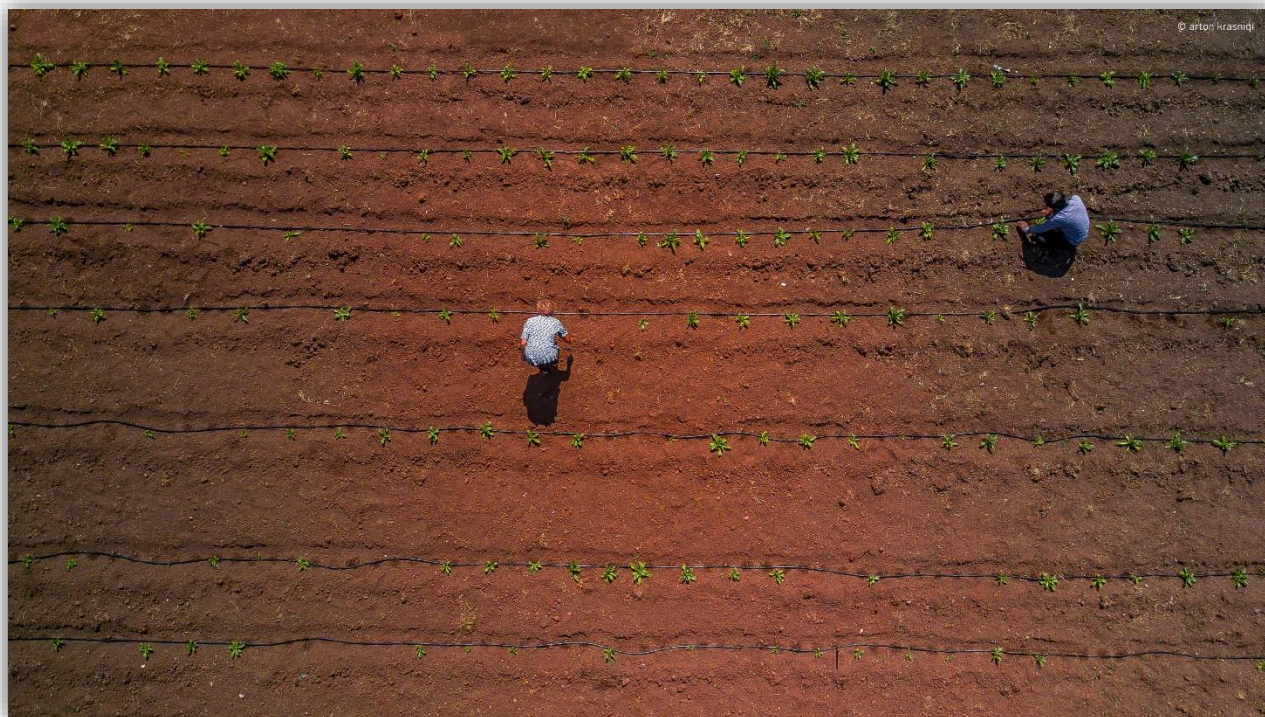




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**Swiss Agency for Development
and Cooperation SDC**



Promoting Private Sector Employment

PPSE - Kosovo

Yearly Plan of Operations 2018

In cooperation with:



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List of Abbreviations

B2B	Business to Business
B2C	Business to Consumer
BEAM	Building Effective and Accessible Markets
BMO	Business Membership Organisation
CHF	Swiss Franc
DCED	The Donor Committee for Enterprise Development
DMO	Destination Management Organization
ENE	Economy and Employment
EYE	Enhancing Youth Employment
FAMtrip	Familiarisation Trip
FTE	Full Time Employment
FNI	Food and Natural Ingredients
GAP	Good Agricultural Practices
HACCP	Hazard Analysis and Critical Control Point
HO	Head Office
HoReCa	Hotels, Restaurants and Cafes
IFC	Recognized Standard
ISO	Recognized Standard
KIESA	Kosovo Investment and Enterprise Support Agency
KMC	Kosovo Manufacturers Club
MAP	Medicinal Aromatic Plants
MRM	Monitoring and Results Measurement
MSD	Market System Development
MTI	Ministry of Trade and Industry
NTO	National Tourism Organisation
OC	Outcome
OF	Opportunity Fund
PPSE	Promoting Private Sector Employment
RAE	Roma, Ashkali and Egyptian
SC	Steering Committee
SDC	Swiss Agency for Development and Cooperation
SEC	Senior Experts Corps
SIF	Social Inclusion Fund

SME	Small and Medium Enterprise
SRP	Strategic Review Panel
ToR	Terms of References
YPO	Yearly Plan of Operations

1. Basic Information

Country: Kosovo	Name of project: Promoting Private Sector Employment (PPSE)
SDC No SAP:	
Domain of Cooperation Strategy: ENE	

Goal	SMEs that operate in well-organized and inclusive economic sectors, provide increased sustainable gainful employment for young women and men in Kosovo.
Outcomes (OC)	Outcome 1: SMEs of the selected sectors increase their productivity and generate additional income and employment. Outcome 2: SMEs improve their offer, efficiency and competitiveness in improved and better organized inclusive market systems

Project phase duration: 16.11.2017-15.11.2021	Reporting period: 16.11.2017-31.12.2018
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Budget in phase (CHF) – 7,276,126.50 Spent in phase (CHF)	Budget from 16.11.2017-end 2018 (CHF) – 2,230,442.50
Information on contributions of partners and/or other donors (calculated in CHF) 100% SDC	

Implementing organisations:	Swisscontact and Riinvest Institute	
Main national partners: Ministry of Trade and Industry, Chambers of Commerce, lead firms	Main international partners:	n/a

Project coordinator	Argjentina Grazhdani	Number of project staff	16
		Consultants (days): ¹	25
		National consultants (days):	25
		Riinvest (days):	57
		Swisscontact (days)	57

¹ Additional international and local consultancies are planned through the Part 4 budget related to the assessments and interventions under three PPSE Outcomes (See Annex III).

2. Executive Summary

Planning for the first year of Phase II started by assessing the dynamics of the sectors and sub-sectors as well as leveraging learnings from interventions throughout Phase I. Overall, PPSE expects to continue and capitalize the flow of activities and results growth from 2017. This will lead to sustainable growth models in the involved sectors, creating employment opportunities (500 FTEs) and income generation (CHF 950,000) in sector SMEs, to meet PPSE targets for 2018.

With regards to the Food and Natural Ingredients (FNI) sector, interventions will be expanded to address constraints and utilize opportunities in fresh and processed sectors of fruits and vegetables, medicinal and aromatic plants (MAPs) and confectionary. Interventions are foreseen to support SMEs to improve the range and diversification of products, develop marketing and certification services and improve promotion, placement and sales of products in local and international segments. Based on learnings from Phase I, contract farming has proven to be a successful vehicle for stimulating demand and improving firm efficiency and planning. During this year, we will start to facilitate activities to expand contracted production in sub-sectors within FNI, improve the input information and advisory services system and establish specialized seedling producers. The team has also planned action research in areas such as seed productions and improved knowledge sharing among processors to test new areas and assess the potential within the sub-sectors.

In Tourism, activities are planned to expand beyond Western Kosovo. Interventions areas will address constraints and opportunities around tourist market segments. The main objective is to increase the number of tourists, length of stay and spending levels, that ultimately lead to more income and employment in sector SMEs. Interventions are foreseen based on learnings and success in Phase I. Support to tourism product development will be expanded throughout Kosovo, including improvement of touristic attractions. The objective of increasing the number of international and regional arrivals in Kosovo will be tackled through the international promotion intervention, whereas the voucher scheme intervention will target Diaspora and local tourists. Due to increasing demand from the sector, the team has also planned to work on short-term trainings for specialized occupations, with a focus on tourism guides. Finally, cooperation with the public sector will be organized around topics such as product development, national investment and commitment for the tourism sector (potentially through establishment of NTO based on regional learnings) and waste management.

PPSE plans to capitalise the investments of the Opportunity Fund (OF) and to scale up investments so that wider system impact can be attained and monitored. Both OF and Social Inclusion Fund (SIF) will be used as additional instruments by the teams to reach out to riskier and more vulnerable businesses, which might need more resources and hands-on supervision to bring about systemic change within the firms.

PPSE will continue to work with steady and dynamic partners who are ready to test and invest in innovations and are dynamic within their respective markets. This will help the team gain market insights and demonstrate benefits of sustainable business models. Selecting the right partners and strategizing partnerships will be crucial throughout Phase II, as the PPSE aims to demonstrate visible changes to improved offer, efficiency and competitiveness within better organized inclusive market systems under Outcome 2.

Monitoring and Results Management (MRM) will remain a support function for the implementation of project activities following the DCED and internal Swisscontact guidelines. MRM is expected to help the team and the management in steering the interventions while providing robust, credible results for accountability to the donors and stakeholders.

In summary, PPSE envisages Phase II to be a continuation of groundwork done in Phase I, and expects to bring about wider market system change. Details of activities and plans are elaborated throughout the document and the Annexes.

4. Plan of Operations January – December 2018

Impact

IMPACT: SMEs that operate in well-organized and inclusive economic sectors, provide increased sustainable gainful employment for young women and men in Kosovo	Impact Indicator	Baseline ² 2017	Phase Target	2018 (T=Target)
	Impact 1.1 Net additional employment FTEs	850 FTE	2000 FTE	T= 500 FTE
	Net additional employment (women) FTEs	270 FTE	600 FTE	T= 150 FTE
	Net additional employment (minority) FTEs	75 FTE	200 FTE	T= 50 FTE
	Impact 1.2 Net additional income increase CHF	CHF 2,000,000	CHF 3,800,000	T= CHF 950,000

The goal of PPSE is to promote inclusive and gainful employment for women and men in Kosovo. All activities were planned along the same lines to contribute to the employment creation goal of the project. In 2018, the FNI sector will contribute to impact indicators with 350 full-time equivalent (FTEs) jobs and net additional CHF 570,000 income. It is expected that 100 women and 35 minority FTEs will be generated through Output 1 and 2. Interventions in the tourism sector are expected to generate 150 FTEs and net additional income of CHF 380,000 income

4.1. Outcome 1: Competitiveness of Selected Sectors

Outcome 1: Young people women and minorities benefit from gainful and inclusive employment, created in the dynamic SMEs in the growing sectors	Outcome Indicator	Baseline 2017	Phase Target	2018 (T=Target)
	OC 1.1 Number of women and men gainfully employed	0	5,000	1,250
	Number of women and men gainfully employed (women)	0	1,500	375
	Number of women and men gainfully employed (minority)	0	500	125
	OC 1.2 Income increase of 5,000 benefitting men and women through salary/wage	0	CHF 9,600,000	CHF 2,400,000

² Based on the achievement of Phase I

Under OC 1, PPSE expects to support inclusive employment generation within the SMEs through the development and growth of the FNI and Tourism sectors. Employment opportunities in both sectors will be generated through interventions that enable SMEs to grow by improvement of their offer, intensify promotion and sales in segmented markets.

Along with assessing FTEs and benefiting SMEs, PPSE will also use the number of women and men who are gainfully employed to understand the quality of jobs and the demographics of beneficiaries which can lead to improved intervention design for targeted groups (such as youth, women, minorities, seasonal jobs etc.).

In 2018, the FNI sector will contribute to Outcome 1 with 750 women and men gainfully employed and additional CHF 1,440,000 income increase through salaries. It is expected that 225 women and 75 women and men from minority communities will be employed. The tourism sector will contribute to the outcome target with 500 gainfully employed men and women, earning around CHF 1,000,000 through their salaries. Details of interventions and activities that will lead to results are presented in detail under respective outputs.

Output 1.1 SMEs have improved the quality and diversification of products and services.

Output 1.1: SMEs have improved the quality and diversification of products and services.	Output Indicator	Baseline 2017	Phase Target	2018 (T=Target)
	OP 1.1.1 Number of new and improved products and services promoted through the SMEs	0	150	38
	OP 1.1.2 Additional investment value for new products and services	0	CHF 5,000,000	1,250,000
	OP 1.1.3 Number of SMEs offering new and improved products and services	0	100	25

Food and Natural Ingredients Sector

Under the Food and Natural Ingredients (FNI) sector, the project will support SMEs to improve the range of products and services, as well as increase investments. This will address current limited range of domestic products and low presence of quality premium products in the market. This is due to a limited internal knowledge, a weak exposure to external knowledge on new products, as well as limited technical expertise. During the first year of the implementation, PPSE will facilitate several interventions on improving linkages, market information, access to knowledge and capacity building for food technologists. Complementary to sector interventions the project will combine its Opportunity Fund to support SMEs in new technologies for the expansion of production and development of new products and services.

Through interventions and activities under this Output, the FNI sector targets to facilitate 25 new/improved products and services offered by SMEs; investments of additional CHF 850,000.00 (including OF and SIF instruments); and 10 SMEs offer new/improved products and services.

1. **“Coaching for Growth”**: The project will facilitate networking, exchange of experiences and access to supporting services for food processors in all selected sub-sectors. This includes facilitations of joint business clubs of company owners on certain thematic issues (i.e. product diversification, value added services, etc.). These business clubs will act as forums where business managers will have the opportunity to get local and regional experience from successful business cases, thus

enabling knowledge to participating companies on product development, market segmentation and innovation. This will be piloted with potential partners such as CEED, Recura, BCC and other professional service provider with experience in networking and coaching businesses for growth.

2. **“Facilitation of Food Technology Services”**: In cooperation with stakeholders (processors, specialized service providers on skills development, etc.) will facilitate exchange programs for food technologists through capacity building programs. Through the envisaged exchange program, a network of well-trained food technology professionals who would contribute to the development of new and improved products and service will be initiated. As an example, the project will pursue opportunities to collaborate with Bursa Industrial Zone Vocational Education Centre (BUTGEM BTSO) in Turkey, which is already supporting similar programs for the Balkan countries. This will foster transfer of knowledge from external to local experts as well as increase knowledge sharing within the domestic experts.

Tourism Sector

In 2018, PPSE will continue interventions and activities facilitating the improvement and introduction of new and more qualitative, diverse and innovative tourism products and services. In this implementation phase and specifically for 2018, PPSE will focus throughout the country and in segmented markets (Diaspora, regional and local tourists) for cultural, adventure, and city tourism. These interventions will address the constraints of the sector that are related to the lack of tourism offer, to the attractions and activities. Product development will be implemented through sector interventions and the OF and SIF. PPSE intends to partner with private companies and public sector (municipalities, Ministry of Culture, Youth and Sports, museums etc.) to facilitate investments in private and public-private tourism products, as well as in public attractions.

Through Product Development Intervention in 2018, PPSE targets the development of 13 new/improved products and services promoted by SMEs in their packages; investments of additional CHF 450,000;. As a result, this intervention in 2018, targets 40 gainful and inclusive employment and additional CHF 100,000.00 income. The number of benefiting SMEs for this intervention are targeted to be 70.

1. PPSE will support **“Development of Tourism Products”** through sector interventions and the OF. Prior to the implementation, a technical assessment of potential tourism products to be developed is foreseen to be conducted in February (similar to the MDP report in Phase I). Parallely, the team will conduct a rapid market appraisal to explore the potential of public-private partnerships around tourism product development in terms of legal framework products targeting local, regional and diaspora markets. Findings will be utilised to attract private partnerships in development of innovative products as well as encourage public-private investments for large tourism projects. The latter can be followed with complex procedures e.g. development of feasibility studies for initiation of investment in attractions such as Mirusha, Germia etc.
2. PPSE aims to improve the offer and operations of **“Tourism Attractions”**, including museums, religious and archaeological sites. This will be done in cooperation with responsible public bodies facilitating improvement of the attractions’ operations (potentially through commercialization), therefore making them more tourist-ready and -friendly. Currently, local attractions like museums, religious and archaeological sites do not operate with a regular schedule, do not offer sufficient information (online or on-sight) and complementary products around them such as city guide tours, souvenirs etc. Prior assessment is required, through which PPSE will explore practices and experiences of regional and European countries. The option of commercialization of attractions leads to self-sustained and more operational efficiency. Potential municipalities for piloting this intervention in 2018 are Prishtinë/Priština, Prizren, and Novobërdë/Novo Brdo.

Output 1.2 SMEs have increased production.

Output 1.2: SMEs have increased production	Output Indicator	Baseline 2017	Phase Target	2018 (T=Target)
	OP 1.2.1 Number of farms and SMEs involved in contract farming	350 SME	1,000 SME	250 SME
	OP 1.2.2 Increase of contracted production	200 ha	500 ha	125 ha

As successfully proved in Phase I, increased production has had the highest impact in employment and income generation. As for some vegetable crops (pepper) the contract farming model has proven to be sustainable. Currently, farmers lack market information for production of profitable specific crops as well as face problems with the supply of quality inputs, technologies and seedlings. Therefore, farmers are currently unable to reach optimal productivity levels. In 2018, PPSE aims to address problems with the productivity of farmers through contract farming (focus in new crops and new sub-sectors), improvement of advisory services and introduction of specialized seedling producers. Further opportunities to link primary production with the HoReCa (hotels, restaurants and cafeteria) sector will be explored and utilized.

Activities in the FNI sector will contribute to reach the target of 250 farm households cultivating 125 ha under contract farming. The indicators of output 1.2 are specifically oriented towards the FNI sector, however where possible opportunities to utilize food supply to tourism will be pursued.

1. Through the intervention **“Strengthening Contract Farming System”** the project will facilitate production of specific crops that are in demand and linked to the market (processors, fresh market, HoReCa, etc.). The intervention will continue to expand and strengthen contract farming since it has shown to be very successful. In 2018, the focus will be on expanding throughout the country and with new crops (fruits, vegetables, industrial pumpkin and sunflower, cultivated organic MAPs, etc.). The potential partners for this intervention are processing companies, collection centres, distributors, HoReCa (KFC, Green and Protein) etc.
2. Through the intervention **“Improved Information Services (Advisory Services)”** the project will facilitate provision of information and advisory services to farmers. This will be done in cooperation with input dealers and agricultural pharmacies. This intervention is expected to improve the system of information flow and quality, therefore reaching out to high number of farmers. This intervention will complement the advisory services facilitated in Phase I, and will make it easier for farmers to access knowledge and inputs at one place. Activities under this intervention will be defined after a brief market appraisal in cooperation with association of input dealers – that is also foreseen as a potential partner.
3. Through the intervention **“Introduction of Specialized Seedling Producers”** the project will support establishment of commercial seedling producers. Kosovo is the only country in the region where seedling production is done with traditional technologies, with very weak seedling producers. To introduce specialized seedling production, the project will support investment in new technologies (complemented with the OF), promotion and knowledge. Regional best practices will be incorporated. This intervention is expected to lead to seedling production in a controlled and protected environment as well as free virus and healthy qualitative planting material (seedlings). This ultimately lead to increase in productivity and income of farmers.

Outcome 2: SMEs improve their offer, efficiency and competitiveness in improved and better organized inclusive market systems

Outcome 2: SMEs improve their offer, efficiency and competitiveness in improved and better organized inclusive market systems	Outcome Indicator	Baseline 2017	Phase Target	2018 (T=Target)
	OC 2.1 Number of SMEs benefit from using new or improved support services	0	150 SMEs	38 SMEs
	OC 2.2 Net additional income increase of 150 SMEs	0	CHF 3,800,000	CHF 950,000
	OC 2.3 Institutions are more responsive to private sector growth	0	<i>Qualitative assessment based on FGD of key institution personnel</i>	

Under OC 2, PPSE will facilitate improved business development service provision, access to sales channels, organisation and networking in the selected sectors. This will enable the SMEs to benefit from improved services and business environment, therefore ultimately leading to an improved offer, efficiency and competitiveness to support inclusive employment generation within the SMEs through development and growth of the FNI and Tourism sectors. Employment opportunities in both sectors will be generated through interventions that enable SMEs to grow by improving their offer, intensifying promotion and sales in segmented markets.

In 2018, FNI sector expects to facilitate 25 SMEs to use new and improved support services (certifications, package design, IT services, promotion services, etc.). Furthermore, it is also expected that by using new and improved services, the SMEs will increase income by CHF 570,000.00. In the tourism sector, the team plans to reach out to 13 SME that will use new and improved support services, and benefit with CHF 380,000 of additional income through service usage. Details of interventions and activities that will lead to results are presented in detail under respective outputs.

The team will organize focus group discussions with key institutions to collect the baseline information to understand the responsiveness towards the sector growth. These activities are planned to be carried out every year to understand the qualitative changes within the institutions. These qualitative changes (OC 2.3) in trend will be reported in Annual Report.

Output 2.1: Service Providers offer improved business support services.

Output 2.1: SPs offer improved business support services	Output Indicator	Baseline 2017	Phase Target	2018 (T=Target)
	OP 2.1.1 Number of SMEs using new and improved services offered by service providers	0	300	75
	OP 2.1.2 Number of joint promotional activities for market segments	0	50	12

Food and Natural Ingredients sector

PPSE will support provision of services tailored for the FNI sector, mainly focusing on the certification of quality standards and marketing-related services. Organic certification was already piloted successfully in Phase I. In 2018, PPSE will further the certification of organic and export-demanded products in the sub-sectors, complemented with activities for export market linkages. Furthermore, PPSE will facilitate the service providers across Kosovo by offering tailored and affordable marketing related services for the processing industry. This will address the problem that SMEs have in accessing expensive services that are currently offered in Prishtinë/Priština primarily. Other supporting services that PPSE will continually explore for possible support include contract financing and crop insurance.

Overall, these activities target at least 45 SMEs using new and improved services and 7 joint meetings joint promotional activities for market segments for the FNI sector.

1. The value-added services will be supported through the intervention **“Facilitation of Certification Programs”** which includes Organic, Global GAP, HACCP, ISO, IFC and other food safety and quality standards. PPSE will facilitate the coordination of sector actors for group certification for efficient and cost-effective certification services. PPSE will also work with certification provider to develop sustainable business case to provide ongoing certification and quality control to SMEs so that these standards can contribute to SMEs in expanding into new markets, jobs creation and income increase. This intervention will be implemented in partnership with certification providers present in Kosovo (e.g. Albinspekt, Q-check, etc.) and through sector BMOs.
2. Through the intervention **“Capacitating Technical Local Expertise”** the project aims to facilitate provision of affordable business services for smaller SMEs in order to improve competitiveness of domestic products and encourage business growth. Possible business services to be offered by local expertise include: package design and branding, IT services (web development), promotional services, social media services, market research services, etc. The intervention includes identification and training of local talents throughout Kosovo, organize and link them with SMEs that demand such services. This intervention will be linked with “Coaching for Growth” intervention (OP 1.1). Potential local partners to identify and coach local talents are Innovation centres, business incubators, universities, etc.
3. The intervention **“Introduction of Contract Financing”** was piloted in Phase I, leading to the development of a new financial product (contract-based loans) incepted by NLB bank. The bank is expected to issue the first contract-based financing loan in January 2018. Therefore, in Phase II, the project will explore scale-up opportunities with other interested and potential banks, and further promote as a sustainable finance product based on market rates.

Tourism Sector

In the tourism sector, the interventions under this output will be focused on the following:

1. Facilitate provision of short-term trainings for **specialized tourism occupations**. Priority will be given to training for guides (cultural, nature, adventure and city tours) due to their high importance for sustainable sector growth. With increasing tourist, it is evident that protecting the environment is of equal importance. Currently, there is an evident lack of tourism guides in Kosovo, whereas the limited number of existing providers face challenges with the quality, accessibility, organization and specialized skills. This has been confirmed by a recent survey with tourism actors.
2. Certification (e.g. hotels, specific sports) and **country promotion through influencers** will be further explored. At least **30 SMEs** will be targeted to benefit from services such as tourism guides, certification and promotion. The team plans to facilitate 5 joint promotional activities for market segments (elaborated more under OP 2.2.)

3. PPSE tourism team plans to **conduct a rapid assessment regarding the current situation of guiding services offered**. Findings will be used to determine partners and activities for supporting short-term trainings for tourism guides and improving service delivery.

Output 2.2: SMEs have improved access to sales channels

Output 2.2: SMEs have im- proved access to sales channels	Output Indicator	Baseline 2017	Phase Target	2018 (T=Target)
	OP 2.2.1 Number of SMEs using new and improved sales channel	0	300	75

Food and Natural Ingredients Sector:

Under this Output, the project will facilitate access to new sales channels for SMEs both in domestic and international markets. Interventions will be designed to support linkages for new sales channels, such as B2B events, fairs and matchmaking events. To improve and increase exposure of domestic products in the market, PPSE will explore opportunities to support nation-wide campaigns and match-making platforms such as “Made in Kosova” trade platform by KMC. It is expected that the FNI sector will facilitate 45 SMEs to use new and improved sales channel.

1. Through the intervention “**Support Linkages for Trade Fair Participation**” the project will support business linkages with export buyers. In 2018, the project will facilitate participation, preparation and promotion of Kosovo SMEs in trade fairs (i.e. Private Label Fair in Amsterdam, BioFach in Nuremberg, SIAL in Paris). Similar to Phase I, the project will facilitate business linkages and promotion through local or international service providers. In addition, thematic matchmaking activities will be considered (i.e. buyers’ mission, B2B meetings, etc). Potential partners for this intervention are sector BMOs and KIESA.
2. Through the intervention “**Promotion of the Local Products in the Domestic Markets**” PPSE will support SMEs to improve access to retail chains and other domestic market segments such as HoReCa. PPSE will partner with influential market actors, e.g. retail chains, BMOs (KMC), hotels and restaurants, etc. The promotional activities to be undertaken include, but are not limited, to the following: Special promotions for domestic products that are not present in the retail chains, thematic promotion (i.e. branded organic products) and food supply to HoReCa.

Tourism Sector

The main aim of interventions from this output are to facilitate tourism SMEs to enable and improve sales channels per market segments. Tourism SMEs do not fully utilise the means of promotion and sales, due to lack of market information, targeted promotion, weak sector cooperation, etc. To address these constraints, the tourism team plans to implement interventions targeting market segments, such as: Diaspora, and regional and international tourists. Through these interventions, tourism SMEs are expected to intensify their promotion and improve the offer quality, the selling channels and marketing. PPSE plans to partner with tourism product owners, hotels, tour operators, telecom companies, airlines, KIESA, and the Ministry of Foreign Affairs. Through interventions for this Output, PPSE aims to reach over 30 SMEs that will use new and improved sales channels. Main interventions areas are the following:

1. PPSE will continue the intervention on **International Promotion** in 2018. This will be done through facilitation and promotion of tourism businesses in tailored channels as per target markets. Some of the promotion channels include: international fairs, road shows,

FAMtrips/press trips, specialised media outlets, B2B and B2C linkages. From Phase I, this intervention has generated more than 90 FTEs and more than CHF 1,000,000 income generation for tourism SMEs. FAMtrips, press trips, and tailored promotion to potential market segments will be done in partnership with Turkish Airlines, Kosovo Embassies, KIESA and tourism SMEs. Fair participation, preparation and promotion will be supported through KIESA (focus on fair selection and preparation) and sector associations. Additional activities include road shows targeting Diaspora and German-speaking markets in partnership with tourism SMEs and Diaspora NGOs. Alternative promotion channels include also specialised media outlets, through which tourism tour operators can target their niche markets (e.g. adventure tourists).

2. Furthermore, PPSE plans to support promotion and sales of tourism products targeting local and Diaspora markets through introduction of a **voucher scheme**. This will be done through facilitation of linkages between product owners and telecommunication companies (Vala, Ipko, Z-mobile), where telecom companies would start promoting over 20 tourism products in Kosovo directly for their clients. PPSE will facilitate the design of the package, coordination among the telecom operators and product owners, promotion through tourism sales channels etc. This represents an opportunity for targeting over 1,000,000 diaspora tourists³. This not only allows immediate access to local and diaspora tourists, it provides data for these markets too, such as: gender, age, number of users etc.
3. Finally, PPSE plans to facilitate tourism SMEs in improving their offer for **boosting off-season** through targeting mainly tourists coming from the region. Findings from Phase I show that tourism SMEs in Kosovo (particularly accommodation entities) do not offer competitive prices and offer compared to the region, while at the same time do not utilise fully their capacities. Therefore, PPSE plans to partner with accommodation facilities, tour operators and guides, in improving their offer, especially during low-season, through introduction of activities, reduced prices, events, etc.

Output 2.3: Stakeholders have improved sector organization and networking

Output 2.3: Stakeholders have improved sector organization and networking	Outcome Indicator	Baseline 2017	Phase Target	2018 (T=Target)
	OP 2.3 Number of joint initiatives for improving networking and sector organization around selected topics: waste management, market segments, promotion, coordination and sharing of knowledge	0	10	3

Food and Natural Ingredients Sector

PPSE will support the FNI sector in improving sector organization and policies. The food sector (throughout all value chains) is scattered and weakly organized. To address this, PPSE will facilitate informal organization through ad-hoc groups in sub-sectors around thematic issues. Furthermore, in cooperation with sector BMOs and other stakeholders PPSE will support policy advocacies on important sector issues and joint initiatives for addressing the issue of unfair trade practices in retail chains.

1. Since the project will expand to new sub-sectors (i.e. confectionery), it will conduct “**action research**” with the SMEs of the relevant sub-sectors, to assess the sector, facilitate better organization and explore potential interventions. This will be done through value chain forums

³ Number of Diaspora tourists that have visited Kosovo in 2017 based on Kosovo Agency of Statistics.

that bring actors together to discuss sector obstacles and opportunities. In this framework, these value chain forums from different sub-sectors are expected to provide clearer ideas for PPSE to intervene (i.e. supply of domestic fruits for confectionary, to dairy sector, etc.). PPSE will utilize Riinvest Institute backstopping support for this intervention.

2. The advocacy initiative to “**address unfair trade practices in the retail chains**” was implemented in Phase I in partnership with the Kosovo Manufacturing Club. In 2018, PPSE will facilitate activities to further address issues concerning unfair trade practices for domestic processors, including advocacy activities for the adaption of the internal trade law. This is expected to lead to improvement of access of domestic products in the retail chains.

Tourism Sector

In 2018, PPSE aims to continue facilitation of activities under this output with the aim to contribute to **improvement of coordination between public and private sector** and cooperation among private sector actors. Specifically, PPSE is collaborating with the Prime Minister’s Office for potential establishing of the Kosovo Tourism Board (National Tourism Organization). This is being implemented with the support of an international expert for providing modalities of the organization, functioning, scope of work and budget of the Kosovo Tourism Board. PPSE will closely follow-up the activities resulting from this initiative. Areas of interventions include:

1. **Advocacy:** PPSE will continue to coordinate with public and private sector to advocate for sector issues such as increasing the state budget and commitment for the tourism sector, national branding, sector strategy etc. Overall, two joint initiatives are foreseen under the tourism sector. Facilitation of tourism sector related meetings and activities (round tables, awareness raising campaigns, etc.) in the local level are planned to focus on the topics of sustainable tourism, such as waste management. Waste management is one of the major problems in Kosovo. For tourism, this presents a great setback, as it decreases the quality of the offer and contributes to a negative perception of tourists. PPSE will address the issue of waste management in cooperation with municipalities and waste collection companies as well as through mobilizing local actors. A pilot activity will be focused in Prishtinë/Priština and Pejë/Peć regions. Complementary interventions will be explored in waste composting facilities (exploring the linkage with the FNI sector) as well as recycling initiatives through the SIF, mainly targeting the RAE community.
2. PPSE will facilitate **other coordination activities** with the aim to raise awareness, knowledge and information related to Kosovo tourism industry. Support the Municipality of Peja to utilize the Destination Management Organization (DMO) in line with their strategy of tourism development. This will be mainly in technical support since the municipality has already committed support in operational recurring costs. Other coordination activities might include: facilitation of tourism topics in the annual ambassadors meeting (in collaboration with Ministry of Foreign Affairs) and facilitation of TEDx talks/events for tourism topics.

4.4. Other Outputs

4.4.1. Opportunity Fund

Based on the evaluation and the experience in Phase I, the Opportunity Fund (OF) will continue to be used as an additional instrument for the sectors to reach wider impact beyond the sector boundaries. The operational manual of the OF will be adapted within the first quarter of 2018 to be more suitable

for Phase II operations and investments into sustainable business model. Opportunities that complement sector interventions will be identified on a continuous basis by the sector facilitators, minority facilitator and the OF manager. To trigger innovation in a specific field and in relation to the project objectives a specific thematic call might be organised. The OF will continue to coordinate with the Senior Expert Corps (SEC) programme to provide technical assistance to the applicants for optimal use of the business and PPSE investments. Due diligence of applicants will be improved at all stages of the application process with highlight to procurement as a measure that will guarantee transparency in the financial management of the OF beneficiaries. Continuous monitoring of OF will be done and the progress will be documented for learning and steering interventions. Based on the experience with the Municipality of Pejë/Peć, more collaboration with local and national authorities will be sought, to increase the impact of the investments, as well as with the local banks and other possible grant schemes. The budget of roughly CHF 240,000 is planned for 2018 which will be used for 4 to 5 calls are expected to be financed within the year.

4.4.2. Social Inclusion Fund

The Social Inclusion Fund (SIF) is a new instrument to support private sector employment creation for the minority communities and other socially excluded groups. In 2018, the project will have particular focus on RAE inclusion, and fund interventions identified by the Social Inclusion Fund and Minority facilitator together with the respective team. The SIF will test new and innovative ideas, that offer an opportunity for job creation among minorities and socially excluded groups. The SIF will be closely linked to the tailored intervention identification (i.e. informal waste collection sector), and is planned to be an integral and coherent instrument of the project and not as a separate stand-alone intervention. Total budget of the SIF for the four years of implementation is CHF 200,000, whereas CHF 60,000 is planned for the first year of implementation.

Intervention areas of the SIF can be broadly defined as any initiatives or activities that create and contribute to economic opportunities and support employment of minority communities and other socially excluded groups.

5. Transversal Themes

Social Inclusion

To ensure equity of minority communities and other socially excluded groups, PPSE will ensure that at every stage of the work process, such as assessing, designing, implementing and monitoring sectors' interventions will be looked upon through the social inclusion and minority needs lenses. Targeted interventions will be implemented to reach the RAE communities in Kosovo, as the most excluded community in Kosovo, along with other minorities, including the Serb community in the North. PPSE will also focus its interventions on specific sub-sectors with higher potential for inclusion. It is planned that 10% of the employment created will be for minorities.

- Based on a rapid assessment in partnership with the EYE and RAESI project regarding possibilities to reach out to the RAE communities, PPSE **identified informal waste collection** (recycling) sector as the most appropriate area of intervention. Along with the mapping and assessing, understanding the informal waste collection value chain and the key actors (collectors, middleman, sellers etc.) was given priority. Besides job creation, the intervention will also highlight overall contribution of informal waste collection activities to their local communities. Intervention is planned to be piloted in February, in partnership with the Municipality of Gračanica/Gračanicë and, if business model shows to be successful, it will be adapted for other regions.

- PPSE will seek opportunity to work closely **with social enterprises and business incubators** to link individual initiatives (such as hand crafts, souvenirs, homemade food etc.) that can support the FNI and Tourism sector with complementary products. In addition, PPSE will seek for opportunities to increase the employment of persons with disabilities by facilitating links between associations and the private sector companies.
- Under the FNI sector, PPSE will undertake tailored intervention “**Strengthening Contract Farming System**” in the northern municipalities (MAP sector). As the business model has shown successful in 2017, MAP intervention will be replicated in the Municipality of Leposavić/q, in partnership with the K-Serb owned business, Peppermint.
- Under the Tourism sector, PPSE will focus on the following intervention areas: commercialized product development intervention that will be implemented along with the partners from Gračanica/Gračanicë, Novobërdë/Novo Brdo, Zubin Potok, and Leposavić/q. Regional promotion that will focus on designing the intervention that will target specifically cultural tour visits from Serbia; and capacity building (coaching) intervention area that will tackle tour guides and minority owned businesses too.

Gender

Gender equality in the labour market still remain an elusive goal. While the number of women that have become successful entrepreneurs in Kosovo is growing, women are still grossly underrepresented in the private sector. In particular, women continue to form a large majority of the Kosovo’ unemployed and are more often affected by long-term unemployment than men. With only 20 percent of women participating in the labour market, Kosovo ranks the last in the region. This is due to women’s socio-economic disadvantages caused by gender-based discrimination and their double roles of being a worker and a caretaker for the society. Women often have less access to productive resources labour market opportunities than man. Largely, this is because of persistent social norms ascribing gender roles, which are often, slow to change. Furthermore, women continue to undertake most of unpaid care work, which has become an increasing challenge in their efforts to engage in productive work.

In 2018, and Phase II in general, women’s economic empowerment will be integrated within the sectors interventions and activities. In both sectors, the focus will be to ensure equity and mainstreaming of women in every stage of the work process when assessing, designing, implementing and monitoring of the interventions. Sub-sectors with high potential for women inclusion such as confectionery will be in the scope of the project since it represents a sector with growth potential for employment and income generation.

8.3 Communication

With the start of PPSE Phase II, the angle of the communications strategy and activities will shift towards a greater focus on the “communications for development” concept. This concept facilitates access to information about the Swiss Government contribution to the private sector development and job creation in Kosovo. It seeks to support the overall communication and visibility efforts for Swiss Government contribution to stimulate participation of all groups of interest, empower people, and influence public policies with the goal of impacting economic and social change through appropriately crafted messages and supporting content.

The nature and intensity of communications efforts will rely primarily on intervention activities and outcomes, events and other activities organized by each sector. Communication materials will support sector needs, adapted per key audiences identified, which include but are not limited to: general public in Kosovo, partner organizations, donor agencies, government, media, Diaspora, interested people in Switzerland and internal SDC units. The messages targeting these audiences will convey the change

that happened because of project interventions, and what it means for the people who benefitted from the change.

PPSE will continue to make use of a variety of communication channels and tools, as appropriate for each audience or message. Such channels include but are not limited to: social media, dedicated project webpage, articles placed with media outlets (online and traditional), project newsletter, press releases, press visits, printed publications, videos and more.

The stories, news, videos and posters/infographics to be developed throughout 2018 will seek to emphasize the following:

- Results achieved following the successful implementation of interventions;
- Innovation and lessons learned during interventions;
- Successful business models and benefits of new services and products introduced;
- Elements of sustainability and specifically evidence of copying and crowding in.

The PR and Communications Specialist will collaborate with team members and provide advice or support as needed to project partners in their efforts to communicate results through promotional events or materials. This year, PPSE will test making use of internationally-observed days for awareness raising events. One such example would be to observe International Mother Earth Day on April 22 and organize an event around tourism and recycling-related initiatives.