



PREPARED BY: Laboratory for Business Activities (LAB)

PROJECT

**LABORATORI  
PËR AKTIVITETE  
TË BIZNESIT**  
LABORATORY  
FOR BUSINESS  
ACTIVITIES

REPORT: JANUARY – DECEMBER, 2019

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## EXECUTIVE SUMMARY

The annual report provides an opportunity to look back what has been achieved since 2014 and LAB accomplishments for work plan during 2019. This document includes information on sub sectors and structure of grants approved for investment and recognized potential for development of the Agroforestry sector in Hani I Elezit Municipality.

The budget for implementation of the LAB Program activities from 2014-2019 is 980,182.38 €. Funds granted as below:

- Founder of LAB Program Titan Group through CSR Committee of Sharrcem at the amount of 817,557.25 €
- "Agro – CVE - 03 Program"- Pristine in 2017 at the amount of 81,525.68 €
- "DST Company" – Ferizaj in 2019 at the amount of 14,745.00€
- Hani I Elezit Municipality Directorate for Agriculture Forestry and Rural Development at the amount of 4,769.60€ and
- Co-financing 10-30% of total direct cost of approved investment by beneficiaries in the amount of € 61,584.85 €

Subject to this support is the provision of direct financial funding for establishing new or expanding the existing business activities and non-financial support for all the approved applicants in order to improve basic knowledge and practical skills in innovative farming, business operations, productivity and profitability.

Support is advertised via local public invitation with specific and defined requirements, deadline to submit applications for investment in new business activities in different sectors. The support package includes free training and field mentoring (technical and practical advice) for improving business operations and innovative farming.

Applications received, undergo through an administrative control of documentation as well as field condition evaluation considering set standard criteria. The evaluation team consists of LAB members, Municipality Directorate for AFRD in consultation with village representatives.

The successful requests for grant support are the highest scoring applicants and who have met criteria set per each sub sector. The approved grant resources at disposal for 2019, will contribute in creating new production potentials for strawberries cultivation, milk processing unit for sheep yogurt production and installation of the heating system for energy production for heating primary schools premises holding over 250 students.

The support package includes high-quality services in all our activities for the benefit of our beneficiaries, community and interested individuals who are willing to implement new innovative techniques. This will help a number of smallholder farmers, who inhibit most of underused agroforestry resources and are the main resources for community in rural areas for self-employment and income generation opportunities.

The LAB program in 2019 was a co – financial support in investing on the supply of goods and all necessary inputs to the successful applicants. In this project, 70% of financial contribution was from LAB and the remaining 30% was individual's participation. The benefit from this project is not only the agricultural side but also the support provided to the public sector, at primary school in the Paldenica village. The school will be equipped with the modern heating system meeting the EU standards contributing improve, climate change mitigation, conservation of biodiversity and benefiting energy for heating using wood biomass from silviculture and restoration cutting intervention in young forest.

An innovative financial scheme covering 100% of investment in supply seedling, drip irrigation system and inputs for establishing protective wire fence for the area of 1,6ha was applied in establishing new strawberry plantations. This has been achieved through joint co – investment between LAB (participated with the contribution of 4,447.38 €), DST Company – Ferizaj (participated with the contribution of 14,745.00 €), Municipality Directorate for Agriculture Forestry and Rural Development of Hani I Elezit (participated with the total contribution of 4,769.60 €).

The total number of new beneficiaries during 2019 was 14 farmers and one investment in the public sector. The scheme includes:

- Investment for increasing production capacities in Honey Production; approving ten request for supply of 100 bee - hives and supply of honey harvesting and keeping equipment's very essential for maintenance honeybees.
- Investment for increasing production capacities supporting four request for establishing new plantations of an area of 1,6 ha for growing strawberries;
- Investment in equipment and installation of the modern heating system with EU standards in wood fuel consumption (wood chip) for heating school premises at public sector Primary school Paldenica.

The allocated budget has been designed for co-financing of eligible cost for supply equipment, seedlings and other necessary inputs to establish new business activities in two sub sectors in agroforestry and one public investment financing in supply and installation of heating system for producing energy using wood residues from silviculture treatment of young forest (wood chip).

The progress so far, are fully aligned with LAB strategic objectives, resulting in creating new jobs through self – employment, increase domestic production and income, import substitution and more effective use of natural resources in agroforestry sector.

Support to access basic formal education and knowledge of the new and current businesses needs new applications and innovative techniques in farming. This has been completed successfully using its local capacities and small part was covered through temporarily engagement of external consultants to offer specialized training in milk processing and preparing recipe for producing Greek yogurt from sheep milk.

Collaborative work of the LAB project and businesses contributed in a good performance and findings of this report are encouraging, especially considering the production, quantities and income generation that have increased over the timeframe of the project.

## **OVERVIEW OF SIX -YEAR LAB DEVELOPMENTS (2014-2019):**

- The total budget for implementation of LAB Program objectives between May 2014 to December 2019 is 843,572.61 €.
- The total of contracted grants for co-financing of the eligible cost of goods and necessary inputs for creating 97 business activities is 580,970.38 € and additional 262,602.23 € are non-financial investment for covering consulting services, office administration and providing free training and technical support for all beneficiaries. This allows them access to basic training and practical knowledge for implementation of innovative farming and run successfully the established business.
- The six year of investment is ended mpleted with establishment of 97 starts – ups in 12 different sub agroforestry sectors: Greenhouse, Small Fruits (raspberries and strawberries), Beekeeping, Mushrooms, Nuts orchard, Livestock (milk production and milk processing), Vineyards, Forestry – Wood biomass for energy production, Poultry – egg production, Medical, and Aromatic Herbs).
- Technical support provided to 785 LAB beneficiaries and other interested individual farmers in the area.
- As of now, 132 various types of thematic vocational and field practical trainings has been arranged for landowners to up skill them in advanced technology in intensive agriculture and farming with standards.
- Total net income reported from 2014 to 2019 has reached the amount of 610,220.87 €, which is equivalent to over 60 % of LAB project target goals..
- Women's participation as beneficiaries of LAB support is promising; so far, 97 beneficiaries or 15% of the total LAB beneficiaries are women.

## FOCUS DURING 2019:

- Approved financial contribution by the LAB Program is 97,810.00 € and two co-grant donors DST Company – Ferizaj and Municipality Directorate for Agriculture Forestry & Rural Development in amount of 19,514.60 €.
- The total budget for implementation achieving LAB annual plan for 2019 was 138,910.00 € for establishing 15 new start – ups.
- The approved budget from the LAB Program is 97,810.00 € or 70% of the total investment donated by Titan Group - Sharrcem through CSR.
- The remaining budget is co-financial contribution; DST Company – Ferizaj with the amount of 14,745.00 € or 11%, Municipality Directorate for Agriculture Forestry & Rural Development of Hani I Elezit with the amount of 4,769.60 € or 3%, and participation by the successful applicants with the amount of 6,904.40 € or 5% of the total budget.
- The community has been informed via public invitation and LAB web page on opportunities for attending new project funding scheme in those sectors that has been selected for support in 2019 with application deadline *28<sup>th</sup> June 2019 until 26<sup>th</sup> July 2019*;
- LAB together with Municipal Directorate for Agriculture Forestry and Rural Development have launched a large - scale campaign invited to introduce opportunities and grants at disposal for implementing LAB Program scheme for 2019:
- During the public call, the LAB program received 36 requests for financial support in setting up new startups;
- Evaluation committee composed by LAB, Municipality Directorate for Agriculture Forestry and Rural Development, and Village administrators representatives reviewed 25 submitted applications and inspected field conditions against LAB criteria that applicants should meet in order to qualify for receiving the support;
- After a careful review, 14 applicants met LAB criteria and passed the internal selection criteria for receiving LAB support;
- Beneficiaries of LAB support and other interested farmers have been informed about public call from MAFRD Rural Development Program, terms and conditions for applying for grants in agriculture;
- For improving Good Agriculture practice during 2019, 24 various types of thematic vocational and field practical trainings have been organized;
- In total, 124 beneficiaries and other individual farmers benefit from attending different thematic theoretical and practical training in horticulture and farming;
- Through 3 open tender advertisements published in daily newspaper, LAB invited interested business organization for services and supply of goods, equipment and inputs;
- Around 14 companies requested and obtained LAB tender dossier in order to supply services goods and other inputs;

- In total, 10 have submitted application-offers within set deadline for application;
- Moreover, 10 application business organization were evaluated according to LAB eligibility criteria and tender procedures;
- In total, 3 of them were qualified and LAB offered cooperation and signed contract.

## **DEVELOPMENTS IN 2019:**

As in past years, LAB program continuing to offer funding opportunities for establishing 14 new start ups in agribusiness activities and one in public sector for supply of equipment for establishing a modern heating system in wood fuel consumption (wood chip) at Primary school Paldenica with 250 students.

Over the year, 121 regular and random observation site visits in we have arranged in order to monitor and mentor the progress and the implementation process of new startups. Through this effort LAB was able identify any challenges that beneficiaries face and deliverer high value services and know how that contribute any issues.

All operating start ups reported production of 71,078.00 kg of various vegetables, 20,700.00 pcs tomatoes and pepper seedlings, 12,082.32 kg raspberries, 11,638.00 kg strawberries, 871.00 kg honey, 6,797.00 kg medicinal plants, 545 kg table grape, 100 m<sup>3</sup>, 53,040.00 / lit fresh milk, 3,052.00 /pcs & kg sheep milk production and 217,145 pieces of eggs.

The total sales revenues reported during 2019, reached the amount of 203,852.00 €. On average, income per business was 2,912.17 €.

LAB project team has arranged a public call for grant application announced by TIKA –Kosovo office in Prishtina titled: "Increasing milk processing capacities.

Along with the Municipal Directorate for Agriculture, Forestry and Rural Development, LAB has organized a promotional event (local fair) in the city center where LAB beneficiaries and other individual farmers have had the opportunity to promote and sell their products and share their positive experience with others attending.

Provided support by Sharrcem Management and its CSR in various aspects, such as logistics, administering and maintaining the LAB website, organizing and hosting LAB Board meetings, facilitate meetings to attract new grants for investment of innovative improvement, has inevitably impact on the quality of the management and implementation LAB program objectives.

The team expert Baker Tilly in Kosovo – Pristine, carried out an audit evaluation based on the LAB financial documentation, LAB reports and funding donor organization - Sharrcem Titan Group. LAB's financial statement for this financial year has been prepared in accordance with the financial reporting requirements of internal LAB manuals and applicable policy in Kosovo.

## **LAB FORWARD LOOKING:**

- Offering opportunities, access to funding donated from Titan Group Sharrcem and other national and international donors to establish family start-ups in order to capitalize underused agriculture land potentials that helps create new jobs and sustainable income for life of small holders;
- Offering continue training and technical assistance for improving to improve local skills for implementing innovative farming techniques in order to ensure sustainable farm management;
- Promoting cooperation and the exchange of the practical ideas and experiences between established business in order to accelerate quick flow of information to speed up entrepreneurial solutions to provide useful information and learn how to solve potential problems in order to ensure sustainable farm management;
- Facilitate new relationship and long term contract agreements between growers and lead important local export-oriented wholesale traders;
- Improve the quality of advisory and technical practice that contributes in the increase of productivity and product quality and income generation;
- Contributes in the renewal of traditional agriculture production through intensive farming, small scale commercial market with the driven concept to ensure self-employment, income for community in rural areas;
- Continue contributing and empowering rural women giving them advantage in evaluation criteria for financing new agro-business activities;
- Seek opportunities for expanding activities in the new geographical area and new innovative projects upon requests from other donor organization and state agencies for development and implementation projects funded in agroforestry sector;
- Improve assessment criteria and analyse the community needs and potentials for investment in expanding the existing sectors 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, public institutions and local businesses.



## INTRODUCTION

This annual report provides a summary of activities that has been taken and achievements during the period of 1<sup>st</sup> January to 31<sup>st</sup> December 2019 mainly funded by the Titan Group Sharrcem and two other co-donors ("DST Company" – Ferizaj and Hani I Elezit Municipality Directorate for Agriculture Forestry and Rural Development). The project for this year focused in establishing new start-up businesses activities, providing free training and technical support to upskill the knowledge farmers require to apply innovative farming that generates incomes and create new employment opportunities for the people in rural area.

The granting scheme for this year was based on the previous model that has been tested and proven successful. During 2019, we have received 24 request (applications) for support which has been evaluate in two steps; office evaluation of submitted documentation and land evaluation potentials for strawberry cultivation and suitable conditions for beekeeping development. After a careful review and evaluation that is fully compliant with LAB term of conditions, 14 individual farmers and one public institution which is a local school have been approved for granting. The aim of the program line is to enable grant support to more farmers for establishing new small businesses activities at the same time contribute increase domestic production through effective us of natural resources in agroforestry sector.

The program has been implemented following the strategic concept of the grant donor Titan Group -Sharrcem Corporate for Social Responsibility (CSR). The goal was stimulating development of underused potentials in agroforestry through co-financing 70% of the project and covering the cost of goods, necessary inputs and free training and technical support for all beneficiaries to increase their knowledge and experience needed for innovative farming and entrepreneurship. In addition, this year contribution in fulfilling the target goal of LAB project was creating 120 new self-employment jobs outside of the factory in Hani I Elezit municipality.

LAB Program was increasingly involved in assisting all beneficiaries in the implementation of food safety standards in order to create new opportunities to gain access to better market in region and EU, through traders or export-oriented collection centers.

The program is being implemented in close co-operation with the Donor Organization - Sharrcem Titan Group and CSR Committee, Municipal Directorate for Agriculture, Forestry and Rural Development and community representatives.

In parallel, LAB focus was promoting program line for 2019 through information meetings with all interest groups and individuals about the new public call for support procedures and criteria for co-financing the eligible cost of goods and necessary inputs to establish new start-up businesses in sectors selected for support.

### **TECHNICAL ADVISORY AND CONSULTACY COOPERATION**

Gained experience working with external partners (2014-2017), Initiative for Agricultural Development of Kosovo (IADK) and The American Farming School and Perrotis College in Thessaloniki (AFS), resulted in our team being able to provide most of the trainings and technical advisory services for the successful farmers.

Most of training, technical consultancy services and mentoring has been provided by the LAB team and for specific needs these have been covered through temporary engagement of local/ external professionals or companies.

# ACTIVITIES TO ACHIEVE PROGRAM OBJECTIVES

The implementation process was structured in four main – phases:

**PHASE 1:** Announcement of local invitation for all individual farmers and other entities to apply for financial support in agroforestry sector they aspire to create in 2019. During the open submission phase, an information meeting has been arranged to promote LAB program objectives and opportunities. In addition, participants have been instructed about documentation required to apply, criteria, and conditions for co-financing as well as deadline to submit the application participate on public call for support.

**PHASE 2:** Evaluation process started with setting up evaluation committee composed by LAB, Municipality of Hani i Elezit-Directorate for Agriculture Forestry and Rural Development and local village administrator representatives. The evaluation process consist of initial office verification of the application considering set criteria (education, gender, age, family economic situation, land potential, infrastructure, land and land slope, the position of the plot, water supply, and previous experience) highlighted in open call. The final verification was evaluating field conditions, which are prerequisites to establish new startups. Announcement of final list confirmed was for the highest scoring applications who meet all requirements set out by LAB program.

**PHASE 3:** Focus activity was directed in the composition of the tender dossier files, announcement of public invitation, analyzing offers and contracting process. This evaluation was conducted by the LAB procurement committee, considering legal acts and internal LAB manuals.

**PHASE 4:** The focus of the project team was organizing regular meetings and random observation site visits for monitoring and mentoring business activities. The evaluation quality and progress of implementation for four 15new starts – ups qualified in the final list for receiving support in 2018.

## OBJECTIVES

Since its establishment LAB program continuously improve its effort through investment funding scheme to address the needs of rural community for supporting individual family initiatives for establishing new business activities in agroforestry sector.

Our mission is also to contribute effectively in the use of businesses created and natural agroforestry resources through providing high quality services to the farmers in improving theoretical and practical skills that reflects in increasing production quantity and quality and satisfy food standards and market demand.

Our vision is to foster entrepreneurship and create new business activities that will generate revenues and reduce unemployment. This also helps in improving the difficult situation in the agricultural sector and socio-economic situation in the municipality of Hani I Elezit. Investment effort enabled LAB program to co-fund 14 new individual farm businesses activities and one in public sector with installation of a modern heating system in wood fuel consumption (wood chip) at Primary school Paldenica.

The expected outputs from this ongoing grant support donated by Titan Group - Sharrcem for the community of Hani I Elezit implemented by LAB Project are as following:

- Increase production capacities and development of entrepreneurship through co-financing individual initiatives for establishing innovative family businesses activities (start –ups), which ensure quick impact in self – employment, income opportunities to the residents of Hani I Elezit Municipality;
- Contribute Improving formal education, training and skills development, to access experience they need to adopt and apply best innovative techniques and practice in intensive farming and entrepreneurial know-how in different agroforestry sub sectors (milk producing and processing, vegetable cultivation in greenhouses, cultivation of small fruits and berries, beekeeping, mushroom cultivation, table grape cultivation, cultivation of aromatic and medicinal herbs, hazelnut cultivation, and forest maintenance and wood bio mas);
- Contribute transition of existing traditional way into intensive innovative agriculture and increase the yields in quantity and quality, which should contribute mitigation of food import.
- Contribute in funding flows to overcome the basic needs to fund individual initiatives for establishing new business activities contributing increasing production capacities, revenues and self-employment for the people and economy in area.

## DEVELOPMENTS

The LAB Program continues to remain the leading contributor in the allocation of funds for supporting development of agroforestry sector to address societal challenges of underused potentials in agroforestry sector. In less than six years, LAB invested more than 900,000€. Founder of LAB Program Titan Group Sharrcem and three other co-donors; USAID Agro -- CVE - 03 Program Pristine, "DST Company" – Ferizaj and Hani Elezit Municipality-Directorate for Agriculture Forestry and Rural Development have helped lay the foundation for funds needed for services and co-financed and implementing 86 small individual businesses. Since its establishment in 2014, this investment contributed increased the use of land potential, self-employment, production and income generation that has economic justification and can be used as an argument to gain and motivate other possible donors to support similar programs.

The annual report contains activities and summary progress of new funding intervention. Moreover, the report provides information on number of individual farmers supported and funds allocated for co-investment, number businesses created, income generation and workforce development.

Below we present the most important activities implemented during 2019:

### ***MILESTONE 1. Grant Announcement for support published***

#### ***Status: Completed***

The 2019 edition of the LAB Program has announced new call for funding support individual farmers request for establishing new business activities in agroforestry sector. For this opportunity, citizens have been informed via printed ads advertised on the municipal and village bulletin boards, LAB web page with and direct contacts as well as local TV center Electra (broadcasted for 19 days). Announcement was published on the 6<sup>th</sup> June 2019 – 26<sup>th</sup> June 2019, Application deadline 12 am 28, June 2019.

Additional effort was organized in cooperation with municipal directorate for Agriculture Forestry and Rural Development to encourage as many individual farmers to consider this opportunity providing them with all necessary information about funding scheme, sectors selected for support and criteria for application. Moreover, through this dialog all interested individuals farmers were instructed about application procedure, filling the application forms, and deadline for submitting application.

LAB Program granting scheme for 2019, offers co-investment for creating 14 new small individual farm businesses in two agroforestry sub sectors and one in public sector.

- **Beekeeping:** Investment for increasing production capacities in Honey Production approving ten request for supply 100 bee- hives and supply honey harvesting and keeping equipment very essential for honey extraction and maintenance honeybees.
- **Strawberries:** Investment for increasing production capacities supporting four request for establishing new plantations an area of 1,6 ha for growing strawberries;
- **Renewable energy:** Investment in supply equipment and installation of for supply and installation a modern heating system with EU standards in wood fuel consumption (wood chip) for heating school premises at public sector Primary school Paldenica.

## ***MILESTONE 2. Administration of applications, evaluation and selection***

### ***Status: Completed***

The figures in the table below show that, 34 individual farmers have expressed interest in obtaining application forms and 24 of them have submitted their applications. Interest was significantly higher for beekeeping sector with 19 applications and only 5 applications has been accepted for support in strawberry sector. The administration and evaluation process was carried out by the committee composed by LAB, Municipal and village representatives. The panel assessed the submitted documentation and field conditions in accordance with criteria approved.

Evaluation process is conducted on the basis of assessed criteria which include: statute of household socio economic situation, gender and age of applicant, education, infrastructure conditions and land potential, available water resources for irrigation, land and land slope and the position, his previous experience and demonstrate commitment to apply all contract conditions for sustainable farm management. Beneficiaries have been elected based on points obtained against evaluation criteria. The final list has been announced on 17th June 2019 and LAB signed the contract agreement with 14 finalists.

**Table 1.** Number of forms requested, received and final list of approved applications/ by sector

No.	Sector	Submitted forms for applications	Received applications	Approved applications
1	Greenhouse	1	0	0
2	Strawberries	7	5	4
3	Beekeeping	27	19	10
4	Forestry&Renow. Ener.	1	1	1
<b>Total</b>		<b>36</b>	<b>25</b>	<b>15</b>

### **MILESTONE 3. Tendering process**

#### **Status: Completed**

As previously, activities are conducted in accordance with the applicable law and internal procedure of the LAB. The initial focus was drafting tender dossier, and advert announcements. Three adverts have been published in daily newspaper Koha Ditore and LAB web page. The public call contents specific information how to obtain tender documentation and submission deadline for offering supply of goods and all other necessary inputs for Beekeeping, Strawberries and Equipment for heating system for producing Energy.

**Table 2.** Number of total requested tender dossier, received and approved bidding offers per sector

No.	Sector	Requested tender dossier	Received bidding offers	Approved bidding offers
1	Greenhouse	0	0	0
2	Strawberries	4	2	1
3	Beekeeping	4	3	1
4	Forestry &R. energy	6	5	1
<b>Total</b>		<b>14</b>	<b>10</b>	<b>3</b>

The process has been conducted in accordance with all technical aspects to meet the applicable tendering policies and internal manuals, which ensure consistency, credibility and exit in relation to the fair price. In total, 14 companies sought and received LAB a tender documentation; 10 of them have submitted the application to LAB. All applications have been evaluated by LAB procurement committee members. The bid evaluation is completed based on criteria specified in the law and LAB internal manuals which include (1) preliminary examination for responsiveness to formal qualification requirements, (2) evaluation for compliance with technical requirements, (3) price / financial evaluation.

The process closed with the signing of 3 contractual agreements, with three suppliers who meet criteria of bidding document with which LAB signed and exchanged the contract agreement.

#### **MILESTONE 4. Training**

##### **Status: Completed**

The free training and technical support is a continued process of support, aimed at supporting the unhindered development of current and new businesses created. The support packages includes also mentoring process that LAB team independently or partly through engaged STTA professionals. Training programs for beneficiaries and community has been focused to improve knowledge and experience needed to enable sustainability of businesses created and at the same time improve quality of products and income.

The subjects for this support are new and existing business activities, for improving skills for existing for LAB beneficiaries and other community members with high quality training and technical assistance to innovations. During 2019, through 24 various types of thematic trainings, 124 participants have benefited from attending thematic, theoretical and practical trainings in intensive horticulture techniques and family farming.

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

Sector	Training sessions	Number of participants
Greenhouse	1	15
Raspberries	2	26
Strawberries	2	11
Beekeeping	1	10
Forestry & Renewable energy	2	4
Livestock	1	3
Vineyards	1	6
Medical & Aromatic Herbs	1	4
Poultry	2	9
Sheep –Milk processing	8	16
Arboriculture –hazelnut	1	2
Others	2	18
<b>Total</b>	<b>24</b>	<b>124</b>



By providing ongoing support beneficiaries and many local smallholders gain deep experience to implement system changes that enable them to shift from traditional to high productivity innovative practice that enables to achieve sustain yields and income sources for dignified lives

### ***MILESTONE 5. Implementation process***

#### ***Status: Completed***

The investment support and implementation is carried out in synergy with approved LAB annual plan and timeline for implementation of the planned objectives. In 2019 LAB have approved new cycle of investments offering support for establishing 14 start-ups in two agroforestry sub sectors Beekeeping (10) and Strawberries (4) and 1 in public sector for Renewable Energy - installation a modern heating system in wood fuel consumption (wood chip) for heating school premises at Primary school Paldenica

In addition to this, considerable effort has been given to ensure best quality of supply in goods and inputs, as well as mentoring and monitoring implementation process. Because of this intervention project achieved and established high quality start – up businesses ready for operation within expected deadline.

Administration of grant funding process, implementation and post start – up monitoring and mentoring as well as improving local technical and practical knowledge for applying innovative farming for new and current businesses activities, almost completely covered LAB team..

### ***MILESTONE 6. Staff and organization***

#### ***Status: Completed***

The 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 that ensures full functionality. Currently, it employs full time position of General Manager, Agriculture Engineer, Finance Officer and Administrative Assistant.

In 2019 LAB covered almost all necessary training and advisory needs through its own team, and only minor needs where covered through temporary engagement of STTA advisory experts for providing specific training and technical advisory activities. Future project objective shall be managed in such a way to continue building up LAB potential for both theory and practice in order to reduce the need of engaging external experts.

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

The statistics for the period of 1<sup>st</sup> January to 31<sup>th</sup> December of 2018 has been updated with new information received from 70 active businesses (currently creating revenues) established during 2014-2018. Through this update statistics LAB management, donors and other relevant local and central institutions and community gains important view of where start-ups in their field of observation are developing and where we need to improve in order to achieve better a performance. Relevant information on farm activities, regarding engagement of beneficiaries in management and maintenance, investment, harvesting quantities and sales was reported to LAB on the monthly basis and the data collected consists of:

- 16 vegetable growers in Greenhouse with 500 m<sup>2</sup>
- 16 Raspberries growers with 0.2 ha
- 7 strawberries growers with 0.2 ha
- 10 beekeepers with 193 beehives
- 2 heating capacity with 150 respectively 170 kw on wood biomass
- 1 farm with 12 milking cows for milk production
- 4 table grape grower with 0, 2 ha
- 4 medical and aromatic herbs growers with 0, 2 ha
- 9 producers with 150 chickens for egg production
- 1 milk processing unit for yogurt production with 170 dairy sheep's.

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 1<sup>st</sup> January to 31<sup>st</sup> December 2018. This was obtained from the 70 operating starts – ups currently creating revenues in ten agroforestry sub sectors such as greenhouse, small fruits sectors, beekeeping, poultry, forestry- production renewable energy using wood, livestock, vineyards, medical herbs and milk processing for yogurt production.

The result provide an in depth overview of information about the achievements in production and sales, working days created, financial support for establishment of new business activities, including return of investments.

Actual data in the table below represent the annual quantity production and sales, as well as 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	91,778	58,210
Raspberries	12,082	16,069
Strawberries	11,638	21,065
Beekeeping	871	26,505
Forestry	100	8,640
Livestock milk production	53,040	50,012
Vineyards	545	436
Medical Herbs	6,797	1,359
Poultry	217,145	19,326
Milk processing yogurt prod.	3,052	2,229
<b>Total</b>	<b>397,048</b>	<b>203,852</b>

The table above presents key information for 70 operating business activities (starts – ups) currently creating revenues. It provides information on the total production and sales revenue reported in 2019 per sector.

So far, 97 family business activities have been created in period May 2014 - December 2019 and 70 of them are operating and generating revenues.

During 2019, 16 greenhouses with 500 m<sup>2</sup>, reported production of 91,778kg of vegetables (tomato, cucumber, onions, spinach, melon, paper, and green salad) and sales income in total amount of 58,210€. In addition, 16 raspberry growers, each with 0.2 ha of cultivated area, have reported production of 12,082 kg and profit income in value of 16,069€. Furthermore, 7 strawberry growers, each with 0.2 ha reported the production of 11,638kg and total sales reached the amount of 21,065€. Least but not last, 10 beekeepers with 196 beehives reported production of 871kg honey and sales income including calculate added value of 96 beehives in the amount of 24, 993€.

In two model public investment Forestry & Producing Eco renewable Energy for heating School premises using wood biomass (wood chips), created 320,000 kWh of renewable energy which has an equivalent value in the amount of 8,640 € for heating school premises area of 2,800m<sup>2</sup>.

In the 9 semi-intensive farms eggs, each with 150 chicken eggs during a year farmers have reported production of 217.145 pieces of eggs and sales revenues in the amount of € 19.326.

The total milk production in one dairy farm with 12 milking cows reported during 2019 is 53,040lit, with including calculate added value of two dairy cows generated annual revenue in amount of 50,012€.

Also, 4 medical and aromatic herb growers, each with 0,2 ha area in 2019 realized production of 7,000 kg and reported sales income in the amount of 1,359€ (low yields where directly affected influences by the dry season).

The total 4 vineyard orchard grower each with 0.2 ha of cultivated area, have reported total production of 436 kg and generated income in amount of 436€,(expectations for a higher yields orchards suffered serious damage from extreme low spring temperature).

The positive trends recorded in past years continue also in 2019. Investment support to create new or extend production capacities in existing business activities have given a substantial outflow in creating 15 new business activates. In parallel to this, LAB continue to provide high quality services in all aspects, especially in providing all necessary trainings and technical support that ensure long term sustainability and improvements in production and income generation that has economic justification and can be used as an argument to gain and motivate other possible donors to support similar programs.

The perceptions of local people for effects of the LAB project effect on the community quality of life is very positive confirmed in survey "The Impact of Corporate Social Responsibility Initiatives on Rural Community Development" conducted during 2018 in the area for the development of the agroforestry sector.

The project demonstrates how CSR practices can lead to sustainable community development, through the initiating innovative activities in revitalization of agroforestry sector is opportunity for further investment in expanding production capacities and increase self-employment, income and preserving life of smallholders in rural area.

The model of investments in creating new business and extended operations of existing business activities and services we provide in improving local capacities for effectively implementation innovative farming allowed us to be truly proud with achievements in revitalization and use of agroforestry potentials for creating new values as well as for the benefits of our clients and economy of rural community.

## 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	957	539	1,496
Raspberries	647	435	1,082
Strawberries	598	257	855
Beekeeping	255	45	300
Forestry	440	0	440
Livestock	220	220	440
Vineyards	228	44	272
Medical Herbs	122	59	181
Poultry	441	552	993
Milk proc. Yogurt prod.	198	186	384
Arboriculture -hazelnut	20	16	36
<b>Total</b>	<b>4,126</b>	<b>2,353</b>	<b>6,479</b>

The results obtained from 70 operating businesses show a slight increase engagement of households members both male and female which indicating that they have growing entrepreneurial continuity. During 2019, 70 operating business activities reported 4,562 working days engagement to manage and implement various agricultural activities in maintaining their farms. Around 75 % of total working days were performed by men and more than 30% were performed by women. Average annual engagement at level of operating businesses was about 93 working days.

Compared to previous year women engagement has a slight increased participation, considering that agroforestry is traditionally a male related sector; the data obtained shows that women engagement at the sectors' level continues to be promising given its great participation with 2,353 working days.

Most of work is carried out by family members and temporary workers needs are covered with local unemployed villagers.

The highest engagements have been reported in the greenhouse sector followed by soft fruits, livestock, poultry and less engagement was reported in beekeeping, medical herbs, vineyards, milk processing.

## INVESTMENT DATA

**Table 6.** Investment cost, value of sales income and investment return by sectors 2014/19

Sector	Total investment by sector	Sales income by sector	Average investment cost by sector	Investment return by sector
Greenhouse	171,444	193,306	10,715	113%
Raspberries	54,958	47,006	3,435	86%
Strawberries	72,665	64,861	4,274	89%
Beekeeping	19,980	64,572	999	323%
Mushrooms	14,862	1,265	3,715	9%
Forestry	72,493	29,132	36,247	40%
Livestock	55,527	153,244	55,527	276%
Vineyards	19,116	597	3,186	3%
Medical Herbs	13,189	3,700	3,297	28%
Poultry	59,941	50,311	6,660	84%
Milk processing yogur.pro	18,119	2,229	18,119	12%
Arboriculture -hazelnut	2,188	-	2,188	0%
Global Gap Certification	6,490	-	649	0%
<b>Total</b>	<b>580,970€</b>	<b>610,220.87€</b>		<b>105%</b>

The statistics presented in Table 6 are updated information for period 2014 -2019. So far, 96 beneficiaries in area of Hani I Elezit Municipality received direct financial support in total amount of 580,970€. Around 84% or 485, 327€ is investment from Titan Group Sharrcem and the remaining contribution comes from of three other donors (USAID Agro -- CVE - 03 Program Pristine in 2017 contributed with amount of 76,129€ or 13%, "DST Company" – Ferizaj in 2019 with 14,745.00€ or 3% and Hani I Elezit Municipality Directorate for Agriculture Forestry and Rural Development with 4,769.60€ or 1%). Based on our statistics and analyze confirmed in survey "The Impact of Corporate Social Responsibility Initiatives on Rural Community Development" conducted during 2018, it can be concluded that the support package of LAB Program for individual farmers in Hani Elezit contribute directly to greater employment, income and effective harnessing of natural resources in agroforestry sector. The data presented in the table above also shows that some interventions did not reach the desired level even though a considerable contribution was provided.

These interventions generate guidance on how to improve the productivity and effectiveness of using agroforestry potentials for improving live performances in rural areas. In 2019 LAB continue to apply increased the rate of co-financing from 10 - 30% for all approved new applicants, with the aim to influence the seriousness and create opportunities to support more applications for the new cycle of investment.

## CONCLUSIONS

The following conclusions can be drawn from this reporting period:

- **INTRODUCTION:** Since the introduction of this project by Titan Group - its CSR Committee of Sharrcem and allocation of the dedicated and not refundable funds there has been a positive feedback received though the survey in 2018 from the community. This project offers financial support for individual farmers to establish new business activities in agroforestry sector. Emphasized from this survey was also the improvement of local capacities for applying innovative farming, self - employment, income generation and use of natural potentials and preserving life of smallholders and rural area.
- **TRANSPARENCY:** LAB continues performing its duties applying defined standard procedures and involvement of all stakeholders groups of interest (municipal institutions and local community partners) in order to ensure that the decisions taken are transparent and acceptable by all stakeholder groups, especially for those living in rural areas. Due to this collaborative work LAB gained acceptance and trust from all relevant groups, which demonstrates that the project create strong relationship with local community and has a set of foundations for sustainable development in the region of agroforestry sector (during this period not a single grievance or objections has been not recorded).
- **MONITORING:** In order to track and understand the full impact of this interventions LAB team develop internal forms for systematically obtaining data from the beneficiaries regarding their annual performance. The importance of analyzing this data helps to identify the weaknesses and strengths of this support, as well as the opportunity to intervene when necessary to ensure sustainability of business activities and meet agreement requirements.
- **PROCESSES:** The = process of support and use of grants is developing in line with the Titan Group CSR strategy and applicable policies and administrative directions of Republic of Kosovo for NGO. The process set up by LAB, constitutes a collaboration work by involving the key stakeholders in taking decisions for offering funding opportunities over the last six years as an appropriate method to speed up still largely undeveloped agroforestry sector and implementation of program objectives.
- **COMPLIANCE:** Since its establishment, project constitutes a collaborative work with all key stakeholders and creates a supportive environment 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 work makes it easier the LAB initiative become grounded and fits with the local needs and priorities for the development of new business activities and entrepreneurship in the agribusiness sector.

## NEXT STEPS AND RECOMANDATIONS

In order to preserve the viability of existing investments and to continue to provide financial support for establishing small-scale family business particularly those who owned underused agroforestry potential below recommendations has been suggested:

- Increasing promotion activities through promotional meetings and presentations via local and national media and events on LAB project objectives and its achievements;
- Increasing effectiveness and use of financing resources at disposal in implementation tested business activities in agroforestry sector. Also, explore other sectors for implementing new business activities or establishing units of existing enterprises in Hani Elezit Municipality;
- Increasing time for mentoring and monitoring will enable LAB beneficiaries to access all relevant information and have a better understanding of practical methods to implement new innovative techniques in managing their business activities. This will enable them to scale up the productivity & quality and solve the various problems they face and ensure unhindered development;
- Increasing assistance for all LAB beneficiaries by promoting their domestic products to local community, markets and collection canterers through campaigns "By local products" with the motto to strengthen the readiness of consumers to buy the local product and support the development of the local economy;
- Promoting the exchange of ideas between sector growers and create local producer groups and regional supply chains that could serve the different needs of growers in marketing;
- Support regional integration and cooperation of LAB growers with similar businesses in area to cooperate in learning and sharing skills, guide long-term cooperation in order to ensure sustainable management of established business activities;
- Assist LAB beneficiaries in preparing application for leveraging fund from MAFRD and other donors who provides support for development of agroforestry sector and innovative ideas;



- Assist and train LAB beneficiaries to increase the quality of record keeping and reporting;
- Continue to investigate and incorporate the community needs and new potentials for support in revitalization agroforestry sector and implementation new innovative ideas those that might provide quick income end employment;
- Continue to identify new granting sources from other donors or co-donors to support more new ideas and business that aim to raise the needs for addressing the needs of local community that aim development of local economy and life of people in area;
- Incentivize good coordination and cooperation with Municipality Directorate for Agriculture Forestry and Rural Development, village Administrators of Hani I Elezit and other relevant stakeholders.

All the above recommendations will positively influence the community of Hani I Elezit by creating new job opportunities, incomes and skill up farmer's practical knowledge and encouraging them to apply innovative agroforestry.

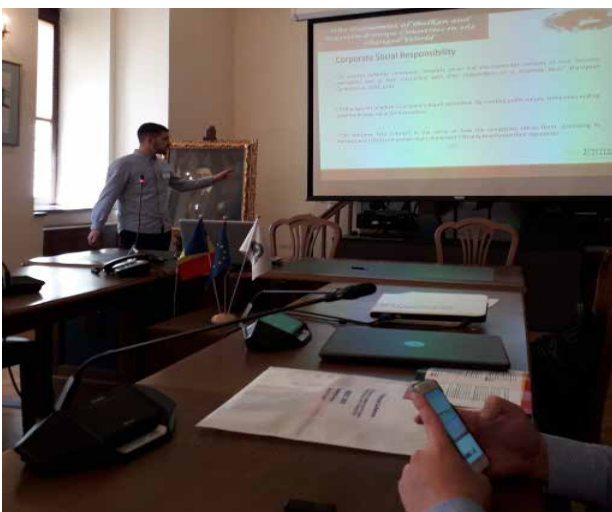
## YEAR SIX

### Impact of LAB Project in the revitalization of agroforestry sector in Hani i Elezit

*Meeting our donors (Titan Group –Sharrcem, USAID Agro)*



*Promoting LAB achievements*



*Building the knowledge and technical capacities*



Innovation actions in agroforestry sector:

*Greenhouses*





*Raspberries*



*Strawberries*



*Expanding production capacities*





*Medical and Aromatic Herbs*



*Vineyards plantations in production- table grape*



*Livstok – milk production*





*Milk processing –yougur production*



*Semi intensive Poultry-egg production*



*Hazelnut plantation*





*Setting up collection points for agriculture products*



*Third traditional local Exhibition of Agricultural Products in Hani I Elezit*



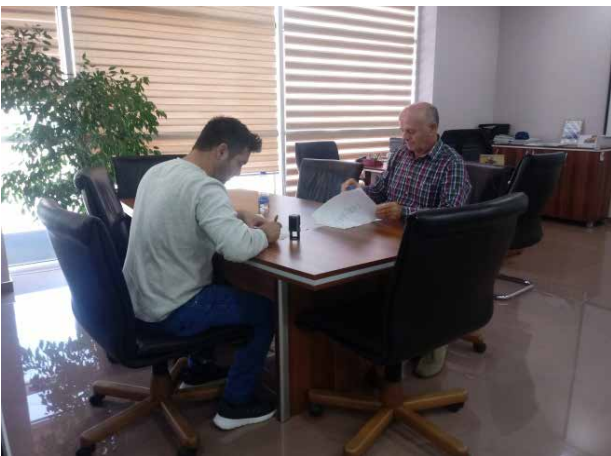
*Advising LAB beneficiaries in approaching grant opportunities from MAFRD and other donors*



*Assisting farm to access high-value markets*



*Supply - Contracting*



*Advisory meetings*





*Promoting best practise by Lab Beneficiaries*



New initiatives (continue)

*Instaling new capacities for production renewable energy usin wood chip*



**SHARRCEM**

a  TITAN Group Company

Laboratori për Aktivitete Biznesore  
Rr. Adem Jashari p.n.  
71510 Hani i Elezit, Kosovë

+381 290 385 500  
info@lab-ks.org

[WWW.LAB-KS.ORG](http://WWW.LAB-KS.ORG)