P218EFA/ref=pd\\_sbs\\_86\\_t\\_0/146-0626964-6632303?\\_encoding=UTF8&pd\\_rd\\_j=B00P218EFA&pd\\_rd\\_r=76148dce-8105-4bad-b14a-e0b99c17fbc1&pd\\_rd\\_w=fw7dc&pd\\_rd\\_wg=bHZei&pf\\_rd\\_p=5cfcfe89-300f-47d2-b1ad-a4e27203a02a&pf\\_rd\\_r=KY2YY24M91SYN6CA0PA5&psc=1&refRID=KY2YY24M91SYN6CA0PA5](https://www.amazon.com/Hydrofarm-JSHC48-JumpStart-Heating-48-Feet/dp/B00P218EFA/ref=pd_sbs_86_t_0/146-0626964-6632303?_encoding=UTF8&pd_rd_j=B00P218EFA&pd_rd_r=76148dce-8105-4bad-b14a-e0b99c17fbc1&pd_rd_w=fw7dc&pd_rd_wg=bHZei&pf_rd_p=5cfcfe89-300f-47d2-b1ad-a4e27203a02a&pf_rd_r=KY2YY24M91SYN6CA0PA5&psc=1&refRID=KY2YY24M91SYN6CA0PA5)

<sup>15</sup> Assuming 750 seedlings per m<sup>2</sup>

### InfraRed Transmitting Plastic Mulch

InfraRed Transmitting (IRT) plastic is a type of hybrid plastic mulch, which combines the benefits of black plastic mulch and clear plastic into one. IRT plastic has the weed blocking properties of black plastic but allows more solar radiation to pass resulting in a warmer soil mass. This is very important for spring planting and is one strategy to allow greenhouse growers to plant slightly earlier in the season. The drawback is that IRT mulch is more expensive than plastic mulch by €0.03 - €0.05 per m<sup>2</sup>.

### Frost Protection/Fleece

Frost protection is a requirement for earlier planting to avoid damage to plants due to a spell of cold weather.<sup>16</sup> One simple method to increase frost protection is by using fleece to cover plants. Fleece is actually a polypropylene blanket that covers crops and helps to retain heat stored in the ground near the plants. Fleece comes in different thicknesses, levels of light transmission and degrees of protection. Fleece type should be chosen based on historical low temperatures.

### Greenhouse Plastic (Additional Layer)

Greenhouses are made of different glazing materials. Some are glass, some are polycarbonate, and others, like the ones in Kosovo are made of plastic sheeting. Each material has a certain insulative value. Plastic sheeting has a minimal insulative value but if a second layer of plastic is added, then a layer of air is trapped between the two layers of plastic, providing much greater insulative value. This is demonstrated in the image below as seen at Operator 10 in Peja/Peć. This second sheet of plastic is "retractable" and will be retracted by operators as temperatures rise in the late spring.

Computer modeling was performed on the combined benefits of incorporating an additional layer of Greenhouse Plastic to the roof and adding IRT Plastic at the soil layer to determine the number of "heating hours"<sup>17</sup> that would be required in the existing single layer PE greenhouses versus the same greenhouses with the IRT mulch and the additional plastic layer. Modeling showed that the single sheeting greenhouses would have a heating hour requirement of 409 hours (5 C threshold). With the addition of the second layer of plastic sheeting and the IRT mulch, the heating hour requirement drops significantly.



Photo: Jeffrey Landau / Agritecture

Figure 8: A Greenhouse Operator in Rahovec/Orahovac produces seedlings with hoops and fleece but has no viable heating source.



Photo: Jeffrey Landau / Agritecture

Figure 9: This greenhouse displays a second layer or plastic for added insulative value.

<sup>16</sup> In Mamushë/Mamuša, for example, cold night lows reach -7 C in February and -4 C in March. It would be ideal to have frost protection that protects to -7 C (20 F). In Peja/Peć, the cold nights are more extreme with February temperatures drop to -10 C and -5 C in March.

<sup>17</sup> Heating hour is defined as a period of time in which the temperature in the greenhouse is below the temperature threshold requiring supplementary heating to meet said threshold. Because the point of the additional heat retention is to allow for earlier planting of hot weather crops (tomato, pepper, cucumber), computer modeling was done for the months of February, March and October. October was modeled because an early frost can interfere with these crops in their late season.

Component	Quantity & Cost	Lifespan & Sourcing Information
Seedling production heating system-soil heating cables (2), temperature control unit (1), steel hoops for tunnel creation, polypropylene fleece for insulation	Thermostat plus 2 heating cables - each 61 meters (200') €450  Fleece to -10 C, 30 m <sup>2</sup> , €6 (locally available @ €0.2 per m <sup>2</sup> )  Steel hoops for tunnel creation, 15 hoops, €2 each, €30	Should last 5 - 10 years if used correctly.
IRT plastic mulch: 1000 m <sup>2</sup>	€50	One season
Frost Protection: -10 C- 1000 m <sup>2</sup>	€200	5+ years
Plastic sheeting	€510 total includes: €400 plastic sheeting	3+ years
<b>Total Cost:</b>	<b>€1260</b>	

Table 6: Cost Breakdown of Spring Planting Jump Start Package for 1,000 m<sup>2</sup> Greenhouse and Lifespan of Heating Materials

It is estimated that the economic benefit of earlier planting that this package allows will provide value of €0.16 - €2.93 per m<sup>2</sup>.

## SOLAR PV SYSTEM SUB PACKAGE



The Solar PV sub package is designed to generate electricity to operate any mechanical devices associated with agribusiness operations. Assuming a 1,000 m<sup>2</sup> greenhouse, a 10 kWp system is recommended. The estimated cost, including installation, for a 10 kWp system is approximately €7,500 and the payback period is roughly 6-7 years, assuming that the operator is connected to the grid and able to take advantage of net metering.

# **SECTION II**

# **FINANCE**



## SOURCES OF FINANCE

The purpose of this section of the Toolkit is to provide a simple, straightforward explanation of the range of financing products and services available to Kosovo agribusinesses. It is intended to better educate business owners on what types of finance may be appropriate for their businesses, and how to improve the likelihood of receiving financing. This first part of this section covers commercial finance; the second section covers grants / donor finance.

The Sources of Finance part of this Toolkit is provided for informational purposes only. In developing this part of the Toolkit, we focused on financial institutions and donors that service the agricultural sector specifically. The information provided below is not exhaustive and is subject to change at any time. You should contact financial institutions and donors directly for the latest information on their products, programs and services.

## TYPES OF COMMERCIAL FINANCE

There are three main types of commercial finance:

- **Debt** - Money borrowed on credit with terms and conditions indicating how it will be repaid, as well as what interest and fees will be charged. Usually, it is securitized through some form of collateral.<sup>18</sup>
- **Quasi-Equity** - Generally is considered debt but has the characteristics of equity capital such as a flexible repayment, expected higher rate of return and is often unsecured. Sometimes, long-term debt is thought of as quasi-equity when repayment is spread over an extended period of time. Examples of quasi-equity are convertible debt, venture loans, subordinated debt, mezzanine financing, and royalty payments.
- **Equity** - Investors (including you) put money in your company in exchange for a share of the ownership of the company. There are many forms of equity investment, but primarily, this form of finance is provided by outside investors to medium and large companies that demonstrate strong growth potential. Investors will be looking for an "exit" for their ownership, such as a strategic partner that will buy the investor's share, or where you, as the primary owner will be able to buy out the investor at some future date. The investor will want their original money returned plus a high return on their money. Equity is the riskiest form of financing and is therefore the most expensive.

Most financing in Kosovo is debt financing. Accordingly, below we provide a chart describing the key types of debt financing, their main uses, appropriateness for companies of various sizes and their advantages and disadvantages. The chart focuses on the main types of finance available in Kosovo and the region in general.

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<sup>18</sup> Kosovo now has the Kosovo Credit Guarantee Fund (KCGF), which for qualifying loans provides a guarantee that can often reduce the collateral requirements. KCGF has an "agricultural window" for guaranteeing loans in this sector. Businesses apply directly to one of the banks and not to KCGF.



Mechanism	Definition/Main Use	Usual Business Size	Key Benefits	Risks/Obstacles
Credit Lines	Intended to provide short term working capital. Can be used for financing trade though not specifically a “trade finance” product.	Can be used by all sizes of business needing short term finance, but often for Medium and Large companies.	<ul style="list-style-type: none"> <li>* Provides working capital with higher flexibility for use</li> <li>* Can draw down against credit line as funds are needed</li> <li>* Can often roll over loan to future periods if needed although the principal</li> </ul>	<ul style="list-style-type: none"> <li>* Not available to some companies because it requires solid credit history and profitability track record</li> <li>* Collateral requirements often exceed what company can provide</li> <li>* Company can get into trap of continually paying interest and never paying back principal – and not being able to get additional credit</li> </ul>
Export Insurance	To guarantee payment if foreign Buyer doesn't pay	Medium, Large	<ul style="list-style-type: none"> <li>* Can help assure payment and can reimburse company in case of default of Buyer</li> </ul>	<ul style="list-style-type: none"> <li>* Does not help the company produce and ship the goods and does not accelerate payment</li> <li>* Not readily available in Kosovo yet.</li> </ul>
Factoring	Accelerates receipt of 80-90% of invoice value after goods are shipped and invoice is issued (does not provide working capital to produce order pre-shipment).	Small, Medium, Large	<ul style="list-style-type: none"> <li>* Enables firms to be paid majority of invoice faster once order is shipped</li> </ul>	<ul style="list-style-type: none"> <li>* Does not help companies that need money prior to shipping to produce or buy the products to fill orders</li> <li>* Can be difficult for most companies to actually get factoring even when offered by banks</li> <li>* Some Buyers don't like their suppliers using factoring and some suppliers don't want their Buyers to know they are using it</li> <li>* Factoring typically requires that the Buyers of the products are large, established and very credit worthy companies</li> <li>* Can be expensive</li> <li>* Not widely available in Kosovo yet</li> </ul>
Importer Pre-Financing	Provides financing to the importer to enable the importation of goods	All sizes, though not common with Micro	<ul style="list-style-type: none"> <li>* Can help support financing the import transaction – fundamentally a form of Purchase Order Financing</li> </ul>	<ul style="list-style-type: none"> <li>* Limited availability on the market</li> <li>* Requires actual, verified orders from Buyers</li> </ul>
Invoice Discounting	Similar to factoring though the Buyer is not aware that the invoice was financed.	Generally Medium and Large	<ul style="list-style-type: none"> <li>* Enables firms to be paid majority of invoice faster once order is shipped</li> </ul>	<ul style="list-style-type: none"> <li>* Does not help companies that need money prior to shipping to produce or buy the products to fill orders</li> <li>* Cumbersome setup</li> <li>* Like factoring, typically requires that the Buyers of the products are large, established and very credit worthy companies</li> <li>* Not readily available for most companies</li> </ul>
Leasing	A lease is a contractual arrangement between two parties, where the provider (the lessor) owns the asset (usually capital equipment) and agrees to grant the client (the lessee) the use of the equipment in exchange for periodic payments.	Small, Medium, Large	<ul style="list-style-type: none"> <li>* Enables firms to use and acquire capital equipment without taking on debt</li> <li>* The cost (interest, fees, etc.) is sometimes less for acquiring equipment than with a loan</li> <li>* The leased equipment is generally itself the collateral</li> </ul>	<ul style="list-style-type: none"> <li>* The leased object (usually capital equipment) may not be used as collateral for other financing until the title has been transferred to the lessee (the lessee becomes the owner of the object)</li> </ul>

Mechanism	Definition/Main Use	Usual Business Size	Key Benefits	Risks/Obstacles
Letters of Credit	Formal bank letter guaranteeing payment if certain conditions are met. Helps specify terms and conditions of order (typically export or import) and to guarantee payment if conditions are met	Generally Medium and Large	<ul style="list-style-type: none"> <li>* Proven and commonly used method, especially for exporting</li> <li>* Safe transaction (Governed by I.C.C. Uniform Customs and Practice for documentary credits UCP 500 revision 1993)</li> </ul>	<ul style="list-style-type: none"> <li>* Buyer/Customer must be able to get Letter of Credit from its bank (however, if Buyer can't get letter of credit, transaction might be doubtful in the first place, or Buyer might not be credit worthy)</li> <li>* Can be expensive</li> </ul>
Open Account	Buyer pays on receipt of goods	All sizes	<ul style="list-style-type: none"> <li>* Payment is typically made on acceptance of goods by Buyer</li> </ul>	<ul style="list-style-type: none"> <li>* Requires that Buyer is absolutely credit worthy and completely trustworthy – typically large multinational whose reputation in the market is important</li> <li>* Usually only provided in cases where there is a long, stable relationship between Buyer and supplier</li> </ul>
Other forms of Documentary Credit such as Letters of Guarantee, Inward Bills, Check Negotiations	To guarantee payment or performance. Can include Tender Guarantee, Bid Bonds and Initial Guarantee. Performance Guarantee, Advance Payment Guarantee, Retention Money Guarantee, Purchase Guarantee, Telephone Guarantee and Maid Guarantee. They can be foreign guarantee or counter guarantee.	Generally Medium and Large	<ul style="list-style-type: none"> <li>* Can help secure financing and lower interest rates</li> </ul>	<ul style="list-style-type: none"> <li>* Can be expensive and might not applicable to all situations, especially for SMEs and early stage companies</li> </ul>
Purchase Order Financing & Pre-Export Financing	Providing working capital for firms to prepare, complete and ship export orders	All sizes, including MSMEs	<ul style="list-style-type: none"> <li>* Help companies fill export orders, increase revenues and profits and create jobs</li> <li>* Short term, flexible instrument</li> <li>* Often does not require real estate collateral</li> </ul>	<ul style="list-style-type: none"> <li>* Currently somewhat limited availability on the market but quite attractive to companies</li> <li>* Requires actual, verified orders from customers</li> <li>* Lenders have to assess both production risk of the supplier (ability of supplier to produce the order to required quality and ship) and payment risk of the Buyer (credit worthiness and likelihood to pay of Buyer)</li> <li>* Can be expensive.</li> </ul>

Mechanism	Definition/Main Use	Usual Business Size	Key Benefits	Risks/Obstacles
Term Loans	Intended for medium or long term needs (two to ten years), primarily for capital expenditures (buildings, equipment, vehicles). Can be used for financing trade but not really appropriate or advisable.	All sizes	<ul style="list-style-type: none"> <li>* Provides medium and long term money for fixed assets or long term projects.</li> <li>* Many lenders have specific products for companies of a given size or for a given industry</li> </ul>	<ul style="list-style-type: none"> <li>* Not for short term needs or working capital</li> <li>* Not available to a lot of companies because it often requires a solid credit track record and the collateral requirements often exceed what the company can have</li> <li>* Sometimes companies use term loans to finance short term working capital needs or trade and get stuck in a “credit straightjacket” where they can’t get the additional financing they need to grow because of the maturity mismatch and commitment of existing collateral</li> </ul>

## BASICS OF COMMERCIAL DEBT FINANCE

In this part of the Toolkit, we cover some key basics of commercial debt finance:

- Choosing the right product for your needs
- Understanding basic terms and conditions
- How lenders evaluate credit applications
- When you need a business plan

### Choosing the Right Product for Your Needs

Perhaps as important as obtaining financing is first determining which product best suits the needs of your business.

#### What do I need the money for?

This is the most important question in terms of what type of financing might be appropriate. Choosing the wrong type of finance for your needs often can have a negative effect on your business. For example, if you take a long term loan and tie up all your collateral for several years, when you actually only need the money for a few months to a year (short term), you will pay much more in interest costs which will limit your cash flow and reduce the profits of your business. In addition, since all your collateral is tied up, it will limit your ability to raise more financing.

Do you need money to build a warehouse? Do you need money to complete and ship an order (for example, for raw materials, packaging, components, goods for resale, etc.)? Do you need a new piece of equipment that you could either purchase or lease? Financing equipment, land, buildings or other capital investments usually requires longer term financing since these assets have longer useful lifetimes and you probably need more time to pay for these assets (and earn money from the asset). However, if you need money related to working capital, such as for agricultural inputs (seeds, fertilizer, pesticides, etc.), raw materials, packaging, semi-finished goods or components, finished goods for resale, etc., you should be thinking about short term products which match the business cycle of the particular product being produced or supplied (the business cycle being the amount of time from when you receive the order to when you get paid by the Buyer).

The type of financing should match the purpose of the money – short term products should be used for short term purposes (and be secured with short term collateral such as purchase orders, receivables, inventory, guarantees, etc.) and long term products should be used for long term purposes (and be secured by long term collateral such as land, buildings, durable equipment, etc.).

### **How much money/credit do I need and for how long do I need it?**

Often, if you ask a business person how much money they need and for how long, they may say twice as much as they need and for two to ten times as long as they need. With this approach you may end up with the wrong type (term, collateral and cost) of finance for what you actually require – or may not get the financing at all. Lenders will do an analysis of your needs and your ability to repay the loan safely. Remember, borrowing money costs money. While borrowing money often makes sense to help a business grow and be successful, try to avoid borrowing more money than you really need or borrowing money for longer than you need it.

### **Understanding Basic Terms and Conditions**

Financial institutions often use a variety of different terms to describe similar or sometimes identical products. This helps them differentiate themselves from their competition, but does not necessarily help you to better understand the product and its terms and conditions. Make sure you know all the terms and conditions of a specific product before proceeding, ask questions when things are unclear, and don't agree to something you don't understand.

Common elements of financial products include terms or tenors (length of loan in months or years), interest rates, fees (and there can be many types of fees), collateral requirements, and the purpose or "use of funds" (e.g., to purchase a tractor or to provide working capital to obtain raw materials). When comparing products and services from different institutions, pay special attention to the interest rate, fees, terms and all conditions included in the product in writing and make sure you understand what the total fee charges will be. In addition, know what extra charges or penalties will apply if you are late in repayment. Fees and other costs can be substantial, yet not always so clear, so definitely read the loan agreement carefully several times and understand exactly what the total costs of the financing will be! Businesses often make the mistake of only considering the interest rate when making a financing decision. Keep in mind that the total cost of the loan or lease can sometimes be higher when the interest rate is lower because of the fees.

### **Understand your interest rate**

Always pay attention to how the interest rate is quoted to you. The interest rate quoted by financial institutions is often the nominal interest rate, which does not include fees. It is important to ask for and understand the **effective interest rate**, which is the yearly interest rate, **including costs and fees**.

#### **REMEMBER**

- ✓ Make sure you know what the effective interest rate is
- ✓ Make sure you have written information on all terms, conditions, interest rate, fees and costs of the loan, including penalties for late repayment
- ✓ Make sure you determine the total cost that you will have to pay for the financing over the entire term
- ✓ If the financing will help your company grow and become more profitable, then it may be a good idea to accept it, even if the interest rate and fees seem high – the most important thing is for your company to be successful, and for you to end up with more money after repaying the financing than you would if you didn't take the financing

## Collateral

Since lending is a risk, financial institutions want to protect their capital by securing loans with collateral. Below we provide a list of the most common types of collateral/security. As you look at this list, think of which of these instruments you have and could make available to secure your financing.

- Cash (yes, cash on deposit can be blocked and used as collateral for a loan – it can help you build an initial credit track record)
- Real Estate (land and buildings)
- Vehicles (car, truck, boat, rail cars, airplane)
- Equipment (can be anything from simple office equipment to heavy machinery)
- Furniture
- Inventory (can be perishable or non-perishable items)
- Jewelry, Gold and other precious metals, and precious gems
- Accounts Receivables (due and valid issued invoices)
- Bills of Exchange
- Raw Materials (especially important for agribusinesses on short term loans)
- Firm Contracts/Orders from a credit worthy buyer
- Personal Guarantees
- Corporate Guarantees
- Bank Guarantees
- Letters of Credit
- Equity (shares or ownership interest in your company)
- Securities: Stocks/Bonds/Mutual Funds

Whatever you agree to offer as collateral, you will be required to sign legal documentation accepting that the financial institution may take enforcement action against this asset if you fail to repay the loan, which could result in the seizure and sale of the asset, with the proceeds going to repay the loan. On real estate collateral, the lender will often take a mortgage. On movable assets, the lender will often take a pledge. Know the laws about what collateral can be legally accepted in Kosovo—you can get this information from the website of the Central Bank of Kosovo - <http://www.bqk-kos.org/>.

## Collateralization Ratio

A *collateralization ratio* or *collateral coverage ratio* is equal to the total discounted collateral value divided by the total loan request. A lender may require that you offer collateral equal to 140% of the loan amount. Why is this higher than 100%? Basically, to give the lender added protection if you do not pay the loan back and they have to repossess and sell the asset to cover the loan. It will cost them money to do this and they might not be able to sell it in a reasonable time at the full value; to be covered, they need an amount of collateral that exceeds the amount of the loan. Higher collateralization ratios are often required for what lenders perceive to be riskier loans. In Kosovo, collateralization ratios have come down substantially over the last five years and are now generally around 1:1 or 100% of the value of the loan.

Being a good and repeat borrower with an institution can help lower the collateral burden on you, both in terms of the collateralization ratio and the types of assets you have to pledge. Be smart about what collateral you provide when receiving a loan. Collateral provided for a loan and recognized by a loan agreement is “tied up” and cannot be used for other loans or investments. While this may not be problematic if the collateral is a piece of equipment you are already using, it can restrict your ability to move assets such as inventory or raw materials.

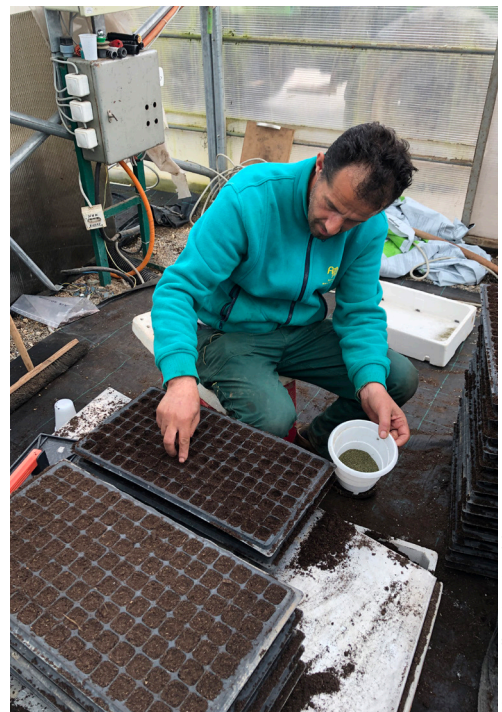


Photo: Jeffrey Landau / Agriculture

## How Lenders Evaluate Credit Applications

Financial institutions employ a systematic approach to lending that enables them to analyse all potential financing proposals on a primarily objective, quantitative basis. The process begins with the initial contact and a screening process to weed out companies or individuals that are not attractive to the lender. If a business and its financing requirements pass the first screening, the next step is usually a loan application. Most institutions use what is called a credit scoring system, whereby potential clients receive points/grading for strong cash flow, profitability, collateral, a track record of repaying loans, management experience, market position, etc. Based on this assessment, it is generally determined if you are eligible for a loan with that institution and what the terms and conditions, including the interest rate and collateral will be.

### Typical Questions on Credit Applications

The types of questions and information that each financial institution will require are similar. The amount of information and collateral or guarantees/mortgages requested might be more for larger loans, if you have no lending history, or if you have failed to pay previous loans on time. Below, we have summarized the main types of information that lenders may ask for. The actual questions will depend on the situation, type of financing, amount and tenor of the loan, and complexity of the project. Loan applications from most financial institutions are available on their website. If you are interested in getting finance from a bank, review their loan application online and make sure you can provide solid answers to the information they request.

- How much money do you need and what will you use the money for?
- What is the total cost of the goods/services/equipment/building that you want the loan for, and how much of this cost will you or your company cover out of your own funds?
- How will the financing benefit your company and its future financial prospects?
- What is the background and history of your company, its development over the past three years, its current main areas of activity, and its main partners?
- What products and/or services do you provide?
- What percentage of your total production/trade capacity is currently being utilized? Is that utilization in one, two or three shifts?
- Who are your main suppliers, what payment terms do you have with them, and how current are you in your payments to them?
- How do you market, sell and distribute your products?
- Who are your main customers, where are they located, what percentage of total sales does each of them account for, what are their payment terms, and how current are they in their payments to you?
- Describe in detail your industry, your market segments and your market share.
- What is your competitive advantage(s) in this industry and your particular market segments?
- Who are your competitors? What is the nature of competition in your industry?
- Who manages and owns your company? What is their educational background and total years of relevant experience? How long have they worked for your company?
- What assets can you offer as collateral, both in types and values?
- What inventory do you currently have and what is its current value?
- What are the values and aging of your Accounts Receivable and Accounts Payable?
- What are all of your (personal) and your company's current and long-term liabilities and loans, and with which institutions?
- With which institutions do you do your banking (deposits, payments, transfers, etc.)?
- How will you repay the loan?
- Are there any legal actions of any kind pending or current against you, your company, its management or other owners (or other companies that you are involved with)?
- Does your company have any liabilities or obligations that are not reported on the balance sheet or in the loan application?
- What are the most significant risks/issues that your company will face over the term of the loan?
- Have you or any companies that you have been involved with declared bankruptcy in the last 5 years?
- Are you involved in any other business activities or partnerships other than the business that is applying for this loan? If so, please provide details.

## Required Documentation

Financial information is a key element of any loan or investment application. While requirements may vary between institutions, we provide here a list of the most commonly requested documentation from lenders:

- Historical financial statements and projected financial statements (at least for the period into the future to cover repayment of the loan). Financial statements usually include a Balance Sheet, Income Statement and Cash Flow Statement (see Annex II for financial spreadsheet templates for developing a Balance Sheet, an Income Statement and Cash Flow projections).
- Detailed information on accounts receivable and accounts payable, including aging by major customers and suppliers (for business loans).
- Court certification of no bankruptcy or liquidation
- Business registration
- Tax registration certificate and Tax ID number
- Tax returns
- Account signature form
- Business, employment, health, safety, environmental, VAT, trade, import and export licenses and permits as required
- Proof of ownership of assets to be used as collateral
- Proof of ownership or valid lease for business premises used by the business

**For working capital loans for the domestic market, also be prepared to provide (as applicable)**

- Customer Purchase Order, and/or Sales and Purchase Contracts with Customer(s) and Supplier(s) (often for working capital loans or trade finance)
- Confirmation by Customer of Purchase Order (or Sub-Order under Supply Contract)
- Pro-forma Invoice to Customer
- Invoices confirmed by Customer
- Payment Draft
- Other Proposed Collateral

**For export loans, also be prepared to provide (as applicable):**

- Commercial Invoice to Customer
- Packing List
- Bill of Lading (CMR, etc.)
- Certification of Origin (EUR I, etc.)
- Insurance Certificate
- Payment Draft
- Any additional documents as specified in the Letter of Credit, Supply Contract and/or Purchase Order



## **When You Need a Business Plan**

It is always a good idea to have a business plan, both for actually running your business and for obtaining financing. Your business plan should not be based on “wishful thinking” – it should be based on factual historical information and on projections that are grounded in the real competitive world. The key point here is that the information in the business plan needs to be accurate, well thought out, realistic, and based on actual circumstance and data. Projections should be based on actual research with customers, finding out about your competition and analysing what the market really needs and wants. The projections should be based on solid research and sound analysis. Financial institutions base their decision making process on “real” information. That is, past, current and future information that provides them a full and detailed picture of what your business is about, its strengths, weaknesses, threats and prospects for the future.

Lenders often ask for a business plan to know that you have one and that you are thinking about such questions as projected growth for one, three and five years out.<sup>19</sup> Also, it is a tool for them to analyze how organized and serious your business is. Business plans add the most value when companies are looking to make a major change, such as adding a new product or service line or buying a competitor. In these cases, business plans can give a good indication of how this change will affect your company and help you build a strategy around reducing risks while capitalizing on opportunities.

### **Preparing a Business Plan**

Often, if you are looking for investments in your company, it is a good idea to structure your business plan around key issues for what your targeted source of funding is targeted towards. For example, if you identify an investment fund that wants to place capital in exporting companies that are SMEs, be sure to highlight how this new capital will help you grow exports. Whatever structure you use, remember to make it attractive, accurate, and based on reasonable projections and market opportunities. It is advisable to utilize a standard table of contents for your business plan to be sure it includes all the required information and is easy for the lenders/investors to read and understand.

### **Consider Professional Assistance**

Sometimes bringing in outside experts to help you with your business plan or growth strategy can be a good idea. Not only will you gain access to the expertise of someone who has done many business plans and knows common pitfalls, but this approach can also help increase your credibility in the eyes of potential funders and is likely to make the finished product more professional and attractive. There are consulting firms in Kosovo that specialize in business planning. Also, there are government and donor programs designed to help agribusinesses and SMEs in this area. If you are too busy or want to get an outside perspective when developing a business plan for your company, this could be an approach you may want to consider.

While outside the focus of this Toolkit, on the next page, we provide some useful websites in English and Albanian that can be helpful to you in developing your own business plan.

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<sup>19</sup>For smaller loans, lenders may not require a full business plan. Instead, they will request the loan application and supporting documentation.



## HELPFUL WEBSITES WHEN PREPARING A BUSINESS PLAN

### IN ALBANIAN

Website	Content
Ministry of Agricultural, Forestry and Rural Development (MAFRD) - Guide for Applicants <a href="http://www.azhb-ks.net/sq/njoftim">http://www.azhb-ks.net/sq/njoftim</a>	This link provides useful information to prepare an applicant for MAFRD assistance. Instructions include guidelines and financial and administrative instructions (including business plan preparation) related to government grants.
<a href="http://www.ekonomiaonline.com">www.ekonomiaonline.com</a>	Up-to-date information on economic activities in the country
Ministry of Finance <a href="https://mf.rks-gov.net/page.aspx?id=1,5">https://mf.rks-gov.net/page.aspx?id=1,5</a>	Up-to-date information on Ministry's domestic and international activities as well as treasury operations.
Kosovo Agency of Statistics <a href="http://ask.rks-gov.net/sq/agjencia-e-statistike-te-kosoves">http://ask.rks-gov.net/sq/agjencia-e-statistike-te-kosoves</a>	Statistical information for Kosovo
Tax Administration of Kosovo (ATK) <a href="http://www.atk-ks.org">http://www.atk-ks.org</a>	Tax Administration of Kosovo – information on Kosovo's fiscal system
<a href="https://www.bqk-kos.org/">https://www.bqk-kos.org/</a>	Central Bank of Kosovo – information on the banking and sector and economic indicators

### IN ENGLISH

Website	Content
<a href="http://www.sba.gov/smallbusinessplanner/index.html">http://www.sba.gov/smallbusinessplanner/index.html</a>	Information about business plans and business management
<a href="https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan">https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan</a>	How to develop a business plan with examples
<a href="http://www.myownbusiness.org/s2/">http://www.myownbusiness.org/s2/</a>	How to develop a business plan
<a href="http://www.bplans.com/dp/">http://www.bplans.com/dp/</a>	Examples of business plans
<a href="http://www.entrepreneur.com/businessplan/">http://www.entrepreneur.com/businessplan/</a>	How to develop a business plan



## BANKS, MFIS AND LEASING COMPANIES THAT FINANCE AGRICULTURAL BUSINESSES IN KOSOVO

The section below presents summary information about banks, micro finance institutions (MFIs) and leasing companies that cater to agricultural businesses in Kosovo, and their products, terms and conditions as of the date of publication of this Toolkit (November, 2019). This information is indicative only; all offerings, rates and terms and conditions are subject to change at any time, and may be different than when this publication was prepared. Check with each institution for current information.

### BANKS THAT FINANCE AGRICULTURAL BUSINESSES IN KOSOVO

<b>Raiffeisen Bank Kosovo</b>					
<b>Address:</b> UCK Str, nr. 191, Prishtinë <b>Tel:</b> 038/222-222 <b>Website:</b> <a href="http://www.raiffeisen-kosovo.com">www.raiffeisen-kosovo.com</a> <b>E -mail:</b> <a href="mailto:info@raiffeisen-kosovo.com">info@raiffeisen-kosovo.com</a> <b>E -mail:</b> <a href="mailto:qendra.kontaktuese@raiffeisen-kosovo.com">qendra.kontaktuese@raiffeisen-kosovo.com</a>					
<b>Types of available finance:</b> Business Loans, Agro Loans and Overdraft					
<b>Products, Terms &amp; Conditions:</b>					
Product	Range (EUR)	Interest Rate	Maturity	Fees	Collateral
Business loans	€5,000 – €9,999	16%	Up to 72 months	2%	See note below
Business loans	€10,000 – €29,999	11%	Up to 72 months	2%	See note below
Business Loans	€30,000 –€100,000	9.9%	Up to 72 months	1%	See note below
Agro loans	€5,000 – €9,999	15%	Up to 72 months	2%	See note below
Agro loans	€10,000 – €29,999	11%	Up to 72 months	2%	See note below
Agro loans	€30,000 –€100,000	9.9%	Up to 72 months	1%	See note below
Overdraft	€5,000 – €9,999	19%	Up to 12 months	2%	See note below
Overdraft	€10,000 – €49,999	13%	Up to 12 months	2%	See note below
Overdraft	€50,000 –€100,000	12%	Up to 12 months	1%	See note below
<b>Other terms and conditions:</b> Standard required documentation.					
<b>Specific Agribusiness or SME product:</b> All products are available for qualifying SMEs and Agribusinesses. Grace period for up to 6 months based on the seasonality of the business.					
<b>Collateral:</b> Depends on the amount of the loan and Client Rating. The collateralized immovable and/or movable property is subject to insurance by an insurance company and the insurance policy must be payable to the bank.					
<b>Criteria:</b> Not currently 7+ days past due, Not in 30+ days past due for last 12 months; Not 60+ days past due during the past 36 months; Never 90+ days past due; Not currently 30+ days past due as Guarantor with Business; Never in 180+ days past due with Write Off (W-classification); Negative trend of sales growth during the last two years: maximum 20% allowed.					
<b>Summary comments:</b> For more detailed information please call the contact person or visit our website at <a href="http://www.raiffeisen-kosovo.com">www.raiffeisen-kosovo.com</a>					

## Teb Sh.a

**Address:** TEB Sh.A. Zyra Qendrore, Preoc p.n. KM 7 Magjistrálja Prishtinë-Ferizaj, Graçanicë 10500, Republika e Kosovës  
**Tel:** +383 (0) 38 230 123  
**Website:** [www.teb-kos.com](http://www.teb-kos.com)  
**E -mail:** [customer.care@teb-kos.com](mailto:customer.care@teb-kos.com)

**Types of available finance:** Investment loans; fixed assets loans; working capital loans; mixed purposed loans; letters of credit, letters of guarantee.

### Products, Terms & Conditions:

Product	Range (EUR)	Interest Rate	Maturity	Fees	Collateral
Agro Investment loans, Fixed asset loans, mixed purpose loans, renovation loans, land purchase	€5,000 –€9,999	18.60 %	12 to 60 months	1.0 %	Immovable and/or movable property, Fixed assets, Inventory.
Working capital Loans	€5,000 – €9,999	18.60 %	1 to 36 months	1.0 %	Immovable and/or movable property, Fixed assets, Inventory
Agro Investment loans, Fixed asset loans, mixed purpose loans, renovation loans, land purchase	€10,000 Not limited	9.48 %	12 to 60 months	0.50 %	Immovable and/or movable property, Fixed assets, Inventory
Working capital Loans	€10,000 Not limited	9.48 %	From 1 to 36 months	0.50 %	Immovable and/or movable property, Fixed assets, Inventory
Business Loans (Loan overdraft)	€10,000 Not limited	7.63 %	Up to 84 months	0.50 %	Immovable and/or movable property
Agro Loans (Loan overdraft)	€5,000 Not limited	9.27 %	Up to 60 months	0.50% -1 %	Immovable and/or movable property

**Other terms and conditions:** Standard required documentation. Grace period for Agro loans of up to 12 months, contingent on the business plan assessment.

**Specific Agribusiness or SME product:** All products are available for qualifying SMEs and Agribusinesses.

**Collateral:** Depends on the amount of the loan. The collateralized immovable and/or movable property; minimum required is 100% of the value of the loan.

**Criteria:** The legal entity should demonstrate positive operating results in the last year, and be classified as “A” risk category.

**Summary comments:** For more detailed information please call the contact person or visit our website at [www.teb-kos.com](http://www.teb-kos.com)

## Banka për Biznes BPB

**Address:** Ukshin Hoti Str, nr. 128, Prishtinë 10000

**Tel:** 383(0)38 620 620

**Website:** [www.bpbbank.com](http://www.bpbbank.com)

**E -mail:** [informata@bpbbank.com](mailto:informata@bpbbank.com)

**Types of available finance:** Investment loans; fixed assets loans; working capital loans; overdrafts; letters of credit and letters of guarantee.

### Products, Terms & Conditions:

Product	Range (EUR)	Interest Rate	Maturity	Fees	Collateral
Investment loans	€3,000 – no limit	8 - 18%	Up to 120 months	1 – 1.5 % upon payment	Pledge: immovable and/or movable property
Fixed asset loans	€3,000– no limit	8 - 18%	Up to 84 months	1 – 1.5 % upon payment	Pledge: immovable and/or movable property
Long-term loans for working capital	€3,000 – no limit	8 - 18%	Up to 36 months	1 – 1.5 % upon payment	Pledge: immovable and/or movable property
Short-term loans for working capital	€3,000 – no limit	8 - 18%	Up to 12 months	1 – 1.5 % upon payment	Pledge: immovable and/or movable property
Credit lines for SMEs	No limit	10 - 18%	12 months	0.5 - 2.0% upon payment	Pledge: immovable and/or movable property
Overdrafts	€1,000 – no limit	10 - 18%	12 months	0.5 - 2.0% upon payment	Pledge: immovable and/or movable property

**Other terms and conditions:** Standard required documentation. For agro loans greater than €50,000, the business should be registered. For loans greater than €10,000 a NIF (farm identification number) is required. Grace period for loans up to 12 months, contingent on the business plan assessment.

**Specific Agribusiness or SME product:** All products are available for qualifying SMEs and Agribusinesses. Agro clients of Banka Private per Biznes (BPB) in Mitrovica and Ferizaji region may be eligible for financing at a 0% interest rate based on the agreement between BPB and respective Municipalities. BPB has an agreement with vendors Agribau and Haxhi Jaha to finance equipment/machinery purchases with special interest rate.

**Collateral:** Depends on the amount of the loan. On loans up to €15,000, no collateral is required. Loan greater than €30,000 require a mortgage as collateral. For loans secured by an assigned monetary deposit, the interest rate (bank's markup) is 3 percentage points above the amount of the passive interest on the deposit or 2% when the passive interest is 0% on deposit, plus 0.25% fee.

**Criteria:** The legal entity should demonstrate positive operating results in the last year, and be classified as "A" risk category.

**Summary comments:** For more detailed information please call our contact person or visit our website at [www.bpbbank.com](http://www.bpbbank.com)

## Banka Ekonomike BEK

**Address:** Shehi Nene Tereze p.n. 10000 Prishtine, Kosove Tel: +383 (0) 38 500 500

**Website:** <http://www.bekonomike.com>

**E -mail:** [info@bekonomike.com](mailto:info@bekonomike.com)

**E -mail:** [kujdesindajklientit@bekonomike.com](mailto:kujdesindajklientit@bekonomike.com)

**Types of available finance:** Investment loans; fixed assets loans; working capital loans; LC/guarantees.

### Products, Terms & Conditions:

Product	Range (EUR)	Interest Rate	Maturity	Fees	Collateral
Investment loans	€1,000 - no limit	7.99% - 19.99%	Up to 120 months	0.5-2% upon payment	Pledge: immovable and/or movable property
Fixed asset loans	€1,000 - no limit	7.99% - 19.99%	Up to 84 months	0.5-2% upon payment	Pledge: immovable and/or movable property
Long-term loans for working capital	€1,000 - no limit	7.99% - 19.99%	Up to 36 months	0.5-2% upon payment	Pledge: immovable and/or movable property
Short-term loans for working capital	€1,000 - no limit	7.99% - 19.99%	Up to 12 months	0.5-2% upon payment	Pledge: immovable and/or movable property
Overdrafts	€1,000 - no limit	7.99% - 19.99%	Up to 24 months	0.5-2% upon payment	Pledge: immovable and/or movable property
Credit lines for SMEs	Up to €100,000	Varies	Up to 12 months	Varies	Pledge: immovable and/or movable property
LC & Guarantees:	No limit	4% local; 5% international	Up to 36 months	0.5% or min 50 Euro	Pledge: immovable and/or movable property

**Other terms and conditions:** Grace period for agro/business clients up to 12 months and flexible payment plan contingent on the business plan assessment.

**Specific Agribusiness or SME product:** All products are available for qualifying SMEs and Agribusinesses.

**Collateral:** Depends on the amount of the loan. Immovable and/or movable property. For loans secured by an assigned monetary deposit, the interest rate is 2.2 percentage points above the amount of the passive interest on the deposit and 0.5% fee

**Criteria:** The legal entity should demonstrate positive operating results in the last two years, and be classified as "A" risk category.

**Summary comments:** For more detailed information please call our contact person or visit our website at <http://www.bekonomike.com>

## Banka Kombetare Tregtare BKT

**Address:** Ukshin Hoti Str, nr. 29, Pejton, 10000 Prishtinë

**Tel:** +383 38 666 666

**Website:** [www.bkt-ks.com](http://www.bkt-ks.com)

**E -mail:** [infobktkosova@bkt.com.al](mailto:infobktkosova@bkt.com.al)

**Types of available finance:** Investment loans; fixed asset loans; working capital loans; overdrafts; guarantees; letters of credit.

### Products, Terms & Conditions:

Product	Range (EUR)	Interest Rate	Maturity	Fees	Collateral
Investment loans	€1,000 – no limit	22 – 11.1%	Up to 84 months	2-1% upon payment	Pledge: immovable and/or movable property
Fixed asset loans	€1,000 – no limit	22 – 11.1%	Up to 84 months	2-1% upon payment	Pledge: immovable and/or movable property
Long-term loans for working capital	€1,000 – no limit	22 – 11.1%	Up to 36 months	2-1% upon payment	Pledge: immovable and/or movable property
Short-term loans for working capital	€1,000 – no limit	22 – 11.1%	Up to 12 months	2-1% upon payment	Pledge: immovable and/or movable property
Credit lines for SMEs	€25,000 – €250,000	12- 15%	Up to 12 months	1.0-1.3% upon payment	Pledge: immovable and/or movable property,
Overdrafts	€25,000 – €250,000	12- 15%	Up to 12 months	1.0-1.3% upon payment	Pledge: immovable and/or movable property,
Guarantees: National International	No limit	4.5% 5%		0.5% or 50€ min. fee 0.5% or 100€ min. fee	Pledge: immovable and/or movable property,

**Other terms and conditions:** Grace period for investment loans up to 12 months, contingent on the business plan assessment. Agro clients that don't have their business registered can apply for loans of up to €50,000; a NIF is required for loans between €30,000 to €50,000.

**Specific Agribusiness or SME product:** All products are available for qualifying SMEs and Agribusinesses. Also offer Bullet Loans (one-time payment).

**Collateral:** Depends on the amount of the loan. For loans greater than €30,000 a mortgage is required.

**Criteria:** The legal entity or agro client should demonstrate positive operating results for the last two years.

**Summary comments:** For more detailed information please call the contact person or visit our website at <https://bkt-ks.com/>

## MFIS THAT FINANCE AGRICULTURAL BUSINESSES IN KOSOVO

KEP Trust Microfinance					
<p><b>Address:</b> 'Pashko Vasa' Str, Nr. 6, Lagjja Pejton, 10000 Prishtina  <b>Tel:</b> +383 (0)38 245 011  <b>Website:</b> <a href="https://keptrust.org">https://keptrust.org</a>  <b>E-mail:</b> info@keponline.net</p>					
<p><b>Types of available finance:</b> Investment loans; fixed assets loans; working capital loans.</p>					
Products, Terms & Conditions:					
Product	Range (EUR)	Interest Rate	Maturity	Fees	Collateral
Investment loans	€200 - €25,000	15 - 21%	Up to 60 months	No fees applied	Pledge: immovable and/or movable property
Fixed asset loans	€200 - €25,000	15 - 21%	Up to 60 months	No fees applied	Pledge: immovable and/or movable property
Long-term loans for working capital	€200 - €25,000	15 - 21%	Up to 60 months	No fees applied	Pledge: immovable and/or movable property
Short-term loans for working capital	€200 - €25,000	15 - 21%	Up to 6 months Up to 12 months	No fees applied	Pledge: immovable and/or movable property
<p><b>Other terms and conditions:</b> Grace period up to 6 months and flexible payment plan, based on clients' cash flow.</p>					
<p><b>Specific Agribusiness or SME product:</b> Clients can get financing up to €10,000, even if they don't have a registered business.</p>					
<p><b>Collateral:</b> Depends on the amount of the loan. Clients can be financed without guarantor or collateral up to €5,000. Registered livestock (cows) are also accepted as collateral.</p>					
<p><b>Criteria:</b> The legal entity or a farmer should demonstrate positive operating results during the last year of operation.</p>					
<p><b>Summary comments:</b> For more detailed information please call the contact person or visit our website at <a href="https://keptrust.org">https://keptrust.org</a></p>					

## FINCA

**Address:** Robert Doll Str, Nr.112 Prishtine

**Tel:** + 383 (0) 38 609 721

**Website:** [www.fincakosovo.org](http://www.fincakosovo.org)

**E -mail:** [info@fincakosovo.org](mailto:info@fincakosovo.org)

**Types of available finance:** Investment loans; fixed assets loans; working capital

### Products, Terms & Conditions:

Product	Range (EUR)	Interest Rate	Maturity	Fees	Collateral
Investment loans	€250 - €25,000	14.38 - 24.98%	Up to 60 months	1-2% upon payment	Pledge: immovable and/or movable property
Fixed asset loans	€250 - €25,000	14.38 - 24.98%	Up to 60 months	1-2% upon payment	Pledge: immovable and/or movable property
Long-term loans for working capital	€250 - €25,000	14.38 - 24.98%	Up to 36 months	1-2% upon payment	Pledge: immovable and/or movable property
Short-term loans for working capital	€250 - €25,000	14.38 - 24.98%	Up to 12 months	1-2% upon payment	Pledge: immovable and/or movable property

**Other terms and conditions:** Grace period up to 12 months and flexible payment plan, contingent on the business plan assessment.

**Specific Agribusiness or SME product:** All products are available for qualifying small businesses and agribusinesses. FINCA also offers financial management trainings to women-owned businesses, and technical lectures to agro clients from University professors.

**Collateral:** Depends on the amount of the loan. For loans up to €5,000 no collateral or guarantor is required, For loans bigger than €20,000, a mortgage is required.

**Criteria:** The legal entity should demonstrate positive operating results in the last year, and be classified as “A” risk category.

**Summary comments:** For more detailed information, please call the contact person or visit our website at [www.fincakosovo.org](http://www.fincakosovo.org)



## Kreditimi Rural i Kosoves KRK

**Address:** St. Behije Dashi, No.4, Prishtinë

**Tel:** 038 222 345

**Website:** <http://krk-ks.com/>

**E -mail:** [info@krk-ks.com](mailto:info@krk-ks.com)

**Types of available finance:** Investment loans; fixed assets loans; working capital loans.

### Products, Terms & Conditions:

Product	Range (EUR)	Interest Rate	Maturity	Fees	Collateral
Investment loans	€200 - €25,000	12 - 24%	Up to 60 months	0 - 1.5% upon payment	Pledge: immovable and/or movable property
Fixed asset loans	€200 - €25,000	12 - 24%	Up to 60 months	0 - 1.5% upon payment	Pledge: immovable and/or movable property
Long-term loans for working capital	€200 - €25,000	12 - 24%	Up to 60 months	0 - 1.5% upon payment	Pledge: immovable and/or movable property
Short-term loans for working capital	€200 - €25,000	12 - 24%	Up to 12 months	0 - 1.5% upon payment	Pledge: immovable and/or movable property

**Other terms and conditions:** Grace period up to 9 months, contingent on business plan assessment

**Specific Agribusiness or SME product:** All products are available for qualifying small businesses and agribusinesses.

**Collateral:** Depends on the amount of the loan. Registered livestock (cows) are also accepted as collateral.

**Criteria:** Business and agro clients should demonstrate positive operating results for the most recent 6 to 12 months, and be classified as "A" risk category.

**Summary comments:** For more detailed information please call the contact person or visit our website at <http://krk-ks.com/>

## Agjencioni për Financim në Kosovë AFK

**Address:** S St. Lidhja e Prizrenit | No. 1 | 30000 Pejë

**Tel:** 039 42 42 42

**Website:** [www.afkonline.org](http://www.afkonline.org)

**E -mail:** [info@afkonline.org](mailto:info@afkonline.org)

**Types of available finance:** Investment loans; fixed assets loans; working capital loans.

### Products, Terms & Conditions:

Product	Range (EUR)	Interest Rate	Maturity	Fees	Collateral
Investment loans	€50 - €25,000	14-22%	Up to 60 months	No fee applied	Pledge: immovable and/or movable property
Fixed asset loans	€50 - €25,000	14-22%	Up to 60 months	No fee applied	Pledge: immovable and/or movable property
Long-term loans for working capital	€50 - €25,000	14-22%	Up to 60 months	No fee applied	Pledge: immovable and/or movable property
Short-term loans for working capital	€50 - €25,000	14-22%	Up to 60 months	No fee applied	Pledge: immovable and/or movable property

**Other terms and conditions:** Grace period up to 6 months and flexible payment plan, based on client's cash flow.

**Specific Agribusiness or SME product:** All products are available for qualifying small businesses and agribusinesses.

**Collateral:** Depends on the amount of the loan.

**Criteria:** The legal entity should demonstrate positive operating results during the last 6 to 12 months, and be classified as "A" risk category.

**Summary comments:** For more detailed information please call the contact person or visit our website at [www.afkonline.org](http://www.afkonline.org)

## LEASING COMPANIES THAT FINANCE AGRICULTURAL BUSINESSES IN KOSOVO<sup>20</sup>

Raiffeisen Leasing Kosovo LLC					
<p><b>Address:</b> UCK 222, 10000 Prishtina, Kosovo  <b>Tel:</b> +381-38-222-222-335  <b>Website:</b> <a href="https://raiffeisenleasing-kosovo.com">https://raiffeisenleasing-kosovo.com</a>  <b>E -mail:</b> info.leasing@raiffeisen-kosovo.com</p>					
<p><b>Types of available finance:</b> Financial leasing</p>					
Products, Terms & Conditions:					
Product	Range (EUR)	Interest Rate	Maturity	Fees	Collateral
Financial leasing – Vehicles  <b>Client Segments:</b> 1. Private individuals 2. MSMEs 3. Corporates	€5,000 - €100,000	5.5% -8.5% (depending on segment)	From 12 to 84 months	Up to 1.0% of Finance amount	The object of leasing
Financial leasing – Equipment  <b>Client Segments:</b> 1. MSMEs 2. Corporates	€5,000 - €2,400,000	6.0% -8.0% (depending on segment)	From 12 to 72 months	Up to 1.0% of Finance amount	The object of leasing
Financial leasing – Real Estate  <b>Client Segments:</b> 1. Private individuals 2. MSMEs	€5,000 -€340,000	6.0% -7.7% (for apartments) 6.0% - 7.5% (for shops -commercial real estate)	From 12 to 240 Months (apartments) From 12 to 120 Months (shops)	Up to 1.0% of Finance amount	The object of leasing
<p><b>Other terms and conditions:</b> N/A</p>					
<p><b>Specific Agribusiness or SME product:</b> N/A</p>					
<p><b>Collateral:</b> The equipment leased is the collateral</p>					
<p><b>Criteria:</b> Application criteria based on Raiffeisen Leasing’s Annual Credit Policy Paper. Please contact Raiffeisen Leasing Kosovo for details</p>					
<p><b>Summary comments:</b> N/A</p>					

<sup>20</sup> At the time of publication of this Toolkit, the leasing market in Kosovo was primarily focused on automobile leasing.

## DONOR FINANCE FOR AGRICULTURAL BUSINESSES IN KOSOVO

The section below presents a list of donors in Kosovo and internationally that cater to agricultural businesses in Kosovo. Special focus is given to the Government of Kosovo's Agency of Agricultural Development Agricultural Fund, as it is the largest donor of the agricultural sector in Kosovo.

### Agency for Agriculture Development – Agricultural Fund

#### Agency for Agriculture Development – Agricultural Fund

**Address:** Agency for Agriculture Development Migjeni Str., 10000 Prishtinë, Kosovë

**Telephone (for grants):** +381(0)38 211 967

**Telephone (for general information):** 381(0)38- 212 651

**Telephone (for subsidies):** +381(0)38 211 837

**Website:** <http://www.azhb-ks.net>

**Link to parameters and application procedures for the 2019 grants program:**

[http://www.azhb-ks.net/repository/docs/Programi\\_per\\_Zhwillimi\\_Rural\\_2019.pdf](http://www.azhb-ks.net/repository/docs/Programi_per_Zhwillimi_Rural_2019.pdf)

The Agency for Agriculture Development (AAD) is the body under the auspices of the Ministry of Agriculture, Forestry, and Rural Development (MAFRD) responsible for the implementation of subsidies (direct payments) and rural development programmes, including grants. The AAD is responsible for the implementation of supporting programmes for Agriculture and Rural Development, applying Instrument for Pre-Accession Assistance for Rural Development (IPARD)-based procedures. The AAD is also responsible for implementing supporting measures deriving from national programme, donors and from other measures deriving from the national programme IPARD.

During the Pre-Accession process, the Agency is responsible for applying application procedures, administrative and field control, and approval and execution of payments up to the beneficiaries.

#### Subsidies (Direct Payments)

Within the framework of policy implementation MAFRD for the development of the agriculture and rural sector for the period 2014-2020, the Department of Agriculture Policies and Trade has prepared the Direct Payments Programme for year 2019, which lays out strategic objectives of agriculture development, focused on: increasing the competitiveness and efficiency of primary agricultural production; increasing in farm incomes; increasing agricultural yields; decreasing agricultural imports; improving production quality; decreasing production costs; increasing processing capacities; and increasing the commercialization of agricultural activities.

Within the Programme for Direct Payments for year 2019, subsidies are provided to growers of wheat, barley, rye, oat, corn, sunflower, existing vineyards, wine makers, existing orchards, raspberries, producers of planting materials, vegetable growers, organic farmers, dairy cattle, sheep, goats, bees, milk, poultry, swine, aquaculture, and tobacco growers. The total budget for direct payment subsidies in 2019 is 25 million EUR.

For more details on the Direct Payments (subsidies) programme in agriculture and rural development in the Republic of Kosovo, please refer to the official document of the Ministry, Reference: 04-204/19:

[http://www.azhb-ks.net/repository/docs/2019\\_05\\_30\\_103539\\_Programi\\_per\\_Pagesa\\_Direkte\\_2019.pdf](http://www.azhb-ks.net/repository/docs/2019_05_30_103539_Programi_per_Pagesa_Direkte_2019.pdf)

#### Grants<sup>21</sup>

Within the framework of policies of the MAFRD designed for the development of the rural and agricultural sector for the period 2014-2020, the Department of the Rural Development Policies/Managing Authority has developed the Programme for Rural Development for year 2019 which addresses strategic objectives of rural

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<sup>21</sup> For more details on grants programme in agriculture and rural development in the Republic of Kosovo, please refer to the official document of the Ministry, Reference: DZHPR-AM 28/03/2019 ([http://www.azhb-ks.net/repository/docs/Programi\\_per\\_Zhwillimi\\_Rural\\_2019.pdf](http://www.azhb-ks.net/repository/docs/Programi_per_Zhwillimi_Rural_2019.pdf))

development for the period 2014-2020:

- Increase the competitiveness of the agro-food sector, based on the use of modern technology, increase of production, productivity and food safety in order to be able to be competitive in internal and external markets as well as in reducing country's negative trade balance;
- Improvement of the living standards of inhabitants in rural areas through diversification of the activities on and off farms, with the aim of job creation and increasing incomes;
- Environmental and natural resource protection, through investments in irrigation, drainage, waste treatment, and renewable energy.

The Policy and Strategy of Rural Development foresees four measures designed to address aforementioned strategic objectives:

**Measure 101:** Investments in physical assets in agricultural economies;

**Measure 103:** Investments in physical assets in processing and marketing of agricultural products;

**Measure 302:** Farm diversification and business development;

**Measure 303:** Preparation and implementation of the local development strategies

The following budget for the aforementioned measures in 2019:

- Measure 101: Investments in physical assets in agricultural economies: €12,500,000
- Measure 103: Investments in physical assets in processing and marketing of agricultural products: €4,000,000
- Measure 302: Farm diversification and business development: €2,700,000
- Measure 303: Preparation and implementation of the local development strategies: €300,000

Parameters and application procedures for the 2019 grants program can be found here:

[http://www.azhb-ks.net/repository/docs/Programi\\_per\\_Zhvillimi\\_Rural\\_2019.pdf](http://www.azhb-ks.net/repository/docs/Programi_per_Zhvillimi_Rural_2019.pdf)



## Ministry of Integration List of Donors That Support the Agricultural Sector in Kosovo

Name of Institution	Telephone/ Fax	Webpage/Contact	Address
United Nation Development Program	Tel: +383 38 249066 Fax: +383 38 249065	valbona.bogujevci@undp.org <a href="http://www.ks.undp.org">http://www.ks.undp.org</a>	UNDP Kosovo Office, Zagrebi Str. No. 58, 10000 Prishtina
United States Agency for International Development	Tel: + 383 38 59 59 2000; Fax: +381 38 249493	<a href="http://www.usaid.gov/kosovo">www.usaid.gov/kosovo</a> kosovousaidinfo@usaid.gov	Ismail Qemali Str. No. I, Arbëria Prishtina 10000
European Union Mission to Kosovo	Tel: +383 38 5131 200	<a href="https://eeas.europa.eu/delegations/kosovo_en">https://eeas.europa.eu/delegations/kosovo_en</a> delegation-kosovo@eeas.europa.eu	Kosova Street I, P.O.Box 331, Prishtina 10000
World Bank Kosovo	Tel: +383-38-224-454-1100	<a href="https://www.worldbank.org/en/country/kosovo">https://www.worldbank.org/en/country/kosovo</a> wbg-kosovo@worldbank.org	Rruga Prishtinë - Fushë Kosovë 10060 Prishtina
European Bank for Reconstruction and Development (EBRD)	Tel: +383 38 242 07000, +44 20 7338 7168	<a href="https://www.ebrd.com/kosovo.html">https://www.ebrd.com/kosovo.html</a> newbusiness@ebrd.com	Rruga Prishtine - Fushe Kosove, Lidhja e Pejës, Prishtinë 10060
Austrian Development Agency	Tel: +383 38 248 151	<a href="https://www.entwicklung.at/en/countries/southeast-europe/kosovo/prishtina@ada.gv.at">https://www.entwicklung.at/en/countries/southeast-europe/kosovo/prishtina@ada.gv.at</a>	Field Office Prishtina Gjergj Balsha 8, Dragodan I, 10000 Prishtina
German Embassy KFW Giz	Tel: +383 38 254 5182; +383 38 224 141; +381 38 233 002 100	<a href="https://prishtina.diplo.de, wz-1@pris.diplo.de">https://prishtina.diplo.de, wz-1@pris.diplo.de</a> ; <a href="https://www.searchnewworld.com/search/search2.html?partid=sn-schbng&amp;p=https%3A%2F%2Fwww.kfw-entwicklungsbank.de%2FInternational-financing%2FKfW-Development-Bank%2FLocal-presence%2FEurope%2FKosovo%2F%2C+kfw&amp;subid=446">https://www.searchnewworld.com/search/search2.html?partid=sn-schbng&amp;p=https%3A%2F%2Fwww.kfw-entwicklungsbank.de%2FInternational-financing%2FKfW-Development-Bank%2FLocal-presence%2FEurope%2FKosovo%2F%2C+kfw&amp;subid=446</a> ; <a href="http://www.giz.de">www.giz.de</a> , <a href="mailto:giz-kosovo-buero@giz.de">giz-kosovo-buero@giz.de</a>	Rr.Azem Jashanica 66, Arbëria, 10000 Prishtinë; Anton Çetta No.1 10000 Prishtina;
Embassy of Switzerland SDC	Tel: +383 38 261 261; + 381 38 248 091	<a href="https://www.eda.admin.ch/prishtina">https://www.eda.admin.ch/prishtina</a> <a href="mailto:prishtina@eda.admin.ch">prishtina@eda.admin.ch</a> ; <a href="mailto:prishtina@sdc.net">prishtina@sdc.net</a>	Adrian Krasniqi II 10060 Prishtina; Rexhep Mala Street 6, 10060 Prishtina
Liaison Office entrusted by the Government of Japan	Tel: +383 38 245 433 or 249 995; Fax: +383 38 245 434	<a href="mailto:embjp.ggp.ks@gmail.com">embjp.ggp.ks@gmail.com</a>	Fehmi Agani Street No. 133 B/10, 10.000 Prishtine
Embassy of Sweden	Tel: +383 38 245 795; Fax: +381 38 245 791	<a href="http://www.swedenabroad.com/Prishtina">www.swedenabroad.com/Prishtina</a> <a href="mailto:ambassaden.prishtina@gov.se">ambassaden.prishtina@gov.se</a>	Str. Perandori Justinian, No. 111 Pejton 10000 Prishtina
Embassy of Norway	Tel: +383 232 111 00	<a href="https://www.norway.no/en/kosovo">https://www.norway.no/en/kosovo</a> <a href="mailto:emb.prishtina@mfa.no">emb.prishtina@mfa.no</a>	Rr.Sejdi Kryeziu nr. 8 Qyteza Pejton 10000, Prishtina
Embassy of Luxembourg	Tel: +383 38 22 67 87	<a href="https://prishtina.mae.lu/en/The-Embassy">https://prishtina.mae.lu/en/The-Embassy</a> <a href="mailto:prishtina.amb@mae.etat.lu">prishtina.amb@mae.etat.lu</a>	Selim Berisha Str. No. 18 10000 Prishtina

# **ANNEX I**

## *LIST OF EQUIPMENT VENDORS*



## VENDORS OF RENEWABLE ENERGY TECHNOLOGIES

Below is an overview of some of the more prominent solar PV and biomass stove vendors / installers / manufacturers in Kosovo. Other vendors may be preferential depending on specific needs of farms and project budget.

Name	Location	Products/Services Offered
Elen <a href="https://elen-ks.com/en/">https://elen-ks.com/en/</a>	Kosovo	Complete Solar Solutions Solar panels Battery Storage Power Inverters Backup Generators Engineering, Procurement, and Construction Financing
Eng House <a href="https://www.facebook.com/EngHouse.KS/">https://www.facebook.com/EngHouse.KS/</a>	Kosovo	Central heating systems using Biomass
Enrad LLC <a href="http://enrad-ks.com/enrad/">http://enrad-ks.com/enrad/</a>	Kosovo	Pellet Stoves Boilers
Green Energy Technologies (GET) Group <a href="http://get-ks.com/about-us/">http://get-ks.com/about-us/</a>	Kosovo	Solar Panels (PV and Solar Thermal) Central Heating Systems using Biomass
Italterm <a href="http://www.italterm-ks.com">http://www.italterm-ks.com</a>	Kosovo	Central heating systems using Biomass Solar Thermal Systems
Jaha Group <a href="https://www.jahasolar.com">https://www.jahasolar.com</a>	Kosovo	Solar panels Battery Storage Power Inverters Off & on grid Solutions * Jaha Group also manufactures solar panels
Muqa Solar <a href="https://www.muqacompani.com/en/">https://www.muqacompani.com/en/</a>	Kosovo	Solar Hot Water Heaters Solar Room Heating Collectors Pump Stations Freshwater Modules Heating Modules
Swiss Pelet <a href="http://swisspelet.com">http://swisspelet.com</a>	Kosovo	Wood pellet production Retail of pellet stoves
Termoluli <a href="http://termoluli.com/index.php/produktet/">http://termoluli.com/index.php/produktet/</a>	Kosovo	Solar Thermal System Central heating systems using Biomass
Thes-Ari <a href="http://thes-ari.com/thesari-recycling.html">http://thes-ari.com/thesari-recycling.html</a>	Kosovo	Wood pellet production



## VENDORS OF HYDROPONIC SYSTEMS & COMPONENTS

Below is a list of vendors located in the U.S. and Europe that could be suppliers of required hydroponic materials. **Magan Mak**, in North Macedonia, is the closest supplier. Other vendors may be preferential, depending on specific needs of farms and project budget.

Name	Location	Products/Services Offered
NGS systems <a href="http://ngssystem.com/en/ngs">http://ngssystem.com/en/ngs</a>	Spain	Proprietary cultivation systems
Meteor systems <a href="http://www.meteorsystems.nl/en/producten/soft-fruit/strawberry-on-racks/growing-systems-for-cultivation-on-racks">http://www.meteorsystems.nl/en/producten/soft-fruit/strawberry-on-racks/growing-systems-for-cultivation-on-racks</a>	Holland	Racks for strawberry cultivation
Aponix systems <a href="https://www.aponix.eu">https://www.aponix.eu</a>	Germany	Tower systems
TAP systems <a href="https://www.tapprojects.com">https://www.tapprojects.com</a>	Various	NFT systems for lettuce
CropKing Inc <a href="https://www.cropking.com">https://www.cropking.com</a>	US	NFT, Bato Bucket
AmHydro <a href="https://amhydro.com">https://amhydro.com</a>	US	NFT, Bato Bucket, Slab
D-light <a href="https://www.visconaimfresh.com/wp-content/uploads/2018/01/D-Light-LQ.pdf">https://www.visconaimfresh.com/wp-content/uploads/2018/01/D-Light-LQ.pdf</a>	Holland	Seedling System
Grow Pact <a href="https://growpact.com">https://growpact.com</a>	Holland	Community Seedling System
Magan Mak <a href="https://www.maganmak.com.mk/index">https://www.maganmak.com.mk/index</a>	North Macedonia	Distributor of systems for multiple types of hydroponic systems for various crops



# **ANNEX 2**

## *FINANCIAL SPREADSHEET TEMPLATES*

This Annex presents financial templates developed by the Project team for Cash Flow projections, an Income Statement, and a Balance Sheet. It starts with an instruction manual (below), followed by screenshots of examples of Cash Flow projections, an Income Statement, and a Balance Sheet. Excel versions of the financial spreadsheet templates can be down loaded here <https://dec.usaid.gov/dec/content/Detail.aspx?VID=47&ctID=ODVhZjk4N-WQtM2YyMi00YjRmLTkxNjktZTcxMjM2NDBmY2Uy&rID=NTUyMzI>

## **Instruction Manual for the Financial Spreadsheet Templates**

This financial model is composed of 9 Excel individual worksheets under one Excel file. The modules are:

1. Input Data
2. Income
3. Salaries
4. Variable Costs
5. Fixed Costs
6. Capital Equipment
7. Financing
8. Monthly Cash Flow
9. Financial Statements.

The cells in beige color are for data input. DO NOT INPUT DATA ON CELLS THAT ARE NOT BEIGE. These "White" cells contain formulas and if any data is entered it will erase the formulas and render the model inaccurate.

### **Worksheet 1 - Input Data**

Enter the name and address of the company. If the company is operating, please enter the data requested in the beige cells. If it is a new company, enter zero in all beige cells or leave them blank.

### **Worksheet 2 - Income**

This sheet provides an analysis of sales. There are input fields for up to 15 different products. After Product 15, there are fields to be entered regarding sales terms. Please enter the percentage of sales that are to be paid in 30, 60 or 90 days, if applicable. If not, the system automatically assumes that all sales are on a cash basis. Where there are term sales, the system will calculate the amount of sales and transfer the amounts to the following worksheets.

The field for other personal income is to be used for income earned by the farmer and/or his/her immediate family in activities unrelated to the farm.

You can also enter a percentage for bad debts, if any.

### **Worksheet 3 - Salaries**

In this worksheet enter the number of staff, the average salaries, the increase in staff numbers and the annual increase in salaries, if any.

### **Worksheet 4 - Variable Costs**

In this worksheet you enter the monthly costs for items directly related to the production, like seeds, electricity, fertilizer, etc. The data is to be input on a monthly basis due to possible seasonality. There is an area to enter the yearly increase in prices, if any.

There is also a field to be entered for personal expenses not related to the farm production.

### **Worksheet 5 - Fixed Costs**

In this worksheet you enter the costs that are not directly related to production, such as rent, professional services and telecoms. Again, there is an area to enter the yearly increase in prices, if any.

### **Worksheet 6 - Capital Equipment**

In this worksheet you enter the capital equipment costs, such as land, buildings, equipment, vehicles, office equipment, etc. There is a field to enter the original cost and a field to enter the current value. The current value will reflect any depreciation that may have taken place. There are fields to enter the economic life of the asset (for example, buildings are often 20-25 years, while vehicles are 5 years and office equipment 3 years or so). We recommend that you use the economic life included in the current tax legislation.

There are also fields to enter acquisitions and disposal of assets in the following five years, with the corresponding depreciation for these new assets at the bottom. The accumulated depreciation, provided by the system, includes the depreciation on existing assets plus the depreciation on assets to be acquired.

### **Worksheet 7 - Financing**

Please enter existing and future loans in the fields provided. There are fields for up to 3 loans, under Bank A, Bank B and Bank C. Please enter the type of loan, the interest rate and the maturity. As schedule of amortizations may vary, depending on grace period, etc., these need to be entered manually. The system will calculate the monthly amortization, outstanding debt and interest expense.

The same process is to be repeated for revolving funds. These included overdraft lines and other revolving facilities.

### **Worksheet 8 - Monthly Cash Flow**

This worksheet is mostly system generated. The only items that can be entered manually are other cash, owner's withdrawals and taxes. Please enter these items if applicable.

### **Worksheet 9 - Financial Statements**

This worksheet includes the projected annual cash flow statement, income statement and balance sheet. This worksheet is system generated and no data input is necessary.

## Cash Flow Projections

Example from the financial templates for Cash Flow projections developed by the Project team. See <https://dec.usaid.gov/dec/content/Detail.aspx?vID=47&ctID=ODVhZjk4NWQtM2YyMi00YjRmLTkxNjktZTcxM-jM2NDBmY2Uy&rID=NTUyMzll> to download an excel version of these financial templates.

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>ANNUAL CASH FLOW</b>						
<b>Cash Summary</b>						
Cash on Hand (Beginning of Year)		€ 2,000	€ 31,797	€ 72,685	€ 117,976	€ 170,353
Cash Change During Year		€ 29,797	€ 40,889	€ 45,291	€ 52,376	€ 60,331
Cash Position (End of the Year)		€ 31,797	€ 72,685	€ 117,976	€ 170,353	€ 230,683
<b>Cash Receipts</b>						
Sales		€ 102,434	€ 112,333	€ 120,308	€ 128,850	€ 137,999
Equity and Other Investment		€ 0	€ 0	€ 0	€ 0	€ 0
Loans Received		€ 0	€ 0	€ 0	€ 0	€ 0
Other Cash		€ 0	€ 0	€ 0	€ 0	€ 0
Accounts Receivable Paid In			€ 2,627	€ 186	€ 200	€ 214
<b>Total Cash Receipts</b>		<b>€ 102,434</b>	<b>€ 114,959</b>	<b>€ 120,495</b>	<b>€ 129,050</b>	<b>€ 138,213</b>
<b>Cash Paid Out</b>						
Variable Costs		€ 35,777	€ 36,737	€ 37,729	€ 38,756	€ 39,818
Fixed Costs		€ 14,060	€ 14,198	€ 14,339	€ 14,482	€ 14,628
Salaries and Wages		€ 22,800	€ 23,136	€ 23,136	€ 23,436	€ 23,436
Loan Amortization		€ 0	€ 0	€ 0	€ 0	€ 0
Interest Expense		€ 0	€ 0	€ 0	€ 0	€ 0
Dividends/Owners' Withdrawals		€ 0	€ 0	€ 0	€ 0	€ 0
Capital Expenditures		€ 0	€ 0	€ 0	€ 0	€ 0
Bad Debts		€ 0	€ 0	€ 0	€ 0	€ 0
Taxes		€ 0	€ 0	€ 0	€ 0	€ 0
<b>Total Cash Paid Out</b>		<b>€ 72,637</b>	<b>€ 74,071</b>	<b>€ 75,204</b>	<b>€ 76,674</b>	<b>€ 77,882</b>
<b>Cash Flow</b>		<b>€ 29,797</b>	<b>€ 40,889</b>	<b>€ 45,291</b>	<b>€ 52,376</b>	<b>€ 60,331</b>
<b>Cash Position</b>		<b>€ 2,000</b>	<b>€ 31,797</b>	<b>€ 72,685</b>	<b>€ 117,976</b>	<b>€ 170,353</b>
						<b>€ 230,683</b>

## Income Statement

Example from the financial templates for an Income Statement developed by the Project team. See <https://dec.usaid.gov/dec/content/Detail.aspx?vID=47&ctID=ODVhZjk4NWQtM2YyMi00YjRmLTkxNjktZTcxM-jM2NDBmY2Uy&rID=NTUyMzll> to download an excel version of these financial templates.

<b>INCOME STATEMENT</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Gross Sales	€ 105,060	€ 112,519	€ 120,508	€ 129,064	€ 138,228
Cost of Goods Sold	€ 35,777	€ 36,737	€ 37,729	€ 38,756	€ 39,818
Net Sales	€ 69,283	€ 75,783	€ 82,779	€ 90,308	€ 98,410
Other Costs					
Wages and Salaries	€ 22,800	€ 23,136	€ 23,136	€ 23,436	€ 23,436
Fixed Costs	€ 14,060	€ 14,198	€ 14,339	€ 14,482	€ 14,628
EBITDA	€ 32,423	€ 38,449	€ 45,304	€ 52,390	€ 60,346
Interest	€ 0	€ 0	€ 0	€ 0	€ 0
Amortization	€ 0	€ 0	€ 0	€ 0	€ 0
Depreciation	€ 4,000	€ 4,000	€ 4,000	€ 4,000	€ 4,000
Net Income Before Taxes	€ 28,423	€ 34,449	€ 41,304	€ 48,390	€ 56,346
Taxes	€ 0	€ 0	€ 0	€ 0	€ 0
Net Income	€ 28,423	€ 34,449	€ 41,304	€ 48,390	€ 56,346

## Balance Sheet

Example from the financial templates for a Balance Sheet developed by the Project team. See <https://dec.usaid.gov/dec/content/Detail.aspx?vID=47&ctID=ODVhZjk4NWQtM2YyMi00YjRmLTkxNjktZTcxM-jM2NDBmY2Uy&rID=NTUyMzll> to download an excel version of these financial templates.

BALANCE SHEET	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash	€ 2,000	€ 31,797	€ 72,685	€ 117,976	€ 170,353	€ 230,683
Accounts Receivable		€ 2,627	€ 186	€ 200	€ 214	€ 229
<b>Total Current Assets</b>	<b>€ 2,000</b>	<b>€ 34,423</b>	<b>€ 72,872</b>	<b>€ 118,176</b>	<b>€ 170,566</b>	<b>€ 230,912</b>
<b>NON-CURRENT ASSETS</b>						
Property, Plant & Equipment	€ 60,000	€ 60,000	€ 60,000	€ 60,000	€ 60,000	€ 60,000
Less: Accumulated Depreciation	€ 0	€ 4,000	€ 8,000	€ 12,000	€ 16,000	€ 20,000
Long Term Investment						
<b>Total Non-Current Assets</b>	<b>€ 60,000</b>	<b>€ 56,000</b>	<b>€ 52,000</b>	<b>€ 48,000</b>	<b>€ 44,000</b>	<b>€ 40,000</b>
<b>TOTAL ASSETS</b>	<b>€ 62,000</b>	<b>€ 90,423</b>	<b>€ 124,872</b>	<b>€ 166,176</b>	<b>€ 214,566</b>	<b>€ 270,912</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payables						
Creditors & Accruals						
Bank Overdraft		€ 0	€ 0	€ 0	€ 0	€ 0
Bank Loans		€ 0	€ 0	€ 0	€ 0	€ 0
<b>Total Current Liabilities</b>	<b>€ 0</b>	<b>€ 0</b>	<b>€ 0</b>	<b>€ 0</b>	<b>€ 0</b>	<b>€ 0</b>
<b>LONG-TERM LIABILITIES</b>						
Long-Term Loans		€ 0	€ 0	€ 0	€ 0	€ 0
Other Long-Term Liabilities						
<b>Total Long-Term Liabilities</b>	<b>€ 0</b>	<b>€ 0</b>	<b>€ 0</b>	<b>€ 0</b>	<b>€ 0</b>	<b>€ 0</b>
<b>TOTAL LIABILITIES</b>	<b>€ 0</b>	<b>€ 0</b>	<b>€ 0</b>	<b>€ 0</b>	<b>€ 0</b>	<b>€ 0</b>
<b>SHAREHOLDERS' EQUITY</b>						
Capital	€ 62,000	€ 62,000	€ 62,000	€ 62,000	€ 62,000	€ 62,000
Retained Earnings	€ 0	€ 28,423	€ 62,872	€ 104,176	€ 152,566	€ 208,912
<b>TOTAL SHAREHOLDER'S EQUITY</b>	<b>€ 62,000</b>	<b>€ 90,423</b>	<b>€ 124,872</b>	<b>€ 166,176</b>	<b>€ 214,566</b>	<b>€ 270,912</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>€ 62,000</b>	<b>€ 90,423</b>	<b>€ 124,872</b>	<b>€ 166,176</b>	<b>€ 214,566</b>	<b>€ 270,912</b>



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