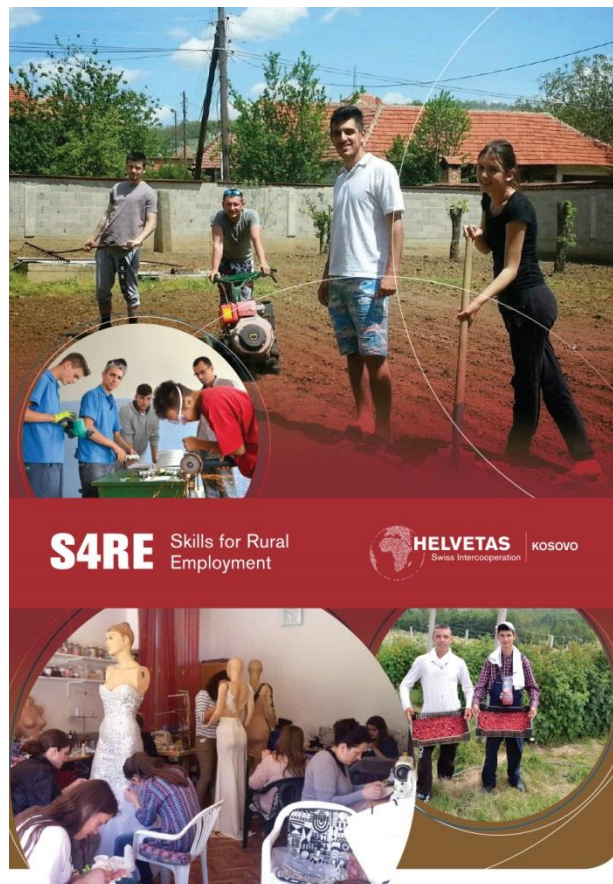


Skills for Rural Employment (S4RE) – Kosovo

Project Summary



Project Title	Skills for Rural Employment (S4RE)
Project Area	Sharr Mountains & Northeast Region, Kosovo
Project Goal	The goal of S4RE is to contribute to income and employment generation in rural areas
Project Outcomes	<ol style="list-style-type: none"> 1. Youth have access to and use of adequate employment-related information and skills 2. Producers improve their skills and are better linked to the markets in selected value chains 3. Businesses increase their competitiveness through tailored, quality and
Beneficiaries	Total of 6,000 unemployed (or under-employed) individuals in targeted regions
Project Duration	Phase II: 2016 - 2018

Further information:

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1. Background

The Skills for Rural Employment (S4RE) phase one – funded jointly with CHF 1.4 million by HELVETAS Swiss Intercooperation, Medicor Foundation, Julius Bär Foundation and Rieter Foundation – project started its first phase in January 2013 and was concluded in December 2015.

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, Shterpce, 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.

Phase one of S4RE stood in the light of introducing new and innovative solutions, piloting and adapting to the context, to address different skills-related constraints which undermine income and employment generation. During phase one S4RE has fulfilled, and in some cases exceeded, the targets set. 4,896 persons were supported with training under its three main outcomes which constitutes 94% of the target (5,200). The project's monitoring shows that to date 1,603 of them have found employment or entered into additional economic activities.¹ With this, the project has achieved about 90% of the overall employment goal. Apart for the quantitative data, also qualitative information and lessons learnt indicate that the skills development models and solutions piloted by S4RE lead to desired outcomes:

Learning group (LG) methodology: The methodology has proven to be a useful instrument in preparing young women and men for jobs (1,508 trained) or even developing entrepreneurial skills to start an own business (945 trainees engaged in economic activity); it has also shown participants the possibilities within the local economic context and that migration to urban centers or outside of Kosovo does not always need to be the only option.

Private sector as driver for local economic development: S4REs collaboration with businesses in six selected value chains has demonstrated the importance of an integrated approach that also addresses the skills needs of private sector as engine for growth. Project interventions have improved position in supply chain of small producers and local businesses. They have improved productivity, quality and competitiveness due to better access to knowledge and information and improved skills of employees.

Inclusion of disadvantaged groups: Within main target group, rural young women and men, S4RE has reached out to specific disadvantaged groups: of the total trained, 33% were women (target: 50%) and 33% belong to ethnic minorities (target: 25%). Reaching the ambitious target for women will require a stronger gender focus in phase two, barriers such as social norms and perceptions 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. S4RE interventions have influenced the perception of local authorities to change 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).

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

2. Rationale

The Republic of Kosovo is currently confronted by a significantly high unemployment rate, affecting 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.²
- **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%).³
- **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.⁴

Unemployment is due to a number of causes. Most importantly it relates to the underperformance of the educational system and poor economic performance.

The Kosovar **Vocational Education and Training (VET)** system 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** undermining 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.

3. Vision, goal and impact

The overall vision of 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 fulfill 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.

² Kosovo Agency of Statistics, Results of the Kosovo 2014 Labor Market Survey, p. 9

³ Kosovo Agency of Statistics, Results of the Kosovo 2014 Labor Market Survey, p. 9

⁴ 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

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, the actual **target group** is young women and men in the age of 15-35. 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
- **Secondly**, the goal formulation also points out to income **and** employment opportunities, meaning that the aim is not only to get young people into jobs, but also stimulate entrepreneurship and increased household incomes within the local economic context.
- **Thirdly**, the final impact of the project is geographically focussed on the municipalities in the Sharr Mountains and the Southeast of Kosovo. While the focus will remain on the four municipalities selected in phase one (Dragash, Shtrpce, Novo Brdo and Kamenica), the project’s strategy will aim at increasing outreach also to eight additional municipalities in the two regions by promoting service providers used in phase one.

4. Project implementation approach and outcomes

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.

The project’s facilitative approach in phase two will **strongly focus on deepening (sustainability) and expanding (scale) the impact achieved around innovative models and solutions in phase one**. Most importantly this includes intervention through three outcomes in the following:

- **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. Local institutions such as Public Employment Service (PES) and Local Youth Action Councils (LYACs) 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.

5. Target group and geographic focus

The target groups are youth, women and minorities as well as farmers and businesses age between 15 and 35 years (50% women and 25% minorities).

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 increasing their income is 3,030.**

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, seeking to expand its outreach to eight further municipalities in the **Sharr Mountains** and the **SouthEast** of Kosovo.

6. 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 S4RE assessed the potential partners and expects to collaborate specifically with municipalities - departments of Youth, Agriculture & Economic Development, municipal Public Employment Services, Local Businesses, Training Providers, Business Member Associations, Processor Associations, Local Youth Action Councils, Local Action Groups etc.

S4RE will require a stronger degree of commitment and ownership from partners in phase two, 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. Partnerships will be more based on a shared comprehensive understanding and the respective roles where increasingly the local partners will be driving the interventions and project's financial support is phased out.