



MEETING MINUTES
THE SECOND MEETING OF THE NATIONAL STEERING
COMMITTEE
ON GROWING INCLUSIVE MARKETS - REGIONAL INITIATIVE
HEADED BY UNDP

Date: Tuesday, 09 November 2010
Location: Hotel Residence, Prizren
Time: 10:00 – 11:50 am

NATIONAL STEERING COMMITTEE MEMBERS:

PRESENT: **Safet Gërxhaliu** (OEK-KCC), **Parviz Fartash** (UNDP), **Blerim Karabaxhaka** (TIKA), **Syzana Dautaj** (IFC) and **Arben Musliu** (USAID KPEP)

REGRETS: **Milzaim Makolli** (DANIDA), **Nysrete Doda-Gashi** (MAFRD) and **EBRD BAS-TAM** representative

QUORUM PRESENT? Yes

OTHERS PRESENT: **Valdet Osmani** (UNDP, GIM Project Manager), **Esin Muzbeg** (Kosovo Turkish Chamber of Commerce), **Besnik Cecelia** (OEK-KCC), **Ulla-Maija Rantapuska** (UNDP), **Nexhmedin Asllani** (private enterprise-Agriculture), **Refki Hoxha** (RENLUAL Tahiri – Construction), **Daver Kazaz** (Kazali company), **Labinot Gashi** and **Bashkim Gashi** (Jazi 1-Poultry), **Afrim Tejeci** (Artisanal Association) and **Zef Pjetri** (Poultry Association)

PROCEEDINGS:

- Meeting called to order at 10:00 a.m. by Chair, Mr. Safet Gërxhaliu
- Welcome address

1. WELCOME AND INTRODUCTION

Safet Gërxhaliu (OEK – KCC President)

Prizren's business environment is encouraging; Prizren is the second largest city in Kosovo and the largest in Kosovo in number of industries and sectors, such as tourism, processing, construction, artisanal industry, agriculture, training etc. Kosovo is facing many economic challenges, of which the main one is poverty. The fight against poverty can be achieved by incorporating poor people in business. Having this aim, UNDP is pragmatic as it has conducted a sector analyze in depth by focusing on certain sectors which have high opportunities for employment, such as poultry, professional education/vocational training sector, wood processing, service providers in light manufacturing, metals etc. This joint project with UNDP has multiple effects as it stresses socio-economic importance, political stability, and multiethnic orientation. I would like to thank UNDP for starting this project as it offers better future for Kosovo.

Parviz Fartash (UNDP Kosovo Director):

Mr. Fartash introduced the UNDP GIM Project activities in Kosovo and emphasized the significance of the rotating chair system for the National Steering Committee, which will assure the sustainability of the steering committee in the future when it will be operative without UNDP. The NSC offers all parties the possibility to discuss the opportunities of the private sector development. The approach is to bring together representatives from private sector, donors, financial institutions and government officials.

2. AGENDA APPROVAL

The agenda was approved by NSC members.

3. UPDATE ON THE GIM PROJECT

Valdet Osmani (UNDP GIM Project Manager) – NSC Facilitator

Mr. Osmani gave a brief update on the activities since the first NSC meeting, identified obstacles, opportunities and relationship with other stakeholders, and gave a presentation of the GIM project achievements to date. The activities identified in the first meeting have been completed such as:

- i. Press release by KCC and UNDP
- ii. The ToR for the feasibility study and business plan has been finalized and announced, the ToR was shared with NSC members in order to avoid overlapping
- iii. The ToR for dairy and poultry has been drafted and announced
- iv. Information were shared with other stakeholders
- v. National Steering Committee members were selected.

Mr. Osmani was thankful for the cooperation and feedback received from all parties in the past three months. He acknowledged and appreciated the great willingness from all NSC members and private sector to cooperate on the implementation of the GIM Project. It was outlined that all materials have been shared with DANINDA as they are planning to support a four year project in the Agriculture sector.

4. INTRODUCTION OF THE PROPOSED GIM PROJECTS,

Labinot Gashi – Manager (Jazi 1 – Private enterprise in Poultry Sector)

Mr Gashi gave a general presentation of his company. He outlined that the company's main business operation segments are: Flour Mill, Poultry and Animal feed production, Poultry farm (for egg production), and that they have plans for Broiler processing. He was also very thankful of USAID who supported his company towards successful business.

Mr Gashi outlined the needs and difficulties of the sector such as:

- Storage capacity of raw materials (especially corn)
- Incorporation of additional machinery
- Market Development

There should be also some intervention to improve business environment such as:

- Exemption from VAT and customs excise for raw material (corn)
- Application of custom tariffs on poultry and animal feed, imported from other countries
- Subsidies of local producers
- Establish of state policies that allow the application of custom "barriers" regarding egg import, during peak period

The project will have a significant impact in generating employment and import substitution in chicken meat and animal feed.

Valdet Osmani (UNDP GIM Project Manager) – NSC Facilitator

Mr Osmani conducted a brief presentation on status and requirements for conducting a feasibility study and business plan. He outlined that UNDP is in the phase of finalizing the negotiations with a potential consulting firm. The ToR for VET on light manufacturing is designed to cover the light manufacturing and manufacturing service sector shall be in lieu with European Qualification Framework and Kosovo National Qualification Framework.

Also as per Poultry project it was noted that the local consultant will be engaged to work with private sector on feasibility study and project proposal.

5. INFORMATION SHARING, NSC MEMBERS:

Topic 1- VET:

Afrim Zejci (Kazali) – Regarding the VET project he mentioned that till now people have been trained outside Kosovo, which haven't contributed to the sustainability of the sector. Moreover the knowledge of foreign language requirements has excluded poor from getting trained. He asked if VET project foresees to provide training in Albanian language.

Valdet Osmani (UNDP) – Confirmed that the training will be conducted in local languages. Due to this, UNDP will conduct a feasibility study and business plan in order to determine the gaps, needs and project cost for a such project.

Topic 2- Poultry:

Arben Musliu (USAID KPEP) – Asked the representatives from poultry sector about the competition and the legislation barriers, how it affects Jazi 1?

Labinot Gashi (Jazi-1) – answered that VAT and trade barriers have to be raised with the Ministry of Trade and Industry.

Zef Pjetri (Poultry Association) – firstly he greeted the donors and UNDP and noted that every support and investment in Kosovo is welcomed. He mentioned that the problems with trade regime remain unchanged such as: 1) the import of eggs (they are tax exempt as Kosovo is part of CEFTA, so there is no tax fee on products imported from regional countries and this creates unfair competition). 2) In the other hand the poultry farmers are obliged to pay a 10% tax fee on imported inseminated eggs for chickens which are considered as raw material. Moreover, the egg import is uncontrolled (tested) from neighborhood countries so in many cases the eggs are contaminated.

6. WAY FORWARD

- **Next Meeting**

The next meeting will be chaired by TIKA and Mr. Osmani (UNDP) is appointed as facilitator for the next meeting that will be held in late January or beginning of February 2011.

- **Actions and responsibilities**

- a) Contract a consulting company to conduct the feasibility study and business plan for VET
- b) Engage local consultant to conduct a GAP analysis and project proposal for the poultry sector
- c) The next meeting documents will be translated also in Albanian language

7. ANY OTHER BUSINESS

- Each project idea / concept should be discussed among NSC members in order to avoid duplication or overlapping
- Continue informing the Prime Minister's Office
- Share the progress and documents with other interested parties

Meeting was closed at 11:50 a.m.

Minutes submitted by GIM Project Manager, Valdet Osmani