
SKILLS FOR RURAL EMPLOYMENT

Project Document for Phase II, January 2016 to December 2018



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List of Abbreviations

ADA	Austrian Development Agency
DACUM	Develop a Curriculum
EYE	Enhancing Youth Employment
HACCP	Hazard Analysis and Critical Control Point
LAG	Local Action Group
MDG	Millennium Development Goals
NEET	Not in education, employment or training
NGO	Non-profit organisation
NTFP	Non Timber Forest Products
PES	Public Employment Services
PIU	Project implementation unit
PSD	Private Sector Development
OC	Outcome
OG	Opportunity Group
OP	Output
RAE	Roma, Ashkali and Egyptian
RMA	Rapid Market Appraisal
SDG	Sustainable Development Goals
SME	Small and medium size businesses
S4RE	Skills for Rural Employment
VET	Vocational Education and Training
VTC	Vocational Training Centre
YAC	Youth Action Council

1. Synopsis

Name of project	Skills for Rural Employment (S4RE) II		
Project no	1403.05.1.0		
Country, project area, main location	Kosovo, South and South east regions of Kosovo		
Working Area	Skills development	Working Field	Skills development
Start date	1 January 2016	End date	31 of December 2018
Number of phases	Phase II		
Short description	S4RE II will increase income and employment of youth, woman, minorities and households in targeted rural areas of Kosovo. The project's integrated approach focuses on skills development, private sector development and other dimensions of local economic development to create economic opportunities for the beneficiaries. S4RE II builds on the lessons learnt in Phase 1 by deepening and widening its approach and institutionalises it with local actors by changing its role from provider to facilitator.		
Impact hypothesis	Opportunity Groups offer increased skills of youth linked to income and employment opportunities. Improving the skills of the producers creates opportunities for additional income for them. Targeted skills development programmes in local businesses improve the skills of their employees and results in increased competitiveness the companies.		
Specific objectives	Outcome 1: Youth have access to and use of adequate employment-related information and skills. Outcome 2: Producers improve their skills and are better linked to market in selected supply chains. Outcome 3: Businesses increase their competitiveness through tailored, quality and affordable trainings.		
Beneficiaries/ Right-holders	The total beneficiaries are 6,000 persons: i) unemployed youth, women and minorities Rural households as ii) producers in supply chain, or iii) employees of local businesses, and iv) training providers.		
Project partner	Municipalities, Public Employment Service (PES), Youth Action Councils (YAC), Local Action Groups (LAG), Local Businesses, Business Member Organizations, Processors associations, Private training providers.		
Donor	Medicor foundation, Helvetas Swiss Intercooperation & other funders		
Resources (phase - budget)	CHF 1.4 Million		

2. S4RE phase I: achievements and remaining challenges

The Skills for Rural Employment (S4RE) – funded jointly with CHF 1.3 million by HELVETAS Swiss Intercooperation, Medicor Foundation, Julius Bär Foundation and Rieter Foundation – project started its first phase in January 2013 and will end in December 2015 (Phase 1). It is implemented by a team of 5 local HELVETAS staff, led by Luan Hoti as project manager and supported administratively and technically by the HELVETAS Kosovo country support team.

The goal of S4RE is to contribute to income and employment generation in rural areas, focussing in particular on four remote municipalities in the Sharr Mountains and the Southeast of Kosovo (Dragash, Shtirpce, Novo Brdo, Kamenica). Young women and men (and within this age group in particular young women), as well as ethnic minority groups, who are amongst the most disadvantaged groups in these regions are the main target group for S4RE interventions.

The income and employment goal of S4RE is achieved through a focus on three main and interrelated interventions areas: 1) the improvement of employability through better access to vocational skills development (VSD) 2) better integration of small producers into supply chains through improved availability of information and business services, 3) improved competitiveness of businesses through investments into non-formal training of staff and future employees.

The integrated approach to local economic development (LED) which aims at different skills-focussed dimensions of the local economy in all four targeted municipalities (supply of workforce, demand for workforce including small business performance) provides S4RE with a holistic and unique framework that allows a very market-driven and solution-oriented perspective. Key partners of the project recognise the hands-on approach and value the contributions that the project has made in phase 1.

2.1. Main achievements to date

Phase 1 of S4RE stood in the light of introducing new and innovative solutions, addressing different skills-related constraints which undermine income and employment generation in the targeted municipalities. Many of these solutions build on the former experience of HELVETAS Swiss Intercooperation in Kosovo (such as the Horticulture Promotion project, HPK), others – such as the learning group methodology – where trialled for the first time in Kosovo, bringing in expertise from outside the country. While much of S4REs work in phase 1 has been piloting and adapting to the context I, the project fulfilled, and in some cases exceeded, the targets set.

During phase 1¹ S4RE has supported the training of 4,297 persons under its three main intervention lines (outcomes), which constitutes 83% of the target (5,200). The project's monitoring shows that to date 1,690 of them have found employment or entered into additional economic activities.² With this, the project has achieved 91% of the overall employment goal which has been set for phase 1 (1,860). The monitoring data shows that ***the innovative training solutions piloted by S4RE are leading to the desired income and employment goal, and therefore ways should be found to institutionalise these solutions in order to achieve greater scale and sustainability of impact.***

The following table summarises some quantitative achievements of phase 1:

¹ Current stand after 2.5 years of implementation (July 2015)

² The project is measuring economic activity with at least an additional income per year of minimum € 1'000

	Target	Achieved	%
Total trained beneficiaries	5,200	4,327	83%
Women trainees	2,600	1,124	45%
Minority trainees	1,300	1,184	81%
Youth economically active	960	994	104%
New jobs created	250	266	106%
New farmers entered into agribusiness	650	421	65%
Training Providers engaged other than S4RE	6	9	150%

Apart from the quantitative data, also qualitative information and lessons learnt indicate that the skills development models and solutions piloted by S4RE during phase 1 are leading to desired outcomes:

- Learning group (LG) methodology:** The Learning Group is a participatory process that leads the participants – mostly young unemployed women and men – through different steps of self-assessment, skills development and job/income orientation.³ The methodology was successfully tested by S4RE: out of the 1,480 participants of 140 learning groups organised during phase 1; 994 have found a job or entered a self-employed activity. Most of them are active in agribusiness such as fruit cultivation and beekeeping, but also 152 in non-agribusiness, e.g. hairdressing, tailoring, central heating, IT. The methodology has thus proven to be a useful instrument in preparing young women and men for jobs or even developing entrepreneurial skills to start an own business; it has also shown participants the possibilities within the local economic context and that migration to urban centres or outside of Kosovo does not always need to be the only option. **Several institutions (such as the public employment service, PES) have shown their interest in taking up the methodology for future use, and thus provide a fruitful basis for deepening the impact in phase 2.**
- Private sector as driver for local economic development:** S4REs collaboration with businesses in 6 selected value chains (selected on the basis of their potential generate jobs and income opportunities) has demonstrated the importance of an integrated approach that also addresses the skills needs of private sector as engine for growth: Local businesses that have benefitted from project support have created altogether 266 new jobs, exceeding the project's target of 250 for phase 1. Two factors have been important in this regard:
 - Firstly, interventions have been conducted to improve the position of small producers in supply chains. 2,124 small producers in the target region have improved their productivity and quality of produce due to better access to knowledge and information facilitated by the project. It is estimated that at least 30% of these producers increased their income.
 - Secondly, interventions have improved the perception of business owners and managers about the importance of investing into skills development of current and future employees. Better skills mean increased competitiveness and business growth; business growth means more jobs. Thanks to S4RE interventions businesses organised more on-the-job trainings; smaller businesses formed a network in order to make trainings more affordable and accessible to them. Improved skills has already

³ See Grunwald/Nell/Shapiro : LearnNet – The learning Networks Approach, GTZ, 2004

translated into higher quality products and allowed local businesses to better integrate into national supply chains.

- **An emerging training market:** Training and capacity development provided to businesses, small producers or young women and men has been mostly provided through 61 local training and service providers mandated by S4RE. While trainings were made possible through the projects, nine providers already demonstrate interest and capacities to continue with trainings on their own: they have started to be engaged by other stakeholders outside of the project, including businesses, international NGOs and public sector, to provide similar trainings for others. In order to achieve larger-scale and more sustainable impact in selected supply chains and with youth people, **phase 2 therefore needs to support the further expansion of a training market that will allow necessary skills to spread beyond the initial target region and project period.**
- **Inclusion of disadvantaged groups:** While young women and men living in the targeted four municipalities constitute the main target group, within this group, S4RE has reached out to specific disadvantaged groups: of the trained youth, 33% were women (target for phase 1: 50%) and 33% belong to ethnic minorities (target: 25%). While the project has succeeded in reaching out to minorities, reaching the ambitious target for women will require a stronger gender focus in phase 2 to ensure that young women have equal access to income and employment opportunities. Barriers often lie in social norms and perceptions which are more difficult to change and require a longer-term vision for project intervention.
- **The critical role of the public sector as setting a conducive framework for LED:** Local economic development requires a public-private partnership and awareness on both sides on what is required to boost local economic growth. Thanks to S4RE interventions the perception of local authorities has changed over the three years of phase 1: Unemployment is now seen as a challenge that can and should be dealt with at the local level rather than expecting solutions to be provided by national government only. Municipalities have thus started to co-invest into solutions initiated by the project, using available financial resources and in-kind support (e.g. offices and logistics). Specific case example of changes in the public sector include:
 - The public employment services (PES) got interested and start changing their attitude towards jobseekers in the four municipalities by registering skilled persons as qualified jobseekers and fostering better linkages to local employers.
 - The Regional Vocational Training Centre (RVTC) in Prizren acted as a quality assurance entity in the learning group programme; this cooperation paved the way towards non-formal skills development provision under the responsibility of the Ministry of Labour and Social Welfare (MLSW).⁴

In essence, the integrated approach to local employment that S4RE used in phase 1, and which led to the testing of innovative and new training solutions, is generating good results. It provided S4RE

⁴ The definitions of formal, non-formal and informal education and training vary across countries and institutions. S4RE understands the three forms as follows:

Formal education and training is institutionalised, intentional and planned through public organizations and recognised private bodies and - in their totality - constitute the formal education system of a country.

Non-formal education and training takes place outside the formal system on either a regular or an intermittent basis. It is an addition, alternative and/or a complement to formal education within the process of the lifelong learning of individuals.

Informal education and training is learning resulting from daily life activities related to work. It is not structured in terms of learning objectives, learning time and / or learning support. Typically, it does not lead to certification.

<http://www.unevoc.unesco.org/go.php?q=TVETipedia+Glossary+A-Z> [29.07.2015]

with a strong understanding of the local economic and institutional framework, of what works and what doesn't. It is these achievements and the experience gained by the team that will allow a deepening and widening of the impact in phase 2.

2.2. Rural unemployment and income generation: a remaining challenge

The overall goal of S4RE remains valid also beyond phase 1: ***Unemployment more generally remains a challenge in Kosovo***, and according to the latest labour force survey has increased again to 35.3%. Unemployment affects three groups in particular:

- **Youth:** Youth unemployment rate is at 61%. A young person in Kosovo is almost twice as likely to be unemployed compared to adults. More than one third of Kosovo's 15-24 year olds are not in education, employment or training (NEET): they are totally disconnected from both the education system and the labour market.⁵
- **Women:** Only one-in-five women of working-age are employed. Compared to its neighbouring countries, labour force participation of women is much lower. Among those active in the labour market, unemployment is much higher for women than for men (41.6% compared to 33.1%).⁶
- **Minorities:** Labour market outcomes are unfavourable for minorities. Compared to Albanians, the unemployment rates of Serbs is 15% higher and in case of Roma, Ashkali and Egyptian (RAE) is 18% higher.⁷

Unemployment is due to a number of causes. Most importantly it relates to the underperformance of the educational system and poor economic performance, thus validating S4REs underlying impact hypothesis (see Chapter 4). In particular:

- The Kosovar **Vocational Education and Training (VET)** system, consisting of public vocational schools at higher secondary level, public and private universities, public vocational training centres (VTC) as well as private advance and short-term training providers, does not cater to the needs of the private sector: curricula are old and out-dated, students hardly get practical on-the-job training, and teachers barely get teacher training.
- Kosovo's **private sector** does not provide enough jobs for the rapidly increasing youth workforce. At the same time, businesses struggle to grow and expand also due to the limited human resource base available as well as an unfavourable investment climate.

All these factors are even **more accentuated in rural/remote areas**. Employment persists as a huge challenge and undermines rural local development. Youth, women and minorities in rural and remote area face particular difficulties in finding jobs or realising opportunities for self-employment. Access to formal VET is not always given. Drop-outs, many of them being women, do not meet the minimum requirement to enter the formal VET system. Minorities face challenges related to language barriers as not all education options are provided in their language. Also social norms often prevent access to income and employment opportunities for women and minorities. Private sector is weak and underdeveloped in the periphery; public and private employment is concentrated in the town centres.

Despite the progress made in phase 1, ***these challenges are huge and continue to persist also in the regions targeted by S4RE*** (i.e. municipalities of Dragash, Shtirpce, Novo Brdo, Kamenica): while access to non-formal skills development has increased through the support of the project, and local businesses have improved their performance and integration into supply chains, much remains

⁵ Kosovo Agency of Statistics, Results of the Kosovo 2014 Labor Market Survey, p. 9

⁶ Kosovo Agency of Statistics, Results of the Kosovo 2014 Labor Market Survey, p. 9

⁷ ILO Young people's transition to work: Evidence from Kosovo http://www.ilo.org/wcmsp5/groups/public/-ed_emp/---emp_policy/documents/publication/wcms_113895.pdf, p. 65

to be done to deepen the impact of the project's interventions. Interventions in skills development and private sector promotion have generated new and innovative solutions, which have shown first signs of success during phase 1 (as summarised under 2.1 above). These innovations however require deepening and a stronger integration into the local economic and institutional framework, strengthening local ownership over these solutions and thus leading to more sustainable and large-scale impact on employment goals. The systemic changes achieved in the targeted regions may thus also serve as an example for other regions in Kosovo to copy, addressing unemployment and poverty challenges faced also by other municipalities.

3. S4RE phase II (2016 – 2018)

3.1. Overall rationale for phase II

The overall rationale for a phase II is derived from the following two main considerations:

Firstly, and as already stated under 2.2 above, *the development challenge addressed by the project's goal persists*. Also after three years of implementation, unemployment and poor income opportunities in the four target municipalities remain to a large extent; particularly frustration amongst young women and men about the lack of future perspectives is still a big problem. While S4RE has exceeded many of the targets set for phase 1, the project's contribution in terms of innovative new models and solutions to LED yet needs to achieve a higher outreach, benefitting a larger number of disadvantaged people as well as more sustainably beyond the period of project implementation.

- **Unemployment:** According to the annual report of the Ministry of Labour and Social Welfare (2014), overall unemployment in the target municipalities remains at high levels, leading to a strong outward migration. Particularly unemployment amongst young women and men remains shockingly high.⁸
- **Low household incomes:** Economic performance in the targeted municipalities relies to a large extent on micro and small businesses and in particular subsistence-type of economy mainly in the agriculture sector. Due to the lack of sufficient support services and market linkages, income generated by SMEs is often barely enough to feed a family.
- **Business performance:** According to statistics of the Ministry of Finance for the first quarter of 2015, enterprise growth (both in quantity and size) remains at low levels within the target municipalities. Poor economic performance – in particular growth in the private sector – continues to undermine the generation of income and employment opportunities⁹.

Secondly, the current phase I of S4RE has allowed the introduction and testing of new and innovative solutions towards skills development and private sector promotion at the local level (such as the learning group methodology or non-formal training provision with strong private sector involvement); the results achieved show that S4REs integrated approach to LED works (with a particular focus on skills development) and that tried-out solutions can now be taken to another level. This is also confirmed by the appreciation received from local stakeholders. Phase II is therefore designed as taking forward lessons learnt from phase I towards a deeper integration of training solutions and capacities into the local economic and institutional framework. In doing so, S4RE moves from project-driven solutions towards strengthening and institutionalizing local ownership and capacities. **Thus phase II will strongly focus on deepening (sustainability) and expanding (scale) the impact achieved around innovative models and solutions in phase I.** Most importantly this includes:

⁸ <http://mpms.rks-gov.net/Portals/0/Librat/Raporti%20Vjetor%202014%20-%20Anglishte.pdf>

⁹ https://ask.rks-gov.net/ENG/bussines-statistics/publications/doc_view/1300-statistical-repertoire-of-enterprises-in-kosovo-q1-2015?tmpl=component&format=raw

- **Skills development:** The learning group methodology has proven to be effective in equipping participating young women and men with the required skills and preparing them better for entry into the labour market. Several local institutions (such as PES and YACs) have expressed their interest in taking the methodology forward and thus providing more sustainable support services to young job seekers. In order to do so, they require capacity building and start-up support from S4RE including adaptation of the methodology to their own institutional setting.
- **SME integration into supply chains:** Within the selected six supply chains, S4RE has successfully facilitated the improved integration of small producers, leading to higher productivity and quality of produce – and subsequently to higher incomes for families. Much of the knowledge and information provided has been through contracted service providers – some of these service providers are now continuing to provide skills development services. Much remains however to be done to support a sustainable functioning of these services, requiring project support e.g. in market needs assessment, product development, business model development and capacity building/exposure.
- **Business competitiveness through non-formal (in-house) training:** Businesses in the target municipalities of S4RE have started to change their perception about the need to invest into human resources. Many of them have invested own funds in addition to the project's contribution into non-formal training for existing and future employees. Having seen the positive impact on business performance, some of these businesses are now willing to take non-formal training forward at own expense. Of the 61 training providers on the other side, 6 have experienced increased demand from other local actors – there is potential for the development of an effective market for non-formal training and education which is with participation of private sector (as users, contributors and providers of training services) and in partnership with the public sector (such as LED offices of PES). Much however remains to be done to develop this market in a sustainable manner and ensure a wider outreach to more local businesses.

An integrated approach

S4RE will deepen its integrated approach addressing the different dimensions of local economic development, focussing further on skills development: workforce supply or employability of young people, the capacity of businesses to generate local income and employment opportunities and the required economic and institutional framework that delivers essential training and capacity building services and support (both from private sector providers as well as local government).

3.2. Changes in approach and focus of the project

The strategic shift in moving from successful pilots towards deepening and widening of impact (institutionalisation), also necessitates a change in regard to the project's own role and implementation approach, as well as focus.

Role and approach: from skills provider to facilitator

While in phase I the project has fairly directly provided skills-related services and solutions to local stakeholders (mostly however using intermediary service providers in order to leverage its outreach potential), phase II will see the role of the project shifting more towards a facilitative approach. By this we mean the stimulation of local actors (public and private) to take on more valid (or in fact new) roles within the local economic and institutional framework that lead to more favourable skills outcomes for small businesses and target groups.

Strengthening or building local ownership over innovative models and solutions for skills development and private sector promotion, means taking more into account their capacities and incentives and focusing interventions on changing these towards better outcomes. Local institutions will be supported in taking up the learning group methodology as a new service to young people and thus better supporting their transition from school to work.

Learning group methodology (termed as “opportunity group” approach in phase 2)

The learning group methodology is based on the LearnNet approach.¹⁰ Young people are empowered to use their own resources, the methodology builds on the understanding that the owners of the problem are also the owners of the solution. Members of learning groups come together in peer groups to connect their expectations to their potentials, learn and apply new technical, entrepreneurial and life skills. Members need to have mutual trust and unity between themselves so that they can develop collective leadership, where responsibility will be shared. Locally available training providers impart the training content based on the background of the learning group members, context and local available market opportunities. Young people build up networks, which eases their placement in the labour market to become either wage- or self-employed. To ensure resource and learning effectiveness, learning groups consist of 10 to 20 members.

Key success factors of the methodology are:

- *Universal access: it reaches people where they live. Skills development takes place on-site where the learners are, ensuring that access is not hindered by distance or social restrictions.*
- *Holistic approach: youth not only acquires a diversified skill set in a short period of time (3 to 6 months depending on the trade) but is also learns to use own resources to become economically independent and socially empowered.*
- *Acceptance by the local authorities and community: it is essential that the whole community and local authorities support the process and has a share in the skills development by providing resources such as land, tools and materials.*

The methodology has evolved from the focus on learning to an approach where the income or employment opportunity is at the centre and taken further into a skills development programme. In order to increase the appeal to youth and local stakeholders, learning groups were re-defined as opportunity groups. Annexe 6 shows the opportunity group cycle by S4RE

All this requires the project to identify ‘business models’ (for both public and private sector) that allow the sustainable delivery of essential services. A facilitative approach will have implications towards how the project interacts with local partners and stakeholders. More specifically project actions will include:

- **Capacity building:** moving away from providing directly (or through intermediaries) training to businesses and young people towards enabling public/private service providers to do so in a more sustainable manner. This will require partnerships with service providers and support towards awareness-raising (i.e. understanding of what is needed and the potential of providing services), product research and development, business model development (i.e. developing a model that allows a sustainable delivery of services), and initial start-up support in form of coaching and advice.
- **Partnerships:** Already in phase 1, S4RE has conducted interventions in a manner that strengthens local initiative and ownership; the participatory tools and solutions have been very instrumental in this regard. Building on this, S4RE will require a stronger degree of commitment and ownership from partners in phase 2, reducing the direct towards more indirect project support. Co-funding agreements will therefore aim at utilising as much local resources (and little project resources) as possible. S4RE will emphasise more strongly the need for achieving scale through crowding-in; project support to one partner should not prevent other actors in the local context to adopt the same or a similar solution/innovation. Partnerships will be more based on a shared comprehensive understanding and the respective

¹⁰ Grunwald, E., Nell, M., Shapiro, J. (2004), *Work in Progress, LearnNet – The Learning Network*, GTZ, Eschborn.

roles where increasingly the local partners will be driving the interventions and project's financial support is phased out.

- **Research for monitoring and results management (MRM):** A facilitative approach will require a stronger need for analysis in order to support strategic discourse and decisions for effective intervention strategies. Given that support will not be provided to beneficiaries directly anymore, but only indirectly, S4RE will require a good monitoring system that credibly attributes project interventions to different levels of change in the logical framework, and which therefore allows for effective steering of interventions and partnerships.
- **Geographic scope:** While S4RE will deepen and expand its impact in the existing four project municipalities, it will pursue a 'crowding-in' strategy whereby successful models/solutions are promoted for replication also in other municipalities, thus achieving outreach beyond the initial municipalities. This crowding-in strategy will mainly focus on 8 municipalities in the South and South East of the Anamorava region in Kosovo. This does not mean that more resources are required to expand interventions to these municipalities, but rather that the project will actively promote an exchange around new models and lessons-learnt, with limited support for replication in other municipalities and a higher own investment of counterparts there.

Focus: from piloting to deepening and widening

As described in following Chapters 4 and 5 below, S4RE will maintain its focus on the three intervention lines (outcomes) that focus on local capacity skills needs and which have proven to be effective during phase 1:

- 1) The improvement of youth employability through better access to vocational skills development (VSD);
- 2) Better integration of small producers into supply chains through improved availability of support services that enhance access to relevant knowledge and information;
- 3) Improved competitiveness of businesses through investments into non-formal training of staff and future employees.

All three intervention lines form part of what the project understands as an integrated approach to local economic development, and which ultimately contributes to more income and employment opportunities.

What changes in phase 2 is the shift from piloting and adapting new and innovative skills-related solutions within these intervention lines towards deepening (sustainability) and widening (scale) of their impact, meaning the anchoring of solutions into the local economic and institutional framework which is built on local initiative, ownership and capacities. In doing so, phase 2 clearly builds on the achievements and lessons learnt of phase 1.

What this change in focus means in practice and more specifically, is described in more detail in the next two chapters.

4. Objectives

4.1. Vision and Impact hypothesis

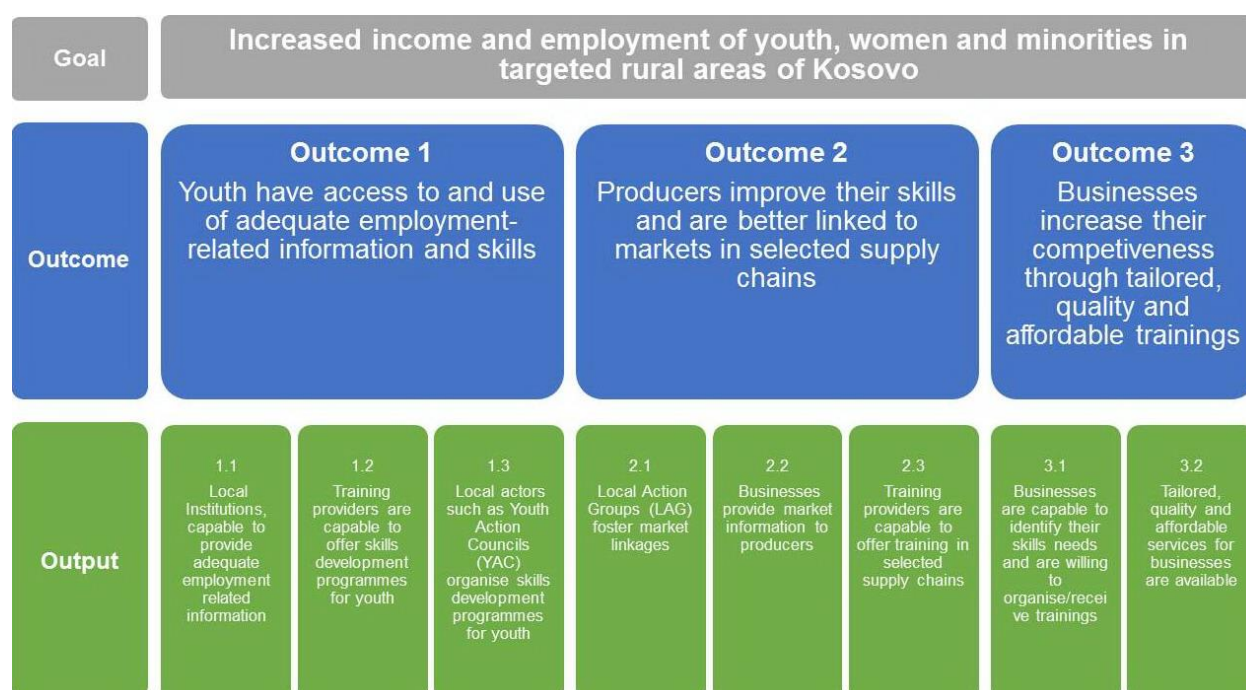
The overall vision underpinning the S4RE project is one where the rural population, in particular young women and men, of the Sharr Mountains and the Southeast of Kosovo have access to income and employment opportunities within the local economic context, and are able to fulfil their own idea of a purposeful life. The vision is also one where men and women, Albanians and minorities have equal access and discrimination boundaries for active labour market and economic participation are overcome.

In order to achieve improved access to income and employment opportunities, S4REs integrated approach seeks to improve the employability of young people through more appropriate and market-oriented skills, facilitate the better integration of local small producers and businesses into selected supply chains, and stimulate increased competitiveness of businesses through investment into non-formal education and training.

Following the rationale of phase 2 as outlined in Chapter 3, the project's facilitative approach will strengthen the capacity of local partners to deliver essential training and capacity building services needed by both young people as well as the local businesses community. Improved access to services and a more conducive economic and institutional framework for training and capacity building, which includes a stronger partnership between public and private sector as well as other relevant stakeholders, will lead to the desired improved skills and capacity outcomes mentioned in the previous paragraph.

4.2. Project logical framework

The vision and impact hypothesis is reflected within the logical framework of S4RE (see Annex 3) for more detailed description, including indicators and targets):



4.3. Overall project goal

The overall goal of S4RE is “improved income and employment opportunities for youth, in particular women and minorities, and rural households in the municipalities of the Sharr Mountains and the Southeast of Kosovo.”

Three key characteristics of the goal are highlighted:

- **Firstly**, while the project foresees benefits for the wider population in the targeted regions, for example small producer households (outcome 2 below), the actual **target group** is more narrowly defined as being young women and men in the age of 15-35. Within this age group, special attention will be given towards creating equal opportunities for both men and women, as well both the Albanian majority and ethnic minorities such as Serbs, Gorani, Bosniaks, and Roma, Ashkali and Egyptian (RAE). Particularly women and minorities face a multitude of constraints related to social norms and perceptions which hinder access to income and employment opportunities (see also Chapter 5.2 on GSE principles).
- **Secondly**, the goal formulation also points out to both income **and** employment opportunities, meaning that the aim is not only to get young people into jobs, but also stimulate entrepreneurship (or self-employment) and increased household incomes within the local economic context. This dichotomy of objectives takes into account the integrated approach of S4RE to LED as described within the outcomes below.
- **Thirdly**, the final impact of the project is geographically focussed on the municipalities in the Sharr Mountains and the Southeast of Kosovo. The rationale for the selection of this region is explained in Chapter 5.1 below. While the focus will remain on the four municipalities selected in phase 1 (Dragash, Shtirpce, Novo Brdo and Kamenica), the project's ‘crowding-in’ strategy (see 5.1) will aim at increasing outreach also to eight additional municipalities in the two regions. This will be achieved by proposing service providers used in phase 1 to extend their services also to other municipalities, the replication of successful models and services by other providers in neighbouring municipalities as well as facilitating an active exchange around experiences and lessons-learned between public and private actors in all municipalities. Thus the goal targets for phase 2 include target groups in overall 12 municipalities (compared to four only in phase 1).

The **total number of the target population in the two regions is 6,000**; these are i) unemployed youth, women and minorities, ii) supply chain actors such as small producers and business owners and their families, and iii) employees of local businesses. **The total target of persons (beneficiaries) finding employment or income generating activities is 3,030.**

Main indicators related to the income and employment goal are:

Goal indicator	Target till end 2018
Number of persons who increased their income	2,520
Number of new Full Time Equivalent (FTE) jobs created	510
% of women who transitioned into FTE	50 %
% of ethnic minorities who transitioned into FTE	25 %

4.4. Outcomes: their outputs and targets

The overall income and employment goal is achieved through three intermediate objectives (outcomes in the logical framework above) which form S4REs integrated approach to local economic development (LED), and address different forms of skills development and dimensions of economic exclusion. Within each of these outcomes specific outputs that result from project interventions define expected changes in skills and capacity related services and the economic and institutional framework. **Particularly at the level of outputs, the strategic shift of S4RE towards a greater emphasis on local ownership over solutions becomes apparent:** it is here that sustainability and outreach (scale) concerns are embedded within the project's underlying strategic framework.

While the outcomes of phase II are similar to those of phase 1, and thus ensuring a consistency between the two phases, outputs under each outcome further advance and build on the achievements of phase 1. In doing so, **Lessons learnt during the first phase are clearly integrated into phase II.**

The following sections provide an overall description of outcomes and overall targets thereunder, as well as more specific outputs which give a clearer indication of the type of interventions the project will conduct in phase II.

Outcome 1: Youth have access to and use of adequate employment-related information and skills

Outcome 1 focuses on stimulating more and better employment-related information and services and skills development provided to unemployed youth in rural areas, particularly women and minorities. To achieve this S4RE supports the development of training services as well as other services that support better orientation of youth towards requirements of the labour market and more widely job and income opportunities in the local economy.

At the heart of this outcome is the Opportunity Group (OG) organized based on the learning group (LG) methodology. Private and public training providers are capacitated and strengthened of offer skills development packages according to the methodology. The LG methodology has proven an effective instrument to prepare young people for the job market, equip them with necessary vocational skills and allow them to take advantage of existing opportunities in the local economic context (including possible self-employment). In phase 2, S4RE will therefore seek to institutionalise the OP approach and related supporting services (such as vocational training for specific professions) within the local economic and institutional framework promoting and testing business models with local actors including Youth Action Councils (YAC), PES and private service and training providers. In order to increase the appeal to youth and local stakeholders, one of the simple measures undertaken by S4RE has been a rebranding of "learning groups" into "**opportunity groups**". Phase 2 will thus refer to the latter term.

Outcome 1 indicators	Target till end 2018
Number of youth (15-35 year olds) that benefit from better skills through Opportunity groups	At least 2,000
50% of participants of Opportunity groups who are women	1,000
25 % of participants of opportunity groups who are minorities	500
Satisfaction of participants of the OG with information received	75%

The following table provides a description of specific interventions (outputs) under outcome 1, which aim at stimulating better and sustainable supporting services to youth around the opportunity group methodology. Project interventions under each output will focus on improving the technical capacities, communication and linkages between youth organizations, public employment services and private sector, including the local training providers. These different actors together form part of a comprehensive local system that provides supporting services to job-seeking youth.

Outputs	Description	Targets till end 2018
1.1 Local institutions capable to provide adequate employment related information	Local institutions such as PES and Municipal dept. for economic development are capacitated by S4RE in collecting and delivering information on labour market requirement and skills needed to OG. PES closely works with OP groups, registers OG graduates as qualified job seekers and keeps statistics on successful job matching	2,000 participants of OG receive relevant info timing and quality of Info delivered <i>to be defined - TBF</i> 60 % of OG graduates registered with Municipal PES office
1.2 training Providers are capable to offer skills development to youth	Capacity of training providers to offer demand-driven skills development and mentoring services including prior Rapid Market Appraisals Cooperation with VTC to ensure quality of training content and teaching methods	60 training providers trained OG 40 curricula established and revised 20 RMA's done 25 curricula certified and 500 OG graduates received certificate
1.3 Local actors such as Youth Action Councils organised OG skills development programmes for youth	Ability of Youth Councils (YAC) to respond to youth needs and organize skills development programmes and opportunity groups	300 OG's organized

Outcome 2: Producers improve their skills and are better linked to the markets in selected value chains

The overall objective of outcome 2 is the better integration of small producers and businesses into selected (national) supply chains, with improvements in productivity and quality leading to more and higher income opportunities in the local economic context. This is achieved through interventions that aim at stimulating changes in two key areas: 1) access to knowledge and information (which then help to improve the performance of small businesses, once applied successfully) and 2) improved market linkages to buyers and suppliers outside of the region.

While in phase 1, S4RE has often provided direct support to businesses in selected supply chains, phase 2 will see a shift towards enabling skills and capacity-building service providers to provide knowledge and information as well as linkage services to small producers and businesses. The focus is on service market development.

More and better skills and capacity-building services will improve business performance of new and existing producers in selected supply chains. S4RE will continue working in supply chains which have been selected in phase 1 on the basis of their potential for enhancing income generation and growth of employment. Additional criteria included the potential for outreach, feasibility and relevance to the target group. While in phase 1 **nine supply chains have been selected, the project will focus on four in phase 2: NTFP, fruits and berries, dairy and livestock and honey.** These supply chains have the highest potential for income generation and employment; the focus on four chains means that the project can more deeply focus on institutional changes and avoid scattering,

while assuming that changes in services in one supply chain will benefit also businesses in other chains later on (spill-over effect).

Outcome 2 indicators	Target till end 2018
Number of producers, that have improved their skills	3,000
Number of beneficiaries that increase their incomes	1,500
Satisfaction of producers with skills training received	75%
Number of market linkages with companies (buyers of suppliers product)	50
% of women and minorities with improved skills	50% / 25%

Access to knowledge and information, support to establish market linkages as well as the coordination amongst themselves and representation of interests towards others are key challenges that small producers face in the target municipalities. They undermine the performance of businesses and with this also the creation of income and employment opportunities within the regions.

Project interventions under the specific outputs (below) thus seek to strengthen the capacities of existing actors such as Local Action Groups (LAGs) and skills and capacity-building service providers to develop a better understanding of the needs of small producers/businesses and the provide more relevant services to them. Project support will include supply-chain specific needs assessments, awareness-raising, capacity development and exposure, linking of relevant stakeholders and limited start-up support.

Outputs	Description	Target till end 2018
2.1 Local Action Groups foster improved market linkages	S4RE facilitates the process of making operational the LAG's.. LAG's identify and validate the supply chain potentials at local and regional level, design skills development programs that will lead to improved supply of products in terms quantity and quality.	12 LAG's operating successfully
2.2 Businesses provide better market information to small producers	Companies participate in LAG and provide information on supply needs and invest in skills development of small farmers allowing them to catch market opportunities. Agreements with suppliers are concluded with the facilitation of S4RE	50 financial agreements concluded between producers and companies
2.3 Training providers are capable to offer training in selected supply chains	Training providers are mandated by LAG to deliver skills training to farmers/suppliers. Training suppliers offer their services outside of the project's activities to other clients	50 training providers provided at least 50 trainings to farmer/suppliers 10 additional mandates delivered by 5 training providers

Outcome 3: Businesses increase their competitiveness through tailored, quality and affordable trainings

The overall objective of outcome 3 is to stimulate improved performance and growth of local businesses through the investment into non-formal education and training of existing and future employees. The rationale behind this objective is that better skilled and motivated staff are a key determinant of market competitiveness. Many business owners and managers in Kosovo are blatantly unaware of this fact, hence underinvest in human resource development, and instead demand actions from the government to take action that address their skills needs. Outcome 3 intends to put the responsibility and initiative for better training back into the private sector's hands.

Interventions under this outcome need to take into account two main factors:

- Private sector not only appears as **user** or beneficiary of training services on the market, but also as **contributor** (collaboration with schools and training providers e.g. through the integration of apprenticeships in curricula) as well as **training provider**. When private sector appears as training provider, this is often referred to as non-formal (adult) education and training (NFAET).
- The majority of businesses in the targeted municipalities (but also in Kosovo more generally), are micro and small enterprises (MSEs). The **relevance, accessibility and affordability** of training services therefore have to take into account the size and capabilities of the recipient business. Innovative models that address this challenge need to be found within the project scope.

Outcome 3 indicators	Target till end 2018
Number of existing employees of SMEs that increase their professional skills	900
Number of new jobs created	270
% of women and minorities in new jobs	50%, / 25%
Number of the local businesses identifies skills needs and provides /received trainings.	80
% of increase of turn over by participating companies	25
Number of SMEs that report high satisfaction on training services received (75%)	60

S4RE will stimulate private training providers to sustainably offer tailor-made and on-the-job training for employees in SMEs and jobseeker. In order to achieve this, business models need to be developed which ensure that training is affordable, accessible and relevant to MSEs or groups of MSEs. In addition, the project will also build capacities for local businesses on accessing finance for training, e.g. through grouping. In grouping MSEs with common interests around specific and tailor-made trainings

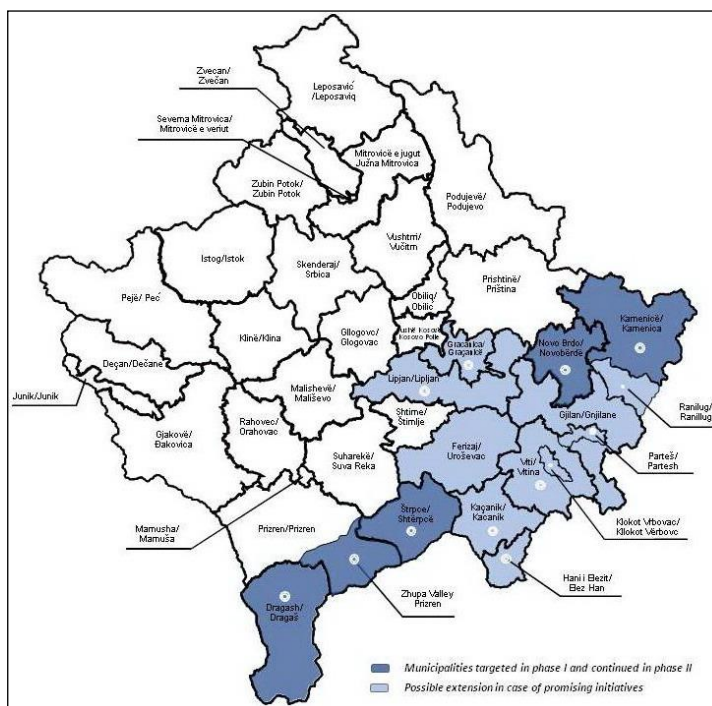
International expertise will support S4RE in developing sustainable business models for training provision and help to access relevant knowledge for training product development.

Outputs	Description	Target till end 2018
3.1 Businesses are capable to identify their skills needs and are willing to organise/receive trainings	Owners/management of companies understand the importance of having skilled staff, are able to identify their skills needs. They are willing invest in skills training. The new business development officer of S4RE facilitates the process and links them to providers who in their turn will sensitise company owners.	80 Companies invest into skills development
3.2 Relevant, accessible and affordable training services are available to SMEs	Tailor made trainings enabling medium and small businesses to develop and improve the staff's competences are carried out by local providers with the support of the project which decreases and at the end of the phase is completely phased out. .	80 trainings carried out by 50 training providers 200 employees from medium businesses and 700 from small and micro businesses are trained

5. Geographic focus and GSE as transversal theme

5.1. Geographic focus

S4RE II *continues to focus on the 4 municipalities of phase I* (Dragash, Shterpce, Novo Brdo and Kamenica), deepening its impact with a stronger focus on capacities within the local institutional and economic framework to deliver essential skills and capacity services. Phase 2 will however apply a crowding-in strategy, whereby the project seeks to expand its outreach to eight further municipalities in the **Sharr Mountains** and the **SouthEast** of Kosovo (known as the "**Anamorava region**"). These two regions were chosen based on the following criteria: Rural and remote area, high youth unemployment, large minority population and opportunities to include women and minorities in economic activities Approx. 230,000 people live in the regions (existing and possible extension region). (See Annex 4 for more information).



The two target regions

The Sharr Mountain region borders Macedonia and Albania. Dragash, Prizren, Shtërpce and Kacanik are some municipalities that belong to this region. The region is characterized by high mountains, rolling hills, valleys and plains.

Municipalities surrounded from Sharr Mountains offer a great potential for collection, cultivation and selling of NTFP, dairy, honey and fruits products. These value chains provide significant opportunities for economic development. The unemployment levels in this region correlate with the low educational level. According to Regional Employment Centre, about 60 per cent¹¹ of the registered jobseekers are unqualified, having completed only primary education or less. 35 % of the jobseekers are people with high school education, exemplifying the mismatch of the curricula with the labour market demand. One characteristic of this region of Kosovo is the mixed ethnic structure than on the other areas of Kosovo, where Albanians, Gorani, Serbs, Bosniaks, Turks, RAE (Roma, Ashkali and Egyptian) live together.

The **Anamorava region**, bordering Serbia and Macedonia, consists mainly of rural areas besides the two towns of Ferizaj and Gjiatë in which S4RE II will not work. The respective municipalities are Kamenica, Novobërdo, Gjiatë, Vitina, Hani i Elzit and the municipalities with Serb majorities of Gracanica, Ranillug, Partesh and Klokot. The region has basic economic infrastructure, inherited from socially owned enterprises and some small and medium private enterprises. The region is suitable for fruits and vegetable cultivation. In addition, hill and mountain areas have strong potential for development of NTFP sector (mainly in wild collection) and honey production. Recently huge investment from the private sector occurred in big fruits farms offering huge employment potential for unemployed youth. The Regional Vocational Training Centre is located in Gjiatë town, providing lim-

¹¹ Unemployment data were gathered from Regional Employment Centers and Employment Offices

ited access for people living in rural areas. The unemployment rate is over 50 % in the Anamorava region. 55% of registered jobseekers are unqualified and most of them in the age between 16 and 39.

Crowding-in: increasing outreach from 4 to 12 municipalities

The strategic focus of S4RE in phase 2 is on deepening (sustainability) and widening (scale) of impact. Building on the experiences and lessons-learned from phase 1, the project will seek to 'institutionalise' successful training and capacity-building models and solutions within the local economic and institutional framework – e.g. by stimulating local partners to sustainably provide services to youth and businesses, rather than providing essential skills and capacities itself as a project.

In order to achieve its ambitious impact targets at goal and outcome levels (see chapter 4 above), S4RE will pursue an active 'crowding-in' strategy. ***Crowding-in means that successful models and solutions implemented in the four initial municipalities are replicated or adapted also in the other eight municipalities of the selected two regions.*** In terms of project interventions, this means that S4RE will not simply repeat interventions conducted in phase 1 in the other municipalities. Instead it will take a light-touch and more facilitative approach to enable

- learning and exchange between public and private actors in the municipalities, enabling actors in the other eight municipalities to understand the new concepts and solutions as well as what it takes to replicate/adapt them in their own context.
- training providers who piloted new services within the four pilot municipalities to extend the outreach of their services also to youth and businesses in the other municipalities. This may require initial project support in business modelling and capacity.
- training providers in the other eight municipalities to replicate and adapt within their own organisational setup new training solutions.

The approach towards the new municipalities will require less resources in terms of finance and direct contributions to project partners, but more resources in team capacities (see chapter 7.1), monitoring and documentation of successful concepts and models, and the organisation of events and platforms for learning and exchange.

5.2. Gender and social equity (GSE) principles

S4RE II will continue to have a strong emphasis on Gender and social equity inclusion, building on the GSE policy paper and GSE strategy 2013-2017 of HELVETAS Swiss Intercooperation. The project will ensure that the organisational principles and guidelines are fully implemented.

Gender and Social Equity: The labour force participation rate by gender and age is as concerning and discouraging as the unemployment rate data. Women, youth or members of the ethnic minority groups and living in rural areas of Kosovo belong to the most disadvantaged groups of the society. They face many constraints to participate in development activities. S4RE II will pursue an inclusive approach throughout all components of the project. In reaching out to the most poor and disadvantaged groups, the project will mainstream its activities to the transversal themes and has set clear targets to ensure that those groups are included and do benefit from the project support.

- The Opportunity Groups will provide equal opportunities to disadvantaged groups for skills development and income generation, providing the training close to their place of residence thus avoiding cost for travelling, in particular allowing women to participate.
- Sub-sectors with employment potential for youth, women and minorities such as agriculture, ICT, hairdressing and tailoring will be target sectors for human capital development and economic empowerment
- S4RE II has selected areas where minority groups live and are active participants of the social and economic life. The project will ensure that they can participate equally in the pro-

ject's activities and has set an ambitious target by having at least 25% of the total project beneficiaries belonging to ethnic minorities.

- All indicators will be monitored and measured in a gender-disaggregated manner.
- S4RE is committed to take action on gender stereotypes and enable women to enter male dominated fields of work, including advocating and mobilising with others
- S4RE will continue to select service providers, training providers and project partners with a view to promote gender equity.

Further direction to the project will be given by the GSE principles of Helvetas and the backstopping of their GSE specialists.

6. Stakeholders and partners

6.1. Target group definition (beneficiaries)

The target group are youth, women and minorities.

Youth: S4RE defines youth as young women and men between 15 and 35 years. Recent data shows that the employment rate is lowest of the age groups of 15 to 24 and 25 to 34 compared to other age groups.¹² Based on this data and experienced made in the municipalities, S4RE decided to extend the age restriction from 30 to 35 years.

Women: To tackle the imbalances between male and female in terms of education and employment, 50 % of all beneficiaries are women.

Minorities: Minorities still face difficulties in education, which affects the employment. Geographical areas of S4RE are multi-ethnic communities. 25% of all beneficiaries will be ethnic minorities.

6.2. Partners

S4RE collaborates with different partners: businesses, public and private organisations, local and international NGOs. In order to bring the changes within the economic and institutional framework within the areas of the project intervention table below shows an assessment of the partners and expected by the S4RE project.

Table 1: Partners

Partners	Potential for S4RE	Constraints	Collaboration
Municipalities- Mayor, Economical & Youth department	Economic development of the municipality in line with municipal strategy	Limited capacity and resources to implement development strategy	S4RE will link the mayors of municipality, and closely work with Municipal departments for economic development and youth. Plan joint activities and cost-sharing mechanisms to enable them to take independent action
Municipal Public Employment Service (PES)	Efforts are underway to improve their performance to offer better services to jobseekers	PES has limited capacity and resources. Reforms to tackle this are underway but delayed	S4RE will cooperate with PES on labour market information and registration of skilled job seekers and use their job placement services. PES shall be member of LAG and contribute to the organization of OG and inform them on labour market requirements.

¹² Kosovo Agency of Statistics, Results of the Kosovo 2014 Labor Market Survey, p. 22

Local Businesses	Ability to identify training needs and hiring of employees with adequate skills	Lack of capacities and organisation to advocate their skill needs	Local and national private businesses are the key partners for project implementation. Businesses formulate their needs related to training, get on-the-job training, are involved in opportunity groups and identify business opportunities for self-employment.
Business member associations	Improve the business environment for existing businesses and start-ups. Identification of skill needs and training provision.	Not well organised	S4RE will collaborate with existing business associations in the target regions so that these organizations improve the business environment for existing businesses and start-ups in their region and identify their need for conducting practical on the job training.
Processors association	Identification of new suppliers and marketing of suppliers' products	Lack of information on suppliers	Product associations (e.g. NTFP, Dairy) are an equally important collaboration partner. S4RE interacts with them so that they better promote the products of their respective value chains. S4RE will facilitate sharing information and linkages
Youth Action councils (YAC)	Representing and advocacy of youth' social and economic needs	Lack of technical and organisational capacities	YAC will play a crucial role in identifying and organising the opportunity groups. S4RE will facilitate the capacity development for labour market assessment, opportunity group methodology. And interaction with other stakeholders.
Local Action Groups (LAG)	Entity in charge of implementation of the local economic strategy Registered as NGO LAG's represent of public and private sector of the local economic	Lack of technical and organisation capacities	S4RE and LAGs collaborate in each municipality in order to implement economic development strategies. S4RE will facilitate the capacity development for assessment of the sectors with potential within the municipality.
Private training providers	Offer market-based services and new market development	Lack of knowledge of market needs and limited capacities to provide training. Many are based in centres rather than the rural areas	S4RE will facilitate private training providers to increase their capacities to assess labour market requirements, provide skills development programmes and foster interactions between market actors. The project will facilitate the development of the market by linking them to potential clients, helping them to analyse the training needs of businesses and build their capacity as trainers.

6.3. Related Projects in Kosovo

S4RE operates in an area where several donors are active with different projects, mainly value chain projects. S4RE continues coordinating and collaborating its activities with other projects in order to find synergies and avoid any duplication of the activities and the project beneficiaries.

Table 1: Related projects in Kosovo

Name of the Project	Project short description	Synergies/differences
Enhancing Youth Employability (EYE) – HELVETAS Swiss Intercooperation & MDA ¹³	SDC financed project implemented by Helvetas in consortium with local partner MDA. Project focuses on three components of labour market. Skill provision, job matching and labour demand nationwide.	<ul style="list-style-type: none"> - EYE works with PES on MLSW level on performance improvements and better service for job seekers - EYE has relevant labour market information and disposes of a grant fund that can co-finance S4RE partners - Knowledge sharing and exchange of experiences with innovative business models for employment creation
Decentralisation and Municipal Support (DEMOS) ¹⁴	DEMOS supports 17 municipalities to deliver better services enhance participation of citizens and increased accountability towards them. Intervenes in specific areas of Municipal services such as waste management, local mobility and public spaces. Several municipalities in Anomorava region and Shterpce overlap with S4RE target area	<ul style="list-style-type: none"> - Information sharing on Municipalities which overlap - Eventual joint activities, e.g. on mobility or waste management creating employment - Potential for complementary activities
UNDP – Integrated Territorial Development (InTerDev) ¹⁵	Implemented in three municipalities Suharekë, Dragash and Sterpce. The target beneficiaries are individuals at risk of economic and social exclusion, in particular farmers and other small and micro production units. (ADC) finances the project with an overall project budget of € 1.66 mill.	Joint activities to improve local economic development in Dragash municipality. Facilitate skills development of women. Interdev is applying different approach, through covering the cost of participants to VETC in Prizren.
Caritas Switzerland - AGRO Project	The project objective is to generating new agriculture income through increased production, processing and marketing of honey, berries, medical herbs, milk, and cheese in Prizren and Sterpce.	Joint activities in supply chain actors targeting youth farmers within value chains. AGRO and S4RE not working with same target groups.
USAID – Agricultural Growth (AGRO) ¹⁶	Technical support to Kosovo's agriculture sector to stimulate and sustain farm producer's incomes and create market development opportunities that provide processors and packers, key stakeholders in the agriculture value chain, reliable and cost-effective contract production from Kosovo's farmers.	Joint activities related to the youth and women. Potential collaboration in selected municipalities.
GiZ – Competitiveness of the Private Sector in Rural Areas of Kosovo (COSIRA)	The project objective is to improve fruit and vegetable value chains with an emphasis on marketing and branding of the local products. In addition, COSIRA promotes rural tourism, cross border hiking, and sustainable management of the moistures.	Joint activities within supply chain in selected value chain. Potential collaboration in marketing and branding of the local products

¹³ <http://helvetas-ks.org/eye>

¹⁴ http://helvetas-ks.org/demos/wp-content/uploads/2014/06/factsheet_ENG_SFS.pdf

¹⁵ http://www.ks.undp.org/content/kosovo/en/home/operations/projects/poverty_reduction/Interdev.html

¹⁶ <http://www.usaid.gov/kosovo/news-information/press-releases/usaid-launches-new-118-million-agricultural-growth-and-rural>

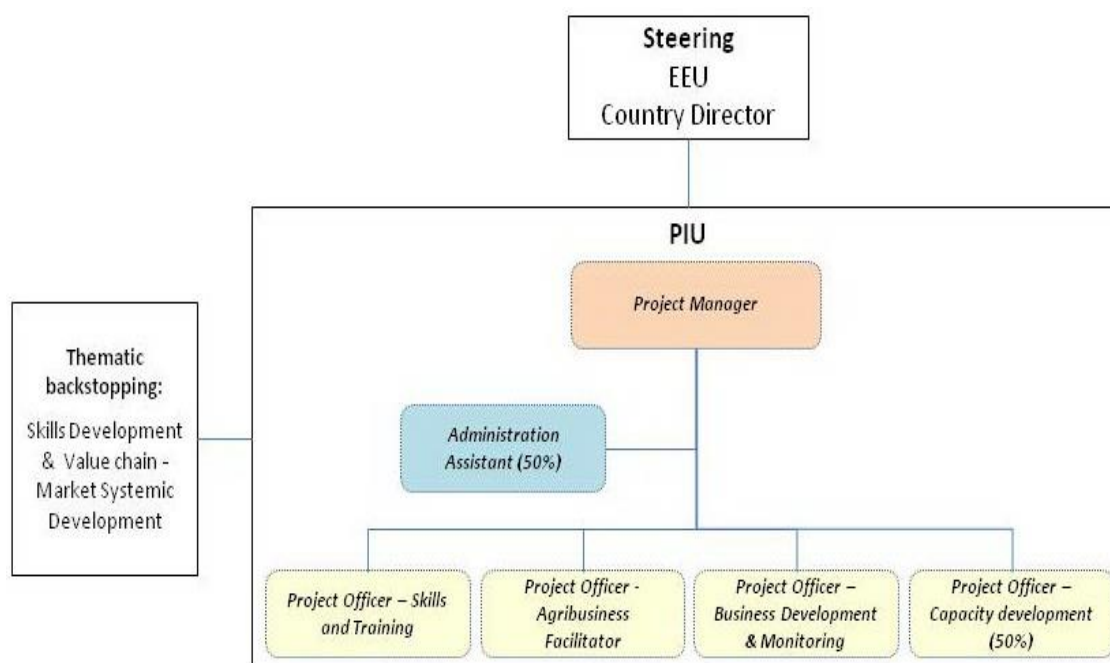
HELVETAS Swiss Intercooperation is implementing other employment and Market system development projects in the region. These are RISI Albania and Market Makers in Bosnia-Herzegovina; together with the Kosovo projects EYE and S4RE Helvetas Eastern Europe Unit has established a regional employment network and development community. This regional cooperation allows S4RE to exchange and share its experiences and tap into a vast experience of projects with similar focus.

7. Project organization

7.1. Project structure

S4RE II can rely on an experienced small team, but will have to reinforce to implement the changed approach from direct support to become a facilitating entity. Thus, a new position of business development & monitoring officer (100%) is proposed. The new project staff will be in charge of facilitation and coordination of the work of the local actors to support existing companies and start-ups. Given the increased monitoring needs in phase II as explained further above the officer will coordinate, lead and guide the staff in Monitoring and Result Measurement (MRM).

- **The Project Manager (PM):** manages the daily operation of the project, leads and coaches the team and ensures the effective implementation of the all project intervention.
The technical team will consist of 4 project officers as depicted in the organogram below
- **Support staff:** administrative assistant position (50%) supports the team in different administrative, financial and logistical issues.
- **Helvetas Country Support Team (CST):** provides financial and accounting services (20%) to S4RE.



7.2. Steering & Technical Backstopping

Overall strategic steering, supervision and quality assurance of S4RE will be done by the team leaders of Eastern European Unit (EEU) together with the Country Director (CD) for Kosovo. The country director provides regular coaching to the project manager.

The Advisory services of Helvetas head office offer backstopping on project planning, implementation and monitoring. The thematic backstopping team provide S4RE with support in skills development, market development, MRM and transversal themes. Further internal, regional and local experts will be engaged based on the needs of the project components under the outcome activities.

7.3. Planning, reporting and monitoring

Planning: The project document sets overall frame for the project activities and implementation. Team members prepare a yearly plan of operation (YPO).

Reporting: Narrative and financial semi-annual and annual reports will be submitted showing progress of the project. These reports shall describe activities conducted and outcomes achieved, an assessment of the progress made, emerging issues that require adjustments in design and operational arrangements, and a financial report and plan.

Monitoring: For phase II a different monitoring system than used in phase I will be established. It will be designed to monitor and measure the overall impact and outcomes of the log frame. A monitoring manual needs to be developed and the project will work with result chains to the interventions. More indicators than in phase I need to be

Phase II can build on some baseline data established in phase I, but will have to go beyond it in order to allow management and team a continuous project steering.

Reviews: Will be done regularly and be based on the monitored achievements and market observations. The project will have an internal strategic mid-term review in the second semester of 2017 to inform and adapt the strategy of the project implementation. An external evaluation at the end of phase II could report on the overall impact and derive lessons learnt and recommendations for other projects.

7.4. Infrastructure and equipment

The project office shares offices with other projects at the Helvetas Swiss Intercooperation offices location in Prishtina. This allows a cost effective use of the premises (rent, utilities, cleaning) for S4RE. Two project cars bought in 2013 and the other equipment (computers, printers, beamers, cameras, furniture) purchased and used during the first phase continues to be utilised also during the second phase of the project. Smaller investments into project infrastructure will be needed for the new staff member.

8. Overall assessment and Risks

Selected risks	Chance	Mitigation measures
Institutionalization of the approach and phasing out of project	High	<ul style="list-style-type: none"> Flexibility in selection of the partners according to the experience and the known local context Careful assessment of willingness and competences of potential partners Linking activities with incentives of the partners Testing and handing over ownership early in the project phase Piloting different 'business models'
Limited economic potential: economic growth has not been nearly enough to reduce unemployment	Medium	<ul style="list-style-type: none"> Continuously screen the market regarding employment possibilities by use of RMAs. Develop a mix of sectors (seasonal agribusiness, etc.). Exchange with EYE project on promising economic sectors.
Limited interest in advance trainings	Medium	<ul style="list-style-type: none"> Identify root causes of lack of interest. Promote success stories. Invest in business development.
Change of approach from direct delivery	Medium	<ul style="list-style-type: none"> Further trainings in MSD of staff.

approach to facilitation approach		<ul style="list-style-type: none"> Targeted backstopping by advisors of HELVETAS headquarters.
Change of the project's role affects the cooperation with the stakeholders	Low	<ul style="list-style-type: none"> Continue investing in pragmatic collaboration with stakeholders. Promote success stories in other municipalities.
Other donor projects: Other donors' interventions may overlap, while following a direct delivery approach, thus may hinder the intended systemic changes.	High	<ul style="list-style-type: none"> The combination of the target group (youth, women, minorities) and intervention (skills development) is not common in the target area. To make use of synergies with other projects, S4RE regularly maps other projects and government dynamics and keeps a proactive role to cooperate.

9. Budget

The overall proposed budget for phase II is CHF1.4 million. The budget reflects the change of approach which needs a strengthening of the staff and is reflected in slightly increased personnel costs. Nevertheless with 43 % of the project costs earmarked for the direct project costs the project budget has a healthy relation between the variable funds for project activities and the fixed cost of operating.

Based on the planned targets, it is foreseen that 38% of the total budget is spent during the first year of the project implementation, while the in the second and third it is expected that expenditures of the project gradually decrease to 35 % (second year) resp. 27 p% (third year). While the total investment (partner - & projects investments) will remain almost unchanged over the project duration the projects financial contributions will decrease and be between 0% to maximum 25% at the end of the project. The table below shows the summary of the project for every year, while the detailed project budget is shown under the Annex 5.

Total project costs (CHF)	2016	2017	2018	Total	%
Direct Project Costs	265,000	210,000	126,500	601,500	43%
Personal Costs (inc.travelling and training costs)	179,500	179,500	179,500	538,500	38%
Project Operating Costs (PIU)	39,150	49,150	33,150	121,450	9%
Total project cost	483,650	438,650	339,150	1,261,450	
Overhead cost (supervision & administration 11%)	53,202	48,252	37,307	138,760	10%
Grand Total	536,852	486,902	376,457	1,400,210	100%
Percentages per year	38%	35%	27%		

Table 2: Summary of the budget

10. Annex 1: Main results of phase I (2013-half 2015)

Main result phase I (2013-half 2015)

		Target	Achieved	%
OC 1. Youth gaining skills leading to improved employment	Youth (15 to 30 years old)	1,600	1,480	93%
	Learning Groups implemented	80	142	178%
	Young women trained (50% of 1,600)	800	489	61%
	Young minority trained (25% of 1,600)	400	492	123%
	Youth in economic activity (60% of 1,600)	960	994	104%
OC 2. Local Businesses improve productivity & employment	Employees trained (existing and new)	1,000	662	66%
	Women employees trained (50% of 1,000)	500	212	42%
	Minority employees trained (25% of 1,000)	250	49	20%
	New employees (25% of 1,000)	250	266	106%
OC 3. Supply chain actors improve self-employment opportunities	Trainees (suppliers)	2,600	2,124	82%
	Groups implemented (formal/informal)	150	146	97%
	Women trainees (50% of 2,600)	1,300	423	33%
	Minority trainees (25% of 2,600)	650	643	99%
	New farmers trained (25% of 2,600)	650	421	65%
OC 4 Local service providers offer skills training services	Training Providers strengthened	10	61	610%
	Training Providers engaged other than S4RE	6	9	150%

Comments and explanation:

OC1 - Data includes groups and participants who completed or still attending skills trainings.

OC1 - Data under economic activity include the projection of the participants who completed the skills training and will get into economic activity, e.g. in agribusiness (raspberries, strawberries, honey), during the year.

OC2 - 266 new jobs created - part time (seasonal) or full time employed

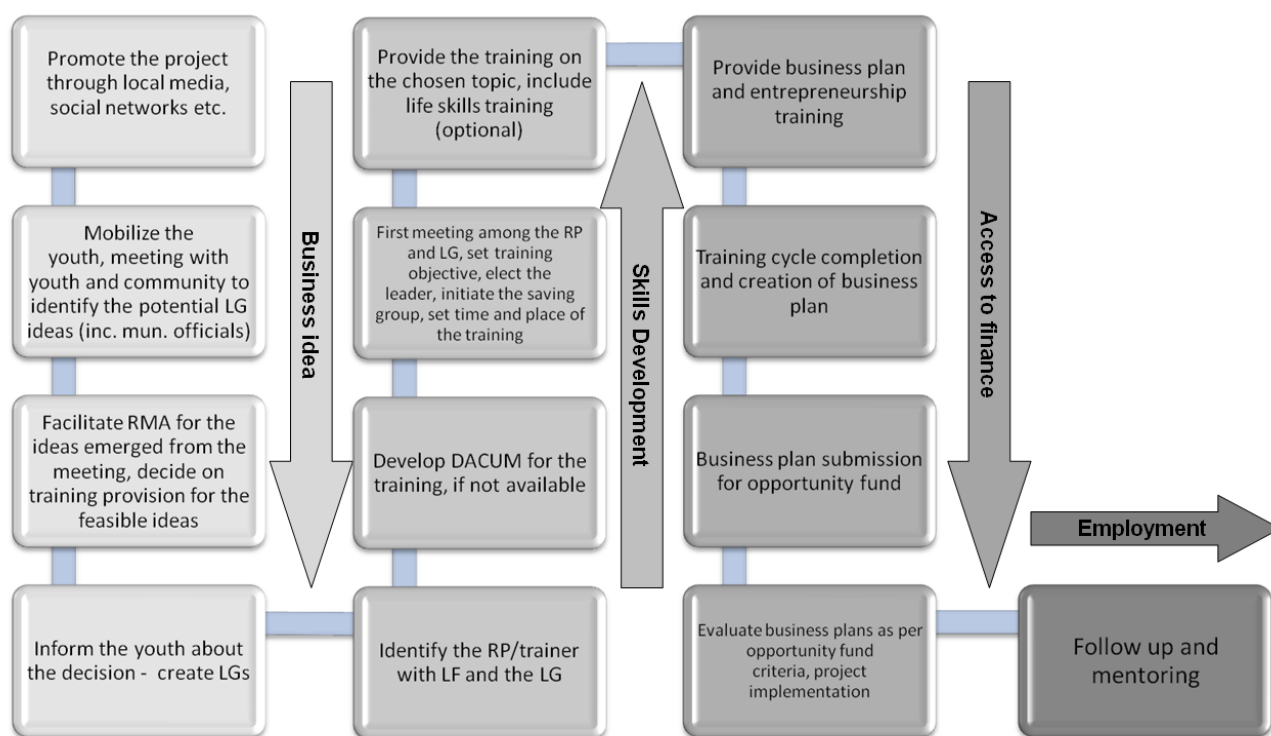
OC3 - New farmers include farmers that started dealing with agriculture for the first time, e.g. cultivating and wild collection of NTFP

OC3- Farmers increased their income more than 30% as the result of the skills trainings facilitated by the project. Project's own assumption.

Summary of the project achievements

	Target	Achieved	%
Total trained beneficiaries	5,200	4,327	83%
Women trainees	2,600	1,124	45%
Minority trainees	1,300	1,184	81%
Youth economically active	960	994	104%
New jobs created	250	266	106%
New farmers entered into agribusiness	650	421	65%
TP engaged other than S4RE	6	9	150%

11. Annex 2: Learning Group cycle by S4RE



12. Annex 3: Logical Framework

Hierarchy of objectives Strategy of Intervention	Key Indicators	Data Sources Means of Verification	
Impact (Overall Goal)	Impact Indicators		
Increased income and employment of youth, women and minorities in targeted rural areas of Kosovo	570 FTE jobs created, 285 women transitioned into FTE, 143 ethnic minorities transitioned into FTE 2,760 beneficiaries increased their income, 50% of the total beneficiaries are women and 25% are ethnic minorities.		
Outcomes	Outcome Indicators		External Factors (Assumptions & Risks)
Outcome 1: Youth have access to and use of adequate employment related information and skills	<ul style="list-style-type: none"> Number of youth (15-35) that benefit from better skills through opportunity groups. (baseline: 0 - target 2,000 in 2018) 50% of participants of opportunity groups are women (baseline: 0 - target 1,000 in 2018) 25% of participants of opportunity groups are ethnic minorities (baseline: 0 - target 500 in 2018) Satisfaction of participants of the OG with information received (satisfaction rate 75%) 	Training provider reports, Pre tracers survey , Monitoring sheet, Satisfaction survey	<p>Labour market can improve the accessibility for rural youth in terms of employment related information and jobs</p> <p>Employment opportunities can be found even with Kosovo's high unemployment rate</p>
Outcome 2: Producers improve their skills and are better linked to market in selected value chains	<ul style="list-style-type: none"> Number of producers, that improved their skills (baseline 0-target 3,000 in 2018) % of beneficiaries (producers) that increase their incomes (baseline: 0 - target 1,800 in 2018) Number of market linkages with companies (users of suppliers product) 	<p>Training provider reports, Business survey , Monitoring sheet</p> <p>LAG reports</p>	Quality skills provided can improve the productivity, increase income generation and create opportunity for employment of producers in remote area.

Hierarchy of objectives Strategy of Intervention		Key Indicators	Data Sources Means of Verification	
Impact (Overall Goal)		Impact Indicators		
		(baseline: 0 - target 50 in 2018) <ul style="list-style-type: none"> Satisfaction of producers from the skills training received (satisfaction rate 75%) 		
Outcome 3: Businesses increase their competitiveness through tailored, quality and affordable trainings		<ul style="list-style-type: none"> Number of existing employees of SME's that increase their professional skills (baseline: 0, target: 900 in 2018) 30% of employees that increase their skills are new employees (baseline: 0, target: 270 in 2018) Number of local business identified skills needs and provides /received trainings (baseline: 0, target: 900 in 2018) 75% of SME's that report high satisfaction on training services received by providers (baseline: 0, target: 50 in 2018) 	Training provider reports, Business survey , Monitoring sheet	Local Businesses can highly increase the productivity and employment through affordable and quality trainings. Limited investment opportunity can hinder the businesses competitiveness.
Outputs (per outcome) and costs		Output Indicators		
For outcome1: Youth have access to and use of adequate employment related information and skills				
Output 1.1	Local institution capable to provide adequate employment related information	Number of youth receiving adequate employment information (baseline 0, target 2,000) 60% of OG graduates registered will municipal PES office	PES Report	PES is willing to improve performance and provide employment related information The Government has introduced the performance measurement program for Employment Offices
Output 1.2	Training providers are capable to offer skills development programmes for youth	Number of training providers (baseline 0 - target 60) Number of curricula developed (baseline 0 - target 40). Number of RMA's done (baseline 0 - target 20).	Surveys with training providers and youth	Training providers are willing to provide trainings and improve their approach

Hierarchy of objectives Strategy of Intervention		Key Indicators	Data Sources Means of Verification	
Impact (Overall Goal)		Impact Indicators		
		Number of curricula certified and (baseline 0 - target 25). Number of OG graduate receiving certificates (baseline 0 - target 500).		Unemployed youth, women and minorities are willing to participate in the skill building program
Output 1.3	Youth Action Councils organise skills development programmes for youth	Number of OG's organized (baseline 0- Target 300)	Reports from YAC	YAC are committed and willing to take leadership in addressing the youth needs
Costs of outputs for outcome 1: CHF 276,500				
For outcome 2: Producers improve their skills and are better linked to market in selected value chains				
Output 2.1	Local Action Groups foster market linkages	Number of LAG's organized successfully. (baseline 0 - target 12)	LAGs Report	LAG is willing to improve performance, take leadership, implements project approach and provide linkages among value chain actors
Output 2.2	Businesses provide market information to producers	Number of financial agreements concluded between producers and companies (baseline 0 - target 50)	Business survey Contracts and business survey	Businesses are willing to improve performance and provide market related information
Output 2.3	Training providers are capable to offer training in selected value chains/subsectors	Number of trainings provided to farmers (baseline 0 - target 50) Number of additional mandates delivered (baseline 0 - target 10).	Surveys with training providers and producers	Training providers are willing to provide trainings and improve their approach Producers are willing to participate in the skill building program in selected value chains
Costs of outputs for outcome 2: CHF 215,000				

Hierarchy of objectives Strategy of Intervention		Key Indicators	Data Sources Means of Verification	
Impact (Overall Goal)		Impact Indicators		
For outcome 3: Businesses increase their competitiveness through tailored, quality and affordable trainings				
Output 3.1	Businesses are capable to identify their skills needs and are willing to organise/receive trainings	Number of businesses investing into skills development identifies (baseline 0 - target 80)	MOU, contracts, business survey	Businesses are committed and willing to take leadership in identifying and addressing skills needs
Output 3.2	Tailored, quality and affordable services for businesses are available	Number of trainings (baseline 0 - target 50) Number of employees from large businesses are trained (Baseline 0 - target 200). Number of employees from small business are trained (Baseline 0 - target 700).	MOU, contracts, business survey	Businesses are willing to contribute in quality and affordable skills can improve the productivity, increase income generation and create opportunity for employment for new employees.
Costs of outputs for outcome 3: CHF110,000				

13. Annex 4: Economic Development Potential of selected areas

Introduction

The S4RE project will focus on creation of employment opportunities, inclusiveness and poverty reduction in two regions of Kosovo, Sharr Mountains and South East Kosovo also known as Anamorava Region. To respond to opportunities for job creation and income generation for youth and women the project will include also activities in the neighbouring municipalities of target municipalities in two regions.

In order to contribute to poverty reduction through creation of decent jobs, skill-building, better labour condition, economic empowerment of youth, women and girls and other vulnerable groups such as minorities, the project is designed and will include the private sector as an essential partner.

The role of the private sector in fostering the economic development is crucial. Being highly diverse, each of the private sector actors requires different conditions to contribute in the local economic development. The following information has been compiled using information on the demographics of the population and the local, regional and national strategies for economic development in S4RE target municipalities.

1. Sharr Mountains (Region 1)

The Sharr Mountains region covers the southern border of Kosovo, and is shared with both Macedonia and Albania. Dragash, Prizren, Sterpce and Kaqanik are some municipalities that belong to this region. The topography is mixed and includes high mountains, rolling hills, valleys and plains. On the mountains there are extensive forestlands and natural grazing lands with the abundance of wild animal life and vegetation.

The unemployment levels in this region are correlated with the educational accomplishments. According to Regional Employment Centre, about 60%¹⁷ of the registered jobseekers are unqualified, having completed only primary education or less. 35 % of the jobseekers are people with high school education, indicating mismatch of the curricula with the labour market demand. One characteristic of this region of Kosovo is the mixed ethnic structure than on the other areas of Kosovo, where Albanians, Gorani, Serbs, Bosniaks, Turks, Roma, Ashkali and Egyptian live together.

Dragash municipality – is located in the south of Kosovo and has about 34,000¹⁸ inhabitants. It is a multi-ethnic municipality, with a local economy based on agriculture (NTFP¹⁹, Dairy sector, honey, and fruits) and small businesses.

Approximately 4,000 youth of age 16-30 are unemployed. Education opportunities are limited, often youth chooses to migrate to bigger cities or abroad. The adult residents have lower education accomplishments, especially among women. High unemployment rates make Dragash one of the poorest municipalities determining development focus on youth and women.

Dragash is surrounded by beautiful Sharri and Koritniku Mountains offering a great potential for development of tourism, such as hiking, climbing and skiing. Medical and aromatic herbs, as well as wild berries found in this municipality provide significant opportunity for economic development. The climate is suitable to a range of high value agricultural products, including dairy, honey and fruits. Traditional industries, including handicrafts and cultural heritage, also add to the tourism opportunities.

¹⁷ Unemployment data were gathered from Regional Employment Centers and Employment Offices

¹⁸ Municipal profiles published by OSCE have been used as source for figures of the population in all municipalities

¹⁹ Non Timber Forest Product - wild collected soft fruits, mushrooms, medical herbs etc.

Strpce – is a multi-ethnic municipality with 7,000 inhabitants with majority belonging to ethnic Serb community. The local economy is based on agriculture, tourism and small businesses. There are approximately 2,400 unemployed of age 16-39. Strpce is rich in natural resources which can be used for further economic development. It has fertile agricultural land and has over 200 registered medical herbs. The Sharri Mountains, Brezovica Ski Resort Agriculture and cultural heritage are a potential for tourism development. Beside tourism Strpce has conditions for development of fruit production, beekeeping, fishing and hunting, agricultural production and processing.

Zupa Valley is situated below Sharr Mountains, between Strpce and Prizren. The community is comprised of majority Bosniaks and Serbs. There is not much official data on the number of people living in this area. However, the area consists of about 15 villages located high up and not easy accessible with stone houses and villagers subsisting on agriculture, mainly NTFP, berries cultivation and beekeeping.

Kacanik comprised of 30 rural settlements is bordered with Shterpce. It has over 33,000 inhabitants with majority of Albanians and few Bosniaks. The economy of Kacanik is currently based on the production of construction materials. However, Kacanik shares the same value of natural resources as Strpce and Dragash. Being close to Sharr Mountains, Kacanik is rich in natural resources. There are potential opportunities for the development of agriculture-animal farming, beekeeping, different crafts, as well as winter and summer tourism. Kacanik has a tradition of private industrial activity and it's known for its good wood processors, skilled construction masons, craftsmen, tailors, goldsmiths etc. Unemployment is similar to other poorly developed municipalities, about 60%.

2. South east region of Kosovo (Anamorava) (Region 2)

This region is also based strongly on rural and natural areas, with a few smaller urban centres. The region borders with Serbia and Macedonia. Kamenica, Novoberdo, Gjilan, Vitina and newly established municipalities with Serb minorities based on the decentralization law in June 2010, Ranillug, Partes and Klokot are municipalities within this region. The region east has basic economic infrastructure which was inherited from socially owned enterprises and some small and medium private enterprises. This region is made of hills, mountains, valleys, and rather limited continuous levels of flat land. The climate is suitable for vegetation and these all add to the features in the area. Streams and rivers with beautiful, clean, clear water flow all year long. There are snow-capped hills and mountains; forests with a wide variety of vegetation and various trees (mostly high quality hardwoods), and some flat areas, all providing great potential for economic development.

The land, although hilly and mountainous, is arable, with good natural nutrients and rich soils, suitable for agricultural farming or animal pasture, and for timber and related wood industries. A lot of land is currently unused, under-utilized, or not used to its best advantage, particularly with regard to agricultural planning.

The informal education sector is not so well developed in this region. The Regional Vocational Training Centre is located in Gjilan town, providing limited access for people living in rural areas. The unemployment rate is over 50% in this region. 55% of registered jobseekers are unqualified, with majority falling on age from 16-39.

Kamenica – is positioned in the eastern edge of Kosovo and population figures about 40,000 inhabitants. The terrain of the Kamenica municipality is comprised of hillsides and mountains with a number of valleys around the rivers, with alluvial land which is very suitable for vegetable farming and other agricultural cultures. The unemployment rate in Kamenica is 45%, with unqualified labour force of 52% jobseekers, 1,800 unemployed of ages 16-39. The local economy in Kamenica is poor, with economy based on trade and less in production. It has resources for development in agriculture, specifically the fruit sector, vegetables, dairy, meat and poultry sector. Forest resources are also rich, providing an opportunity for collection and pro-

cessing of wild berries and medical herbs. The apiculture sector, production of honey and other honey products can provide positive results, due to favourable climate conditions and available local knowledge to be transferred to youth. Fishery is also a potential having many rivers and streams running in and through Kamenica.

Novo Brdo – is an entire rural municipality surrounded by Kamenica, Gjilan, Prishtina and Gracanica. It is a multi-ethnic municipality with around 7,000 inhabitants. It is an under-developed community with main employer the public institutions. The education opportunities are limited, offering only primary and secondary education. Thus, many youth tend to migrate to other neighbouring cities for higher education and employment opportunities. There are no informal training opportunities.

The future of Novo Brdo is a promising one considering the hilly and mountainous terrain, long sunny days, good tourism opportunities, archaeological localities, cultural diversity, traditional food, and a lot of other opportunities in other areas for development. Agriculture is of significance for economic development such as livestock production of milk and meat sub-products, beekeeping, fruit cultivation especially the berries, collection and processing of wild berries and medical herbs. Agro-tourism can be developed by farmers and can generate additional income.

Ranillug – has about 4,000 inhabitants with 13 settlements with 95% Serb community. It has mountainous and plain-like landscape. Ranilug municipality has been formed from territory formerly falling under Kamenica. It is now bordered with Kamenica and Novo Brdo; therefore they share the same natural resources values. The economy of Ranilug is based mainly on dairy production and small businesses. Farming is one of the priorities of the Municipal Development Plan.

Gjilan – is the largest city in the east region of Kosovo. It is bordered with Kamenica, Novo Brdo and Viti. It has 42 villages and over 90,000 inhabitants. Majority are Albanians, however there are also Serbs, Turks, Roma and Gorani living in small numbers. Gjilan is cultural, economic and education centre in east region. It is known as agro-industrial zone and is suitable for agriculture, forestry, light industrial processing, construction and services industries.

Klllokot – is a multi-ethnic municipality with 2,500 inhabitants, comprising of Albanian and Serbs. It is surrounded by municipalities of Gjilan, Partesh and Viti. Its nature provides opportunities mainly for agriculture sectors such as fruit cultivation, berries, vegetables, livestock etc. Being rich in thermal mineral waters Klllokot has a great potential for spa tourism. Wood processing is another sector with high potential.

Viti – is located in south east of Kosovo. It is inhabited mainly by Albanian majority with about 47,000 inhabitants living in 38 villages and Viti town. The economy is mainly based on agriculture and small businesses. Over 40% of the population is of ages up to 19 years.²⁰ Same as Klllokot, Viti also has potential for agriculture development of livestock, dairy and meat production, fruit cultivation, berries etc.

Gracanica – is a multi-ethnic municipality with about 11,000 inhabitants. Majority are of Serbian ethnicity and the population is spread in 16 villages. It is surrounded by Novo Brdo, Prishtina and Lipjan municipalities. Young people comprise about 40% of the population. Gracanica is rich with natural resources. It has high class of agriculture land, four rivers flow through Gracanica making it rich with water resources. It has a significant potential for tourism development being rich with religious and cultural heritage.

3. Private sector Opportunities

Improving employment opportunities for youth and women requires broad and intensive efforts from all stakeholders. Private sector is the key engine for job creation; however they require some conditions to enable employers to create jobs for young people on sustainable basis. Skills for Employment aims to respond to opportunities arising in each region, using the Rapid Market Appraisal

²⁰ Municipal Development Plan

tool, to identify the areas of most promise in creating new employment as well as strengthening the existing employment.

Building on S4RE experience, below are some highlights of the sectors with the most potential for employment creation and income increase.

4. Agriculture & Agro processing

The agriculture activities cover an extremely wide range from forestry, collection of NTFP, mushrooms and medical herbs, cropping, cultivating orchards and plantations, flower farming, raising livestock and poultry to fish farming. All these activities are being currently performed by families living in rural areas, but often as non-commercial activity. As mentioned in the municipalities' profile above almost all municipalities have their economy based on agriculture and consider agriculture as potential for local economic development. The utilization of natural resources available in target municipalities and the potential of youth work force would enable unemployment and poverty reduction.

However to achieve this vision of agriculture being the main drive toward employment and income increase of young people, it is necessary to build the knowledge and skills of the youth and increase the awareness of the significance of agriculture. In addition, strengthening of existing supply chain is needed through collaboration with actors in value chain.

5. Value chains with employment potential

Non-timber forest products – NTFP are part of a larger sub-sector (Horticulture) and the NTFP participation in the share of the Agribusiness sector is currently estimated at less than 10%²¹. Kosovo is a primary supplier with mushrooms, forest berries, and wild medical and aromatic plants for processors in other countries. Sharr Mountains are one of the main collection areas for these products in Kosovo. Strpce has over 200 registered medical herbs growing in its' vicinity. NTFP are also grown in the east region of Kosovo. This sector has a well-established network of collectors and semi-processors. However, training to understand these products and stimulate the rural community is necessary.

Fruits – is considered as a sector with huge potential for economic growth, employment and income generation. Currently this sector is still under developed. However, in the recent years this sector is developing fast, improving the production and yield capacities. The berries cultivation is increasing in targeted municipalities due to high leverage in creation of employment and income generation. Further, to strengthen this sector and to replicate and increase the production capacities, continuous support to youth and farmers is necessary to build skills in cultivation, capacity increase and market access through linkages to local, regional and national companies. This sector is of significant importance for involvement of women, especially in processing.

Dairy – Milk production and processing sector is the most important sector in agriculture contributing to country development. Majority of rural population are engaged in these activities. However, lack of skills, technology and practices for quantity and quality increase are some of the factors why Kosovo still imports these products. Thus, activities to strengthen this sector and support rural families in increasing the income are necessary.

Honey – beekeeping sector is becoming a high priority activity in Kosovo, especially in targeted municipalities. Rural communities have increased their interest to pursue beekeeping activities and mainly to produce honey. This is a sector that can generate high incomes and employment, if the youth and women are properly equipped with skills and knowledge. Skills and knowledge to increase the production and expand the capacities are essential for the youth to succeed and motivate the others.

Vegetables – together with fruit sector comprise 30% of total agricultural production, Vegetables require intensive labour engagement and currently are still seasonal. Being highly demanded and

²¹ EYE - STUDY REPORT FOR THE MAIN AGRIBUSINESS SUB-SECTORS IN KOSOVO pg.25

extending the production during the entire year this sector can have huge impact in employment and economic growth. Beside increase of production, additional income and jobs can be created through development of supply chain through training provision for better management of their farms.

IT and Services – This sector is also with potential for engagement of youth, including women. It is a sector with a continuous need for upgrading the skills due to evolving nature of this sector. According to STIKK ²², opportunities for growth are mostly seen at local level. Field where expansion is expected are: internet service provision (32%), Software Developing (25%), maintenance and repair (23%), devices retail (19%), engineering services (19%), training/certification (17 %), information services (12%), web-design (12%). Thus, activities to provide skills to existing and new employees are needed for increase of income and employment.

Handicraft and Textile - traditional handicrafts are important employers in rural areas. Handicrafts, especially the tailoring are considered women specific jobs. Access to trainings would enable more women to engage in income generating activities.

Rural Tourism – this sector faces difficulties with human resources, lack of qualified and skilful workers, A potential for rural tourism exist is Sharr region, Strpce, NovoBrdo and Kamenica. It would increase women participation in economic activity. Brezovica Ski Resort has been privatized and it is expected that in 2016 a huge number of youth will be employed. Training in hospitality and other soft skills are necessary to support youth in transition to work.

6. Potential private sector actors

Skills for Employment during first phase of implementation have identified potential partners of the private sectors to work with. Activities involve training provision, market access, strengthening the linkages of supply chain with actors of value chain etc. Table below provides some of the partners for the next phase of the project such as local and regional companies, including associations for different sectors:

Sub – sectors	Sharr Mountain Region	South East Region
NTFP	Hit Flores, NTFP collector and processor, Dragash Scardus, NTFP collector and processor, Strpce	Fungo FF, mushroom cultivation, Kamenice Fungo Kos, collection and processing of mushroom, Kamenica.
Fruits	Agro Red Gold – Berries Association in Zupa Valley “Sarska Malina – Berries Association, Strpce “Mladi na Selo” – Berries Social Enterprise, Dragash	Natyra, collector and semi-processor of NTFP, Gjilan Moea – fruit producer and processor, Gjilan ASK Food - fruit producer and processor, Gjilan
Dairy	Sharri - milk collection and processing, Dragash ABI Center, milk collection, Dragash	Malesia – dairy business, Kamenica KABI - dairy business, Kamenica
Honey	Sarski Roj - Honey association, Strpce UFMD - Honey association, Dragash	Fatbleta, beekeeping business, Kamenica Jetë Bleta, beekeeping business, Kamenica
Textile	Invers One, textile/tailoring factory, Dragash	Er-roshi Design house, tailoring business, Kamenica DPZ Medina, tailoring business, Kamenica

²² Skill Gap Report – STIKK http://www.stikk-ks.org/uploads/downloads/STIKK_skills_gap.pdf

Skills for Employment will work with companies located outside of the project area, with companies offering opportunities for job placement and income generation in our targeted municipalities.

Agroproduct (Istog): Is largest company located outside of project area. They collect huge quantity of non-timber forest products. The Project will work with them to design training packages and implement project activities.

Eurofruti (Pristina): company deals with collection and processing of cultivated and wild harvested of berries. The Project expects that through company to increase the employment opportunities for people leaving in remote area through cultivation and collection of berries.

ABI (Prizren): is one of the biggest companies in region, deals with collection and processing of the vegetables, fruits and milk. There are opportunities to work with company, they purchase large quantities of fruits/vegetable and milk, in addition they employed people from project area.

S4RE is going to explore possibilities to increase the collaboration with other different private sector representatives who are active in the targeted regions of the project implementation.

14. Annex 5: Budget for S4RE project PHASE II 2016-2018

Item	2016	2017	2018	TOTAL (CHF)
1.Direct Project Costs				
1.1 Outcome 1	115,000	100,000	61,500	276,500
Local Institutions provides employment information	20,000	20,000	10,000	50,000
Training providers offer skills.dev.programmes	55,000	60,000	31,500	146,500
Local actors organize skills dev. programme	40,000	20,000	20,000	80,000
1.2 Outcome 2	100,000	80,000	35,000	215,000
Local action groups foster market link-ages	15,000	10,000	15,000	40,000
Businesses provide information to producers	25,000	20,000	10,000	55,000
Training providers offer value chains training	60,000	50,000	10,000	120,000
1.3 Outcome 3	50,000	30,000	30,000	110,000
Businesses identifies skills and organize trainings	30,000	20,000	20,000	70,000
Tailored services for businesses	20,000	10,000	10,000	40,000
Sub Total 1	265,000	210,000	126,500	601,500
2. Personal Costs (inc.travelling and training costs)				
2.1 National personnel	132,700	132,700	132,700	398,100
2.2 International personnel	46,800	46,800	46,800	140,400
Sub Total 2	179,500	179,500	179,500	538,500
3. Project operating costs				
3.1 Vehicles	3,500	3,500	3,500	10,500
3.2 Maintenance, Office cost, audit	35,650	45,650	29,650	110,950
Sub Totla 3	39,150	49,150	33,150	121,450
Sub Total (1+2+3)	483,650	438,650	339,150	1,261,450
Overhead cost Zurich (11%)	53,202	48,252	37,307	138,760
Grand Total Budget	536,852	486,902	376,457	1,400,210