

# LAB Annual Report

# 2017





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## EXECUTIVE SUMMARY

The annual report contains overview of measures taken to accomplish goals and results achieved by the LAB Project for 2017, founded by Titan Group Sharrcem and co-financed by USAID AGRO-CVE- 03 for Empowerment of Agroforestry Sector in Hani I Elezit. The contributions made for the past three years by Titan Group Sharrcem have been a key promoter in establishing 78 family farm production businesses. Another part of this continued contribution was focused on technical assistance and mobilization of landowners toward the renewal of traditional agriculture production into intensive farming, small scale commercial market driven concept of smallholders in rural area.

The report includes results implemented with USAID Grant AGRO - CVE - 03 Empowerment of Agroforestry Sector in Hani I Elezit. The selected target sectors that have been offering support this year, were those with potential for development and those which were successfully piloted in the previous years. The total investment including operational cost reach an amount of 218, 367.43€, of which Titan Group Sharrcem contribution is 138,794.58€ and USAID AGRO Program contribution is 79,572.85€. This year, LAB project offered support for 28 new startups in five agriculture sub sectors. Accepted requests were approved for extending support in most promising sectors for development and previously tested successfully in the construction 6 Greenhouses with 500 m<sup>2</sup> for vegetable production, establishing 12 Orchards with an area of 0.2 ha for growing Strawberries and Raspberries, two Vineyards with an area of 0.2 ha for growing table grape, 3 plantations with an area of 0,2 ha, established for cultivation of Aromatic and Medical Herbs and drying tunnel with an area of 30 m<sup>2</sup> for natural drying medical herbs, and for construction of 5 Wooden cabins with an area of 48 m<sup>2</sup> and supply of 150 egg hens for semi intensive egg farming.

During the period (2014 – 2017), LAB approved 87 applications, with a total amount of 672,429.36€, 90% of which was donated by Titan Group Sharrcem and 10% (in 2017) USAID Grant AGRO - CVE - 03 Program. This represents the biggest support to farmers in postwar period for Hani Elezit residents.

Achievements so far, are fully aligned with LAB strategic objectives in five- year period to establish 120 start ups and equivalent self-employment jobs.

Another evident outcome of project intervention has been achieved on building local capacities for applying innovative agriculture practice. Through teaching new farming techniques LAB aims to support beneficiaries cultivate new varieties for the current market needs, as well as to replace the imports with fresh locally grown agricultural products.

It should be noted that a significant contribution to the success of LAB project goes to 78 beneficiaries and their family members for their commitment to apply knowledge obtained through lectures and field technical assistance.

### Overview of 4-year LAB developments (2014-2017):

- The LAB Program for the period of time May 2014 – December 2017 has contributed to the development of agroforestry and administration in the amount of 672,429.36 €
- The fourth year of investment is closed with establishment of 87 operating start – ups in 10 different sub agroforestry sectors (Greenhouse, Small Fruits, Beekeeping, Mushrooms, Livestock, Vineyards, Forestry – Wood biomass for energy production, Poultry – egg production and Medical and Aromatic Herbs).
- technical support provided to 507 beneficiaries and other individual farmers in area
- 90 various types of thematic vocational and field practical trainings have been organized to support selected landowners with advanced technology in intensive agriculture and farming with standards.
- Over the last four years (April 2014 to December 2017), through the LAB Program donors have invested the amount of 672,429€, thanks to founder Titan Group Sharrcem, one– tenths of this amount ( 2017) was funded by USAID AGRO Program Prishtina.
- the sales revenue reported by the 44 operating farm businesses during 2015-2017, reached the amount of 229,641€, or the annual average income is 1,740€ which is equivalent to over 58 % of target goals of the LAB Project, each family farm annually generated at least 3,000.00 € .
- Women’s participation as beneficiaries of LAB support is promising; so far 15 beneficiaries or 20% of the total LAB beneficiaries are women.
- LAB contributed in majority of parallel activities organized by Sharrcem CSR Committee by making effort on the education of school children by presenting LAB activities and highlighting the importance of effective use of natural resource for social ecological and economical aspect for current and future generation.

### Focus on 2017:

For implementation of 28 new start - ups in 2017, investment reached the amount of 218, 367.43€, of which Titan Group Sharrcem contribution is 138,794.58€ and USAID AGRO Program contribution is 79,572.85€.

- The community has been informed via public invitation and LAB web page on opportunities for new founding and sectors selected for support in 2017 with application deadline 2 nd May 2017 until 20 th May 2017 and re – announcement (Greenhouse ) 31 st July 2017 until 10 th August 2017
- In terms of parallel activities, LAB invited all interested groups in open dialog to introduce both public invitation and criteria for becoming part of LAB beneficiaries Program for 2017,
- 51 individual farmers showed interest and received LAB application forms, and individuals submitted their applications,
- Evaluation committee composed of LAB, IADK and the Municipality, reviewed 33 submitted applications and inspected field conditions against LAB criteria that applicants should meet in order to qualify for receiving the support,
- 28 applicants met LAB criteria and have qualified for receiving LAB support
- LAB assist its beneficiaries in filling application forms and offered from MAFRD grants for

increasing the value of primary product through investment in processing, during 2017, 1 LAB recipient in Livestock sector benefited an amount of 27,000€ for establishing family investment unit for cheese production.

- LAB services to recipients- during 2017, 23 various types of thematic vocational and field practical trainings have been organized in intensive agriculture and farming with standards.
- 166 beneficiaries and other individual farmers benefited directly by attending thematic, theoretical and practical seasons in horticulture and farming,
- through 8 open tender advertisements published in daily newspaper, LAB invited interested business organization for services and supply of goods, equipment and imputes,
- 45, companies requested and obtained LAB tender dossier in order to supply services goods and other imputes,
- 28 of those submitted applications-offers ,
- 28 application business organization were evaluated according to LAB eligibility criteria and tender procedures,
- 13 of them were qualified and LAB offered cooperation and signed contract,
- During 2017, LAB provided financial support and implemented in total 28 new start –ups in 6 sub agroforestry sectors (Greenhouse, Small Fruits Strawberries and Raspberries) , Vineyards, Poultry and Medical and Aromatic Herbs).
- In 2017, LAB conducted 204 regular and random observation site visits in order to monitor and mentor the progress, and the implementation process of new start ups and identify challenges experienced by beneficiaries and propose measurements to overcome them,
- 44, operating startups businesses has reported production of 59,946kg of various vegetables, 8,549kg raspberries, 10,282kg strawberries, 216kg honey, 268kg mushrooms (shitake), 380kg mdicinal plants, 20kg table grape, 50 m<sup>3</sup> wood biomass, 38,820 lit fresh milk and 170,914 pieces of eggs.
- The total sales revenues reported during 2017, reached the amount of 129,015€, or the average income per businesses created is 2,932€ , which is equivalent to over 98 % of annual target goals of the LAB Project

Two visits were conducted abroad during 2017; Participation with American Farm School (AFS) in 23 th European Seminar on Extension and Education Crete-Chania - Greece, Paper Presentation “Sustainable Community Development through Innovation Entrepreneurial Actions” Visited AFS to gather information for Individual project practice in construction unit, equipment and production technology for processing sheep milk - yogurt production.

- In order to present its work to public through electronic information, LAB has published updates created in 2017 in web site [www.lab-ks.org](http://www.lab-ks.org) in both languages,
- During 2017, LAB organized regular meetings with the BoD. Agenda of discussion: update on current and planned activities, review of LAB budget lines and extension of cooperation with external advisory and technical assistance as well as discussion on opportunities for joint funding with other possible donor organizations.

The auditing evaluation has been carried out by expert team Baker Tilly Kosovo – Prishtine, based on LAB financial documentation, LAB reports and Founding donor Organization Sharrcem Titan Group. Financial Statements of LAB for year 2017 are prepared, in all material respects, in accordance with the financial reporting requirements of internal LAB Manual for procurement and financial procedures and Laws in Kosovo. In the same way, Financial Statements will follow for closing of year 2017.

### **LAB Foreword looking:**

Promoter in creating new values in agroforestry sector and providing support in education and technical assistance

- Facilitator in creating a new relationship and long term contract agreements between growers and lead important local export-oriented wholesale traders
- Contributor to renewal of traditional agriculture production through into intensive farming, small scale commercial market driven concept to ensure self-employment, income for community in rural areas
- Contributor to rural women's empowerment through support for financing of new agro-business activities
- Sees opportunities for expanding its activity in new geographical area and new projects upon requests from other donor organization and state agencies for development and implementation projects funded in agroforestry sector.
- Contributor in assessment and analysis of the community needs and potentials for investment in expanding of existing and promoting new sectors in agroforestry and food processing and restructuring the future role of LAB in the sector.
- Continue exploring new granting opportunities from International donor organizations and public institutions and local businesses

# INTRODUCTION

The annual report contains activities taken and results achieved in period January 01 – December 31, 2017 for implementation of activities of the LAB Project funded by Titan Group Sharrcem and USAID AGRO-CVE- 03 program for Empowerment of Agroforestry Sector in Hani I Elezit.

The focus area for support is agroforestry, highly strategic important sector for the Country and Municipality level, rated with the high potential for agricultural production, which still requires support to ensure self-employment, income for preserving life of smallholders in rural area.

Following strategic concept of the Titan Group and Sharrcem Corporate for Social Responsibility (CSR) LAB Program continued to offer alternative opportunity for unemployed households engaged in agriculture. New investments provided for 28 family businesses are step forward in fulfilling the target goal of LAB project in five-year period of time, creating 120 new star-ups, respectively equivalent self-employment jobs.

During 2017, LAB was increasingly involved in assisting 10 raspberry growers in implementation of food safety standards and obtaining international Global Gap certification in order to create new opportunities to gain access to better market in region and EU, through traders or export-oriented collection centers.

The project is implemented in close co-operation with the Donor Organization - Sharrcem Titan Group and CSR Committee, Consultancy Organizations AFS and IADK which provide specific technical advisory and consultancy services and Municipal Directorate for Agriculture, Forestry and Rural Development and community representatives.

In parallel, LAB provided information to all interest groups and individuals for new calls and sectors that have been approved by BoD for support in 2017, as well as training needs and advisory services for all beneficiaries aimed at improving their technical and practical knowledge and better utilization and management of established businesses.

In 2017, the total amount of 137,643.14 € has been awarded for direct investment, supporting the establishment of 28 new start – ups.



# TECHNICAL ADVISORY AND CONSULTANCY COOPERATION

Even though LAB made considerable progress in building own capacities in organization, planning, announcement, selection, implementation, reporting, mentoring and monitoring process, there are also areas, especially for delivering specific training and technical and advisory consultancy services in intensive horticulture and farming, LAB still remains in demand for engaging short term specialized certified organizations.

In 2017, LAB continued contractual agreement, offering the extension of one year contractual relation to IADK (Initiative for Agricultural Development of Kosovo) and AFS (The American Farming School and Perrotis College in Thessaloniki) for specific training and advisory consultancy services to develop local capacities for applying new practice and innovation in order to improve productivity, quality and profitability from agroforestry sector.

## ACTIVITIES TO ACHIEVE PROGRAM OBJECTIVES

Actions for implementation of LAB program objectives for 2017 consisted in four main – steps of structured mode:

The first step, started with public invitation and organizing an open dialog with interested households engaged in agriculture, providing all necessary information on opportunities and criteria for application, sectors selected for support for establishing new and expanding their farm businesses from LAB Program for 2017. Moreover, through this dialog LAB provided to interested individuals instructions about the application procedure, deadline for submitting application form.

Second step of activities started with establishing Evaluation Committee (composed of IADK experts, LAB and representatives from the Municipality of Hani i Elezit Directorate for Agriculture, Forestry and Rural Development and local village Administrators) to assess the submitted applications and field conditions against the approved criteria per each sector. The selection of candidates is conducted on the basis of evaluation criteria which include: household composition, distance from residence, land and land slope, the position of the plot, water supply, financial situation and previous experience.

The thirist step started with preparation of the tender dossier files for all sectors, announcements in the newspaper, evaluation of the received offers and selection and

contracting the best offers and conditions for supply. The evaluation was conducted by the LAB procurement committee in three phases: opening of the bids and review of the documentation, analysis of offers, and selection of the best offers.

The fourth step started with regular and random observation site visits for monitoring and mentoring of 50 start-ups that created and those creating revenues and the evaluation quality and progress of implementation 28 new starts – ups qualified in the final list for receiving support in 2017. Parallel activities depending on the level of the implementation progress and developments for each sector, have been offered for new beneficiaries and other interested farmers at municipality level, organizing basic thematic, theoretical and practical specific job skills provided by LAB team and contracted certified organization IADK (Initiative for Agricultural Development of Kosovo) and AFS (The American Farming School and Perrotis College in Thessaloniki) for advisory consultancy services in intensive horticulture and farming and business entrepreneurship.

## OBJECTIVES

The overall objective of the establishment of the Foundation Laboratory for Business Activities (LAB) initiated by Titan Group Sharrcem is to provide alternative opportunities through Sharrcem Corporate for Social Responsibility (CSR) to citizens of Hani i Elezit and financial support for development of unused potentials in agroforestry sector. Funds are awarded to NGO LAB Project for funding activities in rural areas which may have an impact on improving the use of agroforestry potentials, increase capacities in agriculture production and income from the established family businesses (start – ups) .

Another area of the LAB Project intervention is the strengthening of local capacities needed for application of new agricultural methods and growing system in intensive agriculture to ensure business sustainability and expected impact on productivity, profitability and growth for preserving life of smallholders in rural area.

In 2017, through awarded funds, LAB assisted financially the establishment of 28 new start-ups, fuunding the construction of 6 Greenhouses with 500 m<sup>2</sup> for vegetable production, establishing 12 Orchards with 0.2 ha for growing Strawberries and Raspberries, two Vineyards with 0.2 ha for growing table grape, 3 plantations with 0,2 ha, establishing for cultivation Aromatic and Medical Herbs and drying tunnel with 30 m<sup>2</sup> for natural drying medical herbs, and for construction of 5 Wooden cabins with 48 m<sup>2</sup> and supply 150 egg hens for semi intensive egg farming.

Main direct and indirect expectation that will affect in short period of time agroforestry sector and beneficiaries by implementing these activities:

- increase in the use of agroforestry potentials in the area of development of new start ups activities that are essential to provide quick impact in economic growth income generation; self - employment opportunities to the residents of Hani I Elezit Municipality;
- improvement of education, training and skills development, especially for the people living in rural areas to optimize the use of existing potential by applying new technologies and practice in stimulating intensive farming in livestock, vegetable cultivation in greenhouses, cultivation of small fruits and berries, beekeeping, mushroom cultivation, table grape cultivation, cultivation of aromatic and medicinal herbs, collection of wild forest fruits, and forest maintenance;
- positive financial changes to the family budget for 78 households, self-employment and income generation for family needs and expansion of their start- up businesses;
- improvements of available experience and capacities at local level through informal education and training with necessary advanced technical experience for quality and successful implementation

## DEVELOPMENTS

In 2017, LAB continued its activity launching new cycle of investment, funded by Titan Group and USAID AGRO CVE -03 Contract Agreement Fixed Amount Award Agreement for implementation of annual plan approved by CSR Committee of Sharrcem and LAB Supervisee Board of Directors to extend production potentials and establishing new agro – businesses activities and new self – employment jobs.

The annual report has been prepared by LAB team; it describes developments and activity progress of new funding intervention, in increasing the number of agro businesses and production capacities, impact on self- employment and income, as well as improving local capacities to apply advanced knowledge in intensive farming from existing underused agroforestry potential.

Monitoring and results are presented based on LAB annual plan objectives;

### Milestone 1. Announced invitation for Application

#### Status: Completed

Implementation process started in the beginning of May 2017, with announcement of two public invitations for new funding round of investments and sectors selected for support. For this opportunity citizens have been informed via Municipal and Village information tables and LAB web page in duration of 20 days. Re-announcement of public invitation for Greenhouse was published in the end of July 2017.

For both cases, for all interested farmers an open dialog was organized, providing them all necessary information on opportunities and criteria for application, funding scheme, sectors selected for support for establishing new and expanding current production potential projected in annual working LAB Program for 2017. Moreover through this dialog, all interested

individuals farmers were instructed about application procedure, filling the application forms, and deadline for submitting application.

With donated funds from Titan Group Sharrcem and USAID AGRO-CVE- 03 , LAB Program was able to extend investment, offering support to 28 new starts – ups, in five agroforestry sub sectors and certifying 10 raspberries farmers with GlobalGAP :

- **vegetable sector**, expanding existing production capacities, contributing directly in the supply and construction with other necessary imputes for one vegetation season for six new Greenhouses, with the surface of 500 m<sup>2</sup> for vegetable production and providing
- **small fruits sector**, expanding existing production capacities, contributing directly to supplying seedlings and all necessary imputes for the establishment twelve new Orchards for growing raspberries and strawberries with surface of 0,2 ha (six raspberries and six strawberries ).
- **vineyards sector**, expanding existing production capacities, contributing directly to supplying seedlings and other necessary imputes for establishing two new Orchards for table grape cultivation, with surface of 0,2 ha.
- **poultry sector**, expanding existing production capacities in semi-intensive egg farming, contributing to the supply and construction of five wooden cages capacities of 48 m<sup>2</sup> and supply of seven hundred and fifty egg hens with installation of other imputes, installation equipment for water and feeding .
- **medical herbs**, contributing directly to the supply of seedlings, drip-irrigation system, fence and supporting system and other necessary imputes for establishing three new plantations with the surface of 0,2 ha for growing different varieties of aromatic plants and medical herbs, as well as drying capacities, supply and construction of three Natural Drying tunnels with the surface of 30 m<sup>2</sup> and 3x150 m<sup>2</sup> shelves for drying aromatic plants and medical herbs.
- **Global GAP certification**, contributing directly to the implementation of GlobalGAP standards and certification through LAB, for ten operating raspberries orchards in total area of 2 ha.

## Milestone 2. Selection of farmers / beneficiaries

### Status: Completed

Selection process, began with public announcement of the invitation letter ( 2 nd May 2017 until 20 th May 2017), via information tables at Municipality and local administration level and LAB web page, inviting Hani I Elezit citizens on opportunities and sectors for funding in 2017. In total 62 local farmers expressed their interest and received the application forms. Out of 62 interested individuals, 38 of them have submitted applications for support in (Greenhouses -6, Raspberries – 12, Strawberries –7, Vineyards 3, Poultry 7 and Medical herbs -3).The panel composed of IADK experts, LAB and representatives from the Municipality of Hani i Elezit (Directorate for Agriculture, Forestry and Rural Development and local village Administrators)

(Directorate for Agriculture, Forestry and Rural Development and local village Administrators) assessed the submitted applications and field conditions against the approved criteria per each sector.

*Table 1. Number of submitted forms for application, received and approved applications/by sector*

No.	Sector	Submitted forms for applications	Received applications	Approved applications
1	Greenhouse	10	6	6
2	Raspberries	15	12	6
3	Strawberries	9	7	6
4	Vineyards	5	3	2
5	Poultry	18	7	5
6	Medical Herbs	5	3	3
<b>Total</b>		<b>62</b>	<b>38</b>	<b>28</b>

The best adopted practices for evaluation from the previous years have also been applied in 2017. The Committee composed of IADK experts, LAB and representatives from the Municipality of Hani i Elezit (Directorate for Agriculture, Forestry and Rural Development and local village Administrators) assessed the submitted applications and field conditions against the approved criteria.

Evaluation of applications is conducted on the basis of assessed criteria which include: statute of household economy, age of applicant, education, infrastructure conditions and land potential, available water resources for irrigation, land and land slope and the position, and previous experience.

The selection of beneficiaries is based on ranking list and funding available for investment. The final list has been published on 1 st June 2017, priority given to 28 beneficiaries (15 of them were female) with higher points, who meet criteria for support with whom LAB signed and exchanged the contract agreement.

### Milestone 3. Tendering processes

#### Status: Completed

After having determined selection process, the focus moved to tendering process, initially development of tender dossier and adverts announcements which were published in daily newspaper Koha Ditore and LAB web page. Eight adverts have been announced, inviting relevant licensed companies to apply and submit they offers for supply of goods and other necessary imputes for construction of six new Greenhouses, with the surface of 500 m<sup>2</sup> for vegetable production, establishment of twelve new Orchards for growing raspberries and strawberries with surface of 0, 2 ha, establishing two new Orchards for table grape cultivation, with surface of 0,2 ha, supply and construction of five wooden cages with 48 m<sup>2</sup>capacities , 750 egg hens and installation watering, feeding and lighting system for egg production, establishing three new plantations with the surface of 0,2 ha for growing different varieties of aromatic plants and construction of three drying tunnels with 30 m<sup>2</sup> surface medical herbs and certification of 10 raspberry growers with 0,2 ha in implementation of food safety standards and obtaining international Global Gap certification,

Table 2. Number of submitted tender files, received, and approved offers by sectors

No.	Sector	Requested tender dossier	Received bidding offers	Approved bidding offers
1	Greenhouse	9	5	3
2	Raspberries	5	3	2
3	Strawberries	5	3	1
4	Vineyards	4	3	1
5	Poultry	9	6	3
6	Medical Herbs	9	4	2
7	Global GAP	4	4	1
<b>Total</b>		<b>45</b>	<b>28</b>	<b>13</b>

The whole process was developed under the required internal and applicable government rules in order to ensure transparency, credibility and output in relation to the cost.

45 companies applied to obtain LAB a tender file for supplying equipment and other imputes, out of that 28 of them have submitted offers. The evaluation was conducted by the LAB procurement team in three phases: opening of the bids and review of the bid documentation, analysis of offers, and selection of the best offers.

The process closed with the signing of 13 contractual agreements, 9 organizations meet criteria for supply with which LAB signed and exchanged the contract agreement.

#### Milestone 4. Training

##### Status: Completed

Formal education and practical knowledge for current and new beneficiaries remain an essential need, so that they can perform in accordance with anticipated quality and time. This activity of LAB is carried out in cooperation with consultancy and advisory services partners IADK (Initiative for Agricultural Development of Kosovo) and AFS (The American Farming School and Perrotis College in Thessaloniki) with whom LAB has contractual relation for year 2017. Additionally USAID Agro specialist experts assist periodically new beneficiaries in advising and technical support in field monitoring of the progress of implementation process.

Theoretical training sessions, and field days were organized for existing and 28 new beneficiaries and other interested individual farmers. Vocational trainings have been harmonized based on needs and implementation progress for each sector. Through 23 training seasons, 166 participants have benefited from attending thematic, theoretical and practical trainings in intensive horticulture and farming.

*Table 3. Number of training sessions organized and people trained/by sector*

Sector	Training sessions	Number of participants
Greenhouse	4	24
Raspberries:	2	18
Strawberries	4	20
Beekeeping	2	19
Poultry	3	12
Livestock	1	13
Medical Herbs	1	4
Vineyards	1	3
Global Gap	2	26
Others	3	27
<b>Total</b>	<b>23</b>	<b>166</b>

Systematic theoretical trainings were organized at LAB's office, whereas practical training and demonstration were organized in operating businesses that already creating revenue. Modules have been adapted based on the current needs offering specific training for new beneficiaries.

## **Milestone 5. Implementation process**

### **Status: Completed**

The implementation is carried out in the synergy with LAB annual plan and timeline for implementation of the planned objectives. In 2017 LAB continued new cycle of investments offering support to 28 new start - ups in expending existing production capacities in five agroforestry sub sectors Livestock, Greenhouse, Small fruit, Beekeeping, Vineyards, and Medical and Aromatic herbs.

The considerable attention has been dedicated to monitoring the process of supplying and implementing the supply and services LAB signed and exchanged the contract. It continued monitoring and assistance provided from strategic advisory partners for specific activities IADK (Initiative for Agricultural Development of Kosovo) and AFS (The American Farming School and Perrotis College in Thessaloniki) were essential that all activities have been implemented within expected deadline and quality.

Post start – up monitoring and technical advice for all businesses, LAB covers it through its own team or assistance provided by strategic advisory partners for specific activities IADK (Initiative for Agricultural Development of Kosovo) and AFS (The American Farming School and Perrotis College in Thessaloniki).

## **Milestone 6. Staff and organization**

### **Status: Completed**

Its office and current activities are located in Hani i Elezit. The project is run by the team with high education and professional experience in area of agroforestry which ensure its full functionality. It currently employs full time position of General Manager, Agriculture Engineer, Finance Officer and Administrative Assistant. For implementing specific activities and the specialized technical activities, LAB covers it through external organizations, such as (IADK - Vushtrri) with advanced technical experience in agro - businesses sector, and Education and Research Institutions (AFIS - Greece Thessaloniki) for advisory and Research application support.

A future project objective shall be managed in such a way by shifting from intensive engagement of external experts to building own capacities of the local employed experts with the specialized knowledge in agro forestry sector to cover project objectives.

### **LAB Statistics (monitoring and measurements)**

In the period of January 1st to December 31th of 2017 LAB collected data from 44 starts – ups established in 2014/17, currently creating revenue. The aim of this activity is to gather information that serves LAB to improve its performance and presentation to our donors. The evidence on farm activity is kept by beneficiaries in LAB forms developed for different sectors. Relevant information on farm activities, regarding engagement of beneficiaries in management and maintenance, investment, harvesting quantities and sales LAB received on monthly basis. This evidence received from nine vegetable growers in Greenhouse with 500 m<sup>2</sup>, ten Raspberries growers with 0.2 ha, six Strawberries growers with 0.2 ha, ten honey beekeeping beneficiaries with 10 beehives, one grower with 48 m<sup>2</sup> for



growing mushrooms, one heating capacity with 150 kw for renewable energy production, one farmer with ten milking cows for milk production, table grape grower with 0, 2 ha, Medical and Aromatic Herbs grower with 0, 2 ha and four egg producers with 48 m<sup>2</sup>. LAB, efforts in this regard have been in providing continuous advice in record keeping, filling the forms and reporting.

## Data analysis

Actual data represent performance achieved from January 1st to December 31st 2017, obtained from 44 operating starts – ups currently creating revenues in nine agroforestry sub sectors; Greenhouse, Small fruits sectors (Raspberries, Strawberries), Beekeeping, Mushrooms, Forestry (Renewable Energy Production from Biomass), Livestock, Vineyards, and Medical Herbs

The result shows that there are differences between sectors, in regard to production, working hours created, income generated and return of investments.

Actual data in the table below represent the annual quantity production and sales, and employment at the level of sectors already creating revenues

## Quantity and Sales data

Table 4. Quantity production and value of sales by sector

Sector	Quantity produced in Kg/lit/pcs and m3	Total Sales Value €
Greenhouse	59,946	39,348
Raspberries	8,549	7,694
Strawberries	10,282	19,639
Beekeeping	216	9,206
Mushrooms	268	,268
Forestry	50	4,320
Poultry	170,914	1,964
Livestock	38,820	36,252
Medical Herbs	380	304
Vineyards	20	20
<b>Total</b>	<b>289,445</b>	<b>129,015</b>

The table below presents data obtained from 44 operating starts – ups currently creating revenues. The total production reported in 2017 is 289,445 kg/lit/pieces while the total sales revenue reached the amount of 129,015€. The average production at the level of sector is 28,944 kg/lit/pieces whereas the total sales value reached the amount of 12,901€.

So far, 78 starts –ups were created in period of time May 2014 - December 2017, 44 of them are operating and generating revenues.

In nine greenhouses with 500 m<sup>2</sup>, beneficiaries during the growing season reported production of 59,946kg of vegetables (Tomato, Cucumber, Onions, Spinach, Melon, Paper, and Green Salad, ) and reported sales income in amount of 39,348 €.

Ten Raspberry growers, each with 0.2 ha of cultivated area, have reported production of 8,549 kg and the total sales value reached the amount of 7,694€, while six Strawberry growers, each with 0.2 ha reported the production of 10,282 kg and value of sales reached the amount of 19,639€.

Ten beekeepers with ten beehives in 2017 reported a total production of 216 kg and total sales in the amount of 9,206 €. This low level of production is affected by bad weather conditions that prevented the bees from flying and collecting the honey.

One mushroom grower, in the cultivated surface of 40 m<sup>2</sup> reported a total production of 268 kg and total sales in the amount of 268 €.

50 m<sup>3</sup> wood chip biomass, produced 144,000 kw/h heat energy in value of 4,320€ used for heating for 120 days in the school area of 1200m<sup>2</sup>.

In four semi intensive egg farms with 48m<sup>2</sup>, beneficiaries during one year production season reported production of 170,914 pieces of eggs and reported sales income in the amount of 11, 914€.

In the Livestock Sector, the reports show that throughout 2017 from nine milking cows there was a production of 38,820 lit, and revenues generated were 36,252€. The results, ranked this sector in the second place following the great income generated in vegetable production.

While the reports from the growers of medical herbs and table grape had a symbolic production and income generation, real outputs in production and income are expected to begin next harvesting.

These results convincingly show that investment from 3,500 to 10,000 € to encourage self-employment investing in agriculture has economic justification and can be used as an argument to gain and motivate other possible donors to support similar programs. This example of the LAB project has shown that Kosovo should seriously consider establishing a similar program and structure to invest small scale family businesses which reflects quick return of investments, self-employment, and income for preserving life of smallholders in rural area.

## Employment data

Table 5. Number of working days created (male female)/ by sector

Sector	Working days created (male)	Working days created (female)	Total working days created
Greenhouse	626	231	857
Raspberries	290	193	483
Strawberries	248	127	375
Beekeeping	82	20	102
Mushrooms	56	96	152
Forestry	240	0	240
Livestock	440	220	660
Vineyards	84	15	99
Medical Herbs	81	24	105
Poultry	168	221	389
<b>Total</b>	<b>2,315</b>	<b>1,147</b>	<b>3,462</b>

During 2017, for managing of 44 operating starts – ups, so far were beneficiaries reported their engagement in a total of 3,462 working days. We found that, about 65% of total working time was performed by men and 35% were performed by women. Average engagement at the level of sector was about 342 working days, at operating business.

Compared to previous year women engagement has a slight increase, considering that agroforestry is traditionally a male related sector; the data obtained shows that the most of the activities were performed by male with 2,097 days. Women engagement at the sectors' level continues to be promising given its great participation with 1,147 working days.

Most of work is carried out by family members, for temporary season needs are covered with local unemployed villagers.

The highest engagements have been reported in Greenhouse sector followed by Small fruits, Livestock, Poultry and less engagement was reported in Forestry, Mushrooms, Beekeeping, Medical Herbs and Vineyards.

*Table 6. Investment cost, value of sales income and investment return by sectors*

Sector	Total investment per sector	Sales income by sector	Average investment cost by sector	Investment return by sector
Greenhouse	98,470	81,582	10,941	83%
Raspberries	34,977	21,477	3,498	61%
Strawberries	16,441	35,770	2,740	218%
Beekeeping	19,980	13,073	1,998	65%
Mushrooms	14,862	1,265	3,715	9%
Forestry	40,528	16,172	40,528	40%
Livestock	55,527	47,617	55,527	86%
Vineyards	12,563	20	3,141	0%
Medical Herbs	2,017	701	2,017	35%
Poultry	24,904	11,964	6,226	48%
<b>Total</b>	<b>320,268</b>	<b>229,641</b>	<b>130,331</b>	<b>72%</b>

The presented data in Table 7 contains financial information on investments, and gathered data on generated income results from 44 operating start-ups for period of time 2015-2017 by sectors. The total fundraising expenses for establishing 44 start reach amount of 320,268€ or average cost per start – up was 7,279€. The total sales income generated from 44 beneficiaries in period 2015-2017 reached the amount of 229,641€ or average total return up to now is 72%.

Initial evaluations show that the LAB project is a promising success, which can be seen from the performance indicators in the table above (even though some interventions did not reach the desired level) financial contribution it provided has a strong impact and businesses created are now able to generate sustainable income for the family budget and investment in growth of their businesses. In the broader sense, this added value created in the agroforestry sector, without this initiative and investment, considering economic situation and culture of community in area, would remain unused and as well as many difficulties questions in respect to this issue.

## CONCLUSIONS

The following conclusions and results can be drawn from this reporting period:

- **INTRODUCTION:** The established strategic quality objectives of Titan Group - Sharrcem through CSR Committee, provide optimum conditions for LAB Project to implement approved program activities with the aim to provide alternative opportunities for the development of agroforestry sector for generating new self-employments and income to Hani i Elezit residents.
- **TRANSPARENCY:** A good practice established in previous years continued in 2017, achieving consensus in meetings with different stakeholders (government, municipal institutions and local community partners) and LAB BoD members adopted the LAB Program for providing financial support in approved sectors.
- **COOPERATION:** Specific advisory and consultancy services have been provided by the Initiative for Agricultural Development of Kosovo (IADK) and The American Farming School and Perrotis College in Thessaloniki (AFS)
- **PROCESSES:** All the activities related to introduction of the annual plan objectives, invitation for support, preparation of the tender dossier, procurement procedures, evaluation methodology etc. have been processed in full compliance with the applicable legislation and approved LAB internal manuals, in full transparency to continuous improvements.
- **COMPLIANCE:** In applying this system of work we created a very supportive environment from all stakeholders for the implementation of the planned objectives in a fully transparent and compliant manner in order to ensure the quality and sustainability of the already established and new start-ups.

Application of this methodology of the work identified LAB Program as the main promoter and contributor in development of private entrepreneurship in the agribusiness sector in Hani I Elezit Municipality.

## NEXT STEP AND RECOMANDATIONS

In order to preserve the sustainability of the current achievements of the LAB project and the new funded start –ups, it is recommended:

- Promotion of LAB Project achievements and financing mechanisms applied to strengthen development of agroforestry sector and entrepreneurship.
- Continuous provision of technical advice to all beneficiaries by promoting new cultivation techniques and farm management for increasing yield and quality;
- Continuous assistance in contracting production between LAB beneficiaries, big markets and collection centers.
- Assisting Strawberries and Raspberries growers in implementing food production standards and obtaining GlobalGap group certification.
- Continuous provision of support by introduction of new productive varieties and growing techniques in intensive farming
- Assist LAB beneficiaries in preparing application for leveraging fund from MAFRD other donors who provide support for development of agroforestry sector
- Advise and train beneficiaries in increasing quality of record keeping and reporting;
- Continue to investigate the community needs and new potentials for support in agroforestry sector and processing those that might provide quick income end employment
- Continue to lobby and introduce to the local residents the benefits of buying local fresh products;
- Continue the cooperation with IADK and AFS in developing further programs and projects for future beneficiaries;
- Continue to explore new finding sources of funding to scale up the project activities and support.
- Continue good coordination and cooperation with Municipality Directorate for Agriculture Forestry and Rural Development, village Administrators of Hani i Elezit and all other interlinked stakeholders.
- Continue Annex Service contracts for 2018 with outside service providers – organizations, (IADK) - Vushtrri and Education and Research Institutions of the American Farm School (AFIS) – Thessaloniki, Greece,

# ANNEXES - PICTURES

## LAB Project donors in 2017



## Exploring new granting opportunities from International donor organizations



## Presentation year four work plan



**Office evaluation and selection process**



**Education program and field technical advice and monitoring**





### Expanding new production capacities in vegetable sector



### Expanding new production capacities with Raspberries





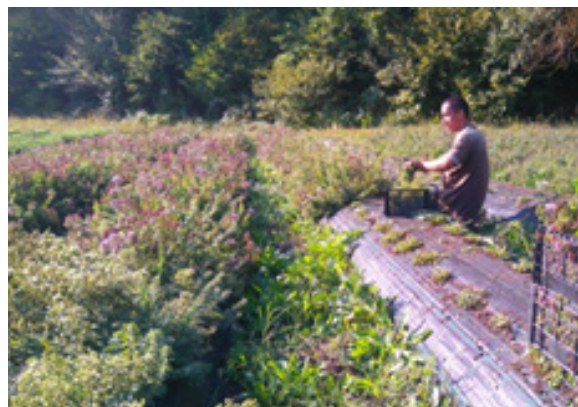
Expanding new production capacities with Strawberries



Expanding new production capacities for growing Table grape



### Expanding new area and production of Aromatic and Medical Herbs



### Expanding new production capacities in egg production



### GlobalGAP Certification process



Presentation LAB project ESEE Seminar 23rd European Seminar on Extension (and) Education



Exhibition of agriculture products in local fair market in Hani I Elezit



