
Annex 2.1 Narrative Part

“IPARD” Programme under the Instrument for Pre-Accession Assistance of the Republic of Albania 2014-2020

Prepared by

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Or

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Version 1.0

NAME OF THE APPLICANT.....

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1. Description of the current business activities of the applicant

- *Overview of company/natural person activities of the existing business*

provide information in terms of existing type of activities, years of experience, compliance with national legislation, and type of goods/services provided on the market.

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- *Basic information on applicants existing incomes, cost and profits for the last couple of years before application.*

provide brief analyses about financial data on sales, expenditures and financial results, in order to prove the financial viability of the holding that apply for financing.

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2. The proposed new Investment Action

- *Description of the investment and sources of financing.*

outline the type of investment, eligible expenditures, the production process and the expected outputs. Determine the capital sources (own funding) bank financing, size of the loan etc..

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- *Identify the risks for non - implementation of the project, and the ways they will be minimised.*

outline the risks linked with: absence of project pre - financing, limited period for implementation of the project, lack of administrative capacity of the holding etc..., and describe the pre-caution measures that will be taken from the company management.

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- *Project compliance to the general measure objectives.*

Describe the project compliance with the applicable general measure objectives, according to the respective table field stated in chapter 2.2 of the application form, and justify the selection.

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- *Project compliance to the specific objectives:*

Describe the project compliance with the applicable specific measure objectives, according to the respective table field stated in chapter 2.3 of the application form, and justify the selection.

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3. Technical description of the proposed Investment action

- *Overview of production process, agro-mechanical activities and construction/reconstruction works (if applicable).*

Provide overview of the production process, the technology related to the new investment, and agro mechanical activities execution by season periods and repetitiveness. For investments agricultural machines and inventory, capacity of the equipment should be made in regard to the arable land claimed/number of animals possessed. If building/reconstruction work are applied, describe the construction plot and existing building (in case of reconstruction). Details must be provided about the land/building ownership, accompanied by brief overview of the procedure for obtaining of construction permit or other relevant document.

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- *Justification of the need for the new investment and assets/construction works proposed for financing.*

According to the overview of previous section, identify the needs for the project eligible costs proposed for financing. Information should be provided on asset level for the equipment, while for the re/construction works might refer to the elaborated by the architect bill of quantities. Fill in the assets table, in accordance with the needs justified.

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 Table C eligible costs

Nº	Project assets (all types)	unit	Quantity**
1	Assets*		
2			
3			
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n			

**Additional rows might be added.*

****Information on quantities refer to calculations of Table 1 Eligible assets of Business Plan - financial tables, and intervene in the assessment executed by ARDA.**

4. Business plan data justification

4.1. Offer selection process

- *Description of the market research made for identification of project suppliers.*

Provide information about the way alternative and selected suppliers were contacted, and the offers selected. Give information on the technical characteristics used for comparison of offers. For selected suppliers appoint their experience, years on the market and quality of the offered products/services. Justify that, the technology selected is proven and tested. For general costs suppliers (including natural persons) is applicable to be referred to their working experience in the respective field (for economist, architects etc...)

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- *Describe the eligible costs of the equipment/construction activities in regard to their market values.*

Provide information about the market comparison of offered prices and explain them in regard that market value is not exceed.

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4.2. Prediction of annual production quantities and sale prices

- *Description of project predictions on annual quantities, including starting year of production.*

Provide information about the predicted production quantities and starting year of production (f.ex. orchard trees fruit delivery might start on 4-th year, or milk/meat farms might increase their outputs over the five/ ten year period).

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- *Single sale prices justification.*

Provide information on predictions of sale prices. Please note that sale prices must be presented with VAT excluded. Are the project predictions based on reliable source like: experience in business, preliminary contracts with customers, regional feasibility studies etc? Fill in the table with the expected outputs in terms of current chapter information.

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Table D incomes

Sales (all types,)	Quantity**	single price** (VAT Excluded)
Product name*		

***Additional rows might be added.**

****Information on quantities and single prices refer to calculations of Table 2: Project output sales of Business Plan - financial tables, and intervene in the assessment executed by ARDA.**

- *Other project incomes.*

Provide information if any additional incomes might occur in the project - treatment of residues, national subsidy, renewable energy incomes etc...) Take into consideration that renewable energy incomes must not exceed the annual farm energy consumption. Fill in the table below with annual income with VAT excluded.

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Table E Other incomes

Other project incomes	Annual total income* (VAT Excluded)
Other sales*	

***Additional rows might be added**

****Information on annual total income refer to calculations of Table 3: Other project incomes; of Business Plan - financial tables, and intervene in the assessment executed by ARDA.**

- Description of the risks in order not to produce the predicted quantities obtain targeted single prices. Precaution measures for risk minimisation.

Provide information if the synopsis on sales are wrong what will be the project future. Are the quantities and prices based on worst case scenario, or some underestimation in order to assure project viability. What type of measures are taken in order to assure the volumes with preliminary contracts, producers guarantee on production etc...

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4.3. Prediction of annual production costs

- Describe your predictions on costs by types.

Provide information on the annual costs prediction, listed separately in types - raw materials used , external services required, utilities ,interest and bank taxes, labour costs etc...The list should be exhaustive.

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- Cost expenditures justification.

Provide information on the reliability of the costs. Are they presented in full, and from sources like: experience in business, preliminary contracts with suppliers, regional feasibility studies etc? Fill in the table with the expected inputs in terms of current chapter information, and note that should VAT should be excluded.

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Table F: Costs

Project inputs and costs	Quantity**	single price** (VAT Excluded)
Costs*		

**Additional rows might be added*

****Information on quantities and single prices refer to calculations of Table 4: Production costs - financial tables, and intervene in the assessment executed by ARDA.**

4.4. Depreciation of the investment

- Percentage rate of the investment assets.

Appoint which investment assets fall into the groups of equipment, construction works, electronics etc... Provide information on the method and annual percentage rate according to the law on depreciation that is in force. Time of depreciation expressed in years, also should be described.

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Table G: Depreciation

Type of items	Percentage rate*
Equipment%
Construction / re-construction works / orchards and greenhouses%
Computer devices and software %
Other project items (if applicable)%

*** Information on percentage rates refer to calculations of Table 5: Depreciation - financial tables, and intervene in the assessment executed by ARDA. Rates must comply to requirements stated in Law on Depreciation 8438 of 28.12.1998, Article 22.**

5. Size of the grant

- Co-financing percentage of eligible costs selected.

Justify the selection of intensity aid and the conditions that are fulfilled for the determination of the grant size.

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Fill in the respective tables according to justification provided.

Table H: Basic Grant Size

Please select the grant size co-financing percentage according to the applied measure*: 50% of the total eligible cost of the investment; 60% of the total eligible cost of the investment; 65% of the total eligible cost of the investment; 70% of the total eligible cost of the investment;	0,00%
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** Information on grant percentage rates refer to calculations of business plan - financial tables Table 1.1: Grant Size:, and intervene in the assessment executed by ARDA.*

Table J grant Albanian currency.

Grant size claimed in ALL*	0,00 ALL
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** Information on size of grant refer to calculations of business plan - financial tables Table 1.1: Grant Size:, and intervene in the assessment executed by ARDA.*

Please, print out on hard copy the current business plan narrative part, and name (footer options might be used before printing), sigh and stamp each page!

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