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&
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I. CONTENTS

Acronyms	2
Executive Summary	3
Assessment of Project Progress	5
Cross-cutting Issues	16
Lessons Learned	18
Challenges and Risks	21
Partnerships	22
Recommendations	24
Annexes	25

II. ACRONYMS

ABK	Association of Businesses of Kosovo
ADA	Austrian Development Cooperation
AMCHAM	American Chamber of Commerce
CBK	Central Bank of Kosovo
DCA	Development Credit Authority
DEED	Diaspora Engagement in Economic Development
DEMI	Democratic Effective Municipalities Initiative
DBN	Diaspora Business Network
GUDBN	Global Union of Diaspora Business Networks
DfD	Diaspora for Development
IGF	International Guarantee Fund
IOM	International Organization for Migration
IPAK	Investment Promotion Agency of Kosovo
KAS	Kosovo Agency for Statistics
KBA	Kosovo Bankers' Association
KIESA	Kosovo Investment and Enterprise Support Agency
KSCF	Kosovo Civil Society Foundation
MDLO	Municipal Diaspora Liaison Officer
MoD	Ministry of Diaspora
MTI	Ministry of Trade and Industry
RDA	Regional Development Agency
SDM	Strategy on Diaspora and Migrants
SDC	Swiss Development Cooperation
UNDP	United Nations Development programme
USAID	United States Agency for International Development

Executive Summary (max 1 page)

The DEED programme has continued to be the main facilitator for 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:

- **The Kosovo Strategy on Diaspora and Migration developed and finalized** with the support of DEED, and adopted by the Government of Kosovo in August 2013;
- To date, **DEED organized business trainings and finalised five (5) small grant programmes** to support entrepreneurship initiatives, especially focusing on women-led remittance-receiving households. This contributed to the employment of at least 85 persons (out of which 46% were women and 37% from non-majority communities) through supporting 47 private enterprises with matching grants;
- An **additional feasibility study on potentially applicable financial banking products and services was completed** and presented to all relevant financial institutions, public and private. **An agreement between Pro-Credit Bank and the German Diaspora Business Network was signed based on the recommendations derived from the feasibility study**, moreover - cash cover loans are offered by local banks, Raiffeisen and Pro-Credit to remittance receiving, especially women-led households, based on project recommendations on the basis of the feasibility study;
- **The first National Plan on Economic Zones completed** which incorporates the potential of the diaspora. **Database of all economic zones collected and developed into a website** as investment information tool, currently up and running on the Ministry of Trade and Industry (MTI) website. Three (3) feasibility Studies for Gjakova Free Economic Zones finalised jointly with MTI. Licensed 44 hectares of the free economic zone in Mitrovica Municipality, construction activities are already ongoing with potential direct investment from the Diaspora. DEED promoted the economic zones to over 40 potential diaspora investors in New York;
- **Kosovo Diaspora Investment Fund (KDIF) prototyped and presented** to the potential investors. Unfortunately, the KDIF was not taken over due to political uncertainties in business environment in Kosovo;
- **Twenty-five (25) diaspora business networks established** in Europe, US, Canada and Australia. Additionally, the Global Union of Diaspora Business Networks established;
- DEED and the Ministry of Diaspora (MoD) have jointly **implemented two (2) comprehensive diaspora registration campaigns**. The entire registration campaign processes were facilitated by the DEED programme in support to the MoD. The processes led to over 116,000 of registered diaspora members last year alone;
- The **DEED project contributed to the employment of 116 jobseekers** as a result of matching grant schemes from the diaspora and project funds in business development. Such is the case with the opening of the Factory "Vrella" and the Factory "Plast" in Ferizaj as well as the Small Grant Scheme;
- Supported **implementation of 13 investment conferences and networking events** in Europe and North America. **Facilitated an agreement between Chicago Business Network President and the Municipality of Gjakova** to open a textile factory, employing initially 30 workers and up 200 within two years;
- Organized and held **several workshops** to finalize the plan on Diaspora Registry and on Economic Zones and **organised eight study visits** to economic zones and agencies managing and promoting the economic zones in and around Dublin and Istanbul with relevant Kosovo Institutions and municipal authorities as well as jointly with KTI/KIESA and USAID Empower

- Project, supported two international trade fairs in Cologne/Germany and Bern/Switzerland;
- DEED project worked with **Banka Private e Biznesit (BpB) to allow transfer of remittances from Diaspora to Kosovo with zero fees** during the period of summer, for 4 months, partly fulfilling DEED's goal to formalize channels of remittances.

The Project (max. 1 page)

While the first phase was ongoing, project has continued achieving results as a set for its first phase until 30th of June, respectively 30th of September 2014, implementation of DEED phase two started on 1st of July of the same reporting year, 2014. Remaining activities under DEED 1 were thus implemented in parallel with the activities started under DEED 2 (***Please note that DEED 1 was not funded through MPTF***). Although the second half of the year 2014 has been characterized with decisive political developments following the last national elections held in June 2014, DEED has continued to work towards achieving its set goals. The overall objective was 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 was an innovative initiative for enabling the Kosovo diaspora to play an active and effective role as development agents in their communities of origin. The project worked 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 was funded by the Ministry of Foreign Affairs of Finland and implemented jointly by the United Nations Development Programme in Kosovo and the International Organization for Migration Mission in Kosovo.

DEED has maintained and expanded its strong partnership with its main counterpart, the Ministry of Diaspora (MoD), Ministry of Trade (MTI)/ Kosovo Investment and Enterprise Support Agency (KIESA), Kosovo Agency of Statistics (KAS) as well as other key stakeholders in Kosovo and abroad, such as the Kosovo American Chamber of Commerce (AMCHAM), Association of Kosovo Businesses (AKB), Kosovo Bankers' Association (KBA); and Diaspora Business Networks including those intended especially for women and businesses. This mutual trust has continued to deepen throughout the project lifetime, and was the result of close cooperation between the project staff and the key personnel at the MoD, as well as other related institutions in Kosovo and abroad. Establishing these well-functioning relationships has required from the project staff to make timely and concise decision making as well as apply prompt operational procedures when implementing agreed plan of activities. Additionally, due to the flexible organizational structure as well as the regular communication with the donor, the project has been able to respond promptly to various requests for assistance, support and cooperation from the MoD and other beneficiaries and partners. The joint implementation model of the two partner organisations, UNDP and IOM, has proven its greatest strength in its flexibility of implementation, as well as bringing together the strengths of both organisations, which created additional trust towards the project and both implementing bodies.

The DEED project continued to promote and facilitate an improved environment for women in Kosovo especially regarding access to the labour market and participation in decision making processes. 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 who are able to work in Kosovo,

unemployment is much higher for women than for men, 41.6% compared to 33.1%.¹ Significant gender imbalances persist especially at the level of decision making in local and central institutions – which are usually male dominated. This was evident when looking at the participation of women representing MTI, MoD, KIESA, Municipalities, and different institutions in workshops or trainings with which DEED cooperates. Yet, in meetings and conferences where DEED was involved the participation and contribution of women has received very positive feedback.

Factors Affecting Implementation and Outputs (max. 3 pages)

The DEED project was active since August 2012 and it concluded in December 2016. The overall objective of the project was 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 behavior among migrants and remittance-receiving households.

The DEED project assisted the Ministry of Diaspora of Kosovo in designing a first ever National Strategy for Diaspora, a comprehensive document guiding five years of strategic policy work on diaspora issues in Kosovo. In addition to the strategy, during the project lifetime several important knowledge-based products have been delivered by DEED: a feasibility analysis of possible banking products and services that would encourage the use of formal remittance channels; assessment, mapping and piloting of investment models and instruments for diaspora; an evaluation of the international guarantee fund model; and three Kosovo Remittance Studies (2010, 2012 and 2013). Translation of these knowledge products into policy and practice has also started. However, the two-year timeframe of the DEED project had proven to be too short to allow for a long-term sustainable, gender equitable local economic development to become visible. There is a risk that without further guidance and support, the institutions may fail to further develop and implement the activities on the basis of these already established intervention models. Consequently in order to achieve the project overall objective, in 2014, with the conclusion of phase one (DEED 1), the second phase of additional two years' timeframe of the DEED Project (DEED 2) was introduced.

Accordingly, the DEED project continued to further generate a well-functioning relationship and mutual trust between the then newly established Ministry of Diaspora (MoD) and the two development organizations, UNDP and IOM. Additionally, during the project cycle, connections between the MoD, Kosovar Diaspora abroad (including diaspora associations) and the diplomatic network of Kosovo have been strengthened significantly. The DEED project also established a very cooperative relationship between MoD, MTI/KIESA and other stakeholders and partners in Kosovo. All these networks were strengthened and new relationships were established during the lifetime of the DEED project, so that the Ministry of Diaspora would be enabled to ingrain the models, services and products piloted to date by the project.

Moreover, excellent opportunities for synergies between several existing IOM and UNDP projects could be identified and concrete measures for better livelihood and entrepreneurship opportunities for the remittance-receiving households were undertaken. As a result, synergies were created with the work done under existing UNDP interventions like Aid for Trade (AFT) and Active Labour Market Programmes (ALMP). In addition, synergies were created with the EU funded Community Stabilization Programme and MSME Support Project implemented by IOM which promote

¹ Employment rate: men 41.6%, women 33.1.% (LFS 2015)

entrepreneurship by providing seed capital through their grants programmes to microenterprises and SMEs.

In order to achieve the set outcomes, the project foresaw three key methods of intervention:

- 1) Strengthened capacities of Kosovo authorities to implement the National Strategy for Diaspora 2013-2018;**
- 2) Relevant stakeholders have increased capacities to facilitate migrants' investments in Kosovo; and**
- 3) Strengthened capacities of remittance recipients, diaspora business networks and Kosovar authorities to increase the positive impact of migration on the socio-economic environment of Kosovo.**

There have been political factors that have had direct impact on the full implementation of the planned activities, as the June 2014 elections brought about changes in the Kosovo Government, and in the Ministry of Diaspora (MoD). The uncertainties during this period with regards to the human resources within the MoD, especially with regard to specialised capacities for undertaking certain activities, have resulted in the postponement of some DEED activities into 2015 and some into 2016. During this period and throughout the project implementation DEED's expert consultants have therefore played a crucial role in continuing to provide support to the institutional counterparts, especially in cases, when government staff was either unwilling or unable to fulfil assigned tasks due to their own uncertain personal/professional situation. While certain delays were incurred, the project was still able to mitigate the impact of these problems by keeping the hired consultant within the MoD. The relationship with key partner institutions, the MoD and MTI, as such has been excellent throughout project implementation resulting in constant consultations, joint planning and implementation of the project.

Changing priorities and turnover of staff can be a challenge, due to change in the governing coalition leading to new ministers taking over the leadership of both main governmental counterparts, MoD and MTI. New leadership often means a new vision and/or direction for the ministries, however by aligning all planned activities with the National Strategy on Diaspora and its action plan, which was approved at the highest level, the project team could be confident that the overall plan will not be affected. Furthermore, the project team has built strong relations with the civil staff of both ministries who continued to work in their positions regardless of the political level changes.

The relation with MTI and MoD, has turned into a very close coordination and cooperation throughout the projects' second phase. Joint activities in relation to diaspora registry promotion, work with economic zones (the national plan on economic zones and economic zones promotion) and the establishment of the Global Business Union have been developed in a cooperative manner with full participation of the ministry staff, especially the Kosovo Investment and Enterprise Support Agency (KIESA). This cooperation and partnership of Kosovar institutions has been illustrated by the MoD's 2015 contribution of 60,000.00 EUR for the joint diaspora registry promotion campaign and the additional contribution of 75,000.00 EUR for the further enhancement of the diaspora registry in 2016. Additionally the commitment from KIESA-MTI of 47,000.00 EUR 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 EUR and 13,500.00 EUR during 2014 and 2015.

As important as these institutional relationships have been for the project, new partners are always important for expanding the scope and reach of project activities. For the benefit of the programme, 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.

The second crucial partner in the project implementation, with which the DEED project has developed and strengthened its partnership, is the American Chamber of Commerce in Kosovo, and together with the MoD and MTI/KIESA. All four organizations together, 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.

The DEED programme remained active in creating an improved environment for women in Kosovo especially in the labour market and in decision making. Challenges, as mentioned above, continue; approximately 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%.²

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.

Given the programme’s central objective of steering remittances towards investment, DEED has continued its efforts to contribute to women economic empowerment by advocating for diaspora investments that led to the **employment of women as well as non-majority groups**. There has not been a meeting with the potential diaspora 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 continued to strive to promote women economic empowerment. 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.

² Employment rate: men 41.6%, women 33.1% (LFS 2015)

The DEED programme was also a frontrunner in **capacity development** of public institutions and partners. Namely, the DEED programme has 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 in the design of policies and programmes. This has unilaterally empowered the diaspora as it has enumerated part of 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 to achieve common objectives.

Risk Management (max. 1 page)

As briefly mentioned above, throughout the project lifetime, there have been political developments which have had direct impact on the 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 could not be achieved. Some of the project activities however had to be postponed. The relationship with key partner institutions, the MoD and MTI has been excellent throughout project implementation with constant consultations, joint planning and implementation of the project. The project has engaged with the Kosovo diaspora, being multifaceted and multidimensional, and the varying expectations of the MoD in relation to the approved work plan. Any project working in this field must coordinate among a variety of stakeholders with often differing interests and perspectives not only in Kosovo but in the primary countries of destination. This has been a challenge in the sense of timing of the activities. The implementation of activities abroad in particular has been a challenge, because of difficulties in identifying suitable partners and negotiating an appropriate timeframe due to their other obligations. The project has found it essential to have reliable and trusted partners in the diaspora to reach out to members of diaspora and disseminate information, therefore the delays in implementation were seen as necessary and warranted. In the future such activities abroad will be much easier to conduct as contacts with the diplomatic network and diaspora associations, in addition to active individuals in diaspora, have been established and they can be engaged in a timely manner.

Within Kosovo, coordination among public and private sector as well as other donors remained an ongoing challenge. Timing and coordination of activities has been an issue also locally as these different actors generally work at different speeds and have different obligations and internal decision-making procedures. For example, one of the challenges faced during the reporting period were 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 in 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 meantime and will be adopted once the committee is in place. Meanwhile, 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 framework for the Strategy was no longer highest priority for the government given the planned reformatting of the government entities for 2017 -2018. For the time being the MoD is comfortable with the level of monitoring vis-à-vis the implementation of the strategy and its action plan to date.

Another issue that arose from the many actors involved is the need to avoid duplication of activities. While it has been suggested that the MoD would organise formal coordination meetings, the ministry staff has indeed been fully engaged in the development of the Strategy for Diaspora and Migrants (SDM) and thus there have been little human resources available. Therefore the project staff has continued to organize meetings on a regular basis with the primary actors to share information and coordinate activities. Finding adequate experts has been a challenge for DEED during the first phase of the project lifetime, partly because collecting data on diaspora and foreign investments were complete novelties in Kosovo context. While effective methods to contract experts for short-term positions have been established during the project, also as a result of the established networks with the Kosovar diaspora communities, the unexpected departure of the UNDP Project Manager in mid-February 2013 posed some more difficulties. The recruitment process for new UNDP Project Manager was initiated without delay, however due to lack of eligible candidates the post had to be re-advertised, and the recruitment process could be successfully finalized in May 2013. During the absence of a Project Manager, the Project Associate and UNDP Programme Analyst jointly performed the tasks of the acting Project Manager. However, from 1st June 2013 the new UNDP Project Manager assumed his duties and since then the project has continued without further delays related to change or lack of project staff.

One additional potential risk for implementation of some of the activities like the investment models, was the real and always present possibility of political changes. The results of the municipal elections in November-December 2013 caused significant changes in municipal political atmosphere, influenced municipal decision making processes as well as practical decisions relevant to the project. Especially development of the economic zones is sensitive to municipal politics and the future development of Municipal Diaspora Liaison Office. In addition the parliamentary elections had a negative impact on project implementation as well, due to the delay in forming the government which took more than six months after the elections took place. However, DEED ensured project implementation despite ongoing potential political changes by establishing even wider networks and partnerships with several key actors simultaneously.

Assessment of Outputs (max. 2 pages per output)

The overall objective of the programme was 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 behavior among migrants and remittance-receiving households. **The expected programme result of DEED** was to empower the Kosovo diaspora to play a greater role as development actors in their communities of origin in order to have a positive impact on their local economy and the livelihood of their residence.

During 2012-2014, the DEED project was implemented jointly by UNDP and IOM, and used an applied pass-through modality in the management of funds, with the responsibility of financial and narrative progress reporting being mainly the responsibility of UNDP as the Administrative Agent. By creating a joint programme the UNKT aimed to upgrade the DEED project into a multi-partner intervention, with the multi-donor trust fund to manage the funds separately with each implementing partner. This modality made it easier for additional partners to join the intervention at later stages, and also the responsibility of financial and progress reporting were divided equally between all partners – with the UNDP as Administrative Agent having the coordinating role.

DEED – Output 1

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

The Kosovo Strategy on Diaspora and Migration (SDM) developed and finalized with the support of DEED, (adopted by the Government of Kosovo in August 2013) – based on the policy document SDM 2013-2018 which, reflected extensively the commitments of the Government of Kosovo and its dedication to enforce the care and cooperative spirit with the people who are physically out of the Kosovo territory. The SDM represents the first strategic document of the Government of Kosovo which aims to advance the political and social rights of diaspora through concrete measures: preserving the cultural and lingual identity of diaspora, preventing assimilation, assisting the integration process in host countries and providing legal and administrative assistance to those who are willing to contribute to the economic development of their homeland.

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 approximately 500% according to the Ministry of Diaspora since the last registration in 2015, surpassing our expectations. Based on this previous experience and great success 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 first campaign, 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 had easy access to the form and could complete it at any time, or through physical forms which were accessible at booths placed in the airport, throughout city centers across Kosovo, and at all borders.

Completion of the Kosovo Remittance Study (KRS) 2013 was followed by promotional activities among all relevant partners and stakeholders, while capacity of Kosovo Agency for Statistics KAS was built sustainably. Production of knowledge products such as KRS 2013 related to diaspora and its financial potential has proven to be necessary in order to influence policies and to advance inclusive growth in Kosovo with the help of diaspora.

Twenty-five (25) Diaspora Business Networks established - The DEED project has supported the MoD and MTI to establish to date, 25 Diaspora Business Networks in 22 countries where Kosovo diaspora is residing - 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 the 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 to increase prosperity and sustainable growth.

Completion of a specific feasibility study on three selected banking products and services

- has been published in March 2014 and shared with the Kosovo Banker's Association (KBA), local banks, and international financial institutions such as Credit Suisse and Julius Baer. The feasibility study was also shared with the World Bank, the International Monetary Fund and the Kosovo Central Bank. The report on the banking products contains suggestions on how to incentivize remittance receiving households to use the proposed products and shows that banks usually do not consider the diaspora as clients beyond their deposits. It further recommends tangible and concrete products and services to be developed that can increase the inclusion of the remittance receiving families and remittance senders on the other side in the banking system as a precondition for a possible sustainable investment in Kosovo. With this activity the DEED project achieved a milestone by sensitizing the most influential local commercial banks in Kosovo and financial institutions for a potential new clientele/target group.

Traditional US/Kosovo Trade and Investment Promotion - Business to Business (B2B)

Mission in the United States of America - supported by DEED aimed to increase the cooperation between Kosovar and US companies, and encourage diaspora and foreign investments in Kosovo. This was done through featuring business-to-business meetings and investment conferences, promoting the business opportunities that exist in Kosovo and establishing a network for the Kosovo private sector with foreign companies. This conference/trade mission has served its purpose to improve the image of Kosovo in the eyes of potential investors and in promoting investment opportunities in Kosovo. The Trade and Investment Mission consisted of a participation in the International Franchise Expo in New York, and various business activities and field visits to selected companies in Des Moines, Iowa (with whom Kosovo has a State Partnership Agreement). Given the considerable number of successful diaspora businesses operating in the USA and the already existing potential for cooperation, success stories about cooperation between Kosovo and US companies still remain below the desired level. Hence, the primary aim of this trade mission was to reach out to companies owned by Kosovars in order to increase the role of diaspora businesses in Kosovo. As a result of this mission to the US, seven (7) concrete contractual deals between domestic and US companies were established.

Diaspora Success Stories Conference: "ExpoForum" was organised in June 2015 in

Prishtina - in order to promote diaspora investment and business networking. The "ExpoForum" was both a forum that promoted discussion between private sector businesses, potential diaspora investors and high level officials from both Kosovo and Albania, as well as a fair that exposed the successful diaspora businesses that operate in Kosovo as a result of Diaspora Investment. The Expo Forum was an initiative of the DEED programme, which was responsible for its organization and technical coordination together with the Ministry of Diaspora (MoD) of Kosovo, Ministry of Trade and Industry (MTI) and the Ministry of Economic Development (MED). Apart from the ministers of the MoD, MTI and the MED, the conference was also attended by officials and the minister of the Ministry of Energy and Industry of Albania, the president of the Albkonfindustria NGO of Albania, the president of the Global Diaspora Business Union, as well as the Deputy Resident Representative of UNDP.

DEED project promoted Kosovar food products in the "ANUGA" world's largest food fair

held in Cologne/Germany - In order to promote domestic products abroad the DEED programme became a part of a conglomerate of organizations which was formed to promote Kosovar food

products in the “Anuga” food fair in Cologne, Germany. “ANUGA” is the world’s leading food fair for retail trade and food service and catering market, and presented an excellent opportunity to promote Kosovar products and create the potential of export for Kosovo. The event provided a great opportunity for Kosovar producers to find new niches in a wider market than just Western Balkans. The activity was implemented by the DEED programme jointly with USAID, Swisscontact, MTI, and KIESA, and thereby maximized the potential impact. The final results were largely successful in that they provided large scale promotion of Kosovar businesses and products abroad but also led to new business partnerships and export possibilities. One such newly created business partnership was seen between a local dried fruit producer and a German business who now wishes to import the dried fruit to Germany while two other contractual agreements were reached, also to export mainly to Europe. The contracts reached between these companies, although they currently amount only to small scale export opportunity for Kosovo as a whole, represent a great potential for similar partnerships to be created which would further increase the overall export capabilities of Kosovo and its economy.

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 25th of July 2016. The role and functions of this CO are to help Kosovar businesses export Kosovo products, initially targeting Kosovar businesses abroad as potential buyers, and to 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 about the overall roles and objectives of the Coordination Office, how it will function, what they are expected to contribute for the office, how will they benefit, etc. several 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 contributed 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.

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, a 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 business networks of each of these respective locations and hold B2B events. These events were essential in providing face to face contacts 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 those business networks.

Innovative Tourism Packages for Gjakova Municipality – Tourism is acknowledged to be a sector with potential for growth in Kosovo hence is one of the priority economic sectors for the Kosovo institutions. There are many projects of both – Kosovar institutions and international organisations - in support of the tourism sector, however, there is still a lot of work yet to be done

at central level in terms of designing practical policies at central as well as at local level in terms of materializing concretely products and services to attract tourists. During the reporting period, DEED supported the development of tourism products for the region of Gjakova, one of the regions with tourism potential. In order to complement 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 for each product and each product has been adapted to specific locations in Gjakova, thereby providing targeted and adjustable investment projects to present to investors. The presentation of these products can be done especially to potential diaspora investors who have repeatedly shown their interest in the tourism sector in Kosovo. DEED facilitated 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 the MoD and the DEED Project (UNDP and IOM), have supported the Albanian Diaspora Business Network (ADBN) in organizing a series of events which include a high level investment conference in New York City and surroundings between 24-27 September 2016. This unique undertaking, not only in size but also in its substance, included Business to Business (B2B), Government to Government (G2G) as well as Business to Government (B2G) events with more than 600 diaspora businesses attending from Europe, USA, Canada, Turkey and Australia. This investment conference included also a significant representation of 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 events in NYC. As a result of the Diaspora economic Forum, three (3) business deals between local Kosovar business, diaspora; and/or international participating companies; additional three (3) mid-size or large investment commitments for Kosovo (new, or expansion of current ones); strengthened relationship and reaffirmed partnership between private sector, government institutions and economic associations to facilitate and enable increase and expansion of foreign/diaspora investments in Kosovo have been reached.

The UNDP & IOM joint intervention has observed an increase in the attention that private sector in general and private banks specifically are paying to the potential of diaspora and remittance receiving households as a valuable clientele. This has become visible as some banks are taking remittances into consideration for lending³ and telecom companies provide special services targeting diaspora. The interventions, especially the specific feasibility study on banking products, have ensured that the providers of financial services have sufficient data at hand about different services related to remittances that could be provided for clients in Kosovo and diaspora abroad as well as presenting to them cost effective means of targeting remittance receivers and diaspora. Also, without UNDP and IOM facilitation, the cooperation between the MoD, the Kosovo Bankers' Association and the KIESA would be less important.

³ As reported by Boryana Mustafa, a Board member of KBA

This cooperation has been strengthened through intensive joint work and achievements to date, and has underlined the fact that this cooperation is essential in order to create a sustainable and comprehensive mechanism to 1) channel remittances to Kosovo through official transfer mechanisms, and 2) channel an increasing share of remittances from direct consumption to investments, thus creating sustainable economic growth both at local and central level.

The activities under this output are judged to be quite **effective** as they provided timely assistance to the MoD for the achievement of their institutional priorities as well as their legal obligations. The MoD as the newest ministry, had so far no strategic document to guide its efforts toward diaspora engagement from other institutional actors were largely ad hoc and poorly coordinated. Furthermore, under the Law on Diaspora and Migrants approved in July 2012 the responsibilities of the MoD included the development of an inter-ministerial strategy on diaspora. The law not only made this an obligation but also gave the MoD one year from the time when the law came into effect to develop the strategy. Therefore supporting the development of the SDM was a crucial first step in facilitating the engagement of the Kosovo diaspora, as the document would provide a framework of action not only for the MoD but also other interested actors, thus providing a unified vision and approach toward them.

There was initially a discussion within the MoD that a company could be hired to develop the strategy in order to ensure its timely completion, but through the logistical and technical support of provided, the project was able to simultaneously facilitate an inclusive participatory process while completing the work within the allocated timeframe. In addition, the public consultations abroad with diaspora communities were successful in creating strong contacts for the newly established MoD, since the consultations were organized in close cooperation with diplomatic network of Kosovo abroad as well as with diaspora organizations in target countries.

Similarly, the support provided to Kosovo Agency of Statistics (KAS) for the implementation of the KRS 2013 just came in time to assist them in conducting the third KRS which have been produced on an annual basis. Contracting KAS to conduct the third study avoided having any data gaps while at the same time capacitating KAS to continue collecting the data on an ongoing basis. Two experts on statistics of the UNDP Policy, Research, Gender and Communications Unit have supervised the staff of KAS during the entire data gathering and report writing process of KRS 2013. Furthermore, DEED project hired a local consultant who worked hand in hand with the KAS research team and jointly with KAS staff finalized the KRS report, in order to develop their capacities and transfer know how.

The success of the project support provided in developing the SDM can be measured by the degree of participation of diaspora members and other stakeholders in the process as well as its relevance to those stakeholders and its general alignment with international best practices. Ensuring an inclusive process for developing the Strategy has been a major priority for the project and this was achieved with over 900 members of diaspora participating in the above mentioned public consultations. Furthermore, the three strategic workshops included between 20 and 30 participants representing men and women from at least ten different ministries and governmental agencies, NGOs, media outlets, two academic institutions, and members of diaspora. After this rather intensive process requiring extensive engagement from the relevant parties, including the DEED project staff, the SDM was approved by the Kosovo Government on the 26th of August 2016 and certain activities have already foreseen in the SDM have already been implemented such as the formalization of the process of the Diaspora Register in October of this year and the establishment of diaspora business networks in Germany and Austria.

During the participation of the Kosovo MoD in the Inter-ministerial Diaspora Conference in Geneva organized by IOM in June 2016, it was confirmed that the SDM does reflect the common strategies and priorities that governments from around the world have identified in relation to diaspora engagement. Furthermore, the SDM and materials related to its development have been shared with other countries, such as Georgia and Sudan, currently developing diaspora strategies of their own, as good examples and guidance.

The **efficiency** of the activities can be illustrated by the fact that the budgets for these activities were relatively small in comparison to the results achieved, especially when compared to similar activities conducted in the past. For the development of the SDM, the project worked closely with the MoD to pool the resources of both organizations to reach the expected results in the most effective manner. For example, the project covered the costs for the first workshop while the MoD covered the expenses for the latter two allowing the project to focus its intervention where it was most needed, i.e. contributing expert assistance through national and international consultants as well as facilitating the participation of members of diaspora from abroad. A similar cost-sharing modality was used in regard to the public consultations. Thus with little over 50,000 EUR the project was able to facilitate the inputs of over 900 members of diaspora to the development of the SDM. Relating to the KRS and the Diaspora Register, IOM and UNDP were able to leverage their in-house expertise to assist KAS and MoD respectively, without additional costs to the project. In the case of the KRS, contracting of KAS ensured that they were “trained on the job”, while being as cost effective as the modality previously used when contracting private consulting firms.

DEED – Output 2

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

While the project has continued to be very active in regards to this output, it needs to be underlined that in fact this output is a continuation of the same activities from the project’s first phase. Therefore described below are some of the important achievements DEED has made toward the full implementation of the pilot phases of the models for facilitating diaspora investment based on the recommendations of the feasibility studies⁴ conducted last year.

During the second phase of the project the investment facilitation models should have been implemented, however the timeframe originally foreseen within the 2nd phase of the project for the respective activities has proven to be too short for the comprehensive approach taken and the level of coordination among stakeholders required. For example, for the creation of an investment fund (the recommended investment modality for the central level), the conducted feasibility study proposed a minimum of a timeframe of two to three years for the establishment and fundraising of the fund. The second model, related to leveraging economic zones at the local level, requires assisting municipalities through the various steps of the establishment and promotion of such zones to the diaspora. This included assessments of the land and feasibility of the proposed zones,

⁴ To read the full recommendations of the feasibility studies, visit the DEED webpage here: <http://deed-ks.org/index.php/reports>

acquiring of 16 different permits from various ministries, and development of promotional material targeting especially diaspora investors.

The investment facilitation activities foreseen in this output have as a **target group** members of diaspora. Therefore it has been important to reach out to these beneficiaries directly to understand their needs and priorities. The project has invested resources and time in getting a comprehensive view of the issues that potential investors have to face and getting their input on how these barriers can be reduced. Over 100 members of diaspora from at least nine (9) different countries provided inputs in person through eight (8) focus group meetings abroad, seven (7) informal meetings, and two (2) focus group meetings with diaspora business owners in Kosovo. These general inputs were followed-up by four (4) focus group meetings on specific mechanisms conducted in specific diaspora communities over 100 of potential investors, i.e. New York, Washington, London, and Zurich. Another 161 respondents provided specific feedback related to access to finance through an online survey developed in coordination with Raiffeisen bank and the MoD. Based on all these inputs the project has then tailored its further intervention to best meet the needs of this target group. Consequently and in accordance with the Annual Work Plan for 2014, UNDP DEED Project continued in advancing the activity to pilot investment models by collecting the necessary information and inputs from diaspora.

The Kosovo Diaspora Investment Fund (KDIF) has been legally and formally established during the second half of September in 2014 – by covering the fees for managing the legal basis for the KDIF for two (2) years by the project. The KDIF was promoted widely in Kosovo and abroad with the purpose of exploring alternative means of financing, such as equity financing, through potential diaspora investors. Upon establishment of the KDIF, the project team together with its partners and through the business networks created, has undertaken several activities aiming at promoting the fund in order to attract potential investors. An investment prospectus was created and presented to the business audience and diaspora entrepreneurs. Although potential diaspora investors were identified in the US and Europe (Germany and Austria) the Investment Fund as a major investment opportunity and investment mechanism was established in Luxembourg by the DEED project, and was set to be taken over by the German Diaspora Business Network and have its investment capital funds increased up to five (5) Million EUR until the end of 2016.

As a result of the Conference on German Kosovo Economic Relations held in April 2015 in Cologne, organised by the German Diaspora Business Union with the DEED support, three major initiatives to be followed up by diaspora were confirmed:

- The Investment Fund introduced and promoted as a mechanism and a major opportunity for Diaspora to invest in Kosovo will be taken over by the German Diaspora Business Network entrepreneurs.

During summer and fall of 2015 a follow up process took place to formalize the publicly made commitment by the German Diaspora Business Network (GDBN) in taking over the KDIF. However, shortly after the last formal meeting held in October of the same year in Luxembourg, the GDBN backed off from the made commitment “*due to the firm decisiveness of the members of the board to try and rather use direct mechanisms of investments in Kosovo, and to a rather more secure and stable business environment*”⁵.

This decision meant that the project had to start all over again with promoting the KDIF in USA, in Austria and Sweden and in many other business conferences where the DEED project had an opportunity to participate together with various Diaspora Business Networks. The latest

⁵ See e-mail and the letter of the GDBN attached

discussions with the Diaspora Business Network in Finland are ongoing with the hope that the final conclusion will be positive.

The Kosovo Institution's Programme for 2015 -2018 gives special attention to "Functioning of Free Trade Zones", stating that in the next four years the government will take *"all necessary steps in order to functionalize the free economic zones in Drenas, Gjakova, Rahovec, Mitrovica, Prizren and other municipalities that will express interest in the implementation of such concept for new investment for domestic and foreign companies."* The government programme in this manner corresponds to the activities that the DEED programme has actively pushed since its inception. The specific economic zones were established in the municipalities that have been target municipalities for the DEED programme. One of the main objective of the DEED programme has also been to ensure the cooperation of diaspora, thus to set a quota for investments in these economic zones which originates from diaspora.

The fact that government included the establishments of economic zones, and that a quota for diaspora investment in these zones was included and in the Government Programme, demonstrates that the DEED programme has been successful in influencing Government agenda-setting and policy making to help attract potential inclusion of the diaspora. Towards the objective of establishing fully functional economic zones in Kosovo, the representatives of the DEED programme, along with officials and the Minister of Diaspora, met in Istanbul and in Bursa with diaspora businesses with the aim of establishing the diaspora business network in Turkey, known for their expertise in creating robust frameworks and policies for designing economic zones. Meetings in Turkey were successful as businesses expressed strong interests in helping to facilitate development in Kosovo and the diaspora business network in Turkey was established.

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 created a large bureaucratic and financial burden to Kosovo's institutions. In addition, economic zones have been linked to the policy cycle, and changes in governing bodies have led to slow downs and entire halts of 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 become part of the management 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 use to 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.

With regards to the Gjakova Free Economic Zone, the DEED project has finalized all the necessary procedures in cooperation with the Gjakova Municipality, yet the licensing of the zone can only be finalized after resolving the dispute for ownership rights for the land between the municipality and

the Kosovo Privatization Agency. This is foreseen to be concluded soon, and thus pave the way for the licensing of the free economic zone in Gjakova, as foreseen also in the National Plan on Economic Zones, and supported by DEED.

The **added value** of the activities implemented has been ensuring timely and quality realisation of key aspects of the investment facilitation models. The project has been able to engage highly qualified consultants and institutions, such as: Czech Invest, Enterprise Ireland, International Development Ireland, South County Business Park of Ireland, Sandyford Business Park, Ryan Academy, City West Business Park, IDA College Business Park, IDA Ballycoolen Business Park, Grange Castle Business Park, Dockland Business Forum of Dublin, International Financial Centre, East Point Business Park, the Mayor of Dublin, Skopje Free Economic Zone, Desbas, and ISBAS economic zones in Turkey, the Turkish Ministry of Economy and others to work with the MTI, MoD, municipality officials and other key counterparts in Kosovo to provide guidance in developing crucial assessments, recommendations, incentive schemes as requested by diaspora and plans in line with international best practices that provide a solid groundwork for facilitating investment and encouraging sustainable long term economic growth. While some of these efforts could have gone forward even without project support, it is certain that the same level of quality would not have been reached, at least not within the timeframe allotted. Furthermore, the project has been able to start making links with members of diaspora at the early stage of the process for the mutual benefit of their businesses and the municipalities that will be the eventual destination of the diaspora investments by leveraging synergies between outputs.

The **effectiveness** of the activities under this output has been quite good despite the many delays and complications faced during implementation. As discussed further in the lessons learned and challenges sections, identifying qualified human resources has been initially a problem and coordination among public and private sector actors has been a continuing challenge. Both of these have affected the implementation of activities under this output, causing delays in initiating and executing several of the activities first due to lack of personnel and later due to differing schedules and priorities among stakeholders. That taken into consideration, the project has managed to implement activities in as timely a manner as possible. For example, the recruitment process for the researchers to conduct the two feasibility studies as follow-up to the pre-assessment was initiated as soon as the first research team identified the models that they would recommend for further study, rather than waiting for the assessment to be finalised which took at least another month to complete.

A **key measure of success** has been the depth and breadth of engagement as well as the comprehensiveness of inputs from a wide variety of stakeholders during the implementation of the activities. This has ensured that the results of the assessments are truly representative of the views and perspectives of the most important actors and users of the potential models and mechanisms. Establishing key partnerships has also been crucial in order to ensure that implementation of the mechanisms will be done in a sustainable and coordinated manner. As mentioned above, the project conducted extensive outreach activities among the Kosovar diaspora, thus getting feedback from more than 200 members of diaspora through various means. Contact persons were identified at the local financial institutions as well as the Kosovo Bankers Association and were consulted on an ongoing basis for technical information for the financial analysis as well as negotiating possible methods of implementation. In particular the project staff has worked closely with Raiffeisen Bank to provide specific information and data on potential diaspora investors. Strong relationships have been built with the relevant institutional actors at both the central and local level including the MoD,

KIESA, and the Municipal Diaspora Liaison Officers (MDLO) to ensure their buy-in throughout the process.

DEED – Output 3

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

The DEED programme has continued its efforts to promote diaspora investments through remittances under its **Grant Scheme activity, implemented jointly with the Association of Regional Development Agencies (ARDA) in Kosovo**. The grant scheme was dedicated to new and existing businesses with the best business proposals and required 50% co-funding from the diaspora. The main objective of this initiative was to encourage, especially women-led remittance-receiving households/start-up entrepreneurs and existing businesses to create or expand their entrepreneurial activities by developing a business plan and operationalizing a small business with seed money of maximum 5,000 EUR in a form of small grants.

This initiative, tailored for remittance-receiving households, and small and micro businesses, aimed to directly engage the diaspora in the economic development in Kosovo, by shifting the destination of remittances from consumption to investment. During its lifetime, in partnership with ARDAs in the East, West, North, South and recently Center of Kosovo, DEED has organized and completed in total five (5) small grant programmes (the last one in 2015) and conducted a comprehensive 3-day business training which supported entrepreneurship initiatives, with a particular focus on women-led remittance-receiving households. With the last round of the grant scheme in 2015, this activity contributed to employment of additional 20 Kosovars (out of which 47% were women and 11% non-majority communities) through 11 private enterprises having received grants amounting over 75,000 EUR which were made available by diaspora investments and 30,000 EUR which were disbursed by the DEED programme itself.

DEED conducted and analyzed a robust employer survey to identify the skill gaps -in selected economic sectors in Kosovo, identified as sectors with growth potential. In order to further contribute to an enhanced employability and better informed labour market policy design, the DEED programme and the Active Labor Market Programme (ALMP) finalized the employer survey that included 109 questions. Furthermore, the team led extensive interviews with over 590 private companies in six key economic sectors, including wood processing, food processing and packaging, tourism, textile, IT-BPO (Business Process Outsourcing and Customer Support Centers), and metal processing. Specialized questions were developed for each of the sectors, and the data was analyzed by the Ministry of Labour and Social Welfare within the ALMP project to develop a baseline for skills transfer from the diaspora for the needs in Kosovo while also helping to provide broader economic policy recommendations.

A key finding from the employer survey was the stark mismatch between labor supply and demand, a concern continuously shared by potential diaspora investors. DEED and ALMP2 projects partnered to conduct the survey also for selected economic sectors with potential opportunities for growth, in wood, metal and food processing, tourism, textile, and IT-BPO (Business Process Outsourcing and Customer Support Centers). With over 590 responses to the survey, we were

able to comprehensively analyze the needs for various skills and in several economic sectors. Through a rigorous methodology to assess and evaluate all the data collected, the report provided analysis, and a set of recommendations for relevant institutions working on labor and market. The report, in particular, provided the education and training institutions mandated to develop curriculum and programs for skills development. The survey further reinforced the opportunities in engaging the diaspora prosperous in various economic sectors, and how their experience, skills and networks, and connection to their homeland could be leveraged to provide a cost-effective resources. In responding to the gaps in the labor force as noted by the survey report, DEED facilitated measures of skills transfer by engaging professionals in the diaspora, such as seasonal training and employment.⁶ DEED continued to encourage labor related institutions in Kosovo to equip the labour force with skills that are actually needed in achieving more sustainable results.

Five (5) domestic textile/work wear producers took 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 five (5) domestic textile/work wear 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. 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. The participation at the International fair resulted concretely in:

- 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;
- 8 (eight) business deals between the Kosovar producers and the Diaspora and Swiss companies were achieved.

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 political priorities and experienced turnover of staff, the training was implemented in July 2016. In close partnership with the MoD and all related departments, the 3 day training workshop took place July 25-27 2016 where 27 MDLOs participated and were equipped with the knowledge and information on how best to support diaspora visitors in

⁶ <https://www.facebook.com/ArbeitsSicherheitSchweiz/photos/pb.401307696659282.-2207520000.1470816820./887639318026115/?type=3&theater>

municipalities. In these interactive trainings, 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 Diaspora while visiting Kosovo.

The activities under this output **were implemented in a highly effective manner** despite the many delays and complications faced during implementation. A **key measure of success** has been the depth and breadth of engagement as well as the comprehensiveness of inputs from a wide variety of stakeholders during the implementation of the activities. This has ensured that the results of the assessments are truly representative of the views and perspectives of the most important actors and users of the potential models and mechanisms. Furthermore, the project maximized resources for a number of activities, for instance, DEED staff facilitated a number of workshops and training on how to execute the government's strategy for diaspora and migrant.

Overall Impact of the Project (max. 2 pages)

By cooperating closely with the MoD during the DEED project it has become evident that the MoD needs additional support in order to become fully capable to perform its role as the key coordinator of all diaspora related activities that the Kosovo Institutions have and plan to have in the future. The National Strategy on Diaspora 2013-2018 covers many different areas of the society and a lot of coordination between different line ministries (like Ministry of Education, Ministry of Trade and Industries, Ministry of Economic Development, Ministry of Labour and Social Welfare) was necessary in order to implement the action plan of the strategy in a successful way. The MoD was lacking human and financial resources, and since it is a new ministry, also substantive experience and know-how.

On the local level the newly nominated Municipal Diaspora Liaison Officers often have also other duties in addition to their role as key officials in the municipality in relation to diaspora. This results in a lack of human capacity, and sometimes also lack of professional skills, as some of the topics related to diaspora are new to the MDLOs, and diaspora issues are often cross-cutting.

However, after four (4) years of existence and intensive capacity building by the DEED project, one can say that the MoD is fully functional, having stabilized its position and is capable of performing its role as the key coordinator of diaspora issues in Kosovo. The activities of the DEED project are based on careful analysis of the evidence and research data gathered throughout the years of implementation, and all the activities have been negotiated with the key stakeholders like the MoD, MDLOs, the diaspora representatives, DBN, the business community in Kosovo and potential investors abroad. Therefore it is reasonable to expect that once the investments start flowing into Kosovo, they will continue to increase depending on the further development of the business environment in Kosovo and not only based on the investments coming from abroad. In fact, co-funding of diaspora and joint implementation or co-funding by different partnering organizations forms the financial basis in majority of the business activities, which makes the results of these activities to be likely more sustainable. Activities proposed for the programme have also either been tested somewhere else in the world, or specifically asked for by the main stakeholders of the programme in order to make sure the sustainability of the results. Ownership of the results was guaranteed during the whole programme implementation by very closely cooperating with the stakeholders, and with the implementing UN organizations/agencies taking mainly an assisting role while giving the ownership of the activities to the beneficiaries and local partners from the very beginning.

Last but not least, the implemented activities targeted especially women in Kosovo, as they are according to several studies in a weaker economic position than men, with the remittance-receiving households being no exception. According to KRS 2012⁷ only 29.4% of women from remittance recipient households are employed, whereas the corresponding figure for men is 69.9%. As migrant women report to save a higher share of their total income (20%) than men (17.4%)⁸, the project aimed to target especially women as potential investors for businesses in Kosovo. Women in diaspora are also more often employed than women living in Kosovo, and thus strengthening the women's networks between diaspora and Kosovo is expected to advance female employment in Kosovo by providing encouraging examples of economically independent women.

The challenge in addressing gender mainstreaming with some of the activities of DEED lie within the fact that the ratio of women being nominated to middle management, senior management or even specialist positions is significantly lower than that of men. Having this in mind it has proven quite difficult to aim for gender balance when implementing activities that target especially businesspeople, municipal diaspora liaison officers, or staff of Kosovo Institutions like the MoD or KIESA. Although there was under such circumstances not much that the project could do to achieve gender balance in the end, the project had marked significant success in including women in all processes involved.

Lessons Learned (max. 5 pages)

The cooperation established with the MoD and the MTI / KIESA during the DEED project lifetime helped clearly to achieve the results. One lesson learned during the DEED project has been that the capacities of the MoD to effectively implement the Diaspora Strategy required regular, intensive assistance, and the DEED project staff has managed to earn the trust of the MoD by providing them with the necessary additional human capacity and technical support. The establishment of close connections also in the form of official networks has proven to be crucial for the implemented activities to be sustainable, and in order to achieve a change in attitudes and behavior of the stakeholders, namely diaspora.

While implementing the activities the project has put all the efforts to contract skilled professionals or recently graduated young talents from the Kosovar diaspora who wish to work short assignments in Kosovo – a practice that has been successful during the DEED project 2012-2016. These individuals benefited the project by bringing their personal expertise from diaspora in addition to their specific professional skills, and at the same time they became a positive example for their fellow diaspora members abroad about how it is possible to work and live in Kosovo. Their added value was also the fact that they channeled realistic information to diaspora about current living conditions and regulatory framework in Kosovo, and to their family members and relatives in Kosovo they transferred the skills and values they have adopted while living abroad. Based on previous experiences, innovative methods in the design and implementation of activities has been used as much as possible to reach the multiple relevant stakeholders. DEED also consulted the experts in the UNDP Bratislava Regional Centre Knowledge and Innovation Team, and DEED has used the potential to reach out better to its beneficiaries by introducing user innovation techniques

⁷ KRS 2012, p.44

⁸ KRS 2012, p.53

(especially in activities on entrepreneurship, trade development and investment models), and by using more of the new (social) media when reporting about the progress.

The project's two main institutional partners, the MoD and the MTI, have remained very involved throughout the project lifetime, which is considered crucial for the sustainability of the projects results and the ownership of the latter 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 allowing the implementing agencies to have forewarnings of major changes in planned activities.

One of the most important highlights, is the continuously increasing interest from diaspora entrepreneurs, especially the diaspora business network members in further developing their mutual cooperation abroad and with their counterparts in Kosovo, through concrete actions. Especially 2014-2016 were marked with direct investments from diaspora, a significant increase in diaspora registration, and a great interest of other organizations, local and international to synergize their activities with DEED and increase the importance of diaspora in Kosovo's development agenda. The results of the project's support to establish 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. One of the most crucial success factors of the project was the facilitation role that DEED project team provided throughout the processes.

Furthermore, in line with DEED's objectives, this project aimed to directly engage the diaspora in the economic development in Kosovo, targeting remittance-receiving households, and small and micro businesses. During the two year period, in partnership with ARDAs in the East, West, North, South and recently Center of Kosovo, DEED has organized and completed in total five small grant programmes with a particular focus on women-led remittance-receiving households. The grant scheme proved that diaspora contributions can also serve small, family run businesses by channelling the remittances in investments instead of consumption. The grant scheme selected the best business proposals and required 50% co-funding from the diaspora, which was however surpassed. As mentioned earlier in the report, this project activity contributed to employment of at least 85 Kosovars including women and non-majority individuals through 37 private enterprises, and in 2015, contributed to the employment of additional 20 Kosovars.

New partnerships have been developed as a result of the reputation that DEED has achieved to date. Upon the request by the different development agencies such as USAID and GIZ, IOM and UNDP offices in the region and the Far East, such as Nepal, the project has been active in supporting other similar initiatives through sharing expertise, experience and knowledge. In particular this sort of cooperation took place with Albania and Nepal.

However, there have been also some setbacks with regards to the investment models for diaspora investors, one of which is the KDIF. Although, the piloting of such Fund has been foreseen in its Annual Work Plans since 2013 as one of the diaspora investment models/mechanisms as of to date, no hand over to a potential investor has been possible. Based on the experience accumulated to date, the lessons learned in this process are twofold:

1. Although the KDIF was a pilot investment mechanism with no guaranteed investment at the end of the process, intensive efforts have been made to achieve the latter. If on the other hand private investors from Diaspora had been part of the establishment, such a Fund may have been successfully established. Such a model would have allowed sharing responsibilities and eventual overall costs, while the DEED project could have taken care of the financial support for establishing and administering the Fund for up to two (2) years. This would have allowed some sort of legal 'anchoring' of by-party investments in overall efforts for allowing Kosovo Diaspora to have yet another investment modality for their possible joint ventures in Kosovo;
2. While Kosovo does not have a full-fledged legal framework in establishment and enjoying such Funds in agreement with the Kosovo Central Bank, some sort of mutual agreement may have been achieved to use the existing legal establishment for such investment entity. On the other hand this may have been a very disputable possibility due to the uncertainties for investors in Kosovo i.e.: having in mind that the Kosovo Trust Fund is being managed and maintained out of the financial / banking system of Kosovo, by the Kosovo authorities themselves. In fact, this was also one of the concerns raised by the potential investors in the early phase of the establishment of the KDIF.

Nonetheless, once initiated, organized and supported by facilitating the process of developing different initiatives, the members of diaspora do not inactively wait for new opportunities but instead open new doors for themselves and their compatriots. Yet, the influence of the political instability and social unrests in Kosovo, cannot be taken away as factors that put all the good initiatives and planned commitments of Diaspora to investing in their motherland at risk.

Last but not least, the most crucial success factor of the results achieved through the DEED project remains the facilitation, as DEED has managed to facilitate all of the above and more. Above are only a few examples of this reality, however, many members of the diaspora business associations noted that without DEED and MoD bringing together, and introducing diaspora businesses, collaboration would have not been possible. In summary, DEED learned that it is important to balance support in such a way that stimulates the growth of such initiatives while at the same time leaving space for the members of diaspora to take them in new and interesting directions which could benefit Kosovo in unexpected ways.

Conclusions, Recommendations and Opportunities for Follow-up (max. 2 pages)

While the DEED project has overcome many challenges, refined best practices, and made great strides towards its overall objectives, the intervention has opened as many avenues for further work as results that have been already completed. Many of the outputs of the project so far have laid the groundwork for a deeper and more tangible impact on efforts to engage the Kosovar diaspora. **Output 1**, for example, has produced research and feasibility studies related to banking products targeting migrants, which will need further support to be promoted among private sector partners. One of the successful practices has been to engage experts from Kosovar diaspora with the project as consultants or interns. Also, the creation of 25 diaspora business networks and its umbrella institutions worldwide, has been a great success for the organized commitment of diaspora investments in the near future. Establishment of diaspora business networks has proven to be a very useful means of structuring the diaspora, raising awareness on recent developments

in the Kosovo society and business environment, as well as strengthening the ties between diaspora and Kosovo at a crucial moment when younger immigrant generations are losing their grip to their origins. Within **output 2**, work and efforts have been put in the development of investment models targeting migrants. The latter, in particular, has required intense engagement in order to implement the recommendations from the research teams which included working with stakeholders varying from municipal officials to diaspora business owners. Though it did not include the studies and research activities of the first two outputs, **output 3** has set the basis for a wide breadth of activities through the development of the SDM and the plan for the Diaspora Register. The implementation of both will need to be supported to ensure the full potential of good work done thus far. Also, the small grants scheme offers the possibility for further upscaling by other stakeholders in Kosovo, or its domestic institutions, local and central. Hence, DEED has managed to prototype and establish some pilot practices that have potential for regional and global upscaling or replication.

Lastly, the project has proven to be very cost-efficient when implementing activities, as was mentioned also in the Mid-Term Review conducted by the donor in November 2013.