



Republika e Kosovës  
Republika Kosova  
Republic of Kosovo



Zyra Kombëtare e Auditimit  
Nacionalna Kancelarija Revizije  
National Audit Office

AUDIT REPORT  
ON THE SPECIAL-PURPOSE ANNUAL FINANCIAL STATEMENTS ON  
COMPETITIVENESS AND EXPORT READINESS PROJECT FOR THE  
PERIOD FROM 1 JANUARY 2023 TO 31 JANUARY 2024

**Prishtina, July 2024**

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This Report is a translation from the original version in the Albanian language. In case of inconsistency, the version in the Albanian language prevails.

# 1 Audit Opinion

This report summarises the key issues arising from the audit of the special-purpose annual financial statements of the Competitiveness and Export Readiness Project for the for the period 1 January 2023 to 31 January 2024, which sets out the Opinion of the Auditor General. The examination of the special purpose financial statements for the audit period was carried out in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). Our approach included tests and procedures which were necessary to obtain an opinion on the financial report.

The matter raised in the report to the Management regarding the controls are presented in the Management Letter attached to the audit report.

## 1.1 Audit Opinion on the annual financial statements of the Competitiveness and Export Readiness Project

Our audit of the special-purpose annual financial statements considers compliance with reporting requirements under the agreement and the quality and accuracy of the information presented in the financial statements.

### **Unmodified opinion**

We have audited the special-purpose financial statements of the project funded by the World Bank for the period 1 January 2023 to 31 January 2024, which involves a summary of funds resources and expenditures incurred, statement of applications for withdrawal of funds and the disclosures.

In our opinion, the special-purpose annual financial statements of the Competitiveness and Export Readiness Project for the period 1 January 2023 to 31 January 2024, give a true and fair view in all material respects, in accordance with reporting requirements agreed by both parties and in accordance with the principles of cash-based accounting.

### **Basis for opinion**

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter – Basis of accounting**

- 1 We would like to draw your attention to the fact that the special-purpose financial statements have been prepared in compliance with special purpose framework. As a result, they cannot be used for any other purpose

Our audit opinion was not modified in this respect.

### **Responsibilities of Management and Those Charged with Governance**

The Management is responsible for the true and fair preparation of special-purpose financial statements in accordance with the Agreement entered into between the Government of Kosovo, represented by the Minister of Finance, and the International Development Association. This information consists of the Statement of Funds and their Use and the Statement of Funds Withdrawal.

The Minister is responsible to ensure the oversight of the Ministry of Industry, Entrepreneurship and Trade's financial reporting process.

### **Auditor General's Responsibility for the audit**

We conducted our audit in accordance with the Law on National Audit Office and INTOSAI Framework of Professional Pronouncements (IFPP). This law and these standards require that we honour the ethical criteria and plan and carry out the audit to obtain reasonable assurance that the financial statements are free from material misstatements.

The audit involves performing procedures to obtain evidence about the financial records and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the AFS, whether due to fraud or error. The audit also includes assessing the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as assessing the overall presentation of the financial statements.

In carrying out the risk assessment procedure we consider the relevant internal control regarding the entity's preparation of the financial statements but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate, in written, any significant shortcoming in internal control relevant to the audit of the financial statements, which we identify during the audit.

## 2 Audit Scope and Methodology

Based on the agreement/contract entered into with the World Bank, the National Audit Office (NAO) is responsible for carrying out the financial audit. This audit includes the examination and assessment of the financial statements and other financial records as the following:

- Whether the financial statements give a true and fair view of the accounts and financial affairs for the audit period;
- Whether all external funds have been used in accordance with respective terms of funding agreements;
- Whether the financial records, systems and transactions comply with laws and regulations applicable for funds allocated by the World Bank;
- Whether financial statements comply with the requirements of the agreement concluded between the Republic of Kosovo and the World Bank; and
- Compliance of internal control functions

Our audit was based on risk assessment. We have analysed the operations of the Competitiveness and Export Readiness Project, which operates within the Ministry of Industry, Entrepreneurship and Trade, and the extent the management controls could be relied to in order to determine the level of in-depth testing required to obtain evidence supporting the Auditor General's opinion.

Our procedures have included a review of internal controls, accounting systems and interrelated substantive tests, as well as related governance arrangements to the extent considered necessary for the effective conduct of audit.

Vlora Spanca, Auditor General

Emine Fazliu, Assistant Auditor General

Blerina Krasniqi, Audit Director

Albana Kadriu, Team leader

Aurora Morina, Team member

# Annex I: Explanation of the Different Types of Opinion Applied by NAO

(Extract from ISSAI 200)

## ***Form of opinion***

147. The auditor should express **an unmodified opinion** if it is concluded that the financial statements are prepared, in all material respects, in accordance with the applicable financial framework.

If the auditor concludes that, based on the audit evidence obtained, the financial statements as a whole are not free from material misstatement, or is unable to obtain sufficient appropriate audit evidence to conclude that the financial statements as a whole are free from material misstatement, the auditor should modify the opinion in the auditor's report in accordance with the section on "Determining the type of modification to the auditor's opinion".

148. If financial statements prepared in accordance with the requirements of a fair presentation framework do not achieve fair presentation, the auditor should discuss the matter with the management and, depending on the requirements of the applicable financial reporting framework and how the matter is resolved, determine whether it is necessary to modify the audit opinion.

## ***Modifications to the opinion in the auditor's report***

151. The auditor should modify the opinion in the auditor's report if it is concluded that, based on the audit evidence obtained, the financial statements as a whole are not free from material misstatement, or if the auditor was unable to obtain sufficient appropriate audit evidence to conclude that the financial statements as a whole are free from material misstatement. Auditors may issue three types of modified opinions: a qualified opinion, an adverse opinion and a disclaimer of opinion.

## ***Determining the type of modification to the auditor's opinion***

152. The decision regarding which type of modified opinion is appropriate depends upon:

- The nature of the matter giving rise to the modification – that is, whether the financial statements are materially misstated or, in the event that it was impossible to obtain sufficient appropriate audit evidence, may be materially misstated; and
- The auditor's judgment about the pervasiveness of the effects or possible effects of the matter on the financial statements.

153. The auditor should express **a qualified opinion** if: (1) having obtained sufficient appropriate

audit evidence, the auditor concludes that misstatements, individually or in the aggregate, are material, but not pervasive, to the financial statements; or (2) the auditor was unable to obtain sufficient appropriate audit evidence on which to base an opinion, but concludes that the effects on the financial statements of any undetected misstatements could be material but not pervasive.

154. The auditor should express **an adverse opinion** if, having obtained sufficient appropriate audit evidence, the auditor concludes that misstatements, individually or in the aggregate, are both material and pervasive to the financial statements.

155. The auditor should **disclaim an opinion** if, having been unable to obtain sufficient appropriate audit evidence on which to base the opinion, the auditor concludes that the effects on the financial statements of any undetected misstatements could be both material and pervasive. If, after accepting the engagement, the auditor becomes aware that management has imposed a limitation on the audit scope that the auditor considers likely to result in the need to express a qualified opinion or to disclaim an opinion on the financial statements, the auditor should request that management remove the limitation.

156. If expressing a modified audit opinion, the auditor should also modify the heading to correspond with the type of opinion expressed. ISSAI 170519 provides additional guidance on the specific language to use when expressing a modified opinion and describing the auditor's responsibility. It also includes illustrative examples of reports.

#### ***Emphasis of Matter paragraphs and Other Matters paragraphs in the auditor's report***

157. If the auditor considers it necessary to draw users' attention to a matter presented or disclosed in the financial statements that is of such importance that it is fundamental to their understanding of the financial statements, but there is sufficient appropriate evidence that the matter is not materially misstated in the financial statements, the auditor should include an Emphasis of Matter paragraph in the auditor's report. Emphasis of Matter paragraphs should only refer to information presented or disclosed in the financial statements.

158. An Emphasis of Matter paragraph should:

- Be included immediately after the opinion;
- Use the Heading "Emphasis of Matter" or another appropriate heading;
- Include a clear reference to the matter being emphasised and indicate where the relevant disclosures that fully describe the matter can be found in the financial statements; and
- Indicate that the auditor's opinion is not modified in respect of the matter emphasised.

159. If the auditor considers it necessary to communicate a matter, other than those that are presented or disclosed in the financial statements, which, in the auditor's judgement, is relevant to users' understanding of the audit, the auditor's responsibilities or the auditor's report, and provided this is not prohibited by law or regulation, this should be done in a paragraph with the heading "Other Matter," or another appropriate heading. This paragraph should appear



immediately after the opinion and any Emphasis of Matter paragraph.

## Annex II: Financial Statement of the Project

**Competitiveness and Export Readiness Project**

(IDA Credit number 6035 - XK)

(P152881)

**Financial Statements**

for the period from January 1, 2023, to January 31, 2024

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Competitiveness and Export Readiness Project  
(IDA Credit No. 6035 - XK)

Statement of Sources and Uses of Funds  
for the period from January 1, 2023 to January 31, 2024  
(in EUR unless otherwise stated)

	Notes	Period from January 1, 2023, to January 31, 2024	Year ended on December 31, 2022	From May 18, 2018 (Inception date) to January 31, 2024
<b>Sources of Funds:</b>				
IDA Credit No. 6035 - XK funding	4	7,034,203.12	1,688,209.88	9,811,211.83
Government of Kosovo financing	6	-	602,420.13	602,420.13
Temporary advances by Government of Kosovo	5	(555,490.62)	527,393.20	-
<b>Total Sources of Funds</b>		<b>6,478,712.44</b>	<b>2,818,023.21</b>	<b>10,413,631.96</b>
<b>Uses of Funds:</b>				
Matching Grants	6	(6,231,453.30)	(2,493,465.09)	(9,271,113.27)
Goods		-	-	(73,241.20)
Consulting services	7	(221,803.46)	(322,276.12)	(968,298.63)
Training and workshop	8	(13,806.96)	-	(36,667.20)
Incremental operating costs	9	(11,648.72)	(2,282.00)	(64,311.66)
<b>Total Uses of Funds</b>		<b>(6,478,712.44)</b>	<b>(2,818,023.21)</b>	<b>(10,413,631.96)</b>

The Statement of Sources and Uses of Funds is to be read in conjunction with the notes set out on pages 3 to 9 and forming an integral part of the financial statements.

The financial statements of the Competitiveness and Export Readiness Project (IDA Credit No.6035-XK) were authorised for issue by the management of the Project under the Ministry of Industry, Entrepreneurship and Trade (MIET), May 28, 2024, and signed on its behalf by:

SOBANA BUSHRAVI



Secretary General

Adile OSMANI

Financial Management Officer

CERP/17	Reimbursement	310,711.19	303,951.66	-	181.25	5,917.40	660.88	310,711.19	09-Aug-2023	22-Aug-2023
CERP/18	Reimbursement	785,542.19	779,914.09	-	-	4,943.62	684.48	785,542.19	05-Sep-2023	20-Sep-2023
CERP/19	Reimbursement	289,531.21	237,091.09	-	-	51,311.12	1,129.00	289,531.21	05-Oct-2023	19-Oct-2023
CERP/20	Reimbursement	684,114.44	621,315.40	-	9,114.10	52,582.54	1,102.40	684,114.44	08-Dec-2023	21-Dec-2023
CERP/21	Reimbursement	568,472.33	528,988.67	-	-	39,390.00	93.66	568,472.33	04-Jan-2024	22-Jan-2024
<b>Total reimbursement</b>		<b>9,811,211.83</b>	<b>8,668,693.06</b>	<b>73,241.20</b>	<b>36,421.28</b>	<b>967,166.39</b>	<b>65,689.80</b>	<b>9,811,211.83</b>		



SOBANI BUSHNATI - OSMANI

*[Handwritten signature]*

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Secretary General

Adile OSMANI

Financial Management Officer

**Competitiveness and Export Readiness Project**  
(IDA Credit No. 6035 - XK)

**Notes to the financial statements**  
for the period from January 1, 2023 to January 31, 2024  
(in EUR unless otherwise stated)

**1. General**

The Financing Agreement for the Competitiveness and Export Readiness Project (CERP) (IDA Credit number 6035 - XK)- (the "Project"), was signed between the International Development Association ("Association") and the Republic of Kosovo on August 2, 2017. The Project became effective on May 18, 2018, and its closing date has been extended to October 30, 2023. The total financing amount will not exceed Euro 14,300,000.

Pursuant to the Financing Agreement, the Ministry of Trade and Industry (MTI)<sup>1</sup> is responsible for overall Project implementation with due diligence and efficiency, in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices and in accordance with the provisions of the Financing Agreement. A Project Implementation Unit ("PIU") within MTI has been established to implement, monitor, control and complete the Project activities. As of 31 January 2024, the PIU had 5 employees.

Following the request of the Government of Kosovo, the project was restructured in June 2020 to better respond to the firms' needs posed by the COVID-19 crisis. Specifically, the restructuring eliminated much of the National Quality Infrastructure work considering the urgency posed by the pandemic and longer-term efforts required to implement these reforms, scaled back the inspections-related work except the digitalization efforts, and expanded the scope and outreach of the matching grants program. The restructuring was completed to best support private MSMEs, particularly exporting firms and firms with export potential that have been disproportionately hurt by the crisis.

**Project Description**

The objective of the Project is to assist the Recipient in supporting product certification for export markets, strengthening the capacity of export-oriented firms and reducing the cost of business inspections. The Project consists of the following parts:

**Part 1. Enhancing Business Environment and Export Readiness**

- A. Supporting Micro, Small and Medium Enterprises ("MSMEs") to improve export readiness:
- (i) Establishment and administration of a Matching Grant Program; and
  - (ii) Provision of Matching Grants to provide technical assistance to Selected MSME's with export potential to carry out Matching Grant Subprojects that: (a) implement international standards and receive certifications required for export markets; and (b) gain access to business development services.
- B. Reforming business inspection system
- Reforming the Recipient's business inspections system by reducing the administrative burden too businesses and improving the efficiency and effectiveness of inspection services, through the provision of:
- (i) an electronic inspector data management system;
  - (ii) a business inspection interoperability data exchange system; and
  - (iii) support for institutional set-up anti capacity building for inspectors.

**Part 2. Project Implementation and Coordination Support.** Provision of goods, services, Training and Operating Costs in support of Project implementation and coordination, including the provision of equipment and of technical assistance in Project management, coordination, and fiduciary and monitoring and evaluation functions.

<sup>1</sup> During 2020, the former Ministry of Trade and Industry (MTI) was restructured and merged with other government functions and its name changed. In 2021, following another restructuring, the Ministry absorbed the role of Entrepreneurship and was transformed into "the Ministry of Industry, Entrepreneurship and Trade" (MIET).

**Competitiveness and Export Readiness Project**  
(IDA Credit No. 6035 - XK)

**Notes to the financial statements**  
for the period from January 1, 2023 to January 31, 2024  
(in EUR unless otherwise stated)

**1. General (continued)**

**IDA Credit No. 6035 – XK**

The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category, as stated in the original and revised Financing Agreement:

Category	Amount of the Credit allocated (expressed in Euro)	Category	Revised Amount of the Credit allocated (expressed in Euro)	Percentage of the expenditure to be financed (inclusive of Taxes)
(1) Goods, non-consulting services, and consultants' services, for the Project except Part 1.B (ii)	12,000,000	(1) Goods, non-consulting services, and consultants' services, for the Project except Part 1.A (ii)	3,900,000	100%
(2) Part 1.B (ii) of the Project	2,300,000	(2) Part 1.A (ii) of the Project	10,400,000	100%
<b>TOTAL AMOUNT</b>	<b>14,300,000</b>	<b>TOTAL AMOUNT</b>	<b>14,300,000</b>	

The Government of Kosovo will repay the principal amount of the Credit in semi-annual instalments payable as of describe in following:

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage) *
On each April 15 and October 15: commencing October 15, 2022, to and including April 15, 2032	1.65%
commencing October 15, 2032, to and including April 15, 2042	3.40%

\*The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.

The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.

The Service Charge is the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3.4 of 1%) per annum; on the Withdrawn Credit Balance.

The Interest Charge is the greater of: (a) the sum of one and a quarter percent (1.25%) per annum plus the Basis Adjustment to the Interest Charge; and (b) zero percent (0%) per annum; on the Withdrawn Credit Balance.

The commitment and payment currency are in EUR. As of January 31, 2024, the amount of 9,811,211.83 EUR was disbursed from the Credit proceeds (As of December 31, 2022: 2,777,008.71 EUR).

**Competitiveness and Export Readiness Project**  
(IDA Credit No. 6035 - XK)

**Notes to the financial statements**

for the period from January 1, 2023 to January 31, 2024

*(in EUR, unless otherwise stated)***2. Basis of preparation**

The special purpose financial statements of the project for the period from January 1, 2023, to January 31, 2024, have been prepared for the purpose of complying with the provisions of the Project's objectives, the World Bank guidelines and terms and conditions of the IDA Credit no. 6035 - XK.

The special purpose financial statements comprise the Statement of Sources (Cash Receipts) and Uses (Payments); the Statement of Expenditure used as the basis for the submission of withdrawal applications for the period from January 1, 2023, to January 31, 2024, and a summary of significant accounting policies and other explanatory notes.

The Cumulative Statements of Expenditures used as the basis for the submission of withdrawal applications for the period from inception on May 18, 2018, till January 31, 2024, are presented as supplementary schedules. Cumulative information on receipts and disbursements from the Project's inception date till January 31, 2024, is presented in the Statement of Sources and Uses of Funds for information purposes only.

The special purpose financial statements have been prepared in accordance with cash basis IPSAS - Financial Reporting under the Cash Basis of Accounting. On this basis, income is recognised when received rather than when earned and expenses are recognised when paid rather than when incurred. Accordingly, direct and indirect payments of the Project's expenses, which are made from the proceeds of the Credit, are recognised as sources and uses of funds at the time the payment is made.

The special purpose financial statements are presented in Euros ("EUR"), unless otherwise stated.

**3. Summary of significant accounting policies**

A summary of significant accounting policies underlying the preparation of the Project's financial statements is presented below.

**3.1 Foreign currency transactions**

The project accounts are maintained in Euros ("EUR") the legal currency of Kosovo. The Project deals predominantly in EUR, while the foreign currencies the Project deals with Euro ("EUR")

**3.2 Recognition of income and expenses**

Income is recognised when received rather than when earned, and expenses are recognised when paid rather than when incurred.

**3.3 Taxation**

The Project is not exempt from Value Added Tax (VAT) and Custom Duties for the credits part. The local employees of the project are liable for personal income tax and social security contributions.

**4. IDA Credit No. 6035 - XK funding**

IDA Credit funding is composed as follows:

Funding	Period from January 1, 2023, to January 31, 2024	Year ended December 31, 2022
Reimbursements	7,034,203.12	1,688,209.88
<b>Total</b>	<b>7,034,203.12</b>	<b>1,688,209.88</b>



**Competitiveness and Export Readiness Project**  
(IDA Credit No. 6035 - XK)

**Notes to the financial statements**

for the period from January 1, 2023 to January 31, 2024

(in EUR, unless otherwise stated)

**5. Temporary advances received by Government of Kosovo**

The temporary advances received by Government of Kosovo are composed as follows:

	Period from January 1, 2023, to January 31, 2024	Year ended December 31, 2022
Government funds of the beginning of the period	527,393.20	32,151.48
Project eligible expenditures paid from Governments Funds	6,478,712.44	2,215,603.08
Reimbursements from IDA Credit (note 4)	(7,034,203.12)	(1,688,209.88)
Movement during the period	555,490.62	(527,393.20)
<b>Government funds at the end of the period</b>	<b>-</b>	<b>559,544.68</b>

**6. Matching Grants**

These expenditures represent matching grants paid during the period to the awarded companies as follows:

	Period from January 1, 2023, to January 31, 2024	Year ended December 31, 2022
SH.P.K "ANB Baliu" -Ferizaj	25,952.00	49,680.00
Sh.P.K "DIJAMANTI"-Malisheve	32,490.00	50,000.00
Sh.P.K "GRAF-TEK"-Prishtine	-	64,989.17
Sh.P.K "HAXHIJAJA"-Rahovec	-	72,757.19
SH.P.K "TAÇ PRODUKT" -Prizren	48,096.40	49,546.00
SH.P.K "JONI-SH" -Podujeve	65,140.00	26,340.00
SH.P.K "BINNI" -Vushtrri	46,176.66	50,000.00
SH.P.K "AL-TEC" -Lipjan	-	85,960.00
SH.P.K "BIO-NUTS"-Prishtine	17,728.50	59,690.00
N.P "FRIGOSTAR"-Rahovec	30,800.00	37,184.54
N.P.T "SIMBOLI" -Suhareke	-	54,495.00
SH.P.K "DONA" -Suhareke	-	63,236.58
SH.P.K BKM AGROKRUSHA-Rahovec	-	91,020.15
L.L.C Alliance International-Prishtine	32,715.00	53,428.60
SH.P.K INTERCOMM -Viti	19,685.43	49,860.00
SH.P.K REC-PLAST -Pejë	22,500.00	42,000.00
SH.P.K DRITONI –PLAST-Istog	27,700.00	38,837.50
SH.P.K Tekniku -Gjakovë	-	26,772.75
Sh.P.K Shpati - AM –Gjakovë	8,550.00	42,030.00
SH.P.K Nori Glass - Kline	28,000.00	1,100.10
NTP DEKORI PLAST/Muharrem Nekaj-Istog	-	61,590.00
SH.P.K AGROVITA-Rahovec	-	87,092.45
BBF Company-Ferizaj	42,919.64	48,000.00
NTP Union /Adnan Bajgora B.I -Obiliç	-	77,180.00
Shoqata e rrobaqepsise"Bardha"-Prishtinë	-	24,840.00
DIE FORM -SH.P.K- Prishtinë	10,500.00	4,500.00
SAFE CARGO L.L.C-Prizren	43,991.01	46,000.00
NTP KOSOVA POR/AZEM GUTA-Ferizaj	15,479.56	46,640.50
DG PACK SHPK-act.4-Gracanice	75,065.00	7,650.00
EXTRA FRUIT FILLINGS-act-4-Prizren	80,680.11	8,836.36

6

**Competitiveness and Export Readiness Project**  
(IDA Credit No. 6035 - XK)

**Notes to the financial statements**

for the period from January 1, 2023 to January 31, 2024

*(in EUR, unless otherwise stated)*

	Period from January 1, 2023, to January 31, 2024	Year ended December 31, 2022
KUTIA SHPK-act.2-Prishtinë	3,847.50	38,486.75
TONI SHPK-Ferizaj	5,565.00	28,532.00
BEREQETI ING-Gillogovc	67,285.36	3,442.98
ORCHIDEA-Prishtinë	5,100.00	45,905.00
Ambra Foods LLC-Gjakove	16,191.00	30,137.52
Muri Plast Sh.P.K-Suhareke	37,846.50	41,219.11
Kosova Model -Ferizaj -Act.4	17,850.00	7,650.00
HEINZE Sh.P.K-Act.4-Gjakove	-	90,199.24
FMB Alplast/ Fadil Begaj B.I	-	45,385.45
S//SPRINT SHPK-Prishtinë	-	83,660.00
NTP Archtime/Agim Abdylji B.I-Gracanice	28,800.00	49,500.00
ADI SHPK - Prishtinë	20,940.00	5,670.00
PROFIX-COM-Gjilan	52,038.71	9,966.67
DLLL- Prishtine	28,000.00	88,867.00
Xhavit Shala B.I/Metaliku Xhaxhi-Suharekë	31,920.00	39,650.00
Mix Product-Prizren	84,570.00	49,490.00
MOBILE DEKOR SHPK-Pejë	72,142.78	34,336.82
DEKORI NPSH-Prishtine/Naman Gashi B.I-Hajvali	57,333.33	8,820.00
NBT-ING -Suhareke	88,973.39	49,479.50
LOGI Group- Prizren	97,409.30	50,000.00
HAPPY SHPK-Lipjan	82,258.04	45,500.00
Metton Reklama -Podujevë	78,499.00	2,003.12
VJOLLCA LLAPASHTICA-Prishtine	30,700.00	48,000.00
NPT MALI-I-Mitrovice	44,737.50	34,338.02
Elektrostublla-VITI	36,000.00	49,997.00
KB Krusha SHPK-Rahovec	90,911.36	34,322.00
AEG SHARR N.P.T/Lirim Kamberi-Dragash	88,595.00	50,000.00
Hysni HOTI B.I/ HBAH-Prizren	76,450.00	7,650.00
AGROALBA -Prishtine	85,754.67	-
CELIKU PLAST -Prizren/Jashar Hoxha B.I	45,430.00	-
FRUTON-Gracanice	91,110.00	-
RIMA Group ShPK -Prishtine	24,525.00	-
SYLKA-Rahovec	62,700.00	-
LESNA-Prishtine	57,333.33	-
Medina SHPK -Prizren	90,172.00	-
PARIMI SHPK -Prizren	44,825.00	-
GINZA- Kline	84,148.65	-
ERC Trade/Arben Arifi B.I -Prishtine	85,750.00	-
DEKORITI SHPK-Lipjan	59,500.00	-
Srecko Spasic B.I/ Aqua Sana-Klllokot	95,592.27	-
Dhoma e Afarizmit te Kosoves -Prishtine	22,680.00	-
TABJA 1- Prishtine	46,971.31	-
SILKA GROUP-FERIZAJ	95,000.00	-
AHIKOS -Ferizaj	67,367.58	-
SHQIKOS ARALCO -Kamenice	6,750.00	-
Diba Celina Baymak-Prizren	55,642.65	-

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**Competitiveness and Export Readiness Project**  
(IDA Credit No. 6035 - XK)

**Notes to the financial statements**

for the period from January 1, 2023 to January 31, 2024

*(in EUR, unless otherwise stated)*

	Period from January 1, 2023, to January 31, 2024	Year ended December 31, 2022
OSA Termosistem-Rahovec	58,890.00	-
Fatmir Godeni B.I/Sporting- Prizren	60,319.75	-
ANITA Group-Ferizaj	71,583.52	-
Tresor Home-Ferizaj	94,757.60	-
NEUTRINO-Mitrovice	87,353.00	-
GRANITI-SUHAREKE	62,735.00	-
ARMEND JAKUPI B.I/INTER-COM-Prizren	22,613.22	-
BELLINO -PEJË	27,600.00	-
SWISS Storen-Suhareke	90,366.56	-
Sharri Plast/Zejnel Jusufi B.I-Prizren	76,917.60	-
Solutions Connected -Prishtine	24,056.08	-
Euro-Alliance -Prishtine	24,840.00	-
Fabrika e Veglave - Ferizaj	40,163.09	-
BALLKAN STONE -PEJE	83,546.00	-
Valon Haxhimusa B.I/Projekting-Ferizaj	64,253.00	-
MSM SHPK-Prizren	51,550.00	-
MOBILE KARAGAQ-Pejë	57,350.00	-
KS GROUP-Prizren	85,124.25	-
PASTA FASTA-Prishtinë	44,610.00	-
ZINKUNIE-Prizren	67,860.00	-
SHTYPSHKRONJA-Prizren	55,320.00	-
LB GROUP/ECO Pack-Lipjan	75,610.00	-
FE METAL-Prizren	78,373.02	-
ALBED -Vushtrri	25,800.00	-
GALANTERIA-Podujevë	69,000.00	-
LABERION -Podujevë	36,400.00	-
LYKENS M2 DESIGN-Ferizaj	16,763.03	-
SHARRA COMPANY-Podujevë	33,000.00	-
JEGE SHPK-Prizren	88,338.60	-
ILIR SLO-Mitrovicë	41,763.26	-
RELUX SHPK-Gracanicë	52,950.00	-
MJEDRA E KOSOVES Prishtinë	23,409.00	-
BTP HOLDING-Vushtrri	41,379.31	-
MAHAGONI PREMIUM-Pejë	56,150.00	-
BUTTERFLY -Shtime	89,531.78	-
LIRI LLC -Prizren	12,871.86	-
Flamur Aliu B.I/Muli Mob-Prizren	66,973.02	-
TRIANGLE -Suharekë	84,020.00	-
TELENET-PEJË	98,560.00	-
DWS LLC- DRENAS	35,190.00	-
Mob Dizajn-VITI	6,375.00	-
INSIDE GROUP-LIPJAN	68,665.32	-

**Competitiveness and Export Readiness Project**  
(IDA Credit No. 6035 - XK)

**Notes to the financial statements**

for the period from January 1, 2023 to January 31, 2024

*(in EUR, unless otherwise stated)*

	Period from January 1, 2023, to January 31, 2024	Year ended December 31, 2022
Green House-Pejë	40,660.00	-
TONEX-GJILAN	34,560.00	-
A & D SH.P.K-Prishtinë	29,680.00	-
INOVA SHPK-Prishtinë	32,795.00	-
NMA SHPK-Prishtinë	62,209.36	-
GRAFIKA SHPK	38,646.65	-
Xhemajl Tershani B.I/Loni-Shtime	36,400.00	-
KO-BAKE SH.P.K-Gracanicë	70,433.62	-
Bujar Sulejmani B.I/Shkodra N.P.T-Fushe Kosove	55,940.00	-
FRUTTI SH.P.K -Prizren	37,221.88	-
LIRIMI SH.P.K -Malishevë	18,587.92	-
Hasime Nivokazi B.I/Intertel-Prizren	45,601.56	-
GEXHA SH.P.K -Gjakovë	49,339.33	-
GEOTECH SHPK-Prishtinë	42,443.38	-
PROTON CABLE SHPK-Prizren	94,169.00	-
AMW INTERIORS SHPK-Drenas	53,350.90	-
EGI GROUP SHPK-Pejë	46,450.00	-
Mitro Plast SH.P.K-Mitrovicë	33,897.29	-
LINE GROUP SHPK-Pejë	16,750.00	-
<b>Total:</b>	<b>6,231,453.30</b>	<b>2,493,465.09</b>

The Matching Grants Program (MGP) under the Project provided support to eligible micro, small and medium enterprises with export potential (i) to fulfil requirements to implement standards and product certification required for export markets, (ii) purchase of Equipment (production machinery) to enhance capabilities for export readiness, (iii) purchase of equipment used for conformity assessment bodies, (iv) gain access to Business Development Services (BDS)/Training, and (v) small equipment for digital enhancement. The overall MGP budget under the project was EUR 10.40 million. The MGP provided matching grants of up to sixty percent (60%) of the sub-project cost, while the remaining minimum of forty percent (40%) represents the own (cash) contributions by the beneficiaries.

The application process for the first call was enabled through the online portal of KIESA. A total of 28 grants were awarded in 2020 for a total amount of Euro 601,253.75, upon completion of the evaluation of all the applications received during the first call. The grant agreements were signed on March 12 and 13, 2020 with an implementation period that extends up to 12 months. As of December 2021, all the grants under the first call have been fully disbursed for a total of Euro 546,195. The disbursement of the grant occurred after the sub-project was completed and verified. Three beneficiaries withdrew after signing the grant agreement and did not implement subprojects.

The MTI launched a second call for grant applications in 2021, whereby 591 applications were received out of which 139 grants were awarded for a total of EUR 9,847,835.00. The grant agreements for the second call were signed in March 2022.

During the year 2022, the MIET paid a total of Euro 2,493,465.09 for activities implemented by 58 beneficiaries: (i) Euro 1,891,044.96 42 beneficiaries) were covered by IDA financing and (ii) Euro 602,420.13 (16 beneficiaries) were covered by Government of Kosovo's Economic Recovery Package for the implementation of Measure 2.4 - export support.

During the final period, the MIET paid a total of Euro 6,231,453.30 for activities implemented by 123 beneficiaries.

**Competitiveness and Export Readiness Project**  
(IDA Credit No. 6035 - XK)

**Notes to the financial statements**  
for the period from January 1, 2023 to January 31, 2024  
(in EUR, unless otherwise stated)

**6. Consultant services**

Consultant services are detailed as following:

	Period from January 1, 2023, to January 31, 2024	Year ended on December 31, 2022
PCU Staff net salaries	110,743.06	57,799.34
Personal income tax for PCU staff	5,964.45	3,854.50
Employee pension contribution for Project staff	3,835.70	2,904.14
Employer pension contribution for Project staff	3,835.70	2,904.14
Assessment and preparation for technical preparation for e-inspectorate	-	47,242.00
Consultancy Services "Implementing a Matching Grant Program"-Prishtina Rea	64,000.00	207,572.00
Consulting Creative Firms for Grant Results-Photography and Videos -Smart Motion	15,000.00	-
Consultancy Firm for Reforming Inspection System-"D&D Business Supporting Center"	8,000.00	-
Study visit too Market Inspectorate of Slovenia	10,424.45	-
<b>Total</b>	<b>221,803.46</b>	<b>322,276.12</b>

**7. Training**

Expenditures for training are detailed as follows:

	Period from January 1, 2023, to January 31, 2024	Year ended December 31, 2022
Workshop for Project Steering Committee-Brezovica	4,447.00	-
Workshop for Inspectorate training	2,347.90	-
Study visit too Market Inspectorate of Slovenia	6,645.70	-
Procurement training in Tirana -Procurement specialist -	245.86	-
E-government workshop - Prizren - Project coordinator	120.50	-
<b>Total</b>	<b>13,806.96</b>	<b>-</b>

**Competitiveness and Export Readiness Project**  
(IDA Credit No. 6035 - XK)

**Notes to the financial statements**  
for the period from January 1, 2023 to January 31, 2024  
(in EUR, unless otherwise stated)

**9. Incremental operating costs**

Expenditures for Incremental operating costs are detailed as follows:

	Period from January 1, 2023, to January 31, 2024	Year ended December 31, 2022
Cost for translation services	348.87	-
Cost for advertisements	-	60.00
Telecommunication costs	1,500.00	800.00
Office supplies	663.95	724.00
Costs for internet services	575.30	628.00
Cost for official lunch	200.00	70.00
Vehicle maintenance	23.00	-
Inspectorate -Atk-Aug-Oct'23	3,941.20	-
Inspectorate -Tp-Aug-Oct'23	4,170.00	-
<b>Total</b>	<b>11,648.72</b>	<b>2,282.00</b>

**10. Expenditures by project parts**

The expenditures by Project Parts are as follows:

Project Parts/ Type of expenditure	Matching grants	Goods	Consultant Services	Training	IOC	Period from January 1, 2023, to January 31, 2024	Total Year ended on December 31, 2022
<b>Part 1: Enhancing business environment and export readiness</b>	<b>6,231,453.30</b>	-	<b>154,895.25</b>	<b>8,993.60</b>	<b>8,593.60</b>	<b>6,403,935.75</b>	<b>2,748,279.09</b>
Supporting Internat. recognition of NQI (discontinued, before restructuring)	-	-	-	-	-	-	-
A. Supporting SMEs to improve export readiness	6,231,453.30	-	79,000.00	-	-	6,310,453.30	2,701,037.09
B. Reforming the business inspection system	-	-	75,895.25	8,993.60	8,593.60	93,482.45	47,242.00
<b>Part 2: Project Implementation and Coordination</b>	-	-	<b>66,908.21</b>	<b>4,813.36</b>	<b>6,055.12</b>	<b>74,776.69</b>	<b>69,744.12</b>
<b>Total Period from January 1, 2023, to January 31, 2024</b>	<b>6,231,453.30</b>	-	<b>221,803.46</b>	<b>13,806.96</b>	<b>11,648.72</b>	<b>6,478,712.44</b>	<b>2,818,023.21</b>

**Competitiveness and Export Readiness Project**

(IDA Credit number 6035 - XK)

(P152881)

**Statement of cumulative expenditures withdrawal schedule**

For the period from 18 May 2018 (inception date) to January 31, 2024

(Supplementary schedule to the Annual Financial Statements)

**Competitiveness and Export Readiness Project**

(IDA Credit No. 6035 - XK)

**Statement of cumulative expenditures withdrawal schedule**For the period from 18 May 2018 (inception date) to January 31, 2024  
(in EUR, unless otherwise stated)**IDA credit No. 6035-XK**

Withdrawal application	Type of application	Appl. Pym. Amount	Matching Grants	Goods	Training	Consultant services	Incremental Costs	SOE	Date received	Value date
CERP/01	Reimbursement	141,592.24	-	52,937.20	9,204.78	58,631.55	20,818.71	141,592.24	18-Jun-19	2-Jul-19
CERP/02	Reimbursement	176,947.22	-	17,924.00	8,088.97	131,496.75	19,437.53	176,947.22	08-Apr-20	23-Apr-20
CERP/03	Reimbursement	139,354.39	60,480.00	2,380.00	2,276.16	70,121.14	4,097.06	139,354.39	3-Dec-20	11-Dec-20
CERP/04	Reimbursement	336,155.05	313,550.13	-	1,008.71	20,085.50	1,510.71	336,155.05	28-Dec-20	21-Jan-21
CERP/05	Reimbursement	131,403.72	80,507.45	-	2,281.56	47,628.00	986.71	131,403.72	02-Apr-21	16-Apr-21
CERP/06	Reimbursement	163,346.21	91,657.30	-	-	68,790.64	2,898.27	163,346.21	18-Aug-21	03-Sep-21
CERP/07A	Reimbursement	426,328.29	307,405.40	-	-	111,848.47	7,074.42	426,328.29	06-Sep-22	19-Sep-22
CERP/08	Reimbursement	321,873.19	316,408.89	-	-	5,040.00	424.30	321,873.19	04-Oct-22	20-Oct-22
CERP/09	Reimbursement	321,882.15	217,302.67	-	-	104,225.18	354.30	321,882.15	08-Nov-22	18-Nov-22
CERP/10	Reimbursement	618,126.25	566,365.61	-	-	51,638.34	122.30	618,126.25	05-Dec-22	15-Dec-22
CERP/11	Reimbursement	555,490.65	483,562.29	-	-	71,336.05	592.21	555,490.65	29-Dec-2022	12-Jan-2023
CERP/12	Reimbursement	1,394,351.33	1,377,527.61	-	-	15,440.97	1,382.75	1,394,351.33	02-Mar-2023	10-Mar-2023
CERP/13	Reimbursement	672,387.88	665,036.88	-	-	6,675.64	675.36	672,387.88	04-Apr-2023	14-Apr-2023
CERP/14A	Reimbursement	765,997.11	759,710.75	-	-	5,680.94	605.42	765,997.11	03-May-2023	10-May-2023
CERP/15	Reimbursement	705,354.04	663,857.65	-	1,083.50	39,837.22	575.67	705,354.04	02-Jun-2023	07-Jun-2023
CERP/16	Reimbursement	302,250.75	294,059.52	-	3,182.25	4,545.32	463.66	302,250.75	05-Jul-2023	13-Jul-2023



CERP/17	Reimbursement	310,711.19	303,951.66	-	181.25	5,917.40	660.88	310,711.19	09-Aug-2023	22-Aug-2023
CERP/18	Reimbursement	785,542.19	779,914.09	-	-	4,943.62	684.48	785,542.19	05-Sep-2023	20-Sep-2023
CERP/19	Reimbursement	289,531.21	237,091.09	-	-	51,311.12	1,129.00	289,531.21	05-Oct-2023	19-Oct-2023
CERP/20	Reimbursement	684,114.44	621,315.40	-	9,114.10	52,582.54	1,102.40	684,114.44	08-Dec-2023	21-Dec-2023
CERP/21	Reimbursement	568,472.33	528,988.67	-	-	39,390.00	93.66	568,472.33	04-Jan-2024	22-Jan-2024
<b>Total reimbursement</b>		<b>9,811,211.83</b>	<b>8,668,693.06</b>	<b>73,241.20</b>	<b>36,421.28</b>	<b>967,166.39</b>	<b>65,689.80</b>	<b>9,811,211.83</b>		



SOBANI BUSHIRANI

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Secretary General

Adile OSMANI

Financial Management Officer