

**ORGANIZATION INFORMATION****1. Name of organization:** AGRINAS Foundation Erseka Branch**2. Contact person:**  
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Erseke Albania**8. City/ Town/ Village:** Erseke Kolonje**9. Type of organization (tick in box below)**

Academic

Non-Governmental Organization

Private-for-profit

International NGO

Cooperative

Individual

Foundation



Government agency

Other (specify type of organization)

**BASIC PROJECT INFORMATION****10. Title of your project proposal:** Effective use of natural resources, the main source of employment and income providing in the rural areas.**11. Project Summary (Suggested limit: 250 words)****OBJECTIVE:**

Income and employment rate increase in Kolonje rural area by effectively using the rich natural resources through treatment by technical criteria and the processing of the medicinal herbs.

Putting a new technology in processing of the medicinal plants.

**RATIONALE:**

Lack of industrial development has strongly impacted the unemployment increase in the area. But using the natural resources mainly through harvesting and processing of the medicinal herbs is a big source of the income increase in Kolonja rural area.

The clean countryside, Gramozi mountain and Kolonja location in an altitude 400 – 2523 m create the conditions for the growth of a considerable and highly variegated vegetation.

There are over 100 medicinal herb species in Kolonje, of which 30 species are harvested. The main herbs are: Sage (*Salvia Officinalis*) 250 tons juniperus comunis 250 tons, juniperus oxicedrus 150 tons etc. 40.000\$ a year is provided through medicinal herbs and over 400 families provide most of their income. The medicinal herbs are among the rare exports in Albania.

**EFFECTIVENESS :**

Through the establishment of a center for the medicinal herb distillation, their effectivity will be increased and the transport price will be lowered considerably, the accumulation price will raise and the market will be guaranteed. The employment rate will be increased by employing 5 people full time and 30 young women and girls for an 8 month period, the number of the harvesters will be increased 8%.

The natural resources will improve and will be effectively used and the income rate will increase for Kolonja. The cultivation and the use of modern technology for processing the medicinal herbs will be made possible

**12. Total amount needed to implement the project proposal (in US\$):** 44000\$**PROJECT DETAILS****13. How will your project address the problem of unemployment? (Suggested limit: 200 words):**

Before distillation, for a considerable number of herbs but mainly for the sage, the selection process of the leaves will be done in which 30 workers will be employed, women and girls in the town where the unemployment rate is greater. The increase of the number of the workers is in prospect, aiming at the

accumulation of greater quantities of herbs by the neighbouring districts also. Researches will be done and the conditions will be created in order that in the future, the cultivation of some medicinal herbs may be done, a thing which impacts in the production and the employment rate increase. Through the effectivity increase of the medicinal herbs and income increase, the accumulation price will increase in the interest of the workers who will harvest, who are approximately 1200 – 1500 in the fields in the harvesting season according to the species, this directly impacts in the number increase of the harvesters in the amount 8 – 10%. The men and the young boys are also widely included in this process.

**14. Briefly describe what makes your project innovative. (Suggested limit: 200 words)**

Good conditions are created for the employment of women and girls.  
A new technology line will be established in Kolonje.  
The rate of utilizing the herb essence is increased.  
A contemporary stantartazing of the by product is done.  
The transport cost is reduced to a maximum of 98%.  
The by product can be stored for a very long time.  
The creation of a public – private partnership network and cooperation with various organizations.  
The employment is transferred from the industrialized areas like Durres and Tirana to the areas with less employment possibilities and original areas of medicinal herbs such as Kolonja.  
Creates possibilities for the establishment of new and more effective technologies in the processing of the

**15. What are the expected results and beneficiaries of your project at the end of the one-year implementation period? (Suggested limit: 150 words):**

A new line for the distillation of the medicinal herbs is established.  
30 women and girls are employed and satisfied with the income and the activity they are doing.  
The byproducts after the herb distillation are satisfactory and wanted by both the outer and inner market.  
The interest of the herb harvesters is increased.  
The project is a stimulus for the development of the medicinal herb business.  
The technology of harvesting the herbs is improved.  
The number of the harvesters is increased 8 – 10 %.  
There is an increasing interest by other businesses outside the district about the technology used.  
It stimulates the business for the establishment of the new technologies of the processing.  
The number of the employed people will increase 50-80% in the second year.

**16. Briefly describe how your project can be replicated/expanded (Suggested limit: 150 words):**

The project can be executed in all the areas where medicinal herbs are accumulated in considerable quantities, to establish new processing and treatment technologies of medicinal herbs.  
The cooperation way between the business community, local authorities and the community for the management and treatment of the medicinal herbs will be a model and a value which is to be executed in other districts of the country too.  
The workers capacity increase, offering high standarts of the products and adaptation to the market demands, are the possibilities of the application of this project in other areas also.  
A considerable increase of the business income and creation of new business relations will stimulate the establishment of more modern and effective technologies in distilling and processing of the medicinal herbs

**17. Is your project addressing the issue of youth unemployment and/or regional cooperation? If yes,**

**briefly describe how (Suggested limit: 150 words):**

In the new work positions, there is a possibility for the young people to be employed, mainly girls, in the process of herb selections. The work is not hard and people will work in comfortable conditions. Gramozi mountain is one of the big sources of the medicinal herbs of Kolonje area, on the top of which is the border: the western side belongs to Albania ( part of Kolonje area) and the eastern area which belongs to Greece. Therefore the use with technical criteria of the flora in Gramozi Mountain indirectly impacts the maintenance and improvement of the environment in a regional level.

**ACTIVITIES OF THE PROJECT**

**18. Project implementation and milestones (Suggested limit: 800 words)**

**Implementation Activities/ Milestones after first payment:**

Taking into consideration the establishment of a new technology and also the considerable number and quantity of the herbs, that are harvested in Kolonja, we can not pretend that all the herbs will be processed immediately during the execution of the project. First, we will mainly concentrate on the sage herb, a herb which strongly impacts the employment of the people and which is important for Kolonje area.

1- Immediately after the project approval, Agrinas organizes a meeting with the actors (stakeholders) in the project, creates the work network, coordinates and determines the concrete duties for the partners in the project. The actual situation and the prospect of medicinal herb treatment are analyzed in detail. The new way of herb processing and distilling is detailed and the concrete and detailed duties are determined for the cooperators, the work plan and the time limit have been compiled.

The steps that should be taken for the achievement of the objectives in the compiled business plan will also be determined in cooperation with the SNV (Dutch organization for development) and GTZ (Technical collaboration association ).

2- The premises of the installation of the equipment will be reconstructed in accordance with the technological criteria.

3-The personnel training who will do the herb processing will take place.

Work visits will be organized by exchanging similar experiences inside and outside the country.

4-The contract and the purchase of the distilling equipment will take place in continual consultation with the specialty pedagogues at the Tirana University and technologists. Parallel with the above-mentioned activities the herb harvesting will also take place by the traditional harvesters. After the first payment, the premises of the installation of the equipment would have been settled and the equipment would have been bought in accordance with the standards and technological criteria determined in the project.

**Implementation Activities/ Milestones after second payment**

1-With the beginning of the second phase the complete installation of the equipment will be done and it will be put into use. For a correct execution contacts will be kept and qualified technical assistance will be sought from both the sellers of the equipment and the pedagogues of the Tirana University .

2-The premises of the herb prior processing will be reconstructed and put to work by utilizing the business premises offered which is a closed premises of 300 m2 with a work capacity of 60 workers to keep the actual workers and possibly to increase their number in the future. The increase of the activity will be in accordance with the market situation. In the first year, the activity will also be simultaneously tested in order to have an assurance about the project.

3-In order to coordinate in the social solution of unemployment, we will cooperate with town Municipality and the proper offices to determine the employment criteria the families in need having the priority.

4- The selection of the herbs will be made before installing the distillation equipment by engaging to work the planned personnel and we will take measures to produce the first products.

5-After producing the first products the laboratory analyses will be made with specialized organs.  
6-Then the certification of the byproduct is done by asking for the assistance by the proper experts.  
The marketing and labeling is done.  
Parallel with it the gathering of information about the market and seeking of the market is done.  
In the organizative aspect, periodical, coordinative meetings with the partner groups are organized.  
Training of the directors and herb harvesters in order that they may be harvested in accordance with the technical criteria by keeping the herb value and protecting the natural flora.  
Organization of the herb harvesters in an association and the training of its leaders.  
The fulfilment of the parameters determined in the business plan has been analyzed in continuation.  
Objective for the future:  
- Market stability and business development.  
- Improvement of the byproduct marketing standarts.  
- Investments from the income of the first year for the increase of the production capacity, researches will be done for the distillation of other medicinal herbs, including other medicinal herbs in the process mainly common juniper(*Juniperus communis*) and prickly juniper (*Juniperus oxycedrus*).  
-The number of the workers and the production will be doubled.  
-Establishing of contemporary, new and more effective technologies for herb distillation.

**Time Plan**

	Activity/objective	M o n t h											
		1	2	3	4	5	6	7	8	9	10	11	12
	<b>PHASE I</b>												
1	Establishing the Work Network												
2	Laboratory Tests												
3	The equipment installation premises will be reconstructed												
4	Training the personnel and the leaders												
5	The contract and the purchase of the equipment is done												
6	Herb accumulation												
	<b>PHASE II</b>												
1	Putting the equipment to work												
2	5 workers are employed												
3	Herb selection premises are reconstructed												
4	15 workers are employed												
5	The herb selection												
6	The laboratory analyses are done and the certification of												
7	15 other workers are employed												
8	Marketing of the byproduct and labeling												
9	Going to the market												

**19. Organizational Sustainability: Project Team and Partners ( Suggested limit: 200 words)**

**Applicant Organization:** Describe the role of the applicant organization.

**AGRINAS Foundation Erseke Section**

Agrinas is Non Governmental organization, for development and improvement of the life in the Erseka Rural area. Agrinas have nine years experience and collaboration with the Erseka Community. Is directly responsible about all the progress of the project through the directly responsible person and the staff support.

He manages the funds and is directly responsible for the financial issues. Determines and takes part directly in purchasing the necessary equipment.

Has contacts and coordinates with various actors in the project.

Controls and stimulates the execution of the duties in time and qualitatively.

Put the project into practise by coordinating and cooperating with other actors.

Reports to the donor according to the demands of the contract.

Helps in the continuation of the project also after it is finished.

### **Main Partner Organization**

**Private Business** is a SME that is working in medicinalplants collection for years. Bisnes **will** Contributes with investment in the planned amount. Provides the premises for the prior processing of the herbs. It collects the herbs from the field harvesters by paying them directly. Makes all the business premises available for the project function. Organizes the business up to the final process.

**Erseke Municipality**– Contributes in providing the premises for the installation of the equipment. Coordinates with Agrinas and the business in order to fulfill the citizens needs for employment.

**Regional SNV and GTZ**–Support with technical assistance the execution of the project, the monitoring and the evaluation of the project, attend the marketing and market seeking activities.

## **MONITORING**

### **20. Briefly describe how will you monitor the progress of the project (Suggested limit: 150 words):**

Monitoring will be done by Agrinas, which will periodically report to the donor.

In doing the monitoring, Agrinas will also include members from SNV and GTZ.

Agrinas is responsible for the managing and use of the funds in accordance with the compiled project and in accordance with herb processing technology. Agrinas will follow the project step by step, beginning with the premises preparation, purchasing and installing the machinery and training about the use of the machinery and in the coordination of the work between the herb collector and herb harvesters and providing the cooperation with the local authorities.

Agrinas monitors the activities according to the schedule compiled and coordinates about the progress of the project according to it.

Interviews will be done with various groups of interest; business, processing workers, harvesters, product purchase business, local authorities.

## **EVALUATION**

### **21. Briefly describe what will you consider to be the success of the proposed project (Suggested limit: 150 words):**

An equipment with contemporary parameters for the medicinal herb distillation is established.

-The extract of the main medicinal herbs is produced in continuation, according to the contemporary parameters.

-A professional marketing in both inside and outside market is provided.

-The actors in the project, to have given the planned contribution in \$ in the information exchange.

-7 employees work full time and 30 women and girls part time (8 months a year) and are satisfied by the

income they provide.

-The value of the processed medical herb product is increased over 80% compared to the traditional method of commerce.

-There is a stimulation also in other districts for the herb distillation equipment establishment.

-There is a demand by the business for the increase of this method and seeking newer methods

### BUDGET

**22. Please provide financing information and a detailed estimate of the budget for project activities:**

### CO-FINANCING

CO-FINANCING	AMOUNT (IN USD)
A. <u>APPLICANT CONTRIBUTION</u>	
1). Cash	1700 \$
2). Non-Cash	300 \$
B. <u>West Balkan DM CONTRIBUTION</u>	32000 \$
C. <u>OTHER SOURCES (if any Privat biznes)</u>	10000 \$
<b>TOTAL FINANCING (A+B+C)</b>	<b>44000 \$</b>

### PROJECT COST

Activity	A	B	A*B	Total \$
	Unit cost \$	Number of units	Total cost \$ (A*B)	
Personnel	2250	2	4500	4500
Materials and Equipment	28000	1	28888	28000
Training (if any)	450	2	900	900
	1100	1	1100	
Travel (if any)	300	2	600	600
	150	3	450	450
	950	1	950	950
Other Reconstructions buildings	5000	1	5000	5000
Promotion dissemination	1	500	500	500
	1	1500	1500	1500
Evaluation	2	250	500	500
<b>TOTAL</b>				<b>44000</b>
DM Funding	2	16000	32000	32000
Applicant Funding	1	2000	2000	2000

Other Sources	2	5000	10000	10000

**23. How will your project continue beyond the phase funded by the West Balkan Development Marketplace? Provide an estimate of when you expect to cover your operational costs through revenues. (Suggested limit: 150 words, beside the table):**

The project will continue with other investments by the business, especially for gathering medicinal plants. Other investments will be made for the payment of the field workers during the distillation and selection process of the plants. The other companies, buyers of processed sage and its subproducts, will help this investment too.

The privat business will ensure the continuation of this project supported by with SNV ( Duch development organization ) and GTZ ( Technikal cooperation association )

**PROJECTED INCOME STATEMENT**

	YEAR ONE	YEAR TWO
<b>REVENUES</b>		
Sale of Sage leafs	\$ 8800000	\$ 11000000
Sale of Sage essence	\$ 9600000	\$ 14400000
<b>Totals</b>	<b>\$ 18400000</b>	<b>\$ 25400000</b>
<b>EXPENSES</b>		
Workers salary/insurance	\$ 6000000	\$ 10480000
Sage value	\$ 5400000	\$ 8800000
Others	\$ 800000	\$ 1000000
	\$	\$ -
Personnel ( Project part )	\$ 4500	\$ 3000
Material and Equipment	\$ 28000	\$ 3000
Training	\$ 2000	\$ 500
Travel	\$ 2200	\$ 1500
Others	\$ 5300	\$ 2000
Evaluation/Dissemination	\$ 1000	\$ 500
General/Overhead	\$ 1000	\$ 1000
<b>Totals</b>	<b>\$ 11524000</b>	<b>\$ 20291500</b>
<b>NET GAIN (LOSS)</b>	<b>\$ + 6156000</b>	<b>\$ +5108500</b>

**Signature of organization contact person:**  
**PASKAL VOGLI**

**Date:**  
15 April 2006