



Diaspora Engagement in Economic Development FINAL PROGRAMME NARRATIVE REPORT REPORTING PERIOD: 1 JANUARY – 31 DECEMBER 2016

<p style="text-align: center;">Programme Title & Project Number</p> <ul style="list-style-type: none"> • Programme Title: Diaspora Engagement in Economic Development • Programme Number <i>(if applicable)</i> 00091536 • MPTF Office Project Reference Number:¹ 00091270 	<p style="text-align: center;">Country, Locality(s), Priority Area(s) / Strategic Results</p> <p><i>(if applicable)</i> Country/Region <i>Kosovo (under UNSCR 1244/99)</i></p>
<p style="text-align: center;">Participating Organization(s)</p> <ul style="list-style-type: none"> • Organizations that have received direct funding from the MPTF Office under this programme • UNDP, IOM 	<p style="text-align: center;">Implementing Partners</p> <ul style="list-style-type: none"> • National counterparts (government, private, NGOs & others) and other International Organizations • Ministry of Diaspora, Ministry of Trade and Industry
<p style="text-align: center;">Programme/Project Cost</p> <p>Total approved budget as per project document: 820,000 EUR/ US\$966,718</p> <p>MPTF /JP Contribution²:820,000EUR/ US\$966,718 by Agency (if applicable)</p> <p>Agency Contribution</p> <ul style="list-style-type: none"> • <i>by Agency (if applicable)</i> <p>Government Contribution</p> <ul style="list-style-type: none"> • MoD: 60,000.00 Euro (2015) • MoD: 75,000.00 Euro (2016) • KIESA: 13,500.00 Euro (2015) <p>TOTAL: 968,500.00 Euros</p>	<p style="text-align: center;">Programme Duration</p> <p>Overall Duration(<i>months</i>)30</p> <p>Start Date³(01.07.2014)</p> <p>Original End Date⁴(30.06.2016)</p> <p>Current End date⁵(31.12.2016)</p>
<p style="text-align: center;">Programme Assessment/Review/Mid-Term Eval.</p>	<p style="text-align: center;">Report Submitted By</p>

¹ The MPTF Office Project Reference Number is the same number as the one on the Notification message. It is also referred to as “Project ID” on the project’s factsheet page the [MPTF Office GATEWAY](#)

² The MPTF or JP Contribution, refers to the amount transferred to the Participating UN Organizations, which is available on the [MPTF Office GATEWAY](#)

³ The start date is the date of the first transfer of the funds from the MPTF Office as Administrative Agent. Transfer date is available on the [MPTF Office GATEWAY](#)

⁴ As per approval of the original project document by the relevant decision-making body/Steering Committee.

⁵ If there has been an extension, then the revised, approved end date should be reflected here. If there has been no extension approved, then the current end date is the same as the original end date. The end date is the same as the operational closure date which is when all activities for which a Participating Organization is responsible under an approved MPTF / JP have been completed. As per the MOU, agencies are to notify the MPTF Office when a programme completes its operational activities.

Assessment/Review - if applicable *please attach*
 Yes No Date: *dd.mm.yyyy*
Mid-Term Evaluation Report – *if applicable please attach*
 Yes No Date: *dd.mm.yyyy*

Name: Yllka Gerdovci
 Title: Programme Analyst
 Participating Organization (Lead): UNDP
 Email address: yllka.gerdovci@undp.org

EXECUTIVE SUMMARY

The DEED programme has continued to be the main facilitator for the Kosovo diaspora to take an active and effective role as development agents in their communities of origin. The achievements of the project during the reference period are elaborated further below:

DEED has supported the development of **tourism products** in the region of Gjakova after being identified as a central target for developing tourism in Kosovo. These products have and will continue to promote the development of sustainable businesses, with the goal of attracting an increased number of local and foreign tourists. The joint programme also developed tourism services so that Gjakova is chosen as a destination to visit. The proposal developed by the joint programme included financial implications for the municipality to materialize these tourism ideas. The tourism proposed products are based on the current municipality budget, with a realistic expectation of private investment and is in complete harmony with central and local government urban regulations and planning. The proposed tourism projects have been promoted to the diaspora business networks via email, and in face to face meetings in Kosovo and abroad as a means of investment in Gjakova. DEED will continue to promote these projects to potential private investors until the end of this year.

Based on the success of the **Diaspora Registry** campaign last year, DEED and Ministry of Diaspora (MoD) implemented the second comprehensive registration campaign which began in June of 2016. The entire registration campaign process was facilitated by the DEED programme in support to the MoD. The same facilitation process, led to more than 580% increase, or 116,000 of registered diaspora members last year alone. The campaign this summer has been supported by important personalities and well-known celebrities which further helped in promoting the registry.

The DEED project has facilitated **the establishment of two additional diaspora Kosovar business networks** in Florence and Milano. These networks have proven to be very important when moving forward with other related activities, such as establishing formal associations like the “Diaspora Women Entrepreneurs Network”. To date, 25 Diaspora Business Networks in 22 countries have been established abroad. The business networks have been registered and established a coordination office in Pristina, validating that they are now fully independent and functioning as one entity, and demonstrates that the joint programme has contributed to establishing concrete and sustainable outcomes.

In partnership with the MoD, the Ministry of Trade and Industry (MTI) and the American Chamber of Commerce, a total of 14 businesses from Kosovo were supported to visit Vienna, Berlin, and Zurich during 19-24 March 2016. During this time, the 14 Kosovar businesses who attended B2Bs in Vienna, Berlin and Zurich had a chance to meet with foreign businesses in these areas to further increase the potential of cooperation and the likelihood of creating partnerships. The DEED project facilitated contact between local businesses and diaspora as well as foreign companies in order to promote the creation of partnerships and contractual business agreements.

After supporting public institutions to visit **Economic Zones** in Turkey and in Czech Republic during previous reporting period, the government has used the best practices and lessons learned from the visits in the

current reporting period to change the management scheme of the business park in Drenas, which is currently publicly managed and funded. The research that was finalized following the study visits in the previous reporting period by DEED and Kosovo Investment Enterprise and Support Agency (KIESA) recommended a series of interventions where the project can assist in the development of Economic Zones in which members of diaspora can invest and/or which can be managed through Public Private Partnerships (PPP). The DEED project as such supported development of a guide and roadmap on how the management and operation of Drenas Business Park can become a PPP structure and how it can be maintained as such.

During the reporting period, the DEED project facilitated process with the Banka Private e Biznesit (BpB) bank to allow the transfer of remittances from the Diaspora to Kosovo with zero fees for a four-month period in the summer, partly fulfilling DEED's goal to formalize **channels of remittances**.

In partnership with the USAID EMPOWER project and the MTI, DEED facilitated the participation of 5 domestic textile/workwear producers in the International **trade fair** for Occupational Safety, Health Protection & Health Promotion in the Workplace in June. The activity anticipated promotion of diaspora investments as well as exports through its continued support in facilitating access of the domestic producers to the European market. The combined synergies between the stakeholders above, have allowed DEED to contribute to establishing contacts between the Kosovar producers and diaspora as well as other foreign partners with great impact at a minimal cost in. Few lucrative business deals for the Kosovar producers were made, which are further elaborated in detail in the results section of this report, with the perspective of additional ones in the near future.

In line with the overall efforts and in partnership and support of the Ministry of Diaspora and DEED Project (UNDP and IOM), the project supported the Global Union of Diaspora Business Networks (GUDBN) in organizing a series of events which included a high level investment conference in New York City and its surroundingg between 24-27 September 2016. This unique undertaking, not only in size but also in its substance, included B2B, G2G as well as B2G events with more than 600 diaspora businesses attending from Europe, USA, Canada, Turkey and Australia. This investment conference also included a significant representation by high level government officials from US, Kosovo, Albania, Macedonia and Montenegro. Furthermore, the annual GUDBN Board Meeting was also organized as part of the foreseen planned events in NYC.

Throughout the project's implementation, diaspora investors have expressed concerns with **skills gaps** in Kosovo. To identify the current skill gaps and provide guidelines to relevant institutions, DEED, together with the Active Labour Market Programmes ALMP2 project conducted an employer survey in selected economic sectors and occupational profiles. The report, which is currently under finalization, will inform relevant labour market institutions on the skills needs (about 590 employers surveyed) and consequently will impact the curricula/training development in formal and non-formal education institutions. The datasets for these sectors and occupations will be made available to relevant labour market institutions and beyond. This activity will contribute to availability of the skilled workforce in the future, a response to the concern expressed by the diaspora investors for many years continuously.

DEED continued to work jointly with other projects, implemented by UNDP and other organizations such as USAID, PEPCO and GIZ to ensure aid effectiveness and better results through complementary activities. The DEED project team worked closely and provided technical support to partners at MoD and KIESA-MTI throughout the reporting period. Due to external challenges elaborated in the report, few project activities were postponed for the second half of 2016. The decision was taken in agreement with the MoD and the Ministry for Foreign Affairs of Finland, thus, the second phase of DEED is now completed as of 31st of December 2016.

I. PURPOSE

The overall objective of the programme is to enhance the contribution of diaspora to poverty reduction in the short-term and to sustainable, gender equitable local economic development in the long-run through facilitating and encouraging investment and saving behaviour among migrants and remittance-receiving households.

The DEED programme is an innovative initiative for enabling the Kosovo diaspora to take an active and effective role as development agents in their communities of origin. The project works with remittance receiving households, members of the Kosovo diaspora, as well as the relevant institutions in Kosovo to create opportunities for Kosovo and its people, at home and abroad, to create a better future. The project is funded by the Ministry for Foreign Affairs of Finland and implemented jointly by the United Nations Development Programme in Kosovo and the International Organization for Migration Mission in Kosovo.

Outputs, Baseline, Indicators and Targets for the project July 2014 - December 2016	PLANNED ACTIVITIES FOR 2016 <i>List of activity results and associated actions</i>
<p>Output 1. Strengthened capacities of Kosovo authorities to implement the National Strategy for Diaspora 2013-2018</p> <p>Baseline: <i>No registry of Kosovar diaspora in place, MoD has weak capacities to implement the National Strategy for Diaspora, diaspora business networks established in Germany and Austria, MDLOs lack substantive expertise to perform their duties as per the action plan, No monitoring and evaluation system in place to support implementation of the Strategy.</i></p> <p>Indicators: <i>Existence of a diaspora registry;# of MoD staff within targeted department reporting that they are satisfied with support provided, # of functioning diaspora business networks, # of MDLOs trained in substantive knowledge, existence of a M&E system.</i></p> <p>Targets (2016): <i>- A voluntary registry, including gender disaggregated data, of Kosovar diaspora fully functional</i> <i>- Detailed work plans implemented in the MoD departments</i> <i>- 2 diaspora business networks established, one for diaspora business women, in the Nordic</i></p>	<p>Activity Results:</p>
	<p>1.1: Improved capacities of Kosovo authorities to produce and manage information related to migration and development, including gender disaggregated data;</p>
	<p>1.2: Improved capacities of Kosovo authorities at central and local level to implement the National Strategy for Diaspora 2013-2018</p>
	<p>1.3: Functioning diaspora business networks created in the main migration destination countries</p>
	<p>1.4: Municipal Diaspora Liaison Offices are set up and support is provided to building their capacities Kosovo-wide</p>
	<p>1.5: Monitoring and evaluation system is created in order to provide sustainable support for local authorities in implementation of the diaspora strategy</p>
	<p>1.1.1. Organize and facilitate trainings and workshops / forums for MoD and other Kosovo authorities staff related to the implementation of the diaspora registry</p>
	<p>1.2.1. Organize and facilitate trainings and workshops/forums for MoD and other Kosovo authorities staff to produce and manage information related to migration and development, including gender disaggregated data</p>
	<p>1.3.1. Support implementation of conferences and diaspora business networks in two (2) primary destination countries (2 project staff members)</p>
	<p>1.3.2. Facilitate active participation of diaspora women entrepreneurs in diaspora business networks;</p>
	<p>1.3.3. Organise and support the second conference on Women Diaspora Business network;</p>
	<p>1.3.4. Facilitate and present the investment opportunities in Kosovo based on the DEED models;</p>
	<p>1.4.1. Support the set up and organize trainings and workshops for MDLOs and other Kosovo authorities staff related to their roles and responsibilities</p>
<p>1.5.1. Hire National consultant(s) to set up the M&E System for MoD</p>	

<p>countries - 2 workshops, trainings, or study visits for MDLOs organized, encouraging gender balance of participants - M&E system in the Ministry of Diaspora functional and in use</p> <p>MoV: Internal Reports, and reports released by MoD and Municipalities</p>	1.5.2. Organize trainings and workshops for MoD on monitoring of the implementation of the diaspora strategy
	1.5.3. Support the implementation of the M&E plan on the strategy
	1.5.4. Management and Technical Support
<p>Output 2: Upscaling and consolidation of the tested models and mechanisms that facilitate migrants' investments in Kosovo</p> <p>Baseline: Piloting of diaspora investment models/instruments not completed, a feasibility study on investment funds completed, a feasibility study on economic zones targeting Kosovar diaspora completed.</p> <p>Indicators: # of assessment reports on piloted models for diaspora investment, # of economic zones supported, # of investment fund prospectus available, # of potential investors identified</p> <p>Targets(2016): -The relevant stakeholders have adequate data and skills to establish an investment fund - Min. four economic zones have increased capacities to attract investments from diaspora</p> <p>MoV: Internal Reports, MTI/KIESA Reports and other</p>	Activity Results:
	2.1: Completion of Piloting the selected Models/Instruments for investments
	2.2: Investment fund targeting the Kosovar diaspora in place and funded
	2.3: Economic zones targeting the Kosovar diaspora in place
	Activity Actions:
	2.1.1. Support of finalization of establishment of economic zones in targeted municipalities
	2.1.2. Support to fundraising activities (of 2 project staff members), outreach and promotion to potential diaspora investors in three (3) diaspora residing countries
	2.2.1 Organize workshops relevant Kosovo Institutions and municipal authorities staff that facilitate migrants' investments in Kosovo
	2.3.1. Promotion of economic zones website among diaspora (of 2 project staff members), outreach and promotion to potential diaspora investors in three (3) diaspora residing countries
	2.3.2 Management and Technical Support
	<p>Output 3: Improved business environment in Kosovo to facilitate development impact of migration and remittances</p> <p>Baseline: Few trade links between Kosovar producers and diaspora, Low penetration of Kosovar products in European markets evidenced by the low percentage of exports vis-à-vis GDP (18.8% in 2012), no sustainable mechanisms to improve livelihoods of remittance recipient families</p> <p>Indicators: # of members of diaspora business networks, # of contracts signed between local producers and diaspora businesses, # of businesses supported or established with</p>
3.1: Kosovar producers have established links with diaspora businesses abroad, and local Kosovar products are available to the primary diaspora communities	
3.2: Sustainable mechanisms to improve livelihoods of remittance recipient families and remittance receiving communities established and supported (support to micro- and SMEs and skills development)	
Activity Actions:	
3.1.1. Hire National consultant(s) to conduct an outreach and market assessment on a viability for the Kosovo products to be placed abroad;	
3.1.2. Assist and support the coordination efforts and implementation of MAFRD, MTI/KIESA, and MoD outreach initiatives to both individuals and business in the diaspora for promoting domestic products (by 2 project staff members) in at least five (5) diaspora residing countries;	
3.2.1. Establishment of database of skills gaps in Kosovo	

<i>diaspora investments, # of diaspora professionals facilitated to contribute skills to Kosovo.</i> Targets (2016): <i>-min. 10 business links created between local producers and diaspora businesses</i> <i>- Min. 5 retailers in diaspora provide Kosovar products for sale for customers</i> <i>- min. 10 businesses originally supported with diaspora investments provided advanced business training in order to increase profitability and scale of the business</i> <i>- min. 6 diaspora professionals facilitated to contribute skills to Kosovo</i>	3.2.2. Organize training for MoD and relevant authorities for updating database.
	3.2.3. Organize training for outreach and identification of diaspora professionals.
	3.2.4. Organize training for outreach and identification of diaspora professionals.
	3.2.5. Management and Technical Support

II. RESULTS

i) **Narrative detailed reporting on results January – June 2016:**

DEED – Output 1

Strengthened capacities of Kosovo authorities to implement the National Strategy for Diaspora 2013-2018

MOD presents Coordination Office to Diaspora Business Union in New York – MoD with the support of the project has established the Coordination Office (CO) on July 25, 2016. The role and functions of this CO are to help Kosovar businesses export Kosovo products, initially targeting Kosovar businesses abroad as potential buyers, facilitate and help potential investments from diaspora in Kosovo, and coordinate all activities of the Business Union. In order to inform the Diaspora Business Union its overall roles and objectives, how it will function, what they are expected to contribute for the office, how will they benefit, etc. meetings were organized in New York in March 2016. These meetings of the members of the Union and MoD were organized with the support of the Diaspora Business Network in NY, showcasing that the project efforts in facilitating better organized diaspora through establishment of the networks are now slowly yielding the intended results. This activity contributes to continuous efforts to further engage diaspora as active members in the development processes in Kosovo. Meetings consisted of short presentations and Q&A sessions during which also the September 25th Diaspora Economic Forum to be held in New York, USA, was discussed.

Diaspora Registry functional and Campaign rolling out – In line with the Diaspora and Migrants Strategy 2013-2018 objectives, and the Roadmap for functionalizing the registry, the DEED project supported the MoD in 2015 to roll out the campaign promoting the Diaspora registry. As a result of the campaign the number of registered diaspora members increased by five times, surpassing expectations. Based on this previous experience and great successes of the Diaspora Registry, the second comprehensive registration campaign “*Ti je pjesë e atdheut,*” or “you are part of the homeland” began in June of 2016. Similar to the previous year as well, the campaign has been implemented over the summer months in order to utilize the influx of visiting diaspora members over this time period. The campaign continued to involve many of the same media used by the previous year’s campaign, and registration was done through an online portal where diaspora members have easy access to the form and can complete it at any time, or through physical forms which are accessible at booths placed in the airport, throughout city centers across Kosovo, and at all borders.

Overall, the Diaspora Registry has been used to encourage partnerships between diaspora members and their homeland as well as between diaspora organizations and institutions. This registration has helped in the efficient networking of businesses, youth, professionals, etc. Kosovans living abroad who visit Kosovo had the opportunity to enroll in mobile teams in the cities of Kosovo. In the words of the Minister of the MoD, Mr. Valon Murati, “This project was initiated in order that the institutions of Kosovo provide more efficient services for compatriots, to develop better policies for Diaspora, to make it easier to disseminate information, to encourage participation and involvement of the Diaspora in socio-economic development, and to provide opportunities for the transfer of knowledge.”

Two additional Diaspora Business Networks established: Florence and Milan - The DEED project has continued to support the MoD and MTI to establish two additional diaspora Kosovar business networks in Europe, namely in Italy (Florence and Milano). To date, 25 Diaspora Business Networks in 22 countries have been established abroad - 15 in European countries such as in Croatia, Slovenia, Italy, Austria, Germany, Switzerland, France, the Benelux states, the UK, Finland, Turkey and the latest two Sweden and Norway, as well as 5 in North America, including Toronto, New York, Detroit, Chicago and Dallas as well as in Australia. In addition, the established Global Union of Diaspora Business Networks, which is the Umbrella for all the existing networks, will facilitate and promote diaspora investments in Kosovo and abroad in months and years to come. These networks have proven to be very important when moving forward with other related activities, such as establishing formal associations like the “Diaspora Women Entrepreneurs Network”, and should serve to better coordinate and facilitate investments in Kosovo's economy toward its prosperity and sustainable growth. During the stay in Florence and Milan, diaspora business expressed interest in investing in different sectors in Kosovo, despite the economic crisis in Italy touching diaspora businesses on a broader scale too. In both occasions, in Florence and Milano, the board of the DBN was selected by businesses themselves and the turnout was very encouraging.

14 Kosovar businesses attend B2Bs in Vienna, Berlin and Zurich - The DEED project facilitated contact between local businesses and diaspora as well as foreign companies in order to promote the creation of partnerships and contractual business agreements. In partnership with the MoD, the MTI and the American Chamber of Commerce, total of 14 businesses from Kosovo were supported to visit Vienna, Berlin, and Zurich during 19-24 March 2016. During these visits, the businesses had the chance to meet with the diaspora businesses networks of each of these respective locations and hold B2B events. These events were essential in providing face to face contact between the businesses and exploring the potential of cooperation. In addition, the local businesses met with foreign businesses in these areas to further increase the potential of cooperation and the likelihood of creating partnerships. These partnerships will eventually lead to contributions towards Kosovo's economy, but more specifically in terms of facilitating exports from Kosovo. More importantly is the fact that these events were organized in full cooperation with the diaspora business networks in respective countries, thus underlining the sustainability and the successful future endeavor of the DEED's contribution for the latter.

Innovative Tourism Packages in Gjakova Municipality – Tourism is acknowledged to be a sector with potential for growth in Kosovo hence is one of the economic sectors with priority for the Kosovo institutions. There are many projects of both institutions and international organisations in support to the sector, however, there is a lot of work yet to be done at central level in terms of designing practical policies as well as local level in terms of materializing concretely products and services to attract tourists. During the reporting period, DEED supported the development of tourism products in the region of Gjakova, one of the regions also characterized with tourism potential. In order to complement to the initiatives for tourism products developed by NGO's and Hiking organizations, DEED team in close cooperation with the municipality invested in innovative tourism products. Gjakova is a strategic location for tourism as it also allows for cross-border

tourism development. These products will promote development of sustainable businesses, with the goal of attracting more tourists, local and foreign, make touristic services available so that Gjakova is chosen as a place to visit. Some of these innovative ideas include high ropes and zip lines to enable utilizing the attractive scenery of the forests and wildlife in Gjakova as well as products that encourage visits to the lakes and rivers on the outskirts of Gjakova such as kayaking and rafting. The report that was produced has estimated costs and each product has been adapted to specific locations in Gjakova, thereby giving malleable investment projects to present to investors. The presentation of these products can especially be done to potential diaspora investors who have repeatedly shown their interest in the tourism sector in Kosovo. DEED will continue to facilitate the coordination and cooperation between the municipality and the diaspora in order to ensure that these products achieve the necessary funding by steering the Diaspora Business Union in this direction.

Diaspora Economic Forum” 22 – 28 September, 2016 New York City - In line with the overall efforts and in partnership and support of the Ministry of Diaspora and DEED Project (UNDP and IOM), have supported the Albanian Diaspora Business Network / ADBN (Alb: RRBDSH) in organizing a series of events which include a high level investment conference in New York City and surrounding between 24-27 September 2016. This unique undertaking, not only in size but also in its substance, included B2B, G2G as well as B2G events with more than 600 diaspora businesses attending from Europe, USA, Canada, Turkey and Australia. This investment conference included also a significant representation high level government officials from US, Kosovo, Albania, Macedonia and Montenegro. Furthermore, the annual RRBDSH Board Meeting has also been organized as part of the foreseen planned events in NYC.

Inspired by the DEED Project (UNDP and IOM) and with the initiative of the Ministry of Diaspora along with the Strategy on Diaspora and Migrants 2013-2018, the Albanian Diaspora Business Network / ADBN (Alb: RRBDSH) was founded in May 2014.

ADBN is a non-governmental and non-profit organization, carrying out activities in the interests of all its member networks (currently at 22 states, around the Globe). ADBN is a legal entity with its headquarters in New York-USA, while the headquarters of the Regional Coordinating Office is in Prishtina Kosovo. The objective of the ADBN is to empower economic development in the country of origin through direct and indirect engagement of the business community in global and domestic market. This global network was established on the one hand to support the sustainable economic development and, on the other hand to take advantage of these emerging markets, where operating costs are still relatively low and where business opportunities are wide open.

All our activities were closely planned with the government institutions in Kosovo (i.e: Ministry of Diaspora etc Ministry of Trade and Industry, Ministry of Economic Development etc.) and other relevant actors, national and/or international organizations and stakeholders.

Apart from ADBN Board and the DEED team in the role of the organizational support and facilitators, in the planned events participated the related worldwide diaspora business network members along with special guests and panelist so far confirmed:

From Kosovo:

Mr. Isa Mustafa, Prime Minister
Ms. Hikmete Bajrami, Minister of Trade and Industry
Mr. Enver Hoxhaj, Minister of Foreign Affairs
Mr. Arian Zeka, American Chamber of Commerce

From Albania:

Mr. Bujar Nishani, President
Mr. Edi Rama, Prime Minister (through Video Conference)
Ms. Milva Ekonomi, Minister of Economy
Mr. Arben Ahmetaj, Minister of Finance

From USA:

Mr. Rackliff John, Congressman
Representative from NY State Governor
Representative from NYC Mayor
Senior Representative from New York Chamber
Senior Representative from the Coca-Cola Company

Results

- XY business deals between local, diaspora; and/or international participating companies;
- At least three (3) mid-size or large investment commitments for Kosovo (new, or expansion of current ones);
- Strengthening relationship and reaffirming partnership between private sector, government institutions and economic associations to facilitate and enable increase and expansion of foreign/diaspora investments in Kosovo.

DEED – Output 2

Upscaling and consolidation of the tested models and mechanisms that facilitate migrants' investments in Kosovo

The Kosovo institutions have adopted the Kosovo Programme 2015 - 2018 with one of its priorities being “Functioning of Free Trade Zones” as means to attract diaspora and foreign investment. Since its inception phase and throughout the process, DEED has been advocating the engagement of diaspora in the process to ultimately establish quota for investments originating from diaspora. The DEED project has supported study trips for institutions (namely KIESA) and exposed them to investment models and success stories such as the utilization of economic zones in Turkey and in the Czech Republic. Relevant Kosovo institutions and KIESA now plans to use the best practices learned from these visits and employ them in the context of Kosovo.

One of the highlights taken from these best practices is the management modality which will be applied for the business park in Drenas. Currently, economic zones in Kosovo are publicly managed and funded, which has resulted in a large bureaucratic and financial burden to Kosovo's institutions. In addition, they have been linked to the policy cycle, and changes in governing bodies have led to slow downs and entire halts on the functioning of these economic zones.

The research done by DEED and KIESA has thus recommended a series of interventions where the project can assist in the development of Economic Zones in which members of diaspora can invest and/or manage through Public Private Partnerships (PPP). Such partnerships would alleviate costs associated with economic zones, as well as make the zones more effective in attracting investment and contributing to employment as well as production and exports. Therefore, the DEED project has generated a guide and roadmap on how the Drenas Business Park can function based on a PPP management structure and how it can be maintained as such. The final report, which KIESA will now base its actions on for the Drenas Business Park, is based on primary and secondary research and describes in extensive detail on how such a scheme would be implemented and its potential beneficial impact on the Drenas Business Park which is to date underutilized..

KIESA will use the new management scheme as a template for a tender process to privatize the Business Park, while DEED will continue to support KIESA, especially when targeting diaspora business networks to participate in the tender process.

DEED – Output 3

Improved business environment in Kosovo to facilitate development impact of migration and remittances

5 domestic textile/workwear producers take part in International Fair - The DEED programme continued its efforts to promote diaspora investments through its support in facilitating access of the domestic producers to the European market. In partnership with the USAID EMPOWER project and the MTI, the DEED programme facilitated the participation of 5 domestic textile/workwear producers in the International trade fair for Occupational Safety, Health Protection & Health Promotion in the Workplace, organized biannually and dedicated to apparel for workers' health, safety, and security, including workwear and protective clothing (more: <http://www.arbeits-sicherheit-schweiz.ch/>). The companies participating in the fair are members of the Kosovo Apparel Marketing Association (KAMA) and this fair provided them access to international buyers, with nearly 2,000 visitors and 130 exhibitors. There is high potential to export in EU market and opportunities accessible through this fair included facon/CMT business and sales of own-designed products, including to diaspora Kosovar-owned buyers in Germany and Switzerland. The majority of Kosovar-Swiss are successful in construction or gastronomy which need workwear for their employees. Thus there is potential for concluding business contracts with Kosovo producers.

- Without access to such fairs, Kosovo apparel producers are relatively isolated from international buyers and lack knowledge of export market opportunities. The support from the Kosovo institutions is limited given the potential the sub-sector has. Highlights and the results from the visit to Switzerland for the participating companies are elaborated below: “Arta Tex”, “Puntex” and “Fashion Network” (ready to exhibit next edition):
- 25 direct networking meetings with international companies
- 12 larger diaspora companies visited Kosovo Booth interested to enhance business cooperation;
- Several meetings scheduled by Provisional Sales Agent (PSA) in addition to contacts established through the Fair

Highlights from the Notes for the files of some of the important meetings shall further illustrate the business results achieved during the visit to Switzerland:

Promotional tools, 06/22, Bern. Camilio Censi, Managing Director: The company was interested in Chef Clothes for kitchen. If satisfied with the quality, they would be interested to start with small orders, “Fashion Network” will be in charge to send a sample and price to the company.

Orllati SA, 06/22, Lausanne. Avni Orllati, CEO and Patrick Meylan, Marketing Manager (Arta Istrefi, Agim Mustafa, Arta Tex and Rexhep Berisha attended this meeting): This meeting was scheduled by Mr. Rexhep Berisha (the potential Apparel PSA). Orllati is among the most successful construction company in Switzerland owned by the Kosovar-Swiss. Currently they have 700 workers. The suppliers of clothes were from Turkey and Tunisia. The prices for each piece (jacket, t-shirt, trousers, sweaters) were 30-40% higher than the price that Kosovo producers could offer. As a result, Orllati Company expressed interest to buy workwear from Kosovo producers. The demand that the company would currently have is 10,000 pieces. Orllati Company requested one sample for one product from Kosovar producers prior to the order.

EMI Sanitar and SANIVOR AG Company, 06/23, Zurich. Qahil Emini, CEO of EMI and Nysret Kqiku, Director of Sanivor: The sanitarian company was not satisfied with the quality of the current workwear supplier. As a result they were interested to find other producer. EMI Company needs workwear for their staff every three months. After discussing about the price and the quality that three companies can offer, Mr. Emini ordered 400 t-shirts and 200 trousers to be done by 15 July 2016. If satisfied with the quality, the EMI company would order every three months the uniforms. In addition SANIVOR AG ordered similar models of trousers and t-shirts (100 t-shirts & 50 trousers). The models of the orders were given to the companies. As a follow up meeting, there was a genuine agreement between companies that Fashion Network will produce the t-shirts (the print will be done by Arta tex) and Puntex will produce the trousers. Although the order was not very big, it was a great example of cooperation between companies where each company can produce one product that are more specialized for.

Auto Zuri Gubrist AG, 06/23, Zurich. Afrim Shala, Director of the company (Agim Mustafa, Arta Tex, Ramadan Grazhda, Puntex, Rexhep Berisha and Arta Istrefi). Mr. Shala has 12 micro/small-companies that are mainly related to construction and one of them with automobile. Mr. Shala all together has 200 workers that need clothes constantly. After the discussion with both companies, Mr. Shala liked the products of Arta Tex more and ordered few products worth over €7,000 such as trousers, t-shirts, polo t-shirts, sweaters and vest jackets.

SASS textile LLC, 06/24, Bern. Christian Geleci, CEO of the company. This was one of most interested companies that visited Kosovo booth. SASS is currently producing uniforms in Armenia and Turkey with annual production 2 Mil. pieces. Due to very high demand, the company is looking for a production capacity of 1Mil pieces/year in addition. Several possibilities were discussed: investing in Kosovo, finding partner or producing as CMT. The company is very interested to visit Kosovo. The company is aiming to open a new factory in Kosovo and invest around €5Mil. We agreed to stay in touch and the visit should eventually take place in during July-August 2016.

Arni Care, 06/24, Bern. Steve Bernard, CEO and Urs Odermatt, Managing Director. Arni Care Company visited Kosovo booth and expressed interest to produce trousers. Fashion Network was well prepared for the needs of the company due to specific questions about the fabric and the sewing. Fashion Network will take the lead to follow up with this company and prepare one sample to test whether the company can meet the standards of Arni Care.

FETAXID AG, 06/24, Basel. Femi Fetahu, CEO and Shkelqim Shusha, Construction Manager. (KAMA executive director Agron Morina, Arta Tex manager Armend Mustafa, FNW manager Furkan Rada and pre-selected sales representative Rexhep Berisha). Kosovo companies presented their samples directly to construction manager, in charge to place a purchase orders for its employees. After the presentation of the catalogues and samples, Mr. Shkelqim Shusha was happy to express his interest with Kosovo made products. Upon verbal agreement between companies and Shkelqim, three companies will send specific samples for evaluation through sales representative Rexhep Berisha to Fetaxid AG.

The Kosovo Booth was visited by the Kosovo Embassy Staff in Bern as well as the Diaspora Business network in Switzerland. The participation in the fair had a wide domestic and diaspora media coverage.⁶

Employer survey and skills needs analysis – One of the findings of different labour market analysis continues to be the mismatch between labour supply and demand. Rightfully, this has been also the concern continuously expressed by Diaspora potential investors. Within this context, DEED and ALMP2 projects have

⁶ <http://www.albinfo.ch/firmat-e-shqiptareve-veshin-punetoret-me-uniforma-pune-nga-kosova/>

paired up to conduct an employer survey in selected economic sectors with growth potential: wood processing, food processing and packaging, tourism, textile, IT-BPO (Business Process Outsourcing and Customer Support Centers), and metal processing. There are 590 employers responding the survey, a comprehensive and thorough questionnaire trying to capture the skills needs in several occupational profiles. The database is analysed following a pre-set methodology and the report with analysis and recommendations is drafted. The report will assist relevant labour market institutions, especially the education and training institutions mandated to develop curricula and training programmes on skills development. The gaps identified through the survey may also be filled through skills transfer measures by engaging diaspora professionals domestically or in their country of residence (seasonal training/employment).⁷The diaspora has been found to be prosperous in these economic sectors and their experience, know-how, and also their knowledge and connection with their homeland has the potential to provide a cost-effective and important resource to be utilized in filling in skill gaps. Thus far, the experience with diaspora has been hiring of low-skilled migrant workers (refer to output 1), however, utilizing diaspora in achieving more sustainable results when it comes to equipping labour force with the skills needed in the labour market is of high importance and should be prioritized by Kosovo institutions.

Capacity building for the Municipal Diaspora Liaison Officers (MDLOs) - Another challenge worth mentioning is the capacity building for the Municipal Diaspora Liaison Officers (MDLOs). Although several municipalities changed their priorities and experienced turnover of staff, the implementation of the training commenced during July of 2016. In close partnership with the MoD and all related departments, the 3 – days training workshop took place 25-27 July 2016 whereas 27 MDLOs from participated and were equipped with the knowledge and information needed. More so, through an interactive process, in which also the Minister himself periodically took part, very important information were shared, discussed and noted for further analysis in the future, due to the variety of demands and expectations coming from Diapsora while visiting Kosovo.

DELAYS, CHALLENGES

There have been political factors that have had direct impact on the full implementation of the set and planned activities during the reporting period. Yet the impact was not so severe that the set objectives of the DEED project for the first half of 2016 could not be achieved. The relationship with key partner institutions, the MoD and MTI have been excellent resulting in constant consultations, joint planning and implementation of the project.

One of the pressing challenges faced with during the reporting period are the delays from the Kosovo central institutions to establish a ‘government committee’ mandated to oversee the implementation of the National Strategy on Migrants and Diaspora 2013-2018. As a result, there was a setback of the development of the related M&E System as foreseen in the DEED work-plan. However, the MoD and DEED had agreed to develop an adaptable M&E model during the second half of the 2016 that would serve the purpose for the Kosovo Institutions in the mean-time and will be adopted once the committee is in place. In the meantime, with the ongoing developments on the Government side, the entire undertaking, in agreement with the MoD, has been postponed until further notice, since the M&E for the Strategy was at this point not of the expected and highest relevance due to the shifting priorities and uncertainties with the planned reformatting of the government entities for 2017 -2018. More so, the MoD is comfortable with the level of monitoring vis-à-vis the implementation of the strategy and its action plan to date.

⁷ <https://www.facebook.com/ArbeitsSicherheitSchweiz/photos/pb.401307696659282.-2207520000.1470816820./887639318026115/?type=3&theater>

LESSONS LEARNED & BEST PRACTICES

One of the most important highlights of 2016, is the continuously rising interest from diaspora entrepreneurs, especially the diaspora business network members in further developing their mutual cooperation abroad and with their counterparts in Kosovo, with concrete actions. 2016 was marked with direct investments from diaspora, a significant increase in diaspora registration, and a great interest of other organization, local and international to synergize activities with DEED and bring the importance of diaspora in Kosovo's higher in the development agenda. The results of the project's support to establishing diaspora business associations has demonstrated how a small investment in empowering a community can serve as a catalyst for change which can have an impact on the lives of many in this community. Once initiated, organized and supported by facilitating the process of different initiatives, the members of diaspora do not inactively wait for new opportunities but instead open new doors for themselves and their compatriots. The crucial part of the successes achieved is the facilitation role that DEED project team provided throughout the processes.

The project's two main institutional partners, the MoD and the MTI, have remained very involved throughout the reporting period, which is considered crucial for the sustainability of the project and the ownership of the project by the main beneficiaries. Especially with MoD, cooperation on the technical and operational level has been close and effective; regular management level meetings have been instituted to ensure buy-in and coordination at the highest institutional level. The monthly meetings, as well as ad-hoc meetings, have proven to be very valuable in moving forward issues that require political level approvals as well as allow the implementing agencies to have forewarning of major changes in planned activities.

PARTNERSHIP AND COOPERATION

In relation to MTI and MoD, a much closer coordination has been achieved throughout the project. Joint activities in relation to diaspora registry promotion, work with economic zones (the national plan on economic zones and economic zones promotion) and Global Business Union establishment have been developed in a participatory manner with full participation of the ministry staff, especially the Kosovo Investment and Enterprise Support Agency (KIESA). This collaboration has been evidenced by the MoD's contribution of 60,000.00 Euro last year for the joint diaspora registry promotion campaign and the additional contribution of 75,000.00 Euro for the further enhancement of the diaspora registry in 2016. There is also commitment from KIESA-MTI to contribute 47,000.00 Euro to the various activities within the output 1 and output 3 throughout 2016. The signed agreements regarding these contributions can be found in annex 1 and 2 of this report. The close cooperation with MTI was also evident in the process of contracting the making of the "Diaspora talking to Diaspora for Investments" video promotion documentary, where MTI contributed with 3,500.00 Euro and 13,500.00 Euro during 2014 and 2015.

The German Diaspora Business network in partnership with MTI, MoD, Ministry of Labour and Social Welfare (MLSW), and GIZ has organized the conference named "Diaspora and Employment." This conference was organized to further discuss the potential of diaspora investment in Kosovo, but also, more importantly, to discuss the possibility of labor migration and the employment of Kosovars in Diaspora Businesses in Germany. The conference was held over a two-day event at Emerald hotel which firstly involved a discussion between diaspora businesses, government officials, and the general participants. The biggest issues raised were the legal implications of employment opportunities for Kosovars in these businesses based in Germany. However this issue may be solved in the near future with the support of the Embassy of Germany, represented by the participation of the Ambassador herself. Apart from this, further business opportunities in Kosovo were presented to the German diaspora businesses, which were much more innovative and practical than before, and involved direct contact between local and diaspora businesses. On the second day, the conference took the form of a work fair, and the general public was invited to take part in

the fair where over one thousand (1,000) individuals were offered employment in diaspora construction businesses in Germany. This involved a campaign especially on social media from the three ministries involved, including GIZ and the German Diaspora Business Network, to increase attendance and participation in the fair, and also involved the organization of free transport to and from the city center to Emerald hotel. There is an apparent overall increase in the organization of such events involving the diaspora by public institutions, and the diaspora business networks are the main focal point and frontrunners for these work and trade fairs.

As important as these relationships have been to the project, new partners are always important for expanding the scope and reach of project activities. Programmatically, DEED has established cooperation with two diaspora organisations that offer an important and unique experience and expertise to the project activities. The first, as referred to previously, is the partnership with the KosovoDiaspora.org for the promotion of the Diaspora Register. The organisation is uniquely placed to conduct outreach activities and increase the visibility of both the Diaspora Register as well as the project itself. This partnership was crucial in maximising the impact of project assistance and resources. In addition, the project has also maintained and strengthened the very close cooperation and partnerships with the EU-established Regional Development Agencies (RDA) with whom DEED organized and completed the four (4) small grant programme schemes, comprising of 48 beneficiaries and conducted a complementary 3-day business training during each event to support entrepreneurship initiatives, with a particular focus on women-led remittance-receiving households.

More so, the DEED programme has developed and strengthened its partnership with the American Chamber of Commerce in Kosovo, and together with the MoD and MTI/KIESA, have promoted and further established the diaspora business networks, while strengthening the role of the global union, with whom the DEED programme has developed and maintained excellent relationship. Most importantly AMCHAM has been a strong advocate for promoting diaspora and foreign investments in Kosovo by also offering their assistance and full cooperation to all interested parties.

CROSS-CUTTING ISSUES

The DEED programme remained active in promoting and facilitating an improved environment for women in Kosovo especially in the labour market and in decision making. Challenges in this respect continue to linger in Kosovo where approximately only one-in-five (21.4%) women of working age are active in the labour market, compared to three-fifths (61.8%) of the male working age population. Among those in the labour force, unemployment is much higher for women than it is for men (41.6% compared to 33.1%).⁸

Challenges remained especially related to participation of women representing MTI, MoD, KIESA, Municipalities, and different institutions in workshops or trainings with which DEED cooperates, due to the gender imbalances, especially at the level of decision making positions in local and central institutions – which are usually male dominated. While the DEED programme supported gender mainstreaming and diversification of the labour force, the decision making power and substantive expertise of the partner institutions must be respected and thus making it difficult to influence gender balance in many of the programme's activities. Yet, positive signs have been recognized in the participation of women especially in meetings and conferences that DEED was involved in.

Through the programme's central objective of steering remittances towards investment, DEED has continued its efforts to contribute to women economic empowerment by advocating for investments that lead to the **employment of women as well as minority groups**. There has not been a meeting with the potential diaspora

⁸ Employment rate: men 41.6%, women 33.1% (LFS 2015)

investors where these two important matters were not underlined, by encouraging the Diaspora Business Networks (DBN) to include more women in the networks. Therefore, both through internal technical support processes and project activities with the MoD, DEED has remained active in this direction. As a result, the MoD is now also active in promoting the participation of women and their placement in management and decision making positions especially in the diaspora business union.

The DEED programme was also a frontrunner for **capacity development** of public institutions and partners. Namely, the DEED programme supported the MoD in terms of providing technical assistance and building capacities for facilitating inter-ministerial strategies and activities such as the National Strategy for Diaspora (NSD). This has led to new links and better cooperation with Kosovo's diplomatic missions in Europe and North America. The diaspora registry is also a formal avenue which has led to closer ties with, and information on, diaspora that will help MoD design policies and programmes. This has unilaterally empowered the diaspora as it has enumerated the diaspora and further realized their potential for skills transfer and for decision making. In addition, institutions such as KIESA and MLSW have been supported in their activities and in their cooperation in common objectives.

ii) Indicator Based Performance Assessment:

Indicator Targets	<u>Achieved</u> Indicator Targets	Reasons for Variance with Planned Target (if any)	Source of Verification
DEED 2			
Output 1			
The capacities of Kosovo authorities to implement the National Strategy for Diaspora 2013-2018 strengthened			
Indicator 1.1: Existence of a diaspora registry; Baseline: 0 Planned Target: 1	Fully Achieved (Indicator: Diaspora registry developed, populated with data and fully functional)		MOD
Indicator 1.2: # of MoD staff within targeted departments reporting that they are satisfied with support provided Baseline: 0 Planned Target: 38	In Progress as the technical assistance is ongoing on daily basis.		MOD and Municipalities reports or e-mails of acknowledgment
Indicator 1.3: # of functioning diaspora business networks; Baseline: 23 Planned Target: 25	Fully Achieved (Indicator status: 2 additional DBN established to reach the target of 25 DBNs in total)		MOD Municipalities
Indicator 1.4: # of MDLOs trained in substantive knowledge; Baseline: 0 Planned Target: 38	Partially Achieved (27 out of 38 MDLO's trained in substantive knowledge during 2016)	Activity has been planned for July as agreed between the MoD and the Municipalities	MOD
Indicator 1.5: Existence of an M&E system. Baseline: 0 Planned Target: 1	Not achieved in agreement with the MoD	The central committee to oversee the implementation of the strategy is not established yet. Thus, the activity has been postponed until further notice from the side of Mod.	MOD
Output 2			
Relevant stakeholder's capacities to facilitate migrants' investments in Kosovo increased.			

Indicator 2.1: # of assessment reports on piloted models for diaspora investment; Baseline: 0 Planned Target: 3	Fully Achieved during the first year of phase two (Indicator status: 3)		
Indicator 2.2: # of economic zones supported; Baseline: 0 Planned Target: 1	Fully Achieved (Indicator status: Guideline to establish PPP Management model of Business Park developed and utilized by KIESA)		MTI/KIESA, Municipalities
Indicator 2.3: # of investment fund prospectus available; Baseline: 1 Planned Target: 1	Fully Achieved (Indicator status: investment prospectus developed and the Fund piloted)		There is no link, we have a Prospectus which has been reported on, with the last Annual one.
Indicator 2.4: # of potential investors identified. Baseline: 0 Planned Target: 15 men, 5 women	In progress (Indicator status: 1 women and 6 men investors identified)		GUDBN, KIESA
Output 3 The capacities of remittance recipients, diaspora business networks and Kosovar authorities to increase the positive impact of migration on the socio-economic environment of Kosovo strengthened			
Indicator 3.1: # of members of diaspora business networks Baseline: 2500 + Planned Target: Additional 60 members joined DBNs	Fully Achieved (Indicator status: 100+ additional members joined with the establishment of the two new DBN in Italy)		Kosovo Central Bank “Macroeconomic Development Report” 2016 ⁹ Internal back to office reports
Indicator 3.2: # of contracts signed between local producers and diaspora businesses Baseline: 0 Planned Target: 60	Fully Achieved – Exceeded (Indicator status: 9)		ARDA and DEED Report
Indicator 3.3: # of businesses supported or established with diaspora investments Baseline: 60 Planned Target: 3	In progress and exceeded (Indicator status: 4)		Reports by MTI and the Global Union

⁹ Gjocaj, Z., & Kicmari, B. (2016). *Macroeconomic Development Report (Ser. 4)* (Kosovo, Central Bank of the Republic of Kosovo). Pristina, Kosovo: Central Bank of the Republic of Kosovo.

<p>Indicator 3.4: # of diaspora professionals facilitated to contribute skills to Kosovo Baseline: 0 Planned Target: 15</p>	<p>Partially Achieved (Indicator status: survey finalized; no diaspora professionals mobilized to contribute to skills transfer)</p>	<p>Employer needs survey completed. Analysis of data and report writing is being developed to be used by relevant institutions in designing training and education programmes for the selected analyzed professional occupations. The analysis will also help to facilitate diaspora skills in Kosovo, for which the central institutions have committed to invest own funding. The project funds dedicated for skill transfer activity are insufficient to fulfill the gaps thus a request for reallocation to complete and achieve the Activity Result 1.3. During the second half of 2016 is submitted to the donor.</p>	<p>Research reports by NGO's MIA Business Associations IOM</p>
--	--	---	---

PROGRAMATIC REVISIONS

Due to external challenges elaborated in the report, few project activities were postponed and achieved during the second half of 2016. The decision was taken in agreement with the MoD and the Ministry for Foreign Affairs of Finland, thus, the second phase of DEED is now foreseen to end on 31st of December 2016.

END

Annex I – DEED-7th PB Meeting Summary Report

Annex II - Financial Report

Annex III - Business Park Drenas Strategy

Annex IV - Tourism package for municipality of Gjakova