

ANNUAL REPORT 2010

**Prepared at the STIKK Assembly Meeting
January, 2011**

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ANNUAL REPORT 2010

SUMMARY

One of the first activities of this period has been the organization of the Annual Assembly of STIKK members, which event was held on January 28, 2010. During the Assembly, the work plan and the budget for 2010 was approved, new board members were voted and the membership scheme was approved.

During the one year period, one of the main activities has been the involvement of the association in reaching the first Objective – **Development of a favourable environment for the support to an accelerated rise of the ITC sector**, which deals with the amendment of the Law on VAT and Customs; relevant to IT equipment, identified as a primary problem hindering the development of the sector. In this aspect, several activities have been implemented, whereas the final result of this initiative is expected in the beginning of 2011, when the Government shall be constituted.

Within the scope of implementing the second objective, which has to do with **increasing the positive image of the ITC industry front wise to the public and private sector, via implementation of marketing campaigns**, the association has taken part in the organization of the traditional Fair ITTF 2010, has prepared and distributed promoting materials at all conferences, workshops and other events organized in Kosovo and abroad.

During the period this report covers, a lot has been done for the implementation of the third objective, as well – **Assistance to the establishment of links between association members and business opportunities abroad, via networking, business events and integration of regional initiatives**, through the organization of B2B meetings, participation in regional and international Conferences, conclusion of bilateral cooperation agreements, etc.

As per the fourth Objective – **Development of the Education and Skills System in compliance with the ITC sector needs**, the association has undertaken research on evidencing the lack of skills in the ITC sector, following which research, there will be activities on influencing the policy makers on compiling adequate curricula. The final report of this research will be available by end of February 2011.

As regards the implementation of the fifth Objective – **Association Sustainability**, steps on identifying potential donors have been undertaken, long-term partnership projects have been prepared and the procedure of compiling the strategic development plan of the association has been initiated.

During the reporting period, 34 companies or 52.30% of the total number of 65 members have fulfilled the financial membership obligation.

Association incomes during the reporting period have been 84,019.56€ (compared to 45,887.31€ of 2009), whereas the expenditures reach the value of 85,129.37€ (compared to 38,466.00€ of 2009).

During year 2010, six board meetings have been held; 4 regular and 2 unordinary.

ACTIVITIES

1. Annual STIKK Assembly Meeting

The first activity of the first quarter has been the organization of the Annual STIKK Assembly Meeting, which was foreseen to be held in December 2009, but due to the lengthy process of STIKK Charter, was held on January 28, 2010. (The initial Charter has been taken so as was with the Association registration. The drafting of the new Charter based on the Crimson Capital and ITC Norge project, was supposed to be assisted by MASIT, but following the delay on signing the agreement between MASIT and Crimson Capital, it was decided that another initiative be initiated. Following consultations, the Board approved the establishment of a working group constituted of one STIKK Board Member, the executive director of STILL, the Program Manager at Crimson Capital, IT specialist of USAID KPAP Program and a legal consultant. This working group was in charge of developing a new and more appropriate version of the Charter and other secondary legislation. The first version was concluded in November 2009 and was brought to the members' forum via the STIKK webpage, for comments and suggestions. Its final approval was done at the Assembly Meeting, held on January 28, 2010.

The meeting was chaired by the Board Chairman, Mr. Driton Hapçiu, whereas 40 ITC companies and 9 guests, as well as STIKK staff was present. Greeting speeches were given by the Norwegian Ambassador in Kosovo. Mr. Sverre Johan Kvale, Ms. Mary Hobbs from Department for Economic Development of USAID in Kosovo and Mr. Michael Gold, Crimson Capital.

Driton Hapçiu, Board Chairman, presented the **Board Activities during 2009**. 8 Board meetings had been held (4 regular and 4 unordinary). Board Members have taken part in four international conferences, four meetings with the Government have been held; over twenty meetings with interest parties have been held; two MoU's have been signed (MASIT and AITA), a draft agreement has been sent to the ITC Association of Greece. Topics and discussions treated by the Board in 2009, were: Intellectual Property Rights and Copyright; Taxes, Customs Duties and VAT; Business Innovation / Excellence Centre; Internet Exchange Point; TLD Domain for Kosovo; Kosovo Business Incubator for ITC; Schools/Professional Education Institutions for ITC; Content Filtering for ISP's; Employment and Student Employment; ISO Standards for the sector; Projects on research and development; Green IT etc.

STIKK Director, Ms. Vjollca Çavolli, presented the annual work report 2009, via presenting: Procedures of Association establishment, activities implemented in 2009, ongoing activities, as well as incomes and expenditures of 2009. Also, five main objectives for year 2010 were presented:

- Development of a favourable environment for the support of an accelerated raise of the ITC sector
- Increase of the positive image of the ITC industry front wise of the public and private sectors, via the implementation of marketing campaigns
- Assistance in the establishment of links between association members and business opportunities out of Kosovo
- Development of an Education and Skills System in compliance with the ITC sector needs (*Workforce Development*), and

- Association Sustainability Insurance

Except of the above, Assembly members approved the **Work Plan and Budget for 2010**, presented by Mr. Enver Doko, Board Member.

The **Membership Scheme** document was presented by the Board Member, Mr. Valon Budima. A package consisting two types of membership was presented: Full member and cooperation member (cooperation members are Patron members and Sponsors, as well). Following discussions, board members unanimously approved the above document.

At agenda point relevant to the **nomination and selection of new STIKK Board Members**, Mr. Durmishali Smani, BM, presented the decision of the board on the potential nomination of only four existing Board Members, due to continuity of the activities, whereas the new 3 members, shall not be nominated at all, so that other STIKK members be given the opportunity. The nominees for new STIKK Executive Board Members were:

1. Driton Hapçiu – CACTUS j.s.c
2. Visar Dobroshi – IPKO
3. Durmishali Smani – ELTING Electronics
4. Shkumbin Brestovci – RROTA
5. Fatos Stavileci – ATIKOS
6. Enver Konjuhi – DataCom
7. Faton Aliu – DCE
8. Dardan Vokshi – INET
9. Burim Haxha – INFOCOM
10. Fahri Avdiu – INFOSOFT Systems l.l.c
11. Gazmend Kajtazi – INTERADRIA
12. Avni Haliti – INTERSOFT
13. Hevzi Cuci – ITBM Group
14. Hysen Gashi – PPC IT Solutions
15. Blin Zeqiri – Art House

Voting was done with open lists, via secret ballot. A total of 35 members voted. Vote counting was carried out by a selected commission, at the beginning of the Assembly Meeting.

Following the counting process and based on the collected votes, the new Board members are:

1. Driton Hapciu – CACTUS sh.a – **28 votes**
2. Visar Dobroshi – IPKO – **23 votes**
3. Durmishali Smani – ELTING Electronics – **23 votes**
4. Shkumbin Brestovci – RROTA – **19 votes**
5. Dardan Vokshi – INET – **17 votes**
6. Fahri Avdiu – INFOSOFT Systems Sh.p.k – **17 votes**
7. Gazmend Kajtazi – INTERADRIA – **16 votes**

Public Promotion of the ITC Sector Research Report in Kosovo 2009 and the Report on Customs and VAT, ITC sector, Countries of the region – was presented by Mr. Visar Dobroshi, deputy Chair of the STIKK Board. The research report of Kosovo ITC sector, 2009 has been done by IQ Consulting, financed by KPEP- USAID. The aim of this project was to create a sort of preview of the ITC sector in Kosovo as well as to develop a database of Client Relations Management (CRM) for the Association of Information Technology and Communication of Kosovo - (STIKK). The research has been implemented

Kosovo-wide through the application of direct interviews with representatives of ITC Company Managers. Field work has been implemented during November and December 2009. One of the main obstacles during the implementation of the above research was lack of willingness of ITC companies' managers and continuous postponement of interviews.

Finalization of organizational structure

At the regular Board meeting held on February 8th, 2010, among the elected Board Members, the Chairman, Deputy Chair and members with financial responsibilities of STIKK were elected.

Except the above selection, right working commissions have been created and respective Board Members have been selected to lead such commissions:

1. Tax and Legislation – responsible person Mr. Fahri Avdiu
2. Education System – responsible person Mr. Gazmend Kajtazi
3. Telecommunication – responsible person Mr. Visar Dobroshi
4. ITC National Strategy – responsible person Mr. Shkumbin Brestovci
5. Business Incubator - responsible person Mr. Durmishali Smani
6. International Representation – responsible person Mr. Driton Hapçiu
7. ITC Sector Standards - responsible person Mr. Dardan Vokshi
8. E-Government - responsible person Ms. Vjollca Çavolli

2. Activities according to objective

2.1.Objective 1. Development of a favourable environment for supporting a precipitated raise of the ICT Sector

One of the main activities of this reporting period has been the Association involvement on the tentative to amend the Law on VAT and Customs, as per the Article (s) referring to the IT equipment imports, identified as a key problem to the development of the sector. During the second quarter, working commissions have been established and the Legislation Commission has held its first meeting, in which the next steps on compiling a paper of recommendations for the Government, as regards the reduction of Customs fees and VAT for the ITC sector.

During the first quarter, the Commission on Taxes and Legislation has held its first meeting on March 18th, in which only two members participated and during which the next steps aiming to prepare such a Recommendations' Paper for the Government of Kosovo on creating opportunities for the sector development via reduction of Customs' taxes and VAT, were defined.

During the above meeting, the executive director of STIKK made a brief description of the current situation of ITC market in Kosovo and the region, the impact of Customs and VAT on the sector. Such a description was prepared based on a research carried out by Mr. Arben Abdullahu.

Further on, Mr. Fahri Avdiu, simultaneously responsible for monitoring the well-functioning of the above Commission, presented briefly the importance of the establishment of such Working Commission, and presented several proposals on getting as much information possible and to continue further with the creating a strategy to achieve such goals.

Following the discussions, accordance was reached on the points below:

- The present report is to be translated;
- An official request shall be sent to the adequate officials at Kosovo Customs, to obtain the list of IT equipment imports in Kosovo during 2009, according to Customs Codes;
- A request shall be sent to the Kosovo Tax Administration, requesting the ITC sector taxable turnover value, as well as the number of employees on which tax is applicable.

Further, a deadline was set regarding the necessary information collection, which was until the next consecutive Board Meetings, in which *position paper* would be presented by Mr. Fahri Avdiu, along with the whole performance of the commission up to date, to continue with defining the date for the next meeting of the working group.

During this quarter, the translation of the above research has been done, notes have been taken from the Customs, relevant to the IT equipment imports during 2009; an official meeting with the Director of the TAK has been held. During the above meeting, the possibility of this institutions' advocating via participation in this initiative; and an official request has been sent to the Tax Administration as per the above point.

The first steps on awareness raising relevant to the main concern of the sector has been done through the participation of the STIKK Director at a workshop organized by Friedrich Ebert Stiftung, wherein STIKK was given a 30 minute time space for presentation before Members of the Parliament.

Furthermore, first talk has been carried out with the Kosovo Chamber of Commerce, and they have expressed their readiness to support and assist the lobbying and advocating process of the ITC sector, at the Government. As a consequence of the above cooperation, a Memorandum of Understanding between KCC and STIKK has been prepared, and then signed on August 10, 2010.

2.1.1. ITC Sector in Kosovo 2009 Research Report and Report on Customs and VAT for the ITC Sectors of the region

At the Assembly meeting held in January 2010, a study on Customs Tariffs and VAT in neighbouring countries (Serbia, Macedonia, Albania and Croatia) has been presented. The results of the study are to be used by the STIKK Commission on Tax and Legislation, so that advocacy at the government structures can be done on enabling a more favourable environment for the development of the ITC sector in Kosovo. These two reports are available to download on the STIKK web page.

2.1.2. Training on Lobbying and Advocacy, Warsaw, Poland

With the initiative and organization of the USAID Program World Learning, Executive Director of STIKK was sent in an official visit to Poland, on May 10-14, 2010. The aim of the visit was to get to know the activities that the Polish Chamber of Commerce and other business associations undertake regarding strategies of advocating and lobbying at the Government. During the above visit, meetings have been held with the Association of Meat Processing Companies, Business Centre Club (is an Elite Club and the biggest private employers organization, with 1200 member companies), the Polish Chamber of Commerce, Farmers' Association and the Polish ITC Association (which promised to be supportive as per the application of STIKK to Digital Europe).

2.1.3. First Public Presentation of STIKK recommendations on declination of Customs tax and reduction of VAT for ITC goods and services

On September 13, 2010, with an initiative of DFID, the Consultative Council for Small and Medium Enterprises within the Ministry of Trade and Industry organized its third regular meeting at the Hotel

Grand premises. In the presence of the Minister of Trade and Industry Mr. Lutfi Zharku, the United Kingdom Ambassador Mr. Andy Sparks and Government representatives, 3 initiatives of business associations were presented. At this event, STIKK for the first time publicly presented its recommendations regarding declination of Customs fees and reduction of VAT for ITC goods and services.

Following the presentation of AmCham about the delays on payment processing of the private and public businesses, and the presentation of KCC about problems of registering businesses, STIKK presented its recommendations to the Government, on declining the Customs fees and reducing VAT for ITC goods and services; a measure that would enable the increase of competitiveness of local companies as well as the development of the sector market along with the other countries of the region.

By the end of the meeting, the research and recommendations made by the business associations were greeted by the Minister of Trade and Industry and the Ambassador, and commitment was declared towards continuing such a form of cooperation and that the Consultative Council of SME's shall receive empowerment, as a mediator between the private sector and the Government.

2.1.4. Membership at the Consultative Council of SME's

On August 30, 2010 the first meeting with Mr. Naser Grajqevci, Director of the Consultative Council of SME's was held and the membership of STIKK at the Council was discussed. During the meeting, Mr. Grajqevci was informed about the STIKK initiative to remove Customs fees and reduce VAT on ITC goods and services, as is applied in the other Countries of the region. Also, Mr. Grajqevci was handed all prepared documentation relevant to the initiative. STIKK submitted its request for membership at the SME's Consultative Council on September 7th, 2010, since we have been informed that based on Administrative Instruction No. 2008/14 on the establishment of the SME's Consultative Council, article 2 item 2, foresees that "Members of the SME's Consultative Council" are elected by a MTI Minister decision, who has a 4 year mandate, therefore, with the election of a Minister of Trade and Industry, the request shall be sent and proceed further.

2.1.5. Meeting with the Department of Economic and Fiscal Policies, Ministry of Economy and Finance

Following receipt of information that the Department for Economic and Fiscal Policies is to propose to Minister Shala a package of fiscal amendments for business sectors, respectively declination from Customs fees for some sectors with economic interest to Kosovo, STIKK met Ms. Nashide Bajrami and Ms. Lindita Toçi on September 30, 2010. During the meeting, the ladies have been presented all the documentation prepared by STIKK, relevant to the declination of Customs fees and VAT. The above Department has taken the obligation to present this initiative to Minister Shala, but such a meeting/presentation has not yet taken place, due to the current political situation.

2.1.6. Cooperation with DFID/ Empowerment of the Public-private dialogue

DFID project "Support to Private Sector Development in Kosovo" via the empowerment of the SME's Consultative Council and simultaneously empowering business associations to impact on development policies, has selected STIKK to be one of the beneficiaries of such initiative, along with the Kosovo Chamber of Commerce and the American Chamber of Commerce in Kosovo. Within the frame of this project, the first meeting between the DFID contractor, Mr. Driton Dalipi and STIKK Board Members has been held. During the meeting, discussions relevant to the parts of the strategy that are of

importance to the ITC sector and for which recommendations to be presented before the SME's Consultative Council, took place. Meanwhile, STIKK has applied for membership at the Consultative Council, whereas the response to the application has not yet been received, due to political circumstances in the Country during the respective quarter.

During October, under the organization of DFID contractor, Mr. Driton Dalipi, a workshop has been held in Tirana, Albania, in which business association (STIKK, KCC and AmCham) took part. The aim of the above workshop was, in cooperation with the DFID contracted consultant Mr. Ilir Rambeci, to work on identifying the challenges of the Information and Communication Technology sector of Kosovo.

During the last quarter, consecutive meetings with the contracted consultants have been held, aiming at assisting on the identification of three priority issues for the ITC sector. Legal expert, Mr. Emrush Ujkani, the expert for public-private dialogue Mr. Gavril Lasku, and the SME's expert Mr. Ilir Rambeci, have worked on compiling a position paper of STIKK, to be presented in the following meeting of the SME's Consultative Council.

2.1.7. Intellectual Property Right

STIKK in cooperation with the American Government Program "Commercial Law Development Program"-CLDP, organized the second workshop on Intellectual Property Rights for the ITC industry in Kosovo, March 9-11, 2010.

Main objectives of the seminar were:

- Contribution to the implementation of Intellectual Property Rights in Kosovo, by assisting the leaders of local industries to understand the benefits of developing their intellectual properties and by demonstrating them the advantages of implementing the Intellectual Property Rights.
- Thorough understanding of the concept of Intellectual Property and Software Licensing.
- Response to the two simple and complex questions which have come up in the ITC sector in Kosovo as a result of a new business environment, like Software Licensing Agreements and Managerial Capacity Building.

Topics discussed:

- License testing/ license users/ channels & license distribution/ - Why are lawyers involved in compiling licensing agreements?
- "US v. EU law covering software licensing agreements -the purpose, importance, important terms and conditions of licensing agreements -Join Venture Licensing Agreements: who owns what?"
- Open Source: development of licensing models

The seminar has contributed to the betterment of knowledge level relevant to Intellectual Property Rights. Furthermore, considering that in a near future the importance of IPR will continue to grow, it is also necessary to continue with other stages of the seminar, with new training models.

2.1.8. Business Process Outsourcing Conference

The Business Process Outsourcing Conference was held on April 14, at Hotel Grand, with the participation of 43 representatives of the ITC sector, donors and Government representatives of Kosovo.

Several presentations were held during the Conference, starting with the one by Ms. Michelle Messina (KPEP consultant), who brought her experience from various countries of the World. Then, OPAK strategy on BPO development and the current trends and legislative procedures relevant to the establishment and functioning of Call Centres in Kosovo was presented by the Telecommunications

Regulatory Authority. In addition, a KPEP study on Call Centres was presented, with a special focus on findings and obstacles, identified by respondents.

The most interesting part of the Conference were the 3 Companies' presentations (call centres/service providers), stressing out their views, their good and bad experiences.

In the afternoon session, the workshop foreseen in the agenda did not take place, due to the small number of participants.

The step following the Conference will be compiling of a "Position Paper" for this continuously increasing industry.

2.1.9. Public presentation of the Manual for Intellectual Property Rights for Software Developers

Following the success of the two workshops held in September 2009 and March 2010 on Intellectual Property Rights, the **Public presentation of the Manual for Intellectual Property Rights for Software Developers** was held. The event was organized by the Association for Information Technology and Communication of Kosovo (STIKK), in cooperation with USAID Program for Private Enterprises of Kosovo and Commercial Law Development Program CLDP, on October 26 at Hotel AFA. On this occasion, the author Ms. Luljeta Plakolli presented the manual and relevant discussion followed.

2.2. Objective 2. Utilization of Marketing Campaigns towards the betterment of the positive image of ICT industry front wise the public and private sectors

2.2.1. Prishtina ITTF Fair 2010

The Association co-organized and took part at the traditional Prishtina ITTF Fair 2010, held on May 27-29, 2010. This year, 68 companies from Kosovo, Albania, Macedonia, Turkey, Greece, United States of America, Great Britain, Austria and Switzerland participated.

2.2.2. STIKK brings the latest technology to Children

STIKK along with the member companies Rrota, Appdec, Flosk and Komtel took part at the Children's Festival "Games for all", organized by SOS Children's Village and IQ Consulting, on June 14-19, presenting the "Hi-tech for kids" tent. STIKK and the Companies presented educative and entertaining computer games to the Children and donated IT equipment for SOS Children's Village. Circa 7000 other Children from all over Kosovo visited the Festival.

2.2.3. Second STIKK Anniversary

On December 7, STIKK celebrated its 2 anniversary, on which occasion a reception was organized at Villa Germia restaurant, where all member companies were invited, as well as the Norwegian Kingdom Ambassador, Crimson Capital, USAID, GTZ, JICA and other participants from the donors community, representatives of the Government, Civil Society representatives, as well as representatives of two Norwegian guest Companies. During the ceremony, Executive Director of STIKK, Ms. Vjollca Cavolli held a welcome speech, mentioning the success, challenges and future plans of STIKK thereof. Also, she publicly expressed gratitude to all the contributors and supporters of the development of STIKK during its two year life.

Norwegian Ambassador Mr. Sverre Johan Kvale held a short speech, as well, followed by speeches from Mr. Gregory Olson, USAID; Mr. Michael Gold, Crimson Capital; Mr. Dalip Dewon, IKT-Norge and Mr. Durmishali Smani, STIKK Board Chairman.

Following the speeches, Mr. Durmishali Smani, gave Certificates of Appreciation to STIKK supporters (Norwegian Ministry of Exterior, Crimson Capital, USAID, GTZ, IKT Norge and IPAK (Investment Promotion Agency)).

Certificates of Appreciation were also given to former STIKK Board Members: Mr. Enver Doko, Comtrade Computers; Mr. Valon Budima, Asseco; Mr. Visar Dobroshi, IPKO and Mr. Agon Baruti, Komtel; for their contribution given in the first year of STIKK activities. More than 80 persons were present at the above reception.

2.3. Objective 3. Assistance to establishing connections between the association members and business opportunities abroad, via networking, business events and integration of regional initiatives

2.3.1. First Kosovo representation at CeBIT 2010

In the course of USAID KPEP Program, in the first quarter, the project of the first Kosovo representation to the greatest IT fair, CeBIT 2010 was implemented. CeBIT 2010 was held on March 2-6 2010 in Hannover, Germany.

Invitation to the above Fair was sent by SIPPO – Swiss Investment Promotion Organization, which enabled the participation of STIKK at the Fair, by offering a free tent, whereas Kosovor Companies Cactus and Expik were beneficiaries of partial tent cost coverage, as well. Aside from the above mentioned companies, also Appdec and Computertrade took part at the Fair, utilizing the STIKK tent to promote their products and have meetings with existing and potential prospective partners. Around 3000 CeBIT visitors have been informed about the Kosovor ICT market, also through brochures and Company Catalogue, prepared by STIKK.

On the second day, Kosovo Ambassador in Germany, Mr. Vilson Mirëdita visited our tent, on what occasion ICT sector was promoted additionally via interviews given to RTV 21 and PC World.

2.3.2. B2B meeting for Kosovor and Macedonian businesses

With the support of IPAK, STIKK in cooperation with AmCham and CEED organized a B2B meeting between Kosovor and Macedonian companies, on March 11, 2010 in Prishtina. Companies from Macedonia and Kosovo got together to discuss about the investment climate in Macedonia and Kosovo; cooperation and networking opportunities, etc.

Over 50 local and Macedonian Companies took part at this B2B meeting, which was regarded as an excellent opportunity for the Kosovor and Macedonian business community, to establish and empower their cooperation.

2.3.3. Regional B2B meeting of ICT Companies

The above meeting was held on April 7-8 in Skopje, Macedonia, aiming at bringing together ICT businesses and associations from different countries, to provide for partnership and networking

opportunity. Participation enabled the companies to find costumers to their products and services, to find product and service providers, find partners for projects financed by potential donors and investors.

The event began with various presentations on topics such as: Global trends in the ICT sector; EU funded ICT sector programs; Best ICT sector practices in the EU, USA, Asia, etc.

2.3.4. B2B between Companies from Kosovo and Albania and the establishment of the ICT Nationwide Community

On July 1, 2010 in the premises of Hotel Sheraton in Tirana, the first B2B nationwide meeting of companies from Kosovo, Albania and Macedonia was held. The meeting was concluded with the establishment of the Nationwide IT Community from Kosovo, Albania and Macedonia.

The meeting was organized by STIKK in cooperation with its Albanian counterpart association AITA and hosted the participation of private companies' representatives, professional community, international donor organizations as well as representatives of the Albanian Government, mainly officials from the IT sector.

The above activity was greeted by Mr. Genc Pollo, Minister for Innovation and Communication and Information Technology in the Albanian Government, Norwegian Kingdom Ambassador Mr. Sverre Johan Kvale, Mr. Grigor Joti, President of AITA, Mr. Durmishali Smani, Charman of STIKK Board, Mr. Mark Walder, USAID KPEP and Mr. Dritan Mezini, Chairman of AITA.

The aim of the above activity was of special importance, since it enabled the achievement of the objectives below:

1. Organization of the B2B meeting between Kosovo, Albania and Macedonia, that aims mainly at the exchange of experience and cooperation opportunities
2. Creation of a Nationwide Professional IT Network
3. Setting July 1, as the National IT day
4. Institutional empowerment of the respective associations and development of their role as a key stakeholder in the sector.

111 representatives participated at this event; 11 coming from Kosovo, 71 from Albania, 3 from Macedonia and 26 various Non-Government Organizations.

2.3.5. STIKK signs Memorandum of Understanding with Kosovo Chamber of Commerce

On August 10, 2010 in Conference room A/1 of the Kosovo Chamber of Commerce premises, an MoU between the Association for Information and Communication Technology of Kosovo and Kosovo Chamber of Commerce was signed. STIKK member ICT companies, KCC representatives and representatives of the donor and business community were present, at this occasion.

The agreement was signed by Mr. Safet Gërxhaliu, Head of Kosovo Chamber of Commerce and Mr. Durmishali Smani, Chairman of the STIKK Board.

The aim of signing this Mou is that both associations give their best contribution to the increase and intensification of activities of common interest, assist, promote, exchange information for the implementation of projects to support the Kosovor business community by jointly offering constructive services and support vis a vis the government and international institutions.

After the signing, a reception was organized, where participants had room for discussion and the signatory parties undertook commitment that their agreement shall not remain in the drawer but shall mark the beginning of cooperation, lobbying towards the solution to problems as well as advancing the standards of the Kosovar businesses in the internal and external markets.

2.3.6. Turkish IT Delegation visits Kosovo

A meeting between the Kosovo Association for Information and Communication Technology (STIKK) and the Turkish business delegation (16 owners and managers of great Turkish IT firms) was held on September 7, 2010 at the KCC premises in Prishtina.

Kosovo Chamber of Commerce, Investment Promotion Agency – IPAK, Telecommunications Regulatory Authority, STIKK Board Chairman Mr. Durmishali Smani and several local IT companies' representatives took part at the meeting. Following the welcome speech of the KChC Secretary Mr. Berat Buzhala, room was given to the presentation of Mr. Ekrem Hoxha, Head of TRA, on Operator Licensing Procedures, followed by the presentation of Mr. Liridon Latifi from IPAK, on facilitations that the Government of Kosovo offers to foreign investor, and lastly the presentation of Ms. Vjollca Cavolli from STIKK, on the ICT sector in Kosovo. Following the presentations, several bilateral meetings between local and Turkish companies were held.

The Turkish delegation expressed their gratitude to the opportunity of discussing with local companies as well as local institutions, and regarded this event as a positive start of a future Turkish-Kosovar cooperation.

2.3.7. Seminar on E-Government, Qeverisjen, Portorozh, Silloveni

On 5-7 October, STIKK executive director Ms. Vjollca Cavolli participated at the three day seminar, organized by the Centre for E-Government Development. The key topic of this event was identification of needs to develop information societies as well as the perspective of policy making, legal regulations and solution to ICT challenges in South-eastern Europe. Alongside the Association for Information and Communication Technology, officials from the Ministry of Public Administration of Kosovo, officials of Governments from Southeast European countries, officials from the Slovenian Government, representatives of the Academy as well as leading companies of the industry have been part of the event. During the seminar, the potential of the countries of the region in ICT sector market to further develop e-Government aiming at offering better services to the citizens and the business sector. This event was also used for contact networking and experience exchange of the private and public sector. At this conference, STIKK was represented by Ms. Vjollca Cavolli, whereas expenses were covered by the organizers.

2.3.8. 8th SEEITA Conference, 7th meeting of South Eastern Europe ICT Forum and the 7th MASIT Open Days Conference

At the 8th SEEITA Conference, a constituting part of which was the 7th meeting of South Eastern ICT Forum and the 7th MASIT Open Days Conference, the Board Chairman Mr. Durmishali Smani together with the executive director and the two project assistants took part. The above conference was held on 14-15 October 2010, in the premises of Hotel Metropol, Ohrid, Macedonia.

Partaking at this event was a good occasion to promote the association in the regional arena, as well as get to hear the experiences of other stakeholders of the ICT sector. Aside from hearing interesting topics treated at this conference, such as the Digital divide phenomenon as well as common issues and

challenges relevant to Mobile Broadband Technologies. Ms. Cavolli presented “the Impact of ICT on Kosovar Businesses”.

2.3.9. ICT Conference in Bulgaria

Ms. Cavolli and the head of International Relations Commission Mr. Driton Hapciu participated at the “SPI (Software Process Improvement) meets in Sofia 2010” Conference held on 18-19 of October. European Software Institute (ESI) was the organizer of the Conference, in cooperation with Software Engineering Institute (SEI), whereas the topics discussed referred to the current challenges of software development companies and the available varieties in the market, as well as prospective opportunities. The conference served as a forum for the companies of the region, which reported and exchanged experiences, aiming at improving their abilities on software processes. A workshop named “Building Regional ICT competitiveness” was held on October 20th, with the participation of regional ICT associations, whereas the treated topics touched upon Global ICT Development Trends and Sustainable ICT Development Models for South East Europe. At this stage, Mr Hapciu represented STIKK with the presentation: Transforming “National Capacity” to “Regional Competitiveness”.

2.4. Objective 4. Development of Education and Skills System in compliance with the needs of ICT sector (Work Force Development)

2.4.1. Customer Relationship Management Training

The Kosovo Association of Information and Communication Technology – STIKK, with the support of Kosovo Private Enterprise Program / Booz Allen Hamilton – USAID organized 2 workshops on Customer Relationship Management, on April 1-2, 2010 at Villa Germia premises.

22 representatives of ICT sector of Kosovo were present on the first day, whereas the second day was dedicated to 13 other business associations.

The aim of the workshop was to provide training for ICT sector companies on the importance of CRM, focusing on the needs of clients that are most profitable to the Company, their segmentation as per their needs, Sales Process Management, Cooperation with Customers to be able to achieve successful customer relations. Whereas, on the second day, the training allowed for the associations to further learn about Managing Relationships with their members, Databases, Service vending, Product vending (trainings, research, etc) .

2.4.2. Skills Gap Analysis – Identification of skills gaps in the ICT sector

Following the first stage of the project which covered the project methodology development, as well as compiling of a questionnaire for ICT companies and a questionnaire for Institutions and Professional Training Centres, in December the testing stage of the questionnaire has commenced. During January, field work is expected to be finalized, whereas a first draft of the study is expected in the beginning of February.

This project is supported by KPEP/USAID.

2.4.3. Call Centre Training

This training is still at its early implementation stage. Work is being done on the project methodology and a public announcement in the daily Koha Ditore and STIKK web page, asking for Expression of Interest from existing Call Centres as well as those planning start of operation, for cooperation in this project. The call for EoI is addressed also to all companies/NGOs that offer training services.

This project is supported by USAID/Kosovo Private Enterprises Program.

2.4.4. STIKK staff training

Intending to build the staff capacity in the field of Project Management, Mr. Bardh Kadiu and Ms. Njomza Uka participated at a Project Cycle Management Training, organized by MDA and held on 20-24 September in Durres, Albania.

2.4.5. E-Government for Municipalities Seminar

On December 8, STIKK in cooperation with the Norwegian organization KS (Association of Municipalities of Norway) and their local representative company KS-Kosovo, organized a seminar on e-Government, dedicated to Municipalities, held in the premises of Hotel Grand.

During the seminar, the role and responsibilities of Municipalities based on the e-Government Strategy and Action Plan 2009-2015 (document of the Ministry of Public Administration) was presented, followed by topics such as: the implementation stage of the e-Government for Municipalities project – Results of the undertaken research (KSKosovo); the experience of Norwegian Government regarding the implementation of e-Government projects, and the possibility of involving the IT companies of Kosovo to assist in the implementation of e-Government strategies and action plans. Organization expenses were covered by the Norwegian organization.

2.5. Objective 5. Association Sustainability

2.5.1. Visit to Oslo, Norway

Responding to the invitation of the Norwegian ICT association (IKT NORge), the executive director of STIKK Ms. Cavolli and Mr. Driton Hapciu, deputy head of the Board and head of the Commission for International Representation of STIKK, visited Oslo on May 4-7. During the visit, several work meetings were held and some reputable recycling companies were visited, including Stena Miljø, being one of the most modern factories for collection and recycling in Europe; El-Retur, a company that works on a "Take-back system" of collecting the electric and electronic appliances. Also, the Innovation Centre in the city of Drammen was visited, on which occasion the activities of various companies were presented, e.g.: Papirbredden Innovasjon, FriProg, Innovasjon Norge, Athene Prosjektledelse and Driv Inkubator.

Except the above meeting and presentations, STIKK representatives had the chance to meet IKT Norge managers, responsible for fields like: Green IT; Internet and New Media; and Government relations.

2.5.2. Recycling of electronic and electric appliances

As a result of meetings held during the Oslo visit, the idea of initiating a project on recycling electric and electronic appliances became challenging to Norwegian colleagues, and as a consequence of such discussions Mr. Hans Thorvald Loken visited Kosovo on June 7-10 to work on a Feasibility Study.

2.5.3. Innovation centre/Hub

The second discussed project during the visit to Oslo is about the establishment of an Innovation Centre, as a form of support to creative individuals and small and medium sized enterprises.

The first Norwegian delegation visited Kosovo on June 17 and 18, 2010 aiming to see the factual situation and find potential partners for the establishment of an Innovation Centre for the ICT sector.

The second visit of the Norwegian delegation Leiv Eirikson Innovation Center (Len), took place on August 31 and September 1, 2010, aimed at checkign the factual situation and finding potential partners for the establishment of an Innovation Centre for the ICT sector. During the visit, a substantial number of meetings were held, starting from the Minister of Education, Science and Technology Mr. Enver Hoxhaj, Ms. Flora Arifi from USAID, Mr. Besnik Krasniqi, Business Support Centre Kosovo (BSCK), Mr. Philip Hostert SPARK. The Centre would support creative individuals and small and medium size businesses. The next consecutive visit with the concrete plan on the establishment of the centre is foreseen to take place in the beginning of 2011.

2.5.4. Visit to Hague, the Netherlands, June 1-4 , 2010

The aim of this visit was the participation in preparing the support program for businesses and service providers, in partnership with BID Network and SPARK. The program may find financing from the Dutch Ministry of External Affairs.

During the reporting period, the partnership with Dutch organizations BiD Network and SPARK for the implementation of the project supporting SMEs in Kosovo, found its success, since the project was approved by the Dutch Government. STIKK, as the local partner, shall be responsible for the development of the linkage of values in the ICT sector, especially focusing on supporting the entrepreneurship of SMEs. The project has been approved this November, whereas the partnership details have remained to be discussed by the end of January. Project duration has been foreseen to be 5 years.

2.5.5. Cooperation with Hungarian ICT association

Communication with the ICT association of Hungary has commenced with the participation of STIKK at CeBIT. As a result of such successful c communication a sustainable partnership has been built, resulting in application for IPA funds (Socio-economic partnership programme), which deals with the harmonisation of the ICT sector existing legislation with Acquis Communitarie. Unfortunately, the project has not passed; nevertheless, the established partnership shall be of use in the future.

2.5.6. STIKK support to AITA (Albanian IT Association)

In partnership with IKT Norge and Crimson Capital, STIKK will be an implementing partner in the project providing support to the IT association of Albania. Within the frame of this project, financed by the Norwegian Ministry of Exterior, STIKK shall offer technical assistance to its Albanian sister association.

2.5.7. STIKK 2 Project

During the last quarter of 2010, a project proposal has been drafted by Crimson Capital and IKT Norge, to support STIKK for a one year period. The project has been submitted to the Ministry of External Affairs of Norway and a response is expected by the end of February.

2.5.8. Membership

In the first quarter collection of membership fees has commenced for year 2010, and by March 31, 25% of the member companies have fulfilled their obligations, whereas by June 30, 31 companies have paid their membership fees, and by the end of the year the number reached 34 (52.30%).

2.5.9. Development of Strategic Plan 2011-2013

During November, STIKK worked on drafting a Strategic Plan for the next 3 years. For such activity, STIKK has benefited from technical assistance offered by KPEP/USAID team. A questionnaire has been drafted and 15 STIKK member companies have been interviewed. It is foreseen that during January a workshop with STIKK members be held, on which occasion some of the points raised during the interviewing process are to be discussed, as well as a final draft of the three year STIKK Strategy shall be concluded.

During this period, STIKK has held many meetings with potential donors, potential partners for a coordinated implementation, as well as Government representatives. Some of the organizations met include: UNICEF, Swiss Cooperation Office, GTZ, SPARK/BiD Network, IFC, JICA, Norwegian Government, University of Prishtina, etc.

2.5.10. STIKK – IDC Cooperation

Considering the importance of the annual report prepared by IDC, STIKK has held several meetings in September, with Mr. Mentor Shaqiri, IDC representative in Kosovo, with the intention to reach an Agreement of Understanding on the report purchase by STIKK for the association members, at a very favourable price. Also, the cooperation possibility for the implementation of specific research projects in the IT sector in Kosovo was discussed.

3. Donors

Norwegian Government

During the first and second quarters, the Norwegian Government funds (29,452.00€) have been utilized to cover operational expenses of the STIKK offices. These funds have enabled an easier approach to donor organizations, which favour financing project proposals of operationally sustainable associations.

USAID Kosovo Private Enterprises Program

Under the financing of KPEP/USAID, during 2010 4 projects have been implemented and 2 are ongoing. Further details are as follows:

- a) First representation of Kosovo at the World's greatest IT Fair, CeBIT 2010, held on March 2-6, 2010 in Hannover, Germany.
- b) Customer Relations Management Workshop – STIKK organized 2 workshops on CRM, on April 1 and 2, 2010 at the premises of Villa Germia.
- c) Business Process Outsourcing Conference held on April 14 in Hotel Grand, with the participation of 43 ICT sector representatives, donors and Government representatives.
- d) Skills gap analysis and Call Centre Training - have received approval by KPEP in the end of September, whereas contracts have been signed in October/November and the implementation phase shall last until January 2011 (for the first project) and September 2011 for the second one.
- e) Public presentation of the Intellectual Property Rights for Software Developers Manual

Overall value of received funds from KPEP during year 2010 reached the value of 29,737.60€.

GTZ

During the first quarter of 2010, GTZ project within *Open Regional Fund for Foreign Trade Promotion/IT Component project*, commenced in April 2009, was finalized.

The above regional project included 6 countries of the region: Croatia, Macedonia, Bosnia, Serbia, Kosovo and Albania. It has been implemented by ESI Bulgaria, via its partnership with ICT associations of the above countries. Activities of this project have focused on 5 fields, as follows below:

- Professional training for CMMI and ITMark
- Initiation of IT Mark Basic process
- Certification process for IT Mark Basic
- SPI Maturity consultations implementation
- Certification for SPI Maturity

Project partaking companies from Kosovo were Interadria and Komtel. Interadria has passed the certification phase, whereas Komtel is expected to do so during the coming months. Donation value for STIKK was 2,400.00€.

4. STIKK Staff

During January-December 2010, several changes to STIKK staff have been undertaken:

- a) Project Manager, Ms. Merita Zhubi has resigned her position on January 15th, 2010. Reasons presented were of personal nature (she returned to England, where she had previously lived).
- b) On January 25th. Following selection procedures, Ms. Dafina Rudi and Ms. Njomza Uka have been employed as project assistants. Following their 3 month probation periods, Ms. Dafina Rudi did not satisfactorily fulfil her obligations; therefore her contract was not renewed.
- c) On May 12, STIKK published the advertisement for "Project Assistant:. Following the selection and evaluation procedures, the commission has decided to employ Mr. Bardh Kadiu, on a regular employment contract basis. Bardhi has graduated in Computer Science at the SEE University in Macedonia and has already shown progress in the professional and personal aspects as well as in the support given to the progress of the association.
- d) During the period July-September, another change has occurred with the staff of STIKK: On July 22 2010. Mr. Korab Lufi was hired for a three month period, as an intern.

5. Revenues and expenditures

During 2010, STIKK revenues were 84,019.56€ from 4 funding sources: Norwegian Government via Crimson Capital, KPEP, IPAK and STIKK members (membership fees, training participation fees and other activities). Revenue details are presented in the table below:

Te hyrat per periudhen janar-dhjetor 2010							
Kategoria	Crimson Cap.	KPEP - BAH	Te tjere	STIKK	IPAK	Gjithsej	
Te hyrat/donacionet							
Donacionet	20,059.22	29,737.60	3,706.90	14,073.06	7,050.00	74,626.78	
Ne mall (qiraja dhe komunaliet)	5,791.00	-			-	5,791.00	
Ne mall (pajisjet)	3,601.78						
Gjithsej te hyra/donacione	29,452.00	29,737.60	3,706.90	14,073.06	7,050.00	84,019.56	

Expenditures

During the reporting period, STIKK expenditures have reached the value of 85,129.37€ or 101.32% of the revenues value. By the end of this year, all ongoing projects during the last couple of years have been finalized. A preview of detailed expenditures can be found on annex 1.

Shpenzimet	Crimson	KPEP -	GTZ	Other	STIKK	IPAK	Total
Te ardhurat personale	12,010.14	-	-	-	14,191.03	-	26,201.17
Mjete dhe pajisje	6,075.42	1,996.95	-	-	-	1,269.73	9,342.10
Shpenzime operative	11,749.61	24,995.18	1,887.89	1,406.35	810.27	570.33	41,419.63
Shpenzimet e transportit	2,765.91	3,687.70	512.11	-	1,200.75	-	8,166.47
Gjithsej shpenzime	32,601.08	30,679.83	2,400.00	1,406.35	16,202.05	1,840.06	85,129.37
Net Surplus	(3,149.08)	(942.23)	(2,400.00)	2,300.55	(2,128.99)	5,209.94	(1,109.81)
Net balansi nga 31/12/2009	3,149.08	942.23	2,400.00	-	930.00	-	7,421.31
Gjendja e fundit 31/12/2010	-		-	2,300.55	(1,198.99)	5,209.94	6,311.50

6. Board Meetings

During 2010 a total of six STIKK Board meetings have been held, 4 regular (January 21, April 28, August 11 and October 27) and two unordinary (February 8 and May 12, 2010).

a) On January 21 2010, at the eighth regular meeting, the following topics have been discussed:

- ✓ Discussion and approval of the previous meetings' minutes held on December 7, 2009.
- ✓ Discussion and approval of the quarter report
- ✓ Discussion and approval of the annual report
- ✓ Discussion and approval of materials prepared for the Assembly meeting
- ✓ Delegation of duties for the Assembly meeting
- ✓ Miscellaneous

Following the discussion of Board members the following decisions were made:

Prepare all necessary documentation for the Assembly meeting and distribute duties between Board members as per the presentations and various points of the agenda of the Assembly Meeting.

b) On February 8, 2010, the unordinary meeting had the following points of agenda:

- ✓ Discussion and approval of the previous meetings' minutes held on January 21, 2010
- ✓ Discussion and selection of new Chairman and Deputy Chair of the STIKK Board
- ✓ Selection of a second financial signatory (instead of Mr. Enver Doko)
- ✓ Constitution of working commissions, based on the work plan approved at the Assembly Meeting of January 28, 2010.
- ✓ Miscellaneous

Under Miscellaneous, the following proposals were raised:

- ✓ Visit to the Executive Director of CEDG Development Centre
- ✓ Discussion about renewing the contract of executive director, Ms. Vjollca Çavolli.

Following the discussion of Board members, the following decisions were made:

- Mr. Durmishali Smani was elected unanimously the Board Chairman, whereas Mr. Driton Hapçiu, was elected Deputy Chair, for the purpose of continuity;
- The new signatories (instead of Mr. Enver Doko and Mr. Durmishali Smani) be Mr Gazmend Kajtazi and Mr. Shkumbin Brestovci;
- A meeting with Minister Arsim Bajrami be set;
- Contract of STIKK executive director be extended for a two year period;
- Constitution of 8 commissions and each commission be monitored by a Board member. Commissions as follows:

- ✓ Legislation, Tax and Duty - Mr. Fahri Avdiu
- ✓ Schooling System and Education – Mr. Gazmend Kajtazi
- ✓ Telecommunication – Mr. Visar Dobroshi

- ✓ National ICT Strategy – Mr. Shkumbin Brestovci
- ✓ Business Incubator - Mr. Durmishali Smani
- ✓ International Recognition –Mr. Driton Hapçiu
- ✓ Standards' application - Mr. Dardan Vokshi
- ✓ E-Government- Ms. Vjollca Çavolli

c) On April 28, 2010 at the tenth regular meeting, the following issues have been discussed:

1. Discussion and approval of the minutes from the previous Board meeting held on February 8th, 2010
2. Discussion and approval of the STIKK quarter report
3. Discussion and approval of the MoU with the Kosovo Chamber of Commerce
4. Miscellaneous

After the discussions of the Board members, the first three points were approved without remarks, whereas under Miscellaneous, it was decided that a research be done on customs duties of IT articles in Kosovo and make a comparison of customs duties applicable for the same articles in the countries of the region. Once the Customs research is finalized, it shall be sent to the Board Members for their comments and then have the Commission on Legislation, Tax and Duty present the research report in the following Board meeting. Another topic discussed was the issue with fiscal cash registers, on which Mr. Avdiu proposed a press conference reaction of the association, and that shall be prepared by the executive director of STIKK. The other Board members reacted to this proposal under the argument that the STIKK director is not the adequate person for such task and that a member that may possess more detailed knowledge on the above mentioned issue. Following the drafting of such written reaction, the Board shall decide whether it should be made public or not.

d) May 12, 2010, the unordinary meeting with the agenda as presented below:

1. Discussion and approval of a document as well as the reaction of the association towards the issue of fiscal cash registers
2. Setting the meeting appointments
3. Miscellaneous

At this point of the agenda, a discussion regarding compiling a document and the reaction of the association towards the fiscal cash registers took place. Following various discussions on the manner of reacting, the many problems caused by the fiscal cash registers, the problem of product prices, difficulties with the licensing of companies, etc.,

It was decided to set a meeting with KChC ; Initiate a Round Table Discussion and compile a supporting document.

e) August 11, 2010. Twelfth regular meeting, with the following issues discussed:

1. Discussion and approval of the minutes from the regular Board meeting held on April 28th, 2010
2. Discussion and approval of minutes from the unordinary meeting of the Board, held on May 12th 2010
3. Discussion and approval of the STIKK quarter report
4. Discussion about the request for resignation of Board member Mr. Fahri Avdiu

5. Discussion on the draft Code of Ethics
6. Miscellaneous

f) October 27th, 2010 – thirteenth regular meeting, the issues as below have been discussed:

1. Discussion and approval of minutes from the previous regular Board meeting held on August 11, 2010
2. Discussion and approval of STIKK quarter report
3. Miscellaneous:
 - *Crimson Capital final report*
 - *DFID*
 - *Possible partnership with Dutch companies*
 - *STIKK Membership at PIN-SME association in Brussels*
 - *Round table – Plan B for Lobbying and Advocacy (STIKK- KChC-AMCHAM)*
 - *Comments/additions to the minutes from the regular Board meeting held on August 11, 2010*
 - *STIKK 2nd Anniversary*

Following the discussions, the first two points were approved, with specific remarks on the first one – relevant to informing the members on Mr. Fahri Avdiu's resignation.

After the quarter report presentation by the Executive Director Ms. Vjollca Çavolli, the Board decided to:

- ✓ Approve the quarter report and all points listed under Miscellaneous

7. Conclusion

Albeit the delays in the implementation of activities foreseen in the Work Plan (approved at the Assembly meeting, January 2010) and the obstacles faced during their implementation, year 2010 can be categorized as a successful year, due to the fact that STIKK is now being seen by interest parties as a serious strategic partner who represents a dynamic sector in its developing trends. The initiative of STIKK on removing Customs duties for IT appliances has made its way to the decision-makers' agendas and we hope to receive a satisfactory response soon. During this period, work has been done also towards the internationalization of the association, creation of business opportunities, informing the members on the activities of the association via the bi-monthly bulletin, offering professional trainings as well as increasing potential donors' interest to invest in the ICT field. In the coming period, STIKK will continue to work on creating a friendlier environment for the member companies, whereas special emphasis will be put on the issue of education advancement and training professional potential staff for the Information and Communication Technology Market.

**Prishtina,
January, 2011**

SHTOJCA 1

STIKK							
Income Statement for period 01Jan - 31 Dec 2010							
Category	Crimson Cap.	KPEP - BAH	GTZ	Other	STIKK	IPAK	Total
Revenues/Donations							
Donations	20,059.22	29,737.60		3,706.90	14,073.06	7,050.00	74,626.78
In kind (office rent & utilities)	5,791.00	-				-	5,791.00
In kind equipment	3,601.78						
Total revenues/donations	29,452.00	29,737.60	-	3,706.90	14,073.06	7,050.00	84,019.56
Expenses							
Labor (including benefits/taxes)							
Executive Director	7,842.14	-	-	-	7,937.32	-	15,779.46
Other Staff	4,168.00	-	-	-	6,253.71	-	10,421.71
Total Labor	12,010.14	-	-	-	14,191.03	-	26,201.17
Equipment & Furniture							
Furniture	-	-	-	-	-		
Equipment	6,075.42	1,996.95	-	-		1,269.73	9,342.10
Total Equipment & Furniture	6,075.42	1,996.95	-	-	-	1,269.73	9,342.10
Operating Expenses							
Office Rent	3,875.00	-	-	-	-	-	3,875.00
Utilities & Security	1,916.00	-	-	-	-	-	1,916.00
Phone & Fax	589.00	448.22	487.81	-		268.58	1,793.61
Internet	-	-	-	-	-	-	-
Marketing & Advertising	1,822.00	4,200.50	-	1,356.35		34.80	7,413.65
Bank Services	45.50	45.00	-	-	69.50	1.50	161.50
Legal Services	-	538.15	-	-		-	538.15
Accounting Services	1,200.00	-	1,200.00			-	2,400.00
Promotional activities	-	898.19	-	-		-	898.19
Consultants fee	190.00	9,855.00	-	50.00	-	-	10,095.00
Other	2,112.11	9,010.12	200.08	-	740.77	265.45	12,328.53
Total Operating Expenses	11,749.61	24,995.18	1,887.89	1,406.35	810.27	570.33	41,419.63
Travel							
Local & Regional Travel	2,765.91	3,687.70	512.11	-	1,200.75	-	8,166.47
Total Travel	2,765.91	3,687.70	512.11	-	1,200.75	-	8,166.47
Total Expenses	32,601.08	30,679.83	2,400.00	1,406.35	16,202.05	1,840.06	85,129.37
Net Surplus	(3,149.08)	(942.23)	(2,400.00)	2,300.55	(2,128.99)	5,209.94	(1,109.81)
Net balance from 31/12/2009	3,149.08	942.23	2,400.00	-	930.00	-	7,421.31
Ending balance 31/12/2010	-	(0.00)	-	2,300.55	(1,198.99)	5,209.94	6,311.50
Cash on bank on 31/12/2010							6,254
Cash on hand on 31/12/2010							444
Total cash							6,698