

USAID EMPOWER PRIVATE SECTOR ACTIVITY - IN PARTNERSHIP WITH SIDA

QUARTERLY REPORT #14

Project Year 4, October 2017 – December 2017



In Quarter 14, EMPOWER Private Sector, in partnership with Sida, organized the First Albanian Diaspora Business Forum in Pristina, as a joint initiative with the Albanian Diaspora Business Network, to build connections among Kosovar and Albanian diaspora businesses. It resulted in €900,000 in new sales and is expected, in the coming period, to generate additional sales.

Overall, more than 250 diaspora businesses, 50 regional businesses, and more than 150 Kosovo-based businesses participated in the forum. As a result of the forum, nine contract deals were reported, and 36 potential deals are underway. Over 350 meetings were held during the second day of the forum, which featured B2B activities between Kosovar and diaspora businesses.

January 31, 2018

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OCTOBER 2017 – DECEMBER 2017

Submitted by:

Cardno Emerging Markets USA, Ltd.

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EMPOWER Private Sector

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CONTENTS

1.	Summary of Progress	1
1.1	Summary for Quarter 14.....	1
1.1.1	Key Highlights.....	1
1.1.2	Progress vs. Performance Management Indicators	5
1.1.3	Analysis of Sales and Jobs Growth by Sector	6
1.1.4	Summary of Impact by Support Area	7
1.1.5	Allocation of Assistance Budget.....	8
2.	Activities and Tasks vs. Workplan	10
2.1	Component 1: Competitive SMEs	10
2.1.1	Wood Sector	11
2.1.2	Apparel Sector.....	13
2.1.3	Energy Sector	16
2.1.4	Other Production Sectors	20
2.1.5	Tourism Sector	21
2.2	Component 2: Workforce Development	22
2.2.1	ICT Sector	22
2.2.2	WfD Activities in Other Sectors	24
2.2.3	Systemic Activities in WfD	24
2.3	Markets and Export – Diaspora Linkages.....	24
2.4	Cross-Cutting Issues.....	27
2.4.1	Women.....	28
2.4.2	Youth.....	29
2.4.3	Minorities and North Kosovo.....	30
2.4.4	Microenterprises.....	31
2.4.5	Donor and GoK Collaboration.....	31
2.4.6	Environmental Compliance.....	32
2.5	General and Administrative	32
2.5.1	Strategic Activities Fund Management.....	32
2.5.2	Public Events and Communications.....	33
3.	Results vs. Performance Management Indicators	37
3.1.1	Results vs. PMIs Detail	37
3.2	PMIs Summary	40

ANNEXES

- Annex 1: Year 4 Workplan and Results to Date
- Annex 2: EMPOWER-Funded Activities Status Report
- Annex 3: Strategic Activities Fund Investments Summary
- Annex 4: Expansion Grants Signed
- Annex 5: Supplemental Tables
- Annex 6: Communications - Success Stories and Facebook Postings

Table 1: Key PMIs by Sector	5
Table 2: PMIs - Targets vs. Actual - Cumulative.....	5
Table 3: EMPOWER Investment vs. Sales Impact by Sector.....	7
Table 4: EMPOWER Investment vs. Job Creation Impact by Sector.....	7
Table 5: EMPOWER Investment vs. Impact, by Support Area.....	7
Table 6: Supported Activities through Q14.....	9
Table 7: Supported Activities in Q14.....	9
Table 8: Component 1 Summary – Q14 and Cumulative.....	10
Table 9: Wood Sector Activities & Impact, in \$000s.....	11
Table 10: Apparel Sector Activities & Impact, in \$000s.....	13
Table 11: Energy Sector Activities & Impact, in \$000s.....	16
Table 12: Other Production Sectors Activities & Impact, in \$000s.....	20
Table 13: Tourism Sector Activities & Impact.....	21
Table 14: Component 2 – Workforce Development Summary.....	22
Table 15: ICT Sector Activities & Impact, in \$000s.....	23
Table 16: Job Creation – Priority Populations.....	27
Table 17: North Kosovo Activities & Impact, in \$000s.....	30
Table 18: SAF Grants Approved by Type – through Q14.....	33
Table 19: PMIs Summary through Q14 Actuals—Targeted Indicators.....	40
Table 20: PMIs Summary through Q14 Actuals Additional Tracked/Non-Targeted Indicators.....	41
Table 21 EMPOWER-Supported Trade Fairs Results.....	43
Figure 1: Sales Growth through Q14.....	6
Figure 2: Distribution of EMPOWER Interventions by Sector.....	9
Figure 3: Co-Finance for Activities Initiated through Q14.....	31

1. SUMMARY OF PROGRESS

EMPOWER Private Sector (“EMPOWER”, or “the Project”), a USAID-funded project in partnership with the Swedish International Development Cooperation Agency (“Sida”), is dedicated to job creation and Kosovo’s economic growth. EMPOWER is a five-year project that started in July 2014 with an original budget of \$9.8 million, which was later expanded to \$13.8 million through Sida’s contribution of additional funds during the Project’s second year. EMPOWER’s team is comprised of 18 staff members and five interns. The Project is headquartered in the capital city of Pristina, and has a branch office in North Mitrovica. It is implemented by Cardno Emerging Markets USA, Ltd., with subcontractors Crimson Capital, a U.S.-registered small business, and RTC Consulting, a Kosovo firm.

EMPOWER’s overarching objective is **job creation**. Job creation typically comes from businesses that have concrete market opportunities where they need to increase their employment in order to produce more goods and services to meet growing demand. To support job creation, EMPOWER aims to help *firms* expand and improve their capacities to sell into identified opportunities, while helping *individuals* obtain skills demanded by growing firms. These themes are reflected in EMPOWER’s two principal intervention components: (1) small- and medium-level enterprise (SME) competitiveness; and (2) workforce development.

This report fulfills contractual requirements for quarterly reporting of project progress. It covers results through quarter 14 (Q14) of EMPOWER’s five-year term—namely, October 2017 to December 2017.

1.1 Summary for Quarter 14

1.1.1 Key Highlights

Over Q14, EMPOWER continued to pursue its core goals of improving SME competitiveness and workforce development. Activities during this quarter centered on advancing business interests through relationships, and fostering the conditions for job creation and growth.

Buildings Relationships to Advance Business Interests

Attendance at trade shows, conventions, and fairs is incredibly important for businesses that wish to boost demand for their products and grow their contact lists. For companies that want to export their products, establishing a regular presence at international trade shows is especially critical. Attendance demonstrates to buyers—and the industry—that companies are growth-oriented; it also demonstrates that companies are supported by their countries’ economic development policies to establish sustainable relationships with buyers.

Over Q14, the Project supported the attendance of Kosovar companies at both international and domestic events. The Project also successfully organized three major events in Kosovo, generating important market linkages and growth opportunities.

First Diaspora Economic Forum Spurs International B2B Connections

In cooperation with the Albanian Diaspora Business Network (ADBN), EMPOWER launched the **First Diaspora Economic Forum** to link export-oriented producers and service providers with diaspora businesses. With **more than 250 diaspora businesses**, 50 regional businesses, and more than 150 Kosovar companies in attendance, the forum was the largest event of its kind ever organized in Kosovo. Diaspora businesses from around the world attended, including businesses from Germany, Switzerland, the United States, Austria, Sweden, France, Norway, Finland, Sweden, Italy, the United Kingdom, the Netherlands, Belgium, Israel, Albania, Montenegro, and Macedonia.

On the second day of the forum, Kosovar and diaspora companies had the opportunity to closely interact through more than 350 business-to-business (B2B) meetings. Seventy-one Kosovar businesses, representing the **wood processing, energy, apparel, information and communication technology (ICT), and food and beverage sectors**, among others, hosted the B2B event. Meetings

between companies resulted in €900,000 in new business, with the expectation of additional business deals among companies in the near future. Participants reported nine contract deals between Kosovar and diaspora businesses and 36 additional deals that are pending.



B2B meeting between Albanian Diaspora business representatives and Jaha Solar Representative Trim Ternava.

At the event, EMPOWER was able to directly broker relationships with Albanian diaspora-owned companies based in Germany to finalize two deals. Kosovar apparel company ArtaTex successfully signed a contract with Germany-based diaspora company B&D Verwaltungs GmbH, while Kosovar wood processing company Mobileria Max finalized a contract with Germany-based diaspora company Bautech GmbH. After the event, EMPOWER successfully negotiated several more similar contracts.

After the forum, EMPOWER worked with ADBN to develop a five-year strategy to

ensure the Network's long-term sustainability and operational efficiency. Previously EMPOWER held a workshop in September 2017 in Switzerland with ADBN board members who provided inputs for a detailed action plan. EMPOWER and ADBN board members finalized the strategy and action plan in late September, and shared the documents with other ADBN members for feedback and implementation.

Networking Events Pay Off for Kosovo Wood Sector

During the quarter, EMPOWER focused on fostering linkages among businesses in the **wood sector**, mainly through participation and visits to leading trade fairs, both at home and abroad.

At home, EMPOWER worked closely with the Association of Wood Processors of Kosovo (AWPK) and the EU-funded Increase in Competitiveness and Export Promotion (ICEP) project to organize the second annual **Kosovo Wood Industry Convention (KWIC)** from December 6–7, 2017. The convention's key objective was to provide a networking platform for Kosovar furniture manufacturers, government agencies, donors, international buyers, and other relevant wood industry stakeholders.

As part of the event, international and local experts held various forums on wood industry topics, with 21 Kosovar wood processing companies displaying their products. Companies engaged in **68 B2B meetings**, seizing the chance to share their export success stories and product ranges. As a result of these meetings, six companies were asked to produce samples for export, while several other businesses sold €350,000 of products after their presentations. Attendees discussed the need for cooperation between universities and the private sector, as well as design trends in the global furniture market.

The event also provided an opportunity for students from local universities to exhibit their furniture designs as part of a student design competition. All students who entered the competition received participation certificates, with contest winners receiving monetary awards.

To promote Kosovar businesses abroad, EMPOWER supported the participation of Kosovar wood companies at both Swissbau 2018 and IMM2018—Europe's leading international wood trade fairs. In preparation for these fairs, which took place in January 2018, EMPOWER organized a number of planning sessions with AWPK to help members improve their product presentations. Seven AWPK members participated in Swissbau 2018, and three attended and presented at IMM 2018. EMPOWER partnered with GIZ, the Kosovo Investment and Export Support Agency (KIESA), and the Swiss Development Cooperation (SDC), through their Promoting Private Sector Employment (PPSE) project,

EMPOWER Private Sector Activity

as part of efforts by these organizations to work with other Kosovar businesses to prepare for Swissbau 2018 and IMM 2018.

In Q14, EMPOWER additionally supported the attendance of 11 wood processors at the Belgrade Furniture Fair. The Kosovar companies that participated were interested in making regional contacts and connections, and now some are exporting to Serbia as a result of their participation in the fair.

Apparel Industry Shows Off Products at Home and Abroad

The EMPOWER-supported visit by Kosovo workwear companies Arta Tex, Creative, and Intertex to the A+A Fair in Germany is starting to bear fruit. After participating in the fair, Intertex and Creative organized a follow-up visit to the Germany-based company Dickies, a global leader in workwear production. After visiting Dickies, both Intertex and Creative are now expecting “test orders” or small orders from Dickies. If the quality is acceptable, Intertex and Creative could start to produce for Dickies in the near future.

In addition to the Dickies opportunity, Intertex connected with Dutch company Havep at the A+A Fair, and sold €136,847-worth of products, creating **80 new jobs** as a result.

Back in Kosovo, EMPOWER, in partnership with the Kosovo Apparel Marketing Association (KAMA), organized the **First Apparel Industry Convention**. Approximately 200 individuals from the apparel sector and the public attended the one-day event. Twenty-two companies exhibited their products, and 17 included their products in the event’s runway show.

Fostering Job Creation for Business Growth

Growing Energy Sector Seeks Larger Workforce



Solar Roof PV panels installed at household beneficiary Nora Tafarshiku, 2 kW, Gracanice, December 2017.

During Q14, four energy sector beneficiary companies reported significant growth in jobs and production. Most notably, Thes-ari, a pellet production company, introduced a third shift in pellet production and established a new production line for wood pellets. Thes-ari has received support from EMPOWER on quality standards certification, including ENPlus, and acquisition of laboratory equipment. EMPOWER’s support is critical for the company to install testing facilities to track the content and quality of its biomass fuel pellets, which are critical for export. As a result of this investment, the company added 15 new employees and initiated **wood pellet exports to Greece** for the first time..

Through EMPOWER support, other beneficiary companies are making great strides in expanding their businesses and adding jobs. Jaha Solar hired six additional employees and established a new sub-company for solar panel installation, while Fiberglass Kosova, a fiberglass mash producer, hired 10 additional employees. Electroni, a concrete pillar producer for the electric distribution

system, recently finalized a contract with Kosovo’s electricity distribution company, KEDS, and hired six new employees.

Tiki Mosaic gleaned valuable insights from an EMPOWER-supported glass supply chain assessment for Kosovo. Through EMPOWER’s support, the company exhibited at two editions of the Green Festival and, for the first time, participated in the regional Tirana International Fair. Tiki Mosaic is already a success story in the recycling business, employing 43 staff, most of whom are women. As it expands production and receives quality certification support from EMPOWER, the company expects to reach new export markets and bring on 25 new employees.

EMPOWER Private Sector Activity

During the quarter, EMPOWER signed a grant agreement with Al-Tech, the first meat recycling company in Kosovo. With the signing of this agreement, the company plans to add 41 new jobs, 50 percent of which are designated for women and 17 percent for minority communities in Kosovo. Meat waste is a significant environmental contaminant in Kosovo, with many butchers operating with little compliance with basic environmental standards. Al-Tech will operate a meat waste collection center thereby acting in an environmentally responsible way.

Communications, Female Job Creation Expand within ICT Sector

Of all Project-supported sectors, the **ICT sector** achieved the best results in terms of job creation in Q14. Call center outsourcing services in Kosovo is a growing ICT sub-sector due to relatively low wages and the prevalence of foreign language skills. In Q14, EMPOWER finalized a grant agreement with EvroTarget, which is an outsourcing service that specializes in communications, customer care, and claim management. The agreement with EvroTarget led to the creation of 37 jobs. In total, job creation among call centers supported by EMPOWER reached 184 in Q14 alone.

Other EMPOWER-supported companies, including Baruti, IQ to Link, and Cactus, are thriving and increasingly creating **more jobs for women**. During the quarter, IQ to Link created 29 internship positions and 43 new jobs for women, three of which were management positions. Baruti reported hiring 31 women during the quarter, and Cactus reported creating eight new jobs for women.

Car-Part Manufacturer Secures Business, Increases Staffing

While the Project supported the creation of **45 new jobs** in other sectors during Q14, the success of one company is worth highlighting. A year ago, Koshi Group, a **carbon fiber auto-part** producer from Prizren, employed only 15 staff members. After teaming up with EMPOWER to attend international fairs in Italy and France, Koshi signed substantial new contracts and added 22 positions to meet increased demand.

Today, the future continues to look bright for Koshi. In Q14, EMPOWER agreed to support the company's further production expansion. As part of this support, EMPOWER will co-finance equipment purchases, with Koshi expecting to add 30 new jobs over the next three years. The company also recently **developed new carbon fiber product sets for Mercedes Benz SLK Acute**. This represents the first time that Koshi has produced parts for such a renowned international brand.

In addition, Koshi signed a new contract with RIBA (an Italy-based company, which is a leader in the design and production of advanced composite materials components, aramidic fibers and carbon components for the automotive, aerospace, marine, industrial sectors) in Q14 worth **€750,000** over a five-year period. This new business activity came after EMPOWER supported Koshi's attendance at the JEC World Trade Fair in Paris, which is the world's largest composites show.

Inclusive Growth for Youth and North Kosovo Beneficiaries

As significant **youth unemployment** in Kosovo persists, EMPOWER remains committed to confronting this challenge through a variety of interventions. In particular, the Project is focused on orienting workforce development (WfD) and internship programs toward youth who are 18–24 years old. In Q14, 53 or 15% of 362 jobs created were filled by youth, with the ICT and wood sectors accounting for the the main sectors that absorbed the new jobs among youth.

The Project also continues to support **North Kosovo (NK)** beneficiaries through business development and expansion of sales throughout Kosovo. Among 17 projects, three companies, including Milos I Marta and UNPEK, reported impressive sales growth. Compared to September – December, 2016, in Q14 (namely, during September – December 2017), , these three companies have grown in sales by an average of more than 200 percent. Progress and success of these three beneficiaries are positive signs and an example to other entrepreneurs in North Kosovo for existence of business opportunities in this region. EMPOWER will work in next quarter to present the success of these enterprises to wider public through promotional materials that will present these achievements.

1.1.2 Progress versus Performance Management Indicators

The 198 interventions approved and initiated through Q14 covered six discrete focus sectors, plus “Other.” The principal results in terms of SME competitiveness and workforce development of these interventions are provided in Table 1 below, highlighting EMPOWER’s top-line Performance Management Indicators (PMIs), organized by focus sector. Table 1 presents the PMI additions for Q14, as well as cumulatively for the Project since its outset through December 2017.

Table 1: Key PMIs by Sector						
Sector	# of Jobs		Sales Growth \$000		WfD Participants	
	Q14	Cuml	Q14	Cuml	Q14	Cuml
Apparel	19	393	972	6,217		98
Energy	38	295	5,740	13,449		95
ICT	202	977	2,865	12,992	316	1,326
Metal	4	74	1,389	4,069		
Other*	68	365	2,347	7,517		101
Tourism		39		1,256		70
Wood	30	692	4,978	28,818		100
TOTAL	362	2,835	\$18,291	\$74,320	316	1,790

Through Q14, EMPOWER invested \$4.26 million of its own resources, which was complemented by \$14.2M in co-financing from beneficiaries, other donors, government of Kosovo (GoK) agencies, and financial institutions. These interventions generated 2,835 jobs and \$74 million in new sales through Q14, of which 362 were new jobs and \$18.3 million were new sales realized in Q14 alone. Meanwhile, there were 316 new participants in EMPOWER-supported workforce skills training programs during Q14, bringing the total to 1,790 since the Project’s outset. The majority of WfD participants were placed in internships.

As a result, most targeted PMI Indicators in Q14, which represent the first quarter of Year 4, were exceeded, as can be seen in Table 2 below.

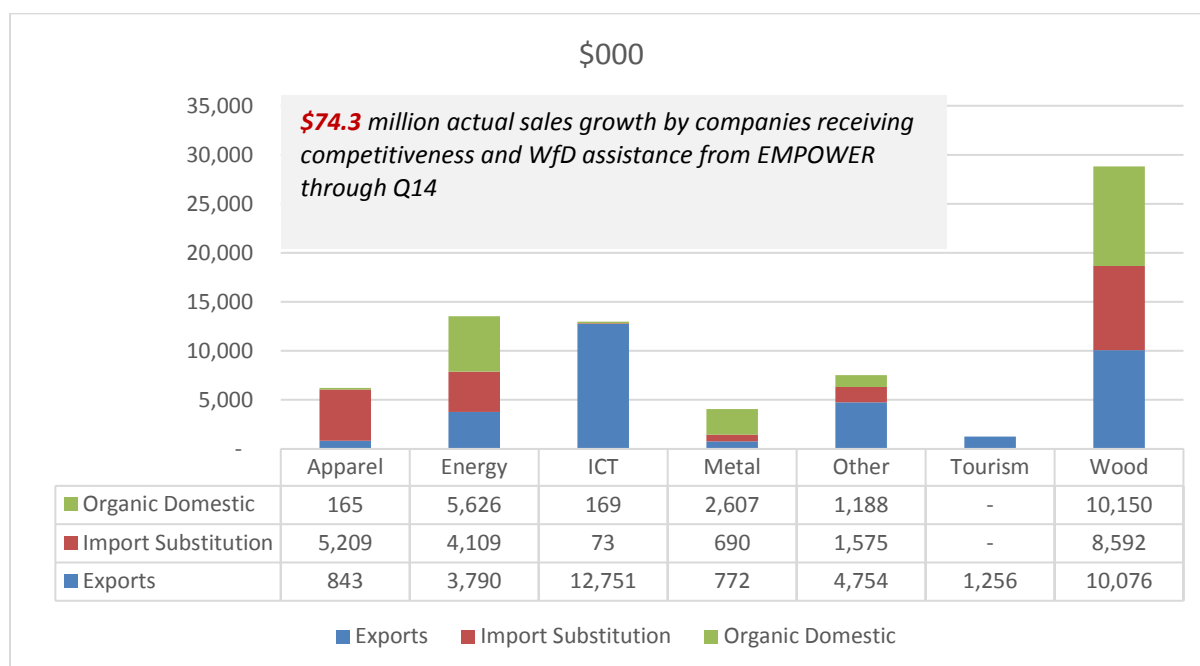
Table 2: PMIs - Targets vs. Actual - Cumulative									
PMI	Unit	Y1		Y2		Y3		Y4 (Y3+Q14)	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Number of enterprise beneficiaries	#	150	91	260	183 (340*)	300	256 (433*)	350	358 (546*)
Attributed aggregate sales	\$000					64,981	134,393	97,471	168,017
Aggregate sales increase	\$000	6,608	1,065	61,824	15,580	28,000	56,029	56,000	74,320
Aggregate exports increase	\$000	3,102	738	16,755	8,208	10,304	25,345	30,837	34,243
Business size expansion	#	5	4	10	16	15	23	20	23
New geographic markets entered	#	10	26	20	111	30	169	40	177
New products introduced	#	10	16	20	48	30	156	40	167
Companies investing in new technologies	#		26	20	38	40	48	60	49
Total new jobs	#	250	465	2,800	1,272	2,250	2,473	3,250	2,835
Investment leverage	ratio	3.0x	5.5x	3.0x	5.8x	3.0x	5.02x	3.0x	5.25x

* Including Supplier Beneficiaries – direct suppliers of production inputs to growing Primary Beneficiaries.

1.1.3 Analysis of Sales and Job Growth by Sector

The following chart highlights the Project's impact on beneficiaries' sales through Q14, which is the main driver of job creation.

Figure 1: Sales Growth through Q14



As shown in the above chart, wood sector remains to be the leading sector in terms of sales growth. Significant results can also be seen in the ICT, energy, apparel, and “other” sectors. Total export sales through Q14 are high in the ICT sector and wood sector. Namely, approximately 34 percent of total sales of wood sector beneficiaries were due to exports.

In apparel, the main market opportunity has been in import substitution, which is where EMPOWER sees the greatest potential for growth within this sector in the coming years. Nevertheless, during this quarter, one of the most successful Kosovo apparel producers, S//SPRINT, started shipment of their products to Switzerland. During Q14, S//SPRINT exported underwear worth €34,000 to Switzerland.

Energy sector is mostly addressing a growing domestic market (so far mostly for renewable biomass heating fuels), which is independent of import substitution. Exports in this sector are also expected to grow rapidly, especially due to Jaha Solar's growth, which is the only producer of solar panels in the Western Balkan region. While Jaha Solar has started the production of solar panels that are now available in the local market, EMPOWER supported the company to obtain 14 different certificates that will enable it to reach the European Union (EU) market in 2018. Additionally, EMPOWER collaborates with a number of Kosovo companies that produce energy-efficient materials, and these companies are increasingly finding export opportunities.

EMPOWER Private Sector Activity

The following table compares attributable sales growth to Project investments by sector.

Table 3: EMPOWER Investment vs. Sales Impact by Sector				
Sector	# Activities	EMP Inv \$000	Sales Incr \$000	ROI Sales/EMP\$
Apparel	30	531	6,217	11.7
Energy	30	582	13,449	23.1
ICT	21	342	12,992	38.0
Metal	5	158	4,069	25.7
Other*	42	921	7,517	8.2
Tourism	19	278	1,256	4.5
Wood	51	1,445	28,818	19.9
TOTAL	198	\$4,257	\$74,320	17.5

Return on investment (ROI) for EMPOWER investments throughout Q14 is 17.5, ranging from a ROI of 4.5 for tourism to a ROI of nearly 38 for the ICT sector. The Project expects the average ROI across sectors to rise substantially in the following years, as beneficiaries continue to increase their sales and employment over the project lifecycle, in large part because of EMPOWER support.

Table 4 below presents ROI in terms of job creation. In addition to actual new jobs through Q14, it also shows the expected life-of-project (LOP) ratios, since it is on that basis that EMPOWER ranks and selects interventions for support.

Table 4: EMPOWER Investment vs. Job Creation Impact by Sector					
Sector	EMP \$000	Jobs Actual	LOP	ROI EMP\$/Jobs Actual	ROI EMP\$/LOP
Apparel	531	393	487	1,350	1,089
Energy	582	295	488	1,972	1,192
ICT	342	977	973	350	351
Metal	158	74	130	2,141	1,219
Other*	921	365	1,043	2,522	883
Tourism	278	39	42	7,190	6,621
Wood	1,445	692	1,244	2,087	1,161
TOTAL	4,257	2,835	4,408	\$1,501	\$966

To date, EMPOWER has invested an across-the-sector average of \$1,501 for each job created. Eventually, as the beneficiary firms continue to grow thanks to the Project's assistance, EMPOWER expects this ratio to drop below \$1,000, which is our operating target for investment selection.

1.1.4 Summary of Impact by Support Area

Table 5 below shows the breakdown of impact by support area, and some indicators of ROI.

Table 5: EMPOWER Investment vs. Impact, by Support Area							
Support Area	# Beneficiaries*		New Jobs		Sales Increase \$000		Sales / EMP\$+
	Q14	Cuml	Q14	Cuml	Q14	Cuml	
Prod. Expansion	14	258	94	1,506	9,355	45,600	17.9
Markets	78	182	52	225	5,375	15,010	15.8
WfD/Skills		69	201	1,064	2,748	12,605	25.7
Quality	1	5	15	40	812	1,105	14.1
Business Env't	20	32					
TOTAL	113	546	362	2,835	\$18,290	\$74,320	17.5

Production Expansion (PE) interventions accounted for 1,506 new jobs through Q14—over half of the total number of jobs attributable to EMPOWER support. Of these interventions, 94 were created in Q14 alone, while sales increases for this reporting period (Q14 only) reached \$9.3 million.

Taking into consideration that the funds available through the grant facility are limited, for the remainder of the Project's lifecycle, EMPOWER's plans in supporting the Production Expansion (PE) category will mainly focus on the provision of technical assistance (TA) through engagement of international and local expertise (i.e., Short-Term Technical Assistance (STTA)).

EMPOWER's **Connection to Markets (CM)** interventions have also shown a high multiple ROI coefficient—14.5—in terms of sales dollars per dollar of Project investment. The Project has supported beneficiaries to become export-ready, and enabled them to present their products at major European and global trade shows, often for the first time. Actual sales realized through Q14 due to Project-supported participation in **53** market-connection activities amounted to **\$8.3 million** in new sales.¹

Recently, EMPOWER has focused greater attention on leveraging the potential for business opportunities between Kosovo and diaspora businesses. EMPOWER recently started collaborating with ADBN, and the Project has high expectations that this partnership will have a major impact on connecting Kosovo producers with businesses from around the world, especially those operated by the Albanian diaspora community.

As part of a renewed focus by EMPOWER to work with diaspora businesses, the Project organized the Albanian Diaspora Economic Forum in November 2017, which was a joint initiative with ADBN. EMPOWER worked with almost one hundred Kosovar businesses that have export-ready products or services to prepare them for the event. Seventy-one Kosovar businesses had the opportunity to meet over 250 diaspora businesses, and potentially pursue and conclude concrete business deals. The first results of the B2B meetings organized for the second day of the event have been reported in previous sections of this report (i.e., €900,000 in new sales and 36 potential deals). Nevertheless, future business deals between ADBN members (as well as other diaspora businesses) and Kosovar businesses are expected to generate new sales and jobs.

As seen in Table 5 above **Error! Reference source not found., workforce development** activities also accounted for a substantial share of job creation: **1,064** since the beginning of the project, of which **201** were created in Q14. In Q14, EMPOWER beneficiaries engaged 316 trainees, while creating 201 jobs, most of which came from call centers supported by EMPOWER funding. Interest in investing in call centers is growing significantly in Kosovo. Twenty-five different activities were initiated in this sector since the outset of EMPOWER.

Under **Quality and Productivity**, EMPOWER started in Q14 to the process of identifying a number of STTA consultants who will provide the project with key strategic technical assistance entry points. Targeted sector-based diagnostic assessments will precede the formulation of follow-up TA work. The targeted diagnostic assessments will target the wood, apparel, and energy sectors, and they will be aimed to develop interventions that increase efficiency and enhance product optimization, improvement in quality, and the use of technology.

1.1.5 Allocation of Assistance Budget

EMPOWER provides its support through technical assistance combined with grants and procurement activities from its \$4.4-million Strategic Activities Fund (SAF), complemented by other project budgetary resources for technical assistance, meetings, international travel, and long-term technical staff.

¹ Detailed list of the fairs and results is in Table 21 of this report.

EMPOWER Private Sector Activity

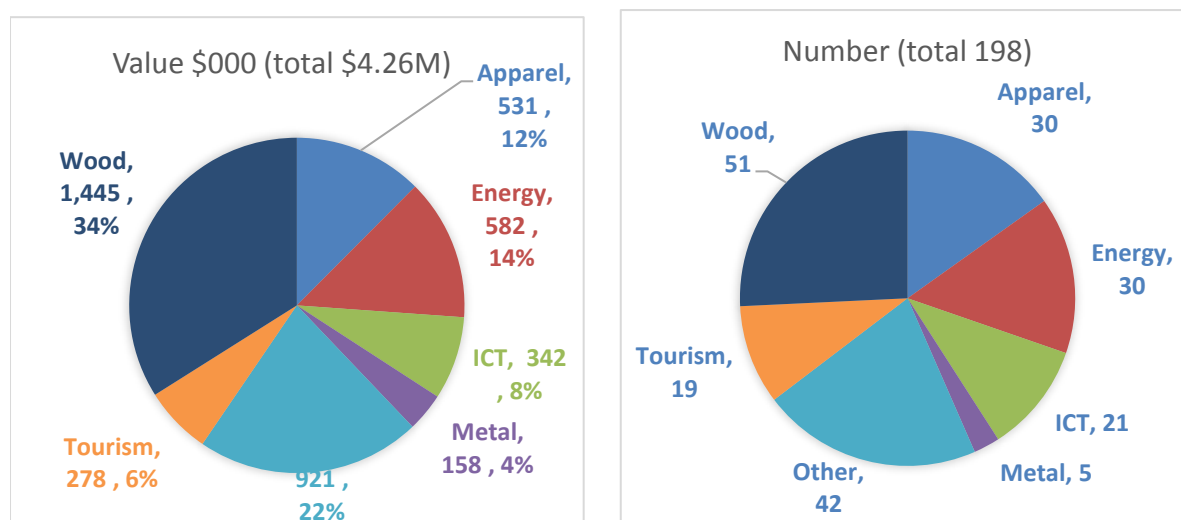
As of Q14, EMPOWER has designed and initiated a total of 198 activities. The budget committed for these activities is over \$4.26 million, with most of the funds, or 58.7 percent, committed to PE interventions, as demonstrated by Table 6 below. CM comprises the second highest share of the committed interventions: 22.4 percent of funds are committed to this type of intervention.

Table 6: Supported Activities through Q14			
Intervention Category	# Activities	Budget Committed	Share
Production Expansion	70	\$2,498,324	58.7%
Connection to Markets	75	\$952,710	22.4%
Workforce Development	25	\$536,881	12.6%
Productivity and Quality	14	\$78,559	1.8%
Business Environment	14	\$190,266	4.5%
Grand Total	198	\$4,256,740	100.0%

In Q14 alone, EMPOWER initiated a total of 15 new activities, which maintains the project's overall implementation dynamics of more than one activity per week. Most of the interventions were focused on PE, followed by the CM category. CM activities comprised 12.6 percent of the share of committed budget, while PE activities stood at 72 percent. In general, a total of \$282,000 was committed for activities initiated in Q14.

Table 7: Supported Activities in Q14			
Intervention Category	# Activities	Budget Committed	Share
Production Expansion	6	\$202,944	72.0%
Connection to Markets	3	\$35,554	12.6%
Workforce Development			
Productivity and Quality	2	\$17,519	6.2%
Business Environment	4	\$25,984	9.2%
Grand Total	15	\$282,001	100.0%

Figure 1: Distribution of EMPOWER Interventions by Sector



2. ACTIVITIES AND TASKS VS. WORKPLAN

The following section of the report is organized according to EMPOWER's Year 4 Workplan. The narrative sections below summarize activities and results in main task areas. Following this, Annex 1 includes a tabular representation of the Year 4 Workplan, which demonstrates actual and expected results to date for each item.

2.1 Component 1: Competitive SMEs

EMPOWER's work in Project Component 1 involves direct support to businesses with market opportunities for firm-level growth. This includes company support under four major categories: (i) expanding production capacities, (ii) connecting to markets (export and import substitution), (iii) improving productivity and quality, and (iv) obtaining skilled workers (workforce development). EMPOWER's Component 1 covers the first three of these, and Component 2 (on workforce development, see below) includes the fourth category. Companies targeted under this support are mainly in the wood, apparel, energy, tourism, and "other" sectors.

Over the last three years, EMPOWER has become one of the most knowledgeable actors in Kosovo with regards to the status and potential of Kosovar businesses, as a result of its direct site visits to over 400 companies and actual interventions with 546 of Kosovar firms. The Project has information on every significant productive sector, and is heavily involved in several of them: when a new investment opportunity arises, it is often possible to evaluate it vis-à-vis similar firms and connect it to other companies in its value chain for business.

In Q14, EMPOWER continued to help companies facing excess demand to expand their production capacities, and substantially widen its assistance in market connections. Major activities included organizing three important events, namely the First Apparel Industry Convention in Kosovo, the First Diaspora Economic Forum in Kosovo, and the second edition of the Wood Industry Convention in Kosovo. In addition, this quarter, EMPOWER and AWPk worked closely with 11 wood processors to prepare them for participation at two important trade fairs in Europe, which took place in January 2018.

The following table provides an overview of Component 1 activities and Q14 and cumulative results.

Table 8: Component 1 Summary – Q14 and Cumulative										
Support Area	# Activities		EMPWR Inv. \$000		Co-Finance \$000		# New Jobs		Sales Increase \$000	
	Q14	Cuml	Q14	Cuml	Q14	Cuml	Q14	Cuml	Q14	Cuml
Product	6	70	203	2,498	1,241	12,946	94	1,506	9,355	45,600
Markets	3	75	36	953	46	1384	52	225	5,375	15,010
Quality	2	14	18	79	18	497	15	40	812	1,105
Bus. Env.	4	14	26	190	83	399				
TOTAL	15	173	\$283	\$3,720	\$1,388	\$15,226	161	1,771	\$15,542	\$61,715

2.1.1 Wood Sector

Kosovo's wood processing sector is one of the country's most promising for economic growth, and was selected as "export ready" at the outset of the Project for focused support under Component 1. Over the past decade, the sector, thanks in part to prior support by USAID/Kosovo, has developed a good range of solid wood and medium-density fiberboard (MDF)-based products, and generally has elevated their quality to the point where they can compete internationally in mid-level chairs, tables, and kitchens. The sector's competitive advantages include relatively low wages, availability of good design skills (recently), and proximity to European buyers.

There are also significant import-substitution opportunities, as well as in organic domestic market expansion, in ordinary and upholstered furniture. Further market potential, both export and domestic, exists in interior elements, especially stairs, doors, and hotel-restaurant-café fixtures.

The following table summarizes EMPOWER's assistance to the Kosovo wood sector from Project outset through Q14.

Period	# Activities	# Firms	EMP \$+	Co-Fin \$	New Jobs	New Sales	Trainees
Cuml	51	51 (83*)	\$1,445	\$6,650	692	\$28,818	100
Q14	6	7	\$158	\$665	30	\$4,978	

Of the 51 activities approved since Project outset, **six** took place in Q14, amounting to an EMPOWER investment of **\$158,000**. In Q14, the activities implemented helped create **30** new jobs in the sector, and contributed **\$4.98 million** in new sales growth. These new activities attracted **\$665,000** in co-financing in Q14 alone.

Production expansion is a key challenge for wood producers. To enable increased competitiveness, EMPOWER signed a new grant to support wood processors' **PE** in Q14 for a total of **€35,000**, and two other opportunities were identified as a potential. A complete listing of PE grants for all sectors is included in Annex 4.

The second most important growth challenge to wood processors is **CM**. During Q14, EMPOWER continued to focus on leveraging the international market for MDF-related products

and Kosovo companies. Working with the MDF processing cluster and in partnership with AWPk, the Project identified important international trade shows for this industry, and helped bring qualified exporters to such fairs. EMPOWER elicited and helped guide SDC (through their PPSE project), GIZ, and KIESA's support of Kosovo companies at the Swissbau trade fair in Basel, Switzerland, and the IMM trade fair in Cologne, Germany.

The Project views regular attendance at trade shows as critical for companies wishing to access new markets. Such attendance demonstrates to buyers and the industry that these companies are serious, and are supported by their countries' economic development policies to establish sustainable relationships with buyers. With that in mind, EMPOWER established good relations with KIESA and two other key donors (GIZ and SDC) to coordinate and support the participation of Kosovo companies



Agreement signing ceremony with Ukaj, furniture producers from Peja

EMPOWER Private Sector Activity

at international fairs, and to ensure that their participation at fairs occurs for at least the next two years.

In Q14, EMPOWER organized planning sessions with AWPK and its members for participation at two important fairs (Swissbau and IMM), which took place in January 2018. These fairs represent the two most important events in Europe that Kosovar wood processing companies stand to benefit from by attending them regularly. Taking into consideration the importance that these fairs represent for wood processors by way of new opportunities, EMPOWER started working with committed businesses to prepare for well-planned and professional presentations of their products. Seven AWPK members will participate at the Swissbau 2018 trade fair, and three will attend the IMM 2018.

In Q14, EMPOWER also supported eleven wood processors to participate at the Belgrade Furniture Fair. All the participants were interested in the regional market, and a few companies started exporting to Serbia in 2017.

EMPOWER also started to inform and encourage wood processors to participate in the Program for the Endorsement of Forest Certification (PEFC) and CE mark. During Q14, one company (Binni) signed an agreement with EMPOWER to get a certification for its key products.

In **Business Environment**, EMPOWER continued its work to strengthen the capacities of AWPK as a support and advocacy institution for the wood sector. EMPOWER's main activity in Q14 was the organization of the second Kosovo Wood Industry Convention (KWIC), which was co-financed by the EU-funded ICEP project. The two-day event at the Emerald Hotel was held in December 2017, and aimed at domestic private companies and stakeholders. The event featured seminars (i.e., the Wood Industry Forum), a products exhibition, and a student design competition. The seminars covered the current state of the Kosovo wood processing sector, global furniture design and market trends, the business environment for wood processors, and new technologies in wood processing. Government agencies, international organizations, and private sector representatives participated in panels. A Q&A session took place following each panel discussion, allowing participants to communicate directly with presenters and panelists by asking questions and presenting their own ideas and viewpoints.



Prime Minister Ramush Haradinaj, USAID Deputy Mission Director Lisa Magno, and EU representatives visited company displays and the student design contest at the second KWIC.

The “Best of Kosovo” products display organized at the KWIC was visited by the prime minister and the USAID mission director and deputy director. It promoted a positive public image of the capabilities of the Kosovo wood sector, and served as a presentation to buyers and sales agents. It showcased solid wood and cabinetry furniture, as well as doors, windows, and other interior design elements. Twenty-one companies displayed their products.

The Project organized B2B meetings at the hotel, and invitations were sent to industry traders in Kosovo. B2B meetings provided an opportunity for Kosovar producers to meet sales agents and buyers. To complement the B2B meetings, EMPOWER organized and facilitated several visits to factories by the sales agents/buyers in the days following the convention.

The student design contest, an integral part of the KIWC, started prior to the convention. Invitations were extended to design and architecture students from four Kosovo colleges and universities: the University of Pristina, the University Of Applied Sciences Of Ferizaj, the University of Business and

Technology (UBT) college, Akademia Evolution, and the AAB college. Students were asked to submit their design concepts for wood-based products. An independent jury evaluated submissions, and winners were recognized at an award ceremony at the end of the convention.

2.1.2 Apparel Sector

The greatest potential for growth in the apparel sector in Kosovo is with export contracting, through design labels or “Cut-Make-Trim.” While significant progress has been achieved in recent years, Kosovo apparel producers are not yet ready to do this for major brands. Kosovo apparel companies are typically small in size, and there is a need to improve production processes and, more importantly, quality to meet western design labels demands. EMPOWER is working with Kosovo apparel businesses to address these issues.

In Q14, all activities in the sector generated a total of 19 jobs and **\$971,000** in new sales, as per Table 10 below. The total number of new jobs through Q14 stands at 393 in the apparel sector.

Table 10: Apparel Sector Activities & Impact, in \$000s							
Period	# Activities	# Firms	EMP\$*	Co-Fin\$	New Jobs	New Sales	Trainees
Cuml	30	37 (57*)	\$531	\$1,393	393	\$6,217	98
Q14		13 (17*)			19	\$971	

To date, EMPOWER has awarded **13** grants in the apparel sector since the Project’s inception. Three more grants have been initiated in Q14 for Agnesa Tex, Cro Fashion, and Artstudio.

Given the quality issues for more sophisticated products, EMPOWER’s strategy in **CM** in the apparel sector has been to focus on workwear—a sub-sector for which Kosovo producers have experience and which can be somewhat less fashionable. By way of background, in 2015, EMPOWER supported three companies to visit the A+A Fair for the first time. Two months after the visit, a Dutch company (HAVEP) visited Kosovo workwear producers twice. Subsequently, HAVEP started working with the Kosovo apparel company Intertex. In Q14 alone, Intertex sold €136,847 worth of goods to HAVEP. Over 80 new jobs were created as a result of this contract since it was signed in mid-2016. Intertex’s sister company Creative is also producing for HAVEP, as a contractor of Intertex. During Q14, total sales to HAVEP company were €193,347.



Visitors at the Kosovo booth at the A+A Fair.

Considering the success of the fair visit, EMPOWER supported the exhibition of three companies at the same fair in October, 2017. Right after the fair, five international companies visited Arta Tex, Creative, and Intertex. Among the visits, the most promising is Dickies, a global leader in workwear production. Both Intertex and Creative visited Dickies in Germany, and are waiting for samples.

In 2017, EMPOWER also consulted with its apparel sector beneficiaries on which events, fairs, and B2B events are relevant and important to expand market access. These consultations showed that regional events (Croatia, Slovenia, and Serbia) as well as the Riva Del Garda fair should be targeted in 2018. Together with KAMA, EMPOWER will receive an annual activity plan as part of the CM support, so the Project can decide which activity it will support.

EMPOWER Private Sector Activity

Under **Quality and Productivity**, during Q14, TA was provided to Intertex to improve production management, production efficiency, and workers compensation. The expert is supporting only Intertex, but will also deliver relevant trainings to up to 10 more Kosovo companies, which will help improve production efficiency and worker productivity. Additionally, an international STTA has been identified to provide support to Kosovar footwear producer Solid, particularly in producing special designs for international markets.

EMPOWER's work to improve the **Business Environment** has consisted of support to continue empowering the KAMA association, and organizing the first Kosovo Apparel Industry Convention. During Q14, **KAMA** received the final installment of financial support from EMPOWER and is completely independent. EMPOWER supported KAMA's operational costs for the second year after launch. Initially, EMPOWER facilitated KAMA's registration, and proceeded to organize its initial launch meeting (attended by some 50 apparel producers), its board of directors' meetings, the recruitment and hiring of its executive director, the development of its Year 2 workplan and budget, focus groups for its branding, and solicitation for its internet portal.

Currently, KAMA is implementing three projects: a workforce project financed by USAID; a training program for women financed by the International Organization for Migration; and a U.S. Embassy-financed project on advocacy for empowering women in the apparel sector. KAMA now has two new full-time workers. EMPOWER successfully supported the establishment of the association, and it is now running on its own. In the future, EMPOWER will continue to collaborate with KAMA and provide support for specific activities.

On **TA**, as mentioned earlier in the report, EMPOWER is about to commence a targeted apparel-sector diagnostics assessment, which will study sector challenges based on interviews with around 20 companies. The assessment will form the basis for delivering follow-up TA to the apparel sector and its producers.

The highlight of EMPOWER's support to the apparel sector in Q14 was organization of the first Kosovo Apparel Industry Convention. During the one-day activity, organizers welcomed around 200 attendants, both from the apparel sector and the public. Twenty-two companies exhibited, and 17 showed their products during a runway show. Twelve students from four local colleges were selected by a jury (consisting of five individuals from apparel companies) to be part of a national competition; three students were awarded prizes. During the convention, five international companies met with domestic apparel producers, followed by field visits on the second and third days after the conclusion of the convention.

Prime Minister of Kosovo was in attendance and officially opened the convention. The convention was attended by a range of government, donor, and private sector representatives. It attracted a lot of media attention, and was covered widely on television, radio, and in the print press.



Meeting with potential buyers at the A+A Fair.

EMPOWER Private Sector Activity

The issues that were analyzed during the various forums and panels generated a great deal of attention from the attendees and, in several occasions, there were interactive discussions during which the attendees brought up new ideas, raised issues, and suggested solutions. Key topics discussed included workforce development needs for the apparel sector; design trends for the EU apparel market and the business environment of the apparel industry.

The key objective of the event was to focus the attention of relevant stakeholders on the Kosovo apparel industry. Due to the high attendance, it can be stated that the convention was able to achieve its objective. The key aim of the Convention was to elevate key apparel industry issues at the policy level. However, it should also be noted that this was only the first step in what is supposed to become an annual event under the complete direction of the KAMA with the support of EMPOWER.

Both the attendees and presenters were asked for feedback to improve the organization, process, and convention concept. In this sense, all the activities carried out during the convention were deemed as highly successful, with only minor suggestions for the next installment.



Flora Arifi, USAID office; Lisa Magno, USAID Acting, Gora Paulson, Deputy Chief of Mission at the SWEDISH Embassy, Ramush Haradinaj, Prime Minister of Kosovo (opposite clockwise)

2.1.3 Energy Sector

The movement toward clean energy sources, recycling, and energy efficiency has already begun in Kosovo and will only continue to gather momentum, creating a wide range of business opportunities that, if realized, can be a strong engine for job creation. EMPOWER's beneficiaries in the sector are (i) producers of renewable energy resources (so far, biomass and solar); (ii) producers of construction materials and elements that promote energy efficiency; and (iii) recyclers.

The following table summarizes activities and impact for the energy sector for Q14:

Table 11: Energy Sector Activities & Impact, in \$000s							
Period	# Activities	# Firms	EMP\$*	Co-Fin\$	New Jobs	New Sales	Trainees
Cuml	30	47 (135*)	\$582	\$1,502	295	\$13,449	95
Q14	2	2	\$7	\$16	38	\$5,740	

During Q14, EMPOWER initiated **two** interventions in this sector, and sector beneficiaries created **38** new jobs, leading to an expansion of sales by **\$5.7 million**.

During Q14, under **PE**, EMPOWER supported Tiki Mosaic (formerly known as Orient Mosaic Kosova) with a new production line and quality standard certifications. Tiki Mosaic was a beneficiary of the first glass supply chain assessment that EMPOWER commissioned. The company also had a chance to embark on promotional activities by exhibiting at two editions of the Green Festival, which was held in Q13. The company also participated at the regional Tirana International Fair for the first time. This company is already a success story in the recycling business, employing 43 staff members, the majority of whom are women. As result of the newly planned intervention in PE and quality certification support, the company is expected to grow by an additional 25 new employees, with an enhanced potential to reach new export markets. The company is in negotiation with a number of buyers from Greece, Italy and several other EU countries.



Grant agreement signing at Al-Tech, the country's first meat recycler, in November 2017.

During this quarter, a grant agreement was signed with the Kosovo meat recycling company, Al-Tech, which is the first meat recycler in the country. The grant investment is expected to generate 41 new jobs, 50 percent of which are designated for women and 17 percent for minority communities in Kosovo.

During this quarter, four energy sector beneficiary companies reported significant growth in jobs and production. Namely, Thes-ari, a pellet production company, introduced a third shift in pellet production and established a new production line for wood pellets. As a result of this investment, the company added 15 new employees and initiated **wooden pellet exports to Greece** for the first time. Thes-ari has received support from EMPOWER on quality standards certification (i.e., ENPlus) and acquisition of laboratory equipment.

In relation to other EMPOWER beneficiaries, Jaha Solar hired six additional employees and established a new sub-company for solar panel installation. In addition, Electroni, a concrete pillar producer for the electric distribution system finally concluded a contract with Kosovo electricity distribution

EMPOWER Private Sector Activity

company KEDS, which is the main local buyer. As a result, Electroni hired six new employees. Furthermore, Fiberglass Kosova, a fiberglass mesh producer, hired 10 new employees.

During Q14, two energy sector investment opportunities were cancelled. A grant agreement was cancelled with Dragaj Group, a pellet producer from Mitrovica, because of delays in the procurement process (one year) and significant changes in business and investment opportunities. An Activity Approval Request (AAR) was canceled with Ardisol, a producer of thermo-insulation material for pipes dedicated mainly for export. The grant agreement was not signed because the applicant had already procured the equipment that EMPOWER had planned to co-finance, despite the fact that the applicant was advised otherwise.

Under the **CM** category, EMPOWER supported four domestic companies to exhibit at the 23rd annual Tirana International Fair, including:

- Jaha Solar, as a representative of the solar energy cluster and a solar energy company
- Izolimi Plast, a plastic recycling company primarily focused on the production of thermo-insulation products that already exports 12 percent of its turnover to Albania and Macedonia
- Fiberglass Kosova, a fiberglass mesh producer that has initiated regional exporting, selling 12 percent of its production in Albania
- Tiki Mosaic, a manufacturing company of mosaic tiles made of 100 percent recycled glass, whose products are present throughout the Kosovo market with more than 60 contracted clients.



Tirana International Fair, 24-26 October 2017. Tiki Mosaic booth: Adriatik Bytyqi, the owner, taking to clients.

Overall results from the fair include the following:

- In total, 112 valuable contacts were reported during the three-day fair from three out of four of the exhibiting companies (namely by Jaha Solar, Tiki Mosaic, and Fiberglass Kosova)
- Due to their participation in this fair, Izolimi Plast reached an export agreement with the *Smsp Hometech Ltd, Savvas Tomazou*, a Cyprus company, for supplying polyethylene (PE) nylon. Initially, the company exported seven tons in 2017 (**€6,500–€7,000 export sales contract**); next year, exports will continue in greater quantities.
- Fiberglass Kosova reported an **export agreement** reached with *Smsp Hometech Ltd, Savvas Tomazou, Cyprus*, with an initial value of **€1,740**. Fiberglass has agreed with Izolimi Plast to conduct joint transportation to Cyprus. In principle, the company is also finalizing export agreements with companies from Albania and Italy. Locally, Fiberglass Kosova negotiated with Tiki Mosaic the supply of the mesh, which serves as a raw material for the recycled-glass mosaic tiles of Tiki Mosaic.
- Jaha submitted two significant offers to Malesia Solar – PV Consult for a capacity of 3x2.5[MW] with 6mm solar cable, and ExinnTech, a 1[MW] initial electrical capacity with the possibility of contract extension. Out of 26 companies listed as valuable contacts, Jaha is currently negotiating collaboration with most of them.
- Tiki Mosaic reported more than 80 valuable contacts, most of whom expressed an interest in visiting Tiki Mosaic's factory and showroom in Kosovo to discuss potential agreements in more detail.

EMPOWER learned that the overall capacity of solar PV systems installed in Albania, up to now, is around 350kW (based on data collected from solar energy installers at Tirana International Fair). This is relatively small compared to Kosovo's already installed capacity of PV; this is mainly due to Albania's lack of solar energy legislation. Two companies were identified as potential exhibitors at the upcoming edition of the Green Festival in 2018: SOLARES, a solar PV installer located in Albania, and Inova, a plastic pipe production company located in Kosovo.

During this quarter, the second annual Green Festival report was finalized in both English and Albanian. Following USAID approval, the report will be translated into Serbian and then published.

In **Quality and Productivity**, four additional quality standard certifications for PV solar panels were obtained during Q14. This has resulted in finally making Jaha Solar qualified to export to EU markets; additional certificates will be obtained during 2018. EMPOWER is financing 33 percent of the total cost of quality certifications for Jaha. Another energy sector beneficiary, Thes-ari, reached an agreement to export pellets to Greece, thus becoming the very first exporter of wooden pellets from Kosovo. ENplus certification is a must for export in EU countries, which was facilitated by EMPOWER for Thes-ari. In Q14, as already mentioned, the Project determined that its energy sector beneficiary, Tiki Mosaic, needs support in obtaining CE mark and ISO certification, both of which are necessary for export.

A **feasibility study** for the production of **briquettes and pellets** in Kosovo using **agricultural waste** was commissioned and completed in Q14. The initiative was a result of a study visit in Vienna conducted in July 2016. The goal of the visit was to share best practices of pellet production in Austria and increase awareness on quality standards of pellet production among relevant EMPOWER beneficiaries engaged in pellet production. Part of the study visit aim was to also potentially pique Kosovar producer interest in the ENPlus certification process. As a result, we have the first fully equipped laboratory for pellet analyses in the country and the first ENPlus certified producer, Thes-ari, which has already signed export contracts.

During the visit in Vienna, one of the pellet producers addressed a question about the possibility of producing pellets using straw as an alternative raw material. Subsequently, the Project engaged an expert, Dr. Martin Englisch, to conduct a feasibility study for the production of briquettes and pellets in Kosovo using agricultural waste. The scope of work for the assessment was expanded from the original idea of pellet production from straw, which also included an assessment of other agricultural wastes as potential raw materials.

As already mentioned in previous quarterly reports, the wood biomass production value chain faces significant shortages of raw material (wood); therefore, searching for alternative sources of raw materials is a must, considering the increased demand for pellets in the past three years. The Project initially sought to identify the biggest agricultural waste contributors: namely, vineyard and raspberry producers creating waste from juice and straw. In Kosovo, there are 3,200 ha of vineyards and 1,700 ha of raspberries.



Sample collection of raspberry pruning "Mapena" in Teneshdoll, Podujevo, Ekrem Rrahmani.

EMPOWER Private Sector Activity

The field assessment and sample collection were organized in October 2017, and consisted of visits to 11 different entities/farmers. This involved the collection of 14 different samples: pellets, briquettes, straw, vineyard pruning (three varieties), and raspberry pruning (three varieties).

A key part of the assessment is to analyze the fuel parameters of all collected samples and whether there are enough available quantities of agricultural waste that can be easily collected and included in the supply chain of pellet/briquet production. The final results are expected in January 2018.

Under the Access to Finance category, the main ongoing activity is the **Solar Roofs Pilot Project**. By way of background, in Q12, EMPOWER signed an memorandum of understanding (MOU) with Jaha Solar to jointly promote solar panel installations for households and small businesses. EMPOWER published a Request for Applications (RFAs) for this opportunity in Q12 and Q13, and received 42 applications, 23 of which were accepted and are in process. Two solar roof projects have already been installed: one solar roof has been installed with household beneficiary **Nora Tafarshiku at 2 kW**; while the other solar roof was installed with business beneficiary **Arena, at 20 kW** capacity. Both of the installed solar roofs amount to 23 kW. During Q14, six new applications were received, and the Project believes that more applications will follow in Q15.

In relation to **Business Environment**, an energy conference was co-sponsored on October 23, 2017, with the intention to influence government, donors, and financial-sector policies in favor of the Kosovo renewable energy sector, especially related to solar energy. The theme of the conference was “Energy Supply for the Manufacturing Sector in Kosovo: Going Green?”. This event was organized by the Kosovo Manufacturing Club and supported by EMPOWER and the Ministry of Economic Development (MED). The event was opened by Prime Minister Ramush Haradinaj, followed by Valdrin Llluka, minister of economic development; Luigi Brusa, head of EU Cooperation Section; and Anes Jusic, energy sector representative at EBRD headquarters. The topics discussed during the conference included the problems of energy losses due to interruptions in the manufacturing sector, Kosovo’s private sector willingness to invest in renewable energy, the possibility of redirecting the draft law on energy towards private sector subsidies for solar systems, existing loan program for solar panels, and other issues.



Trim Ternava, Chief Project Manager, Jaha Solar, October 23, 2017.

The **Solar Cluster Meeting** was organized in December 2017 for two reasons: The aim was to initiate a discussion on the establishment of the first public solar charging station for electric vehicles, in cooperation with the solar cluster, Prishtina Municipality, and other donors. The concept idea was received with interest, and more ideas were shared, including installing PV solar panels at bus stops, thus providing free phone charging stations. A meeting has been requested with the Municipality of Prishtina on this topic, which is to be confirmed. Another aim of the meeting was to identify the TA needs of the cluster. As previously reported, the solar cluster’s main TA needs are on the certification of PV solar installers and engineers. EMPOWER took the responsibility of hiring an STTA who would advise the Project and the cluster throughout the certification process. However, interested companies will cover the cost of certification on their own. At least 10 installers/engineers have been

identified for the certification. A scope of work has been drafted and will be shared with several solar cluster companies in Q15; further recruiting procedures will be initiated.

2.1.4 Other Production Sectors

Aside from its primary focus sectors, EMPOWER has always been open to supporting firms in other production sectors that have unrealized market opportunities and therefore the potential to create significant new employment. This has led to interventions in additional value chains, as companies applied for Project support and EMPOWER found their market prospects viable. To date, this has included metal, food processing, health and beauty products, paper products, and automotive parts.

Table 12: Other Production Sectors Activities & Impact, in \$000s

Period	# Activities	# Firms	EMP\$*	Co-Fin\$	New Jobs	New Sales	Trainees
Cuml	47	132 (179*)	\$1,080	\$5,430	439	\$11,587	101
Q14	4	83 (96*)	\$98	\$620	72	\$3,737	

In Q14, EMPOWER conducted four new interventions in other production sectors involving **\$98,000** in Project funds and attracting over **\$620,000** in co-funding. In this sector, beneficiaries created 72 new jobs and generated sales of \$3.7 million.

During Q14, under “other” sectors, **45** new jobs were created, and a significant job increase was observed with Koshi Group. The company is a **carbon fiber auto-part** producer from Prizren that currently employs 37 staff, **22** of whom were hired as a direct result of EMPOWER support.

Just a year ago, the company had only 15 employees, but after two exhibitions at international fairs (Italy and France), both of which were supported by EMPOWER, substantial new contracts were signed, and 22 new jobs were created. During Q14, EMPOWER approved an ICF to further support



Koshi Group started producing new carbon fiber products for Mercedes Benz SLK Acute by November 2018.

Koshi Group in production expansion plans for a new factory. EMPOWER will co-finance new equipment acquisition, which is expected to generate an additional 30 new jobs over the next three years. As a highly notable development, during Q14, **Koshi developed new carbon fiber product sets for Mercedes Benz SLK Acute**. It is the first time that Koshi has produced auto parts for such a renowned international brand.

Kivo, a producer of bread bags, printed films, and garbage bags, hired 16 additional employees in Q14, reaching a cumulative total of **47** new jobs. Trosha and Konditoria, both belonging to the **food production** sector, created nine and seven new jobs, respectively, for a total of 16 new jobs in the food sector.

During this quarter, under the **PE** line of assistance, EMPOWER was approached by **Green & Protein**, an innovative restaurant in Prishtina featuring healthy food choices. It offers products such as salads, sandwiches, wraps, juices, smoothies, and raw sweets. EMPOWER support has been requested in establishing a central kitchen and the opening of two new shops, which could contribute to at least 30 new jobs in a three-year period. After ICF approval, the grant application is on hold, due to difficulties

EMPOWER Private Sector Activity

in finding a good and affordable central location for a kitchen in Prishtina. EMPOWER will revisit the issue in Q15 pending a decision by Green Protein on establishing a central kitchen.

In this quarter, a new grant agreement was signed with Konditoria, a sweet producer company from Mitrovica, to increase production capacity. The grant investment is expected to generate 23 new jobs. In Q14, seven new jobs were already reported by Konditoria.

Regarding **CM** in “other” sectors, two new developments can be noted in relation to **Bibita** and **Koshi** companies. As a result of the B2B International Foods EPPS Fair in Tampa, Florida, which was held July 24–26, 2016, Bibita reached an agreement with Mr. Kai Greene, an IFBB professional bodybuilder and former contender of Mr. Olympia to be an ambassador and distributor of Dum Dum Fitness Water in U.S. markets. The endorsement started in November 2017: Mr. Greene presented Dum Dum Fitness Water on his Instagram and Facebook pages as part of his role as a brand ambassador for Bibita. Mr. Green has 4.5 million followers on Facebook and 3.4 million on Instagram.



A Facebook post from Kai Green, professional bodybuilder, on January 2017; he's holding Dum Dum Fitness Water.

In Q14, EMPOWER supported Bibita company again to attend the B2B Latin America Food & Beverage EPPS Fair in Miami, held November 5–7, 2017. This B2B trade show is dedicated to reaching retailers and distributors from Latin America and the Caribbean. Bibita had 38 B2B meetings and also reached an agreement to send samples to a distributor in Chile. The results from this fair are expected in the coming months. Dum Dum Fitness Water is a newly developed product that needs EMPOWER support to reach U.S. and Latin American markets. Promising results are expected after these exhibition fairs.

In Q13, EMPOWER supported the attendance of **Koshi** at the JEC World in Paris, the world's largest composites show. In Q14, Koshi reported a new contract signed with RIBA (an Italy-based company which is a leader in the design and production of advanced composite materials components, aramid fibers and carbon components for the automotive, aerospace, marine, industrial sectors) as a result of JEC World in Paris fair amounting to **€750,000** over five years; this would amount to €150,000 in sales per year. Due to the significant and very successful sales results emerging out of this particular fair, EMPOWER is considering supporting Koshi's exhibit at the fair in 2018.

2.1.5 Tourism Sector

EMPOWER's work to improve SME competitiveness in tourism has been primarily in connection to markets and tourism product/service development and quality. The following table provides an overview of activities from the beginning of the project.

Table 13: Tourism Sector Activities & Impact

EMPOWER Private Sector Activity

Period	#Activities	# Firms	EMP\$*	Co-Fin\$	New Jobs	New Sales	Trainees
Cuml	19	44 (44*)	\$278	\$296	39	\$1,256	70
Q14							

+ Currency amounts are \$000.

In quarter 14, EMPOWER continued to work with the Ministry of Trade and Industry (MTI) on improving the **business environment** through its support for the Kosovo Tourism Council (KTC). EMPOWER started the process of identifying Local Tourism Expert who will work with Kosovo Tourism Council for improving the tourism related policies in line with the MTI objectives, and provide strategic direction and guidance. The Council's role will be focused in organizing and harmonizing the activities of the institutions with the aim of identifying and eliminating barriers and addressing the challenges for the creation and development of sustainable tourism that will affect the economic development of the country. Some of the duties and responsibilities of the Council are. 1 Proposes policies and plans for tourism development and promotion; 2 Advising and giving recommendations to public institutions. In order to fulfill its mission, the Council needs external expertise. Specifically, the expertise is required to analyze the current stage of the sector and deliver the detailed report about the findings.

This quarter, EMPOWER started the process of recruiting for position of Tourism Sector Specialist. The process of identifying a good candidate for this position is taking longer considering that there are not many specialist and with experience in this sector.

2.2 Component 2: Workforce Development

As is the case with SME competitiveness interventions, most of EMPOWER's investments in WfD are based on the potential for creating actual permanent jobs during or shortly following the skills-related activity. As a result, EMPOWER focuses mainly on in-company training (on-the-job and internships), and courses in education and training institutions for skills that are labor-market relevant. The following table summarizes WfD interventions.

Table 14: Component 2 – Workforce Development Summary								
Type	Activities		Trainees		Jobs		EMPOWER \$000s	
	Q14	Cuml	Q14	Cuml	Q14	Cuml	Q14	Cuml
Institutional		12		522	17	168		181
In-Company		10	316	1,177	184	896		300
Systemic		3						56
TOTAL		25	316	1,699	201	1,064		537

In Q14, EMPOWER beneficiaries engaged 316 trainees, while creating 201 jobs, most of which are in call centers supported by EMPOWER funding. Twenty-five different activities were initiated in this sector since the outset of EMPOWER, resulting in a total of 1,064 jobs for this particular project component.

In Q14, support was provided on WfD to the ICT sector via the provision of skills enhancement courses in software engineering, combined with in-company training. The details are included below.

2.2.1 ICT Sector

EMPOWER covers the ICT sector under Component 2 as an important feature of the sector concerns WfD. As a result, most of EMPOWER's investment in WfD has generally been focused on ICT skills training, both in-company and through educational institutions.

EMPOWER Private Sector Activity

EMPOWER also contributed, to a limited degree, in helping ICT companies connect to markets in Europe.

Table 15: ICT Sector Activities & Impact, in \$000s							
Period	# Activities	# Firms	EMP\$*	Co-Fin\$	New Jobs	New Sales	Trainees
Cuml	21	47 (48*)	\$342	\$1,172	977	\$12,992	1326
Q14	2	1	\$7	\$67	202	\$2,864	316

During this quarter, the Project monitored and collected information on interventions supported by EMPOWER on ICT-sector competitiveness. As a result of its interventions in Q14, **202** new jobs were created, while **\$2.8 million** in new sales were reported generated. With the Project's support, 316 trainees participated in ICT WfD programs in Q14.

EMPOWER's support has been instrumental in enabling **educational institutions** to develop and implement new training courses on ICT skills that should be sustainable going forward. By way of background, during Year 3, STIKK Training Academy, supported by EMPOWER, GIZ, and the Norwegian Embassy, recruited 75 young students for a six-month enrollment in a curriculum covering software development and mobile applications programming. The course included an internship program. Following the conclusion of the training, a certification ceremony was organized in Q14. Through Q14, 36 jobs were reported cumulatively, and 58 trainees have been placed in the internship program. In Q14 alone, nine jobs were created with the STIKK Training Academy.

Call center outsourcing services in Kosovo represent an expanding sector, due to relatively low wages and the prevalence of foreign language skills. The business is labor intensive, and therefore it is thought to have the potential to create significant number of new jobs. During Q14, EMPOWER concluded a grant agreement with EvroTarget to help expand its services. EvroTarget operates in the outsourcing service sector in communications, customer care, and claim management, which are all exported. The initial expansion in Q14 led to 37 new jobs at EvroTarget. The Project expects close to 150 new employees to be hired by EvroTarget by the end of EMPOWER's term.

Under CM, during Q14, EMPOWER co-financed the participation of 11 ICT companies and the ICT association STIKK in B2B events in Munich and Nuremberg, Germany. During this quarter, Kosovo company Frakton negotiated and signed contracts amounting to €20,000 for outsourcing services to Germany, with the possibility of extending this amount to €200,000 in 2018.

During Q14, EMPOWER was a lead sponsor of Kosovo's fifth annual Global Entrepreneurship Week (GEW), which is part of a worldwide celebration of innovators and job-creating start-ups, organized by the Innovation Center Kosovo (ICK). This year's GEW was organized under the auspices of the U.S. Ambassador to Kosovo, Mr. Greg Delawie. The event was opened by the prime minister, followed by remarks from the Mr. Delawie, ICK Executive Director Uranik Begu, and American Chamber of Commerce Director in Kosovo Arian Zeka. Panel sessions included "Improving Entrepreneurial Ecosystem," moderated by Uranik Begu, and "Access to Finance." Each panel had one EMPOWER beneficiary: Rron Cena, founder of FORMON, was part of the first panel, and Shkamb Koshi, owner of Koshi Group, was part of the second panel. A number of activities were organized during the GEW, including (i) GEW women, (ii) GEW youth, (iii) GEW investors, (iii) GEW cities, and (iv) GEW scale-ups. In general, GEW 2017 consisted of 30 activities in collaboration with 35 partner organizations/institutions.

During Q14, EMPOWER also facilitated USAID sponsorship of the sixth edition of the cross-country KosiCT conference in November 2017, which attracted 50 speakers and 1,000 participants and included outsourcing and start-up events. The conference was organized by STIKK. EMPOWER was one of the main sponsors of this event. The event was opened by Mr. Mentor Sahiti, Director of Board – STIKK, followed by remarks and presentations by the minister of economic development, IPKO Executive Director Robert Erzin, and many others from abroad and locally. KosiCT has managed to become a trendsetting conference in the Balkans related to technology and business development.

The 2017 KosICT event further extended its global outreach by bringing in international speakers, investors, businesspeople, and other participants. Additionally, KosICT 2017 organized an “innovation corner” comprised of an outsourcing fair and a start-up fair, in addition to KosICT nights and an exclusive executive business lounge.

2.2.2 WfD Activities in Other Sectors

One of the major activities in WfD was the provision of support to the third phase of the training program run by Women Online Work (WOW). The WOW training program consisted of a two-month intensive in-class and home-based training on soft skills/employability, front-end web development, graphic design, and remedial English, followed by a mentorship program held for a duration of three months. The training led to 140 women being certified as freelance workers. The knowledge the participants gained will enable the female participants to pursue their careers by becoming part of the global marketplace through online platforms such as UpWork. Already, in Q14, eight women who completed the WOW program are now employed.

2.2.3 Systemic Activities in WfD

Kosovo’s education system is weak and faces serious issues in terms of the quality it provides. Thus, EMPOWER focuses its efforts to address some of the immediate challenges in this area. In Q13, a new activity was initiated to support the establishment of a training branch in Pristina by BONEVET, which is an innovative “maker-space” training provider. In Q14, a signing ceremony attended by USAID Mission Director Jim Hope and COR Flora Arifi was organized. BONEVET aims to provide the new types of trainings required in the industrial sector (i.e., precision metal machining, electronics, robotics, automation, 3D printing, computer aided design, programming, etc.). It combines and brings together manufacturing equipment, a learning environment and community, and education. The aim is to improve skills via courses that are labor-market relevant. BONEVET will collaborate with Vocational Training Centers (VTCs) and Vocational Education (VET) schools. EMPOWER supported BONEVET in Pristina with a €40,000 grant to purchase equipment and inventory for the Makerkids Module and Office Equipment. Required equipment capital purchase, as well as securing inventory for other relevant modules, has also been supported by a multitude of donors, including the Swiss-funded EYE project (€89,000); GIZ (€93,000); and the Ipko Foundation (€19,000).

2.3 Markets and Export – Diaspora Linkages

To stimulate connection to markets and export of Kosovo products and services, EMPOWER launched a new collaboration with Kosovo emigrants and Albanian diaspora. Previous development projects provided support to Albanian diaspora, but had not focused intensively on leveraging business connections, which are highly beneficial to provide access to (international) markets. The pursuit of links to members of the Albanian diaspora also serves to promote Kosovar products and export of services. EMPOWER set about to achieve the latter by strengthening relationships with ADBN—a collaboration made official by the signing of a MOU between the two.

Developed ADBN Five-Year Strategy



*Workshop on the Albanian Diaspora Business Network 5-year Strategy, 3rd September 2017
Traditional Board Meeting, Switzerland.*

EMPOWER Private Sector Activity

EMPOWER **supported ADBN** with development of a five-year strategy to equip the network with the requisite operational and structural framework needed to ensure the sustainability of the organization.

From September 2–4, 2017, EMPOWER took part in the traditional meeting of the ADBN Board in Switzerland to discuss the draft strategy of the network. The five-year strategy aims inter alia to continue building the connectivity and the service channels offered by the ADBN.

A workshop on the strategy, held on the second day of the traditional board meeting, provided input to the first draft by the board. The network's **five-year strategy** and its detailed **implementation plan for the first year** were finalized in late September 2017, and was shared with the Network for implementation.

First Albanian Diaspora Economic Forum Enables Business Deals and Connections

Many export sales that the Kosovar business community take advantage of, come at present through links with the Kosovar diaspora. It is more common that new business growth emerges by leveraging diaspora contacts in foreign markets than from marketing initiatives undertaken by the companies themselves. Fortunately, Kosovo's diaspora is very active and has a keen eye for business opportunities. To connect Kosovo and diaspora businesses and identify concrete investment and export opportunities for Kosovar products and services, EMPOWER co-organized the Albanian Economic Diaspora Forum in Pristina with the ADBN from November 25–26, 2017.

The first-ever Albanian Diaspora Economic Forum connected Kosovo's Albanian diaspora businesses with businesses from Kosovo and the region. The Diaspora Forum was organized to build connections between businesses in Kosovo and the region with Albanian diaspora businesses, and create possible export deals of "Made in Kosovo" products. EMPOWER worked with approximately 100 Kosovar businesses that have export-ready products or services to prepare them for the event.

Attendance at the event was a great success. There were **257 diaspora businesses** from around the world that participated at the Forum. They were met by **191 local companies**, and **48 regional companies** from Albania, Montenegro, and Macedonia. Diaspora businesses from all over the world attended, including from Germany, Switzerland, the United States, Austria, Sweden, France, Norway, Finland, Sweden, Italy, the United Kingdom, the Netherlands, Belgium, and Israel.



Gala dinner, November 25, 2017.
Albanian Diaspora Economic Forum, Pristina.

EMPOWER Private Sector Activity

There was an improvised show-room for Kosovar ready-for-export products, set up and sponsored by Kosovar company ALBEX. The first day of the event also featured a gala dinner. The second day of the Forum featured a professional presentation by 71 Kosovar businesses, hosting a large-scale B2B meeting event. The pre-registration of meetings was aided by the comprehensive business catalogue “**Produktet Tona**” (“**Our Products**”), featuring **90 export-ready Kosovar producers**, which was developed by EMPOWER specifically for the event. EMPOWER shared 500 hard copies of the catalogue with diaspora businesses at the event, and the electronic version was shared with ADBN members and other Albanian diaspora businesses, before and after the event.

USAID Kosovo Deputy Mission Director Lisa Magno was joined by Kosovo President Hashim Thaçi, Prime Minister Ramush Haradinaj, Minister of Diaspora Dardan Gashi, President of the ADBN Nazar Mehmeti, and Albanian Minister of Diaspora Pandeli Majko at the gala business dinner, which marked the opening of the Forum.



The second day of the Forum featured B2B meetings between diaspora businesses and 71 Kosovar export-ready companies from various sectors, including wood processing, energy, apparel, ICT, and food and beverage, among others. Each Kosovo business had a table with a nametag, banner, brochures, and two of the company’s sales representatives to host diaspora businesses for an individual 15-minute meeting. A pamphlet featuring seating arrangements of export-ready Kosovo companies was shared to guide diaspora businesses representatives; a team of 12 facilitators also assisted diaspora businesses to identify potential business partnerships and investment interests with the hosting Kosovar businesses.

Over 350 meetings were held between Kosovo and diaspora businesses. The Forum has already resulted in **€900,000** of new sales and is expected to generate more potential sales over the next three years for Kosovo companies. **Nine contracts** have been reported between Kosovar and diaspora businesses.

In the apparel sector, the first contract was signed between the representative of the Kosovar company **ArtaTex** and the representative of the diaspora company based in **Germany** B&D Verwaltungs GmbH. In the wood-processing sector, the second contract was signed between a representative of Kosovar company **Mobileria Max** and a representative of the diaspora company from Germany Bautech GmbH. One more deal was made in the food and beverage sector, and local company **Rolleo**, a sweets producer from Ferizaj, sent the first export testing to R.B Import Export GmbH in January 2018.

Two more deals were made after the event in the wood sector. The first one amounting to €150,000 was between the Albanian company from **Macedonia**, Mendi Qyra, and Kosovar company, **Lumi**.

EMPOWER Private Sector Activity

Three more deals were made in the energy sector, after the event, amongst diaspora and local businesses, out of which one was made between the Kosovar company **Weicker** and A1 – Nej Contractors from **England**. Another was made among Kosovar companies in the food and beverage sector.

Thirty-six additional deals are underway, whereas offers, site visits, and additional meetings held have been reported already; nine of which were in the wood sector; 18 in the energy sector; one in the “other” sector; two in the ICT sector; three in the apparel sector; and three in the food and beverage sector. Eleven interviews with diaspora businesses were held throughout the activity, and a high number of informal meetings and contact exchanges occurred throughout the two-day forum.

Kosovo company Binni covered the costs of the lunch served for around 300 participants on the second day of the Forum, which, as mentioned, featured B2B activity. Several other Kosovo companies, such as Stone Castle, Bodrumi i Vjeter, Kosova Wine, Eko Wine, Suhareka Verari, Birra Peja, Birra Prishtina, Bylmeti, Abi dhe Elif, Frutomania, Golden Eagle, Relax, Uje Rugove, Buquku, Hirano Mushrooms, and Rolleo, which participated in the Forum, also provided in-kind contributions of their products at the cocktail and the gala dinner on the first day of the Forum.

This activity was a great opportunity for Kosovar businesses to create investment and export opportunities for their products and services, and fostered common goals for economic growth in Kosovo. Other additional activities, to be carried out through the agreed collaboration between EMPOWER and ADBN, are expected to further enable respective Kosovar and diaspora businesses to connect and explore mutual business opportunities.

2.4 Cross-Cutting Issues

EMPOWER has affirmative cross-cutting objectives that feed strongly into its selection of competitiveness and WfD interventions. These are (i) advancing the economic engagement of priority populations, which include women, youth, and minorities (including North Kosovo); (ii) supporting microenterprise development; (iii) facilitating collaboration in economic growth assistance with other donors and the GoK; and (iv) promoting environmental sustainability, including ensuring protection of the environment in its own activities.

The following table demonstrates that EMPOWER’s support for job creation benefited all priority populations not only for Q14 alone, but also cumulatively for the Project to date. Almost 40 percent of all new jobs created since the beginning of the Project have been filled by women, and 42 percent have been filled by youth (note: categories overlap). Almost one-tenth have been filled by minorities.

Table 16: Job Creation – Priority Populations										
Sector	Total		Women		Youth		Minorities		Women in Mgt	
	Q14	Cuml	Q14	Cuml	Q14	Cuml	Q14	Cuml	Q14	Cuml
Apparel	20	393	11	239	6	133		22		2
Energy	38	295	3	64		53	3	32		1
ICT	202	977	101	437	34	492		33	3	30
Metal	4	74		9		12		13		
Other	68	365	8	137	13	52	50	138		3
Tourism*		39								
Wood	31	692	7	187		341	5	32		14
Total	362	2,835	130	1,073	53	1,083	58	270	3	50

2.4.1 Women

EMPOWER continued to strive for the empowerment of women in Kosovo and their engagement in the workforce in Q14, through various activities that supported, trained, and increased job opportunities for women. EMPOWER's interventions resulted in the creation of 130 jobs for women in Q14, where 101 jobs were created in ICT, 11 in the apparel sector, and 7 in the wood sector and 8 in other sectors.



EMPOWER Chief of Party Skender Rama with Evrotarget Executive Director Hamdi Malushaj at the grant signing on November 8th 2017.

The products and services Kosovo ICT companies are providing are increasingly being trusted and demanded by customers locally and internationally. The industry is moving at a fast pace to grasp on export opportunities. Training and engaging Kosovo's young women in ICT is crucial for their future employability in this promising sector.

EMPOWER-supported companies, such as Baruti, IQ to Link and Cactus, are thriving and are increasingly creating more jobs for women. During this quarter, IQ to Link provided 29 internships and created 43 jobs for women, including 3 in management

positions, while Baruti employed 31 women. Cactus created 8 new jobs for women.

In Q14, EMPOWER provided grant support to ICT company EvroTarget to co-finance a work equipment investment, which will create more than 60 jobs. The company has already had a great start, employing 37 people during this quarter – with 17 of them being women, including four women employed in management positions.

In Q14, fashion designer, Lia Stublla, installed new equipment in her manufacturing facility which was co-financed by EMPOWER. The new equipment has expanded sales compared to previous quarters. Furthermore, the company exported for the first time to Dubai, and opened a new store in Marigona Residence. In addition, EMPOWER also supported another fashion designer, Yllka Brada, through the purchase of production equipment for its designer menswear collection. In Q14, the designer procured and installed new equipment, and hired 2 new employees.

EMPOWER Private Sector Activity

In Q14, the Project's apparel sector beneficiary, ArtaTex created 9 jobs for women, while food producer Trosha created 6 new jobs for women.

2.4.2 Youth

Unemployment remains one of the country's biggest challenges, and disproportionately affects youth who compose over half of the population. Being Europe's youngest country, Kosovo is also distinguished by having possibly the highest youth unemployment rate in Europe. With youth being the future of the country, it is imperative that the youth population be empowered to drive the economy. Training and employment can play an important role in this effort.

In Q14, EMPOWER combated youth unemployment through a variety of interventions. In particular, it intentionally oriented WfD and internship programs toward youth (18-24 years of age). In Q14, 56 of 362 jobs created were for youth, where the ICT and wood sectors accounted for the largest percentage of new jobs for youth.

EMPOWER engaged in activities to inspire young university students and expose their talent and skills to the industries in which they aspire to work. As part of the second edition of the Wood Industry Convention and first edition of the Kosovo Apparel Convention, students were invited to participate in Student Design Contests and propose design concepts that can be realized in real life.

Eighteen (18) students from 4 Kosovo design colleges competed with their designs and sketches at the Kosovo Apparel Convention, and 51 students took part in the Student Design Contest of the second edition of the Kosovo Wood Industry Convention. The top designs selected by jury members were exhibited during the Conventions, where companies and the public had a chance to view the designs. At the end of the Conventions, students received achievement certificates and monetary prizes. The designs considerably impressed Kosovo companies. One wood processing company offered internship opportunities and employment for some of the Wood Industry Convention Student Design Contest finalists.

In Q14, Unipek bakery in North Kosovo, led by the young entrepreneur Saša Tomašević achieved great success. Through the Project's grant support, Unipek was able to expand its production capacity and create 10 new jobs. During this quarter, Unipek inaugurated its new retail shop called Moment in Zvečan, after the success of its two bakeries in North Mitrovica. The production and sales expansion at Unipek will create at least another seven new jobs in the near future.

EMPOWER strongly supports the notion that training youth in ICT is very important to improve their employability. The ICT industry is growing in Kosovo, and young people are becoming more interested in gaining



Student Design Contest finalists at the second edition of the Kosovo Wood Industry Convention after receiving their certificates and awards.



USAID Economic Growth Office Director Brian Martalus together with Unipek owner Saša Tomašević, at the inauguration of the Moment bakery in Zvečan.

experience in this sector. In Q14 alone, 42 youth were engaged in internships in ICT company IQ to Link. EMPOWER supported the STIKK Training Academy to organize trainings for young men and women interested in careers in ICT through 6-month training cycles over 2015-2016. Of the youth that completed the training, 17 youth became engaged in internships and nine youth were employed in Q14. In addition, EMPOWER ICT company beneficiaries Baruti employed 42 youth and EvroTarget employed 16 youth in Q14.

2.4.3 Minorities and North Kosovo

This quarter, EMPOWER continued to focus on the economic development of **North Kosovo (NK)** by supporting expansion of market opportunities for both domestic and foreign markets and creating new jobs. To increase production, quality of the products, introduction of new products, competitiveness on domestic and international markets North Kosovo companies, EMPOWER continued to support private sector companies in obtaining needed equipment, information about market trends and new technologies by visiting regional fairs and by providing consulting services to improve quality of existing products and/or increase access to finance.

During this quarter, NK beneficiaries undertook additional investment or increased their revenue by increasing the quality and quantity of products. All beneficiaries recognize the importance of received support by EMPOWER, which is seen as catalytic in speeding up the development of their companies and production expansion extended to NK and/or the Kosovo-wide market. However, lack of qualified and skilled workers are the main obstacles, which prevent many companies to respond on time on received orders. Out of 17 projects, 3 of them, related to our direct support provided (namely, Milos i Marta, Unipek, and Godzi) presented exceptional results (i.e. comparing Q14 with the same quarter in 2016, the revenue reported by these companies were: for Godzi revenues were 2 times higher; for Unipek 3 times higher; and for Milos I Marta 4 times higher) and achieved projected activities during this quarter. To improve quality of the final products and attract potential customers introducing new trends and get information about required equipment, EMPOWER organized visits for 4 wood processing companies from North Kosovo (Markovic, Godzi, Dekor In and Fontana) at the International Fair of Furniture, Equipment and Interior Decoration.

<i>Table 17: North Kosovo Activities & Impact, in \$000s</i>							
Period	#Activities	# Firms	EMP\$+	Co-Fin\$	New Jobs	New Sales	Trainees
Cuml	18	40 (102*)	\$703	\$1,272	245	\$5,284	75
Q14	1	1	\$34	\$134	43	\$1,277	

EMPOWER's 18 interventions for over €703K in business competitiveness and workforce development in NK helped generate **€5.2M** in new sales and **43** new jobs in Q14.

To increase access to finance and provide new opportunities for North Kosovo agriculture producers and processors, EMPOWER has planned to engaged a MAFRD Funds Advisor, which will be a local STTA who will work with all interested agricultural producers and processors from NK, specifically to:

- To raise awareness among agricultural producers and processors from northern Kosovo on the grant opportunities provided by MAFRD and loan options extended by financial institutions to support the agricultural sector
- To provide advice to agricultural producers/processors who seek to submit project proposals for funding schemes under the MAFRD

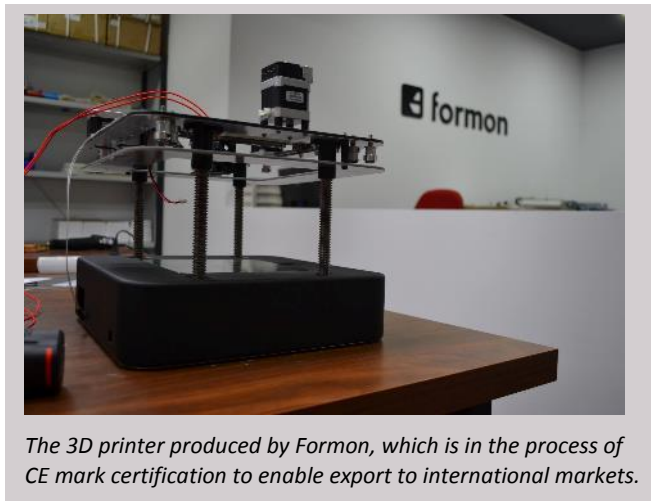
Out of 10 applications received, the best candidate will be selected. The recruitment procedures for the expert will be finalized in January 2018.

2.4.4 Microenterprises

EMPOWER supports SMEs of any size, including microenterprises, if their investment-to-job ratios are satisfactory. EMPOWER's efficient procedures for grant selection and implementation make it possible to accommodate smaller companies. These include microenterprises which employ less than 10 employees. Through Q14, **125** microenterprises benefited from EMPOWER activities.

One of the Project's microenterprise beneficiaries is Formon, the only 3D printer producer in Kosovo. EMPOWER supported Formon with a grant for a CE mark certification for its 3D printers, and to exhibit at the biggest event in the 3D industry, The Digital Show by iMakr in London, in October 2017. At the event, the company established contacts with various buyers and is expected soon to sign a contract with iMakr, as a sales representative of Formon. The company also established contacts with Mediamrkt, which is a large retail store in Germany.

EMPOWER-supported microenterprise fashion designers, Yllka Brada and Lia Stublla, have expanded and opened new stores during this quarter. Yllka Brada was supported by EMPOWER to purchase production equipment for its designer menswear collection. In Q14, the designer procured and installed new equipment, and hired 2 new employees. Lia Stublla also installed new machinery financed by EMPOWER, which positively affected production and sales growth in Q14. Both, these microenterprises have opened new stores in Çarshia Fashion District at Marigona Residence in Prishtina.

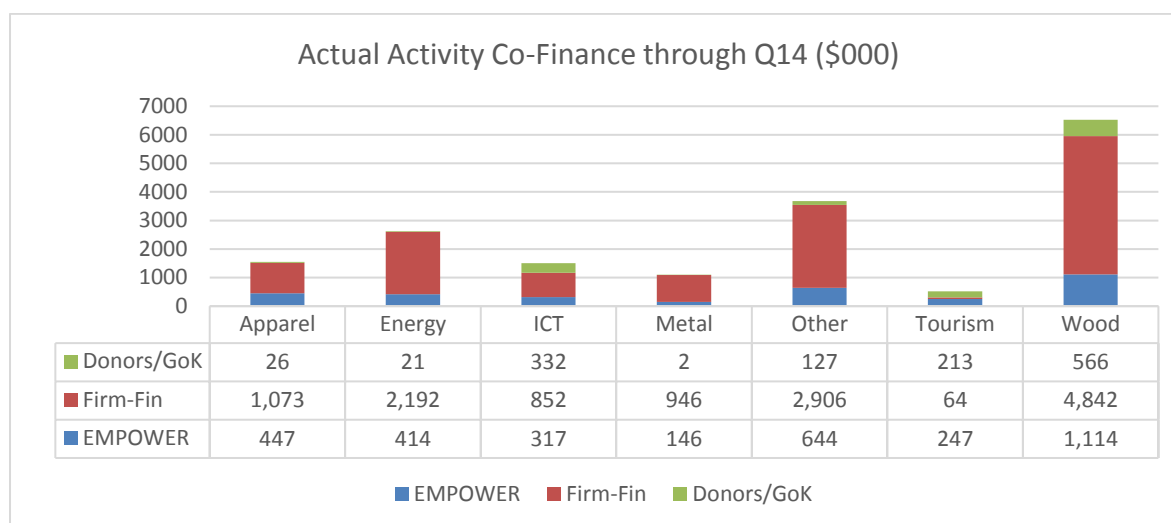


The 3D printer produced by Formon, which is in the process of CE mark certification to enable export to international markets.

2.4.5 Donor and GoK Collaboration

Investment leverage: The indicator is defined as the total cash cost of an EMPOWER-supported activity divided by the EMPOWER cash investment, excluding EMPOWER staff and operational costs, aggregated across all funded activities. The 5.25x is a result of \$3.33M disbursed by EMPOWER to date, plus the \$14.1M provided as co-finance by private companies and collaborating institutions.

Figure 2: Co-Finance for Activities Initiated through Q14



In addition to donor and GoK coordination, EMPOWER also organized a number of cluster meetings bringing together groups of companies within its focus sectors to consider market opportunities and challenges, and to share information. Annex 5, Table 2 shows 6 meetings that the project facilitated in the three years of the project. These meetings have helped create cluster identity, promote business-to-business networking within Kosovo, and develop shared competitiveness strategies.

2.4.6 Environmental Compliance

The Initial Environmental Examination Document DCN: 2015-KOS-036 applicable to EMPOWER Private Sector sets out the environmental reviewing, monitoring and reporting tasks for each activity subject to an environmental compliance procedure. Section 4.8.2 of the IEE provides that Implementing Partners (IPs) shall report on environmental compliance requirements as part of their routine project reporting to USAID.

EMPOWER conducts environmental compliance reviews, as required, for all grant-funded interventions. In Q14, EMPOWER's outside Environmental Specialist was engaged for 8 different funded activities, of which 4 are still in process of reviewing and 4 others were categorized as "negative determination with conditions", for which Environmental Review Checklists (ERCs) and Environmental Mitigation and Monitoring Plans (EMMPs) were prepared. All were submitted to USAID and after comments in many cases, resubmitted and approved by USAID's Bureau Environmental Office (BEO).

During Q14, 1 activity was classified as "categorical exclusion", having no environmental impact, requiring neither EMMP nor ERC.

Environmental Monitoring: EMPOWER undertook monitoring visits to inspect the implementation of environmental measures, as indicated at the ERC-EMMP for each company/organization. Monitoring is based on environmental impacts, mitigation measures and monitoring indicators, as set out at the EMMPs for each activity. The monitoring visits included:

- Visual observation and photographs related to: physical impacts, air emissions, water use, waste management, use of personal protective equipment (PPE), fire safety measures, ventilation, wastewater collection and discharge, hazardous materials storage.
- Interviews with the owners or managers of companies, related to the progress made on completing: environmental permits, plans for implementing the mitigation measures.

EMPOWER prepares and files an Environmental Monitoring Report for each monitoring visit. A summary of the monitoring visits and their finding in Q14 is contained in Annex 5, Table 3.

2.5 General and Administrative

2.5.1 Strategic Activities Fund Management

EMPOWER Private Sector Activity

Through the end of Q14, EMPOWER launched three Annual Program Statements, receiving 1,477 applications in total for SAF funding.

In response to the first call for applications (i.e. the Annual Program Statement #1), EMPOWER received 791 applications in total for SAF funding. All 791 concept notes have been reviewed, of which 728 were not accepted and 63 were approved. The call for application was launched in January 2015 and closed in May 31, 2015.

EMPOWER received additional 277 applications in total in response to its second request for applications, Annual Program Statement #2, where Sida partnered with USAID to provide additional funding \$2.0M. The call for applications was launched on June 8, 2016, and closed on December 31, 2016, where all 277 concept notes have been reviewed, of which 256 were not accepted, and 21 were either approved or to be accepted.

The third request for applications for SAF funding, the Annual Program Statement #3, was launched on June 1, 2017 and closed on December 31, 2017. In response to the third request for applications, EMPOWER received 409 applications seeking \$14.9 million in finance. By the end of Q14, 22 new concept notes have been approved or to be accepted, 143 of them have been rejected and 244 concept notes are in the reviewing process.

The following table provides SAF status as of the end of Quarter 14:

Table 18: SAF Grants Approved by Type – through Q14						
Status	Number	SAF	Co-Finance	# Jobs	Leverage	EMP / JOB
Final COR Approved	134	\$3,592,689	\$13,931,756	3,976	4.9	\$904
TEC Approved	13	\$311,649	\$1,711,716	228	6.5	\$1,367
Grand Total	147	\$3,904,338	\$15,643,472	4,204	5.0	\$929
Production Expansion	70	\$2,493,368	\$12,777,640	2,463	6.1	\$1,012
Connection to Markets	38	\$704,423	\$1,036,531	408	2.5	\$1,727
Workforce Development	20	\$515,924	\$1,210,714	1,132	3.3	\$456
Productivity and Quality	13	\$82,880	\$485,307	201	6.9	\$412
Business Environment	6	\$107,744	\$133,280	-	2.2	#DIV/0!
Grand Total	147	\$3,904,338	\$15,643,472	4,204	5.0	\$929
Of which:						
North Kosovo	18	\$702,968	\$1,271,583	532	2.8	\$1,321
Microenterprise	41	\$976,510	\$2,463,737	719	3.5	\$1,358

134 grants for a total of \$3.59 M in SAF funds were approved and signed by the end of Q14.

At \$929/job overall through Q14, EMPOWER continued to be close to the nonbinding guideline of \$1,000 in SAF investment per new employment.²

2.5.2 Public Events and Communications

Regular EMPOWER progress communications: Facebook, Website, Newsletter – In Q14, a variety of mediums were used to promote Project activities, including the EMPOWER webpage, USAID/Kosovo and EMPOWER Facebook page, business catalogue, newsletter, factsheet, events featured on TV, online news portals, and videos.

Business Catalogue – In Q14, a significant amount of work and effort was concentrated into the development of a 202-page business catalogue “Produktet Tona – Kosova Gati Per Export.” The catalogue was developed with the purpose of profiling and promoting Kosovo businesses that are

² Annex 3 provides a list of all SAF-funded grants by EMPOWER through Y3/Q14.

EMPOWER Private Sector Activity

ready to export. It features the profiles with photos of 90 Kosovo businesses, divided into six sections according to sectors: wood, apparel, energy, Information and communications technology, food and beverages, and others. Each section contains a summary on each sector relative to Kosovo. The catalogue was uploaded online on yumpu.com (<https://goo.gl/1Wp2bV>) and shared through Facebook, email, and the EMPOWER website. The online catalogue received over 6000+ views by the end of the quarter. The printed catalogue was launched at the Albanian Diaspora Economic Forum, where 450 copies were distributed to participants. Printed copies were also distributed at other EMPOWER events and meetings.

Newsletters - The most significant events and achievements that occurred in the previous quarter were featured in a two-page EMPOWER newsletter. It covered news on grant agreement signings, a front-page success story on the second edition of the Green Festival and various other activities undertaken by the Project. The newsletter was printed and distributed through a variety of channels, as well as posted on the EMPOWER website in three languages and sent to over 600 EMPOWER stakeholders and contacts through email. Printed copies were exhibited in the Project office and distributed at meetings and events.

Factsheet - A visually appealing infographics Factsheet highlighting the achievements of the Project up to the end of Y3 was developed. Printed copies of the Factsheets are exhibited in the Project office and were distributed at meetings and the various events that occurred during the quarter.

Events – The Project organized 13 events in Q14. These highlighted the achievements and milestones of beneficiaries and promoted EMPOWER's objectives. The three notable and significant events that were organized by the Project were the Apparel Convention, Wood Industry Convention, and the Albanian Diaspora Economic Forum. These events were officiated by USAID Acting/Deputy Mission Director Lisa Magno, and high-ranking GoK officials, including the Kosovo Prime Minister, Ministers, and others. All events were extensively captured with photos, which together with short written summaries/blurbs were sent to USAID for posting on Facebook. All posts were also shared on the EMPOWER Facebook page. Blogs and photos on the events were also uploaded on the EMPOWER website.

The first ever Kosovo Apparel Convention was organized by the Project in Q14, with the purpose of advancing the development and growth of the apparel industry in Kosovo. Held on November 6, 2017, the convention consisted of forum sessions where local and international experts presented on key topics in the industry, an exhibition of Made in Kosovo apparel by 22 Kosovo apparel producers, B2B meetings, and a Student Design Contest, which provided the opportunity for design students from four Kosovo design colleges to expose their talent and compete with their designs. The Kosovo Prime Minister Ramush Haradinaj, USAID Deputy Mission Director Lisa Magno, and the Kosovo Minister of Trade and Industry Bajram Hasani attended the opening ceremony and talked about the importance of the event to help companies attract foreign buyers and investors.



USAID Deputy Mission Director Lisa Magno, the Prime Minister of Kosovo Ramush Haradinaj, and others inspecting Kosovo-made apparel on display at the Kosovo Apparel Convention.

The event achieved extensive media coverage on Kosovo TV channels and online media. Leading up to the event, interviews were organized for the EMPOWER Competitiveness Specialist, KAMA Director and apparel company representatives on popular shows in RTK1, KTV, RTV21, and Klan Kosova. An hour-long interview and discussion on a TV program dedicated to the apparel industry and convention

EMPOWER Private Sector Activity

was arranged on Tribuna Channel a week prior to the event. The full program was also shared online through YouTube and Facebook. A live feed prior to the opening of the convention was also arranged on RTK1. Over 10 media were present at the opening ceremony of the Convention. Stories about the Convention were communicated in popular TV channels, and 16 online portals wrote about the event. A printed catalogue showcasing the designs of the finalists of the Student Design Contest of the Apparel Convention was developed and distributed.

The Albanian Diaspora Economic Forum was a major event highlight in Q14, that took place in Prishtina during November 25 - 26, 2017. The Forum was organized with the purpose of building connections between Kosovo businesses and Albanian diaspora businesses and to create possible export deals for Made in Kosovo products. The event opened with a Gala Business Dinner which brought together hundreds of businesses from diaspora, Kosovo, and the region. The significance of the event was accentuated by the number of dignitaries who attended the event, including the President of Kosovo Hashim Thaçi, Kosovo Prime Minister Ramush Haradinaj, Albanian Minister of Diaspora Pandeli Majko, Kosovo Minister for Diaspora Dardan Gashi, USAID Acting Mission Director Lisa Magno, and Albanian Diaspora Business Network President Nazar Mehmeti.

During the evening, diaspora business representatives used the business catalogue *Produktet Tona*, developed by EMPOWER, to inform themselves about the Kosovo companies that are export-ready, and to schedule meetings for the B2B activity that took place on the following day. Over 350 B2B meetings took place on the second day of the Forum between diaspora, regional and Kosovo businesses. Over 250 diaspora businesses from around the world participated in the Forum. They were met by 191 local companies, and 48 companies from the region.

The Albanian Diaspora Economic Forum opening Gala Business Dinner and B2B activity were extensively covered by media. RTK1 covered the opening of the event live for the first hour. Over 10 media were present at the opening, while RTK1 and Klan Kosova covered the B2B activity with stories in their main news. Over 35 online news portals wrote about the significance of the event. In addition, a promotional video was developed and shared online prior to the event and placed on TV channel RTK1, and four informational billboards were placed at strategic locations in and around Prishtina.



Kosovo President Hashim Thaçi, Prime Minister Ramush Haradinaj, USAID Deputy Mission Director Lisa Magno, and many other high representatives of government of Kosovo, Albania, and Macedonia attended the Gala Business Dinner.

The second edition of the Wood Industry Convention was another significant event that took place in Q14, specifically during December 6 - 7, 2017, in Prishtina. The theme of this edition was empowering exports, innovation and design. The Kosovo Prime Minister Ramush Haradinaj, USAID Deputy Mission Director Lisa Magno, Deputy Head of Cooperation from the European Union Office in Kosovo Libor Chlad, and the Kosovo Minister of Education, Science and Technology Shyqiri Bytyqi spoke at the opening of the event. The Convention consisted of an exhibition of Kosovo-made wood products by 21 Kosovo wood processing companies, B2B meetings, and a forum with 6 panel discussions which covered topics such as institutional and donor support for the wood sector, design trends in global furniture markets, production oriented towards exports, and cooperation between universities and private sector. The Convention also included a display of the top 40 innovative and practical furniture designs created by university students from around Kosovo as part of the Student Design Contest.

EMPOWER Private Sector Activity

The event achieved substantial media coverage on Kosovo TV and online media. Leading up to the event, interviews were organized for AWPK Director, representatives of wood processing companies, and an architect who presented at the Wood Industry Convention on popular shows on KTV (morning and evening program), and Klan Kosova (morning and afternoon program). A live feed prior to the opening of the convention was also arranged on RTK1. Stories about the Convention were communicated in popular TV channels, and 27 online portals wrote about the event. A printed catalogue showcasing the designs of the finalists of the Student Design Contest was also distributed at the Convention.



Argjentina Grazhdani from PPSE, Ilir Rexha from GIZ, Libor Chlad from the European Union Office in Kosovo, Skender Rama from EMPOWER Private Sector, and Arieta Vula Pozhegu from AWPK (left to right) presented at the Forum Session on the topic of international donor support for the wood sector at the 2nd Edition of the Wood Industry Convention.

Facebook, Website and YouTube - Facebook continued to be a powerful communications tool for EMPOWER during Q14. EMPOWER events, success stories, and grantee profiles, were featured extensively on the USAID/Kosovo and US Embassy Facebook page, with 22 posts being attributed to the Project. These postings were shared on the EMPOWER Facebook page. Relevant postings on news and achievements of KAMA, AWPK, and Green Business Kosovo were also shared. The EMPOWER Facebook page had 119 posts in Q14, and currently has a following of 5,054 people.

Facebook was widely utilized to create awareness and build publicity for the 3 major events that occurred in Q14: the Apparel Convention, the second edition of the Wood Industry Convention, and the Albanian Diaspora Economic Forum. A social marketing strategy was devised to promote the events starting a few weeks prior and up to their completion. The Facebook pages of KAMA and AWPK were continuously updated with information, including participating companies' profiles, forum presentation topics and presenters, and other interesting information. These posts were also shared on the EMPOWER Facebook page. Every activity of the Wood Industry Convention was streamed live in the AWPK Facebook page and shared on the EMPOWER Facebook page. The Albanian Diaspora Economic Forum was promoted through the Facebook page of the Albanian Diaspora Business Network. The opening of the Gala Business Dinner was also streamed live on the ADBN Facebook page and shared on the EMPOWER Facebook page.

The EMPOWER website was continuously updated with all events of that occurred in Q14. In addition, the website was the primary channel for soliciting responses to requests for proposals.

TV shows and news – EMPOWER events and activities were featured extensively on TV shows and news through Q14. The three major events organized by the Project were shown on the main news programs of the most popular TV channels. Public awareness of the activities and successes of EMPOWER and its beneficiaries was also created through over 12 appearances on TV morning afternoon, and evening programs, TV news stories, over 78+ news stories in online news portals, and industry websites.

3. RESULTS VS. PERFORMANCE MANAGEMENT INDICATORS

EMPOWER Private Sector made significant advances toward its quantitative and qualitative objectives during Q14. The original targets failed to take account of the fact that impact would be limited during the first year, due to the requirements for initial assessments before which activities supporting economic growth could not begin, and subsequently due to the time required for companies receiving grants to order and install equipment before sales and job growth impact could be achieved. In addition, the original targets were set in the expectation that USAID would engage a local partner to work alongside EMPOWER, with substantial additional grant funds and personnel, through a separate procurement, as the original RFP for EMPOWER anticipated.

To take account of these factors, timelines and PMI targets were revised in PBMS Revision #6, and approved by USAID on December 21, 2016.

3.1.1 Results vs. PMIs Detail

Table 16 below lists all of EMPOWER's Project Management Indicators from its Performance-Based Management System (PBMS). The following are highlights:

Number of beneficiary companies: The PMI cumulative target for the number of beneficiaries through Q14 is **546**, of which **113** new unique company beneficiaries in Q14. The PBMS defines these companies as "enterprises that have participated in or obtained support from any Project Activity". In terms of companies that received material assistance directly from EMPOWER, the number of these "Primary Beneficiaries" (PBs) was **358** through Q14. Counting companies that domestically produce and supply direct production inputs to companies that received production expansion grants from EMPOWER – "Supplier Beneficiaries" (SBs), whose sales must grow if those receiving grants grow – adds an estimated 188 unique companies, bringing the total number of enterprise beneficiaries (PBs + SBs) to **546**.

Attributed aggregate total sales of beneficiary companies: EMPOWER introduced this new indicator in Q10 to better reflect its impact on PBs. The attributed sales of PBs from the quarter of their becoming EMPOWER beneficiaries, aggregated over all such beneficiaries, is **\$168M** through Q14. The PBMS target for five years is \$150MM.

Attributed aggregate sales increase of beneficiary companies: **\$74.3M** cumulative through Q14, versus a cumulative target of **\$56M** through Y4. The indicator is defined as "attributed annual increased sales of PBs over their Baseline sales, aggregated over all such beneficiaries. For the purpose of this and other EMPOWER PIRS, a Baseline year is Y for any Activity that was initiated from 1-Oct-Yn through 30-Sep-Yn+1." This indicator was revised in Q10 to better reflect EMPOWER's timelines and a more realistic economic potential of beneficiaries identified so far.

Aggregate exports increase of beneficiaries: **\$34.2M** cumulative to date, versus the PBMS target of **\$30.8M** through Y4. This indicator is a subset of aggregate sales increase and was also revised in Q10.

Business size expansion: The PBMS defines this indicator as "PBs transitioning to a larger size category: micro-to-small (<10 to 10 or more employees), small-to-medium (10-49 to 50 or more), and medium-to-large (50-249 to 250 or more) from the time that the Beneficiary applied for EMPOWER support". On that basis the cumulative target through Y4 is **20**. To date, from micro to small transitioned 12 companies, from small to medium transitioned 8 companies, and from medium to large transitioned 3 companies.

New geographic markets: This indicator counts domestic regions or countries to which PBs newly sell as a result of EMPOWER assistance. The cumulative target through Y4 is **40**. Already, **177** new market entries are actually achieved, of which **11** in Q14. New geographic markets for a number of companies included regional neighbors (Albania, Montenegro, Macedonia, Serbia), Western Europe, mainly countries with large Kosovar diaspora populations (Switzerland, Germany, Sweden, France, Italy), and the United States.

EMPOWER Private Sector Activity

New products sold: This indicator counts product types that PBs newly sell as a result of EMPOWER assistance. The cumulative target through Y4 is **40**. **167** new product entries were actually achieved through Q14, of which 8 in Q14.

: The revised PBMS targets the new technologies and defines it as “PBs that have adopted new hardware or software technologies. New hardware includes technologies of the type or purpose that the company did not previously possess, and new production lines.” The cumulative target for Y4 is **60**. To date, **49** Beneficiaries have adopted new technologies as a result of EMPOWER support.

Total new jobs: EMPOWER’s most important indicator. Jobs are considered attributable when they are generated by EMPOWER support for production facilities and consequent sales expansion, for trade show attendance producing sales contracts, or for skills training / internships leading to employment. Jobs are (i) full-time, (ii) part-time / seasonal full-time equivalent (calculated as 1,800 hours/year), (iii) inferred employment calculated based on PB sales increase from market connections activities that have not been reported otherwise, and (iv) indirect employment at SBs derived from a model based on attributable purchases by PBs from them.

362 new attributable jobs were created in **Q14**, bringing the cumulative total since the beginning of the Project to **2,835**, versus the Y4 cumulative target of **3,250**.

Investment leverage: The indicator is defined as the total cash cost of an EMPOWER-supported activity divided by the EMPOWER cash investment, excluding EMPOWER staff and operational costs, aggregated across all funded activities. The cumulative Y3 target was **3.0x**, and **5.25x** was actually achieved through Q14. The 5.25x is a result of \$3.33M disbursed by EMPOWER to date plus \$12.88M provided by private companies and \$1.29M provided by collaborating institutions.

EMPOWER also tracks but does not target certain other indicators, as follows:

Number of Primary Beneficiaries: A subset of PMI #1, this indicator reports only on PBs that have “participated in or obtained direct support from any Project Activity”. To date, **358** of the Beneficiary Companies were PBs, **102** of which became beneficiaries in Q14. The indicator counts beneficiaries as unique companies controlling for duplicates from EMPOWER activities in a former period or in more than one activity.

Number of Microenterprise beneficiaries: To date, **125** PBs, for which EMPOWER has detailed information, were microenterprises defined as “PBs that had <10 employees at the time they applied for EMPOWER support, which means the submission date of the Concept Note”.

Number of Start-ups: **18** of our Primary Beneficiaries were start-ups, no more than one year before the date that they applied for EMPOWER support through Q14.

Number of domestic supplier beneficiaries: The revised PBMS includes as a separate, tracked but not targeted PMI the number of domestic supplier beneficiaries defined as “a domestic company that supplies production inputs to Primary Beneficiaries (PBs). Estimated based on a standard model and confirmed through interviews with PBs.” Currently, the number of estimated supplier beneficiaries (SBs) is higher, yet **188** SBs have been confirmed through interviews.

CI Finance: Total collaborating institution (donors and local government) cost-share of EMPOWER-supported Activity investment through Q14 is **\$1.29M**.

Aggregate Private Institutional Finance: Based on interviews with Primary Beneficiaries and accepted as part of companies’ cost-share through EMPOWER’s Grants Department, the cumulative “increase in aggregate total new loans or investments from financial institutions of PBs from the time they became EMPOWER beneficiaries” through Q14 was **\$4.5M**.

Value of Foreign Direct Investment: To date, one EMPOWER Primary Beneficiary received **\$280K** as Foreign Direct Investment (FDI).

EMPOWER Private Sector Activity

Value of Private Investment: Private co-finance in EMPOWER-supported activities by PBs and other non-institutional investors is **8.1M**. This cost-share is supported by evidence submitted to EMPOWER and is cumulative through Q14.

Tourist overnights: EMPOWER activities in Tourism have a broad impact on attracting tourists, so it is difficult to track exact attribution paths. Hence, EMPOWER has introduced new tourism specific indicators. Tourist overnights, defined as “the number of Kosovo tourists served by EMPOWER Beneficiaries and other surveyed tour operators, multiplied by the average number of nights/days they spend in Kosovo” currently stands at **404**.

Tourism overall sales / jobs impact: Aggregate increased sales and employment of providers of services to tourists, based on a model whose inputs are tourism overnights, average spending per overnight, and standard sales / employee ratios. This indicator currently stands at **\$68K** in sales and **4** jobs, and is included in the total sales and jobs increase of all beneficiaries.

Foreign adventure tourist arrivals: To date, **78** foreign tourists have been served by EMPOWER beneficiaries.

Number of new product quality certifications: To date, **25** formal certifications of product quality / safety have been obtained by twelve (12) PBs.

Skills certifications: **737** individuals received skill certifications after attending EMPOWER-supported activities through Q14.

Person-hours of workforce skills training: Individuals attended **336K** hours of workforce skills training, of which **7K** in Q14.

Jobs - Women: The revised PBMS tracks the aggregate number of new jobs for women created by Primary Beneficiaries and attributable to Project Activities. To date, **1,073** of the new jobs engage women, **130** of which were opened in **Q14**.

Jobs - Youth: Cumulative Q14 actual jobs for youth are **1,083**, of which **53** in Q14.

Jobs - Minorities: Cumulative Q14 actual jobs for ethnic minorities are **270**, of which **58** in Q14. Minorities are ethnicities (other than Albanian in south Kosovo), including Serbs from North Kosovo.

Jobs - North Kosovo: EMPOWER’s interventions in business competitiveness and training in this priority region created **245** new jobs – **43** in Q14 - in North Kosovo.

Women in Management: EMPOWER encourages its Primary Beneficiaries to promote social inclusion in job creation, including in creating jobs for women in management. To date, beneficiaries have created **50** new management jobs for women, of which **3** in Q14.

Trainees: To date, **1,790** individuals have participated in Project-supported workforce development Activities.

904 women		1,025 youth (aged 18-24)		99 ethnic minorities		75 in North Kosovo
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In Q14, 316 individuals participated in such activities.

92 women		125 youth (aged 18-24)		6 ethnic minorities		0 in North Kosovo
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Interns / Apprentices: **1,338** individuals have participated in internships / apprenticeships in Project-supported workforce development activities.

508 women		848 youth (aged 18-24)		44 ethnic minorities		22 in North Kosovo
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334 of which were in Q14:

8 women		142 youth (aged 18-24)		6 ethnic minorities		0 in North Kosovo
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3.2 PMIs Summary

Table 19: PMIs Summary through Q14 Actuals—Targeted Indicators

Component/ AO	#	Source / AIR¹	Performance Indicator	Unit	Target (Cumulative)										Reporting Frequency	Data Source		
					2015		2016		2017		2018		2019	Total Increase				
					Target	Actual	Target	Actual	Target	Actual	Target	Actual						
Beneficiaries	1	Custom	Number of beneficiary companies	#	150	91	260	340	300	433	350	546	400	400	Quarterly, Annual	Activities		
	2	F / all	Attributed aggregate sales of beneficiaries	\$000					64,981	134,393	97,471	168,017	150,000	150,000	Quarterly, Annual	Surveys		
1. Competitiveness	3	F / all	Attributed aggregate sales increase of beneficiaries	\$000	6,608	1,065	61,824	15,580	28,000	56,029	56,000	74,320	100,000	100,000	Quarterly, Annual			
	4	F / all	Attributed aggregate exports increase of beneficiaries	\$000	3,102	738	16,755	8,208	10,304	25,345	30,837	34,243	50,000	50,000	Quarterly, Annual	Activities, Surveys		
	5	Custom / all	Business size expansion	#	5	4	10	16	15	23	20	23	25	25	Quarterly, Annual	Surveys		
	6	CDCS / all	Number of new geographic markets entered by beneficiaries	#	10	26	20	111	30	169	40	177	50	50	Quarterly, Annual	Surveys		
	7	CDCS / all	Number of new products sold by beneficiaries	#	10	16	20	48	30	156	40	167	50	50	Quarterly, Annual	Surveys		
	8	F / all	Number of beneficiary companies that have adopted new technologies	#		26	20	38	40	48	60	49	80	80	Quarterly Annual	Activities, Surveys		
2. Job-Creation	9	F / 2.1, 2.2	Total new jobs	#	250	465	2,800	1,272	2,250	2,473	3,250	2,835	5,000	5,000	Quarterly, Annual	Activities, Surveys		
Leverage	10	Custom	Investment leverage	ratio	3.0x	5.5x	3.0x	5.8x	3.05x	5.05x	3.0x	5.25x	3.0x	3.0x	Quarterly, Annual	Activities		

¹AIR = Activity Intermediate Result (see PBMS causal model) ²Total activity funding from all sources divided by EMPOWER investment. Note: Monetary values originally in € and converted to \$ at 1.12

Table 20: PMIs Summary through Q14 Actuals Additional Tracked/Non-Targeted Indicators

Component/ AO	#	Source / AIR	Performance Indicator	Unit	Cumulative				Reporting Frequency	Data Source
					2015	2016	2017	2018		
1. Competitiveness	1.1	Custom	Number of Primary Beneficiaries	#	91	183	256	358	Quarterly, Annual	Activities
	1.1.1	Custom	Number of Microenterprise beneficiaries	#	64	111	125	125		
	1.1.2	Custom	Number of Start-ups	#		11	19	18		
	1.2	Custom	Number of Domestic Supplier Beneficiaries	#		157	177	188		
	10.1	Custom	CI Finance	\$000		1,131	1,135	1,287		
	10.2	F, Custom	Aggregate Private Institutional Finance	\$000		3,735	3,297	4,538		
	10.3	Custom	Value of Foreign Direct Investment	\$000		280	280	280		
	10.4	Custom	Value of Private Investment	\$000		3,759	7,804	8,058		
	11	Custom	Tourist overnights	#		134	404	404		
	11.1.1	Custom	Tourism sales	\$000		23	68	68		
	11.1.2	Custom	Tourism jobs	#		1	4	4		
	11.2	Custom	Foreign adventure tourist arrivals	#		33	78	78		
	12	F / 1.1	Number of new product quality certifications obtained by beneficiaries	#	1	7	21	25		
2. Job-Creation	13	F / 2.1	Number of workers with certified job skills / qualifications	#	35	380	674	737	Quarterly, Annual	Activities
	14	F / 2.1	Person-hours of workforce and management skills training	000	115	225	329	336		
	9.1	F, Custom / 2.21	Jobs - Women	#	255	630	943	1,073		
	9.2		Jobs - Youth	#	289	672	1,030	1,083		
	9.3		Jobs - Minorities	#	27	144	212	270		
	9.4		Jobs - North Kosovo	#	21	116	202	245		
	9.5		Women in Management	#		28	47	50		
	15		Trainees	#	503	878	1,474	1,790		
	15.1		Trainees – Women	#	328	512	812	904		
	15.2		Trainees – Youth (18-24)	#	354	561	900	1,025		
	15.3		Trainees – Minorities	#	6	65	93	99		
	15.4		Trainees – North Kosovo	#	1	54	75	75		
	16		Interns / Apprentices	#	383	559	1,004	1,338		

EMPOWER Private Sector Activity

Component/ AO	#	Source / AIR	Performance Indicator	Unit	Cumulative				Reporting Frequency	Data Source
					2015	2016	2017	2018		
	16.1		Interns - Women	#	243	329	500	508		
	16.2		Interns - Youth (18-24)	#	280	421	706	848		
	16.3		Interns - Minorities	#	5	10	38	44		
	16.4		Interns - North Kosovo	#		1	22	22		

¹ Jobs, trainees, and interns / apprentices in subcategories are not additive - they overlap; also, interns / apprentices are a sub-category of trainees

Table 21 EMPOWER-Supported Trade Fairs Results

EMPOWER-Supported Trade Fair Results									
#	Trade Fair	Sector	Location	Date	# PB firms	Sales \$000 ³		Assistance \$000 ⁴	
						LoP	Actual	EMP	Co-Fin
1	IF Wedding; TEXPO	Apparel	Izmir; Istanbul	Feb 15	3			2	4
2	ITB 2015	Tourism	Berlin	Mar 15	5		127	4	31
3	Furniture Tirana 2015	Wood	Tirana	Mar 15	4	622	446	6	10
4	Destination Natur 2015	Tourism	Paris	Mar 15	4		26	8	10
5	Energetika	Energy	Zagreb	Apr 15	1	421	822	4	7
6	Textile, Facon and Fashion	Apparel	Tirana	Jun 15	8	538	92	13	46
7	MOW Germany 2015	Wood	Hanover	Sep 15	2	1,680	1,296	1	36
8	Adventure Travel World Summit	Tourism	Chile	Oct 15	2		2	5	2
9	A+A 2015	Apparel	Dusseldorf	Oct 15	3	187	250	2	6
10	Investment & Trade Conference	ICT	Chicago	Nov 15	2			3	-
11	World Travel Market	Tourism	London	Nov 15	5		109	18	35
12	SwissBau 2016	Wood	Basel	Jan 16	3	2,352	1,551	28	52

³ Projections and actual monetary values originally were in € and converted to \$ at 1.12

⁴ Assistance by EMPOWER and Co-Finance reflect realized expenses

EMPOWER-Supported Trade Fair Results									
#	Trade Fair	Sector	Location	Date	# PB firms	Sales \$000 ³		Assistance \$000 ⁴	
						LoP	Actual	EMP	Co-Fin
13	IMM Cologne Furniture Fair 2016	Wood	Cologne	Jan 16	5			1	5
14	GDS Fair	Apparel	Dusseldorf	Feb 16	2	909		1	5
15	ITB 2016	Tourism	Berlin	Mar 16	7		343	9	20
16	Furniture Tirana 2016	Wood	Tirana	Mar 16	6	1,483	524	11	26
17	Destination Nature 2016	Tourism	Paris	Mar 16	5		73	3	12
18	Skopje Furniture Fair 2016	Wood	Skopje	Mar 16	3	519	405	10	25
19	Skopje Fashion Weekend	Apparel	Skopje	Apr 16	2			1	8
20	Wire & Tube Fairs	Metal	Dusseldorf	Apr 16	5		8	1	7
21	Milan Furniture Fairs	Wood	Milan	Apr 16	4			2	9
22	Xylexpo Furniture Fair	Wood	Milan	May 16	0			0.4	-
23	Green Festival	Energy	Pristina	May 16	15			22	18
24	Bern Workwear Fair	Apparel	Bern	Jun 16	3	54	63	20	26
25	International Foods EPPS Fair	Other	Tampa, Florida	Jul 16	2			11	21
26	MOW 2016	Wood	Hanover	Sep 16	5	1,652	111	20	28
27	Premier Vision, Paris	Apparel	Paris	Sep 16	4	112		2	6

EMPOWER-Supported Trade Fair Results									
#	Trade Fair	Sector	Location	Date	# PB firms	Sales \$000 ³		Assistance \$000 ⁴	
						LoP	Actual	EMP	Co-Fin
28	Adventure Travel World Summit	Tourism	Anchorage, Alaska	Sep 16	4	168		11	11
29	The Digital Show, London	ICT	London	Sep 16	1	202	123	3	2
30	Emilia Romagna, Motorfest	Other	Emilia Romagna	Sep 16	1	95	34	1	1
31	STIKK B2Bs, Germany	ICT	Cologne; Frankfurt; Darmstadt	Nov 16	7			4	17
32	Performance Days	Apparel	Munich	Nov 16	4			3	6
33	BAU	Energy	Munich	Jan 17	6			1	7
34	IMM Cologne Furniture Fair 2017	Wood	Cologne	Jan 17	4	4,144	474	58	99
35	Gulfood Fair	Other	Dubai	Mar 17	2			1	4
36	JEC World 2017	Other	Paris	Mar 17	1	336		5	7
37	ITB 2017	Tourism	Berlin	Mar 17	8	560	300	7	29
38	Destination Natur 2017	Tourism	Paris	Mar 17	4	143	12	4	7
39	Furniture Tirana 2017	Wood	Tirana	Mar 17	2	336		2	9
40	Skopje Furniture Fair 2017	Wood	Skopje	Mar 17	2	336		8	8
41	B2B Macedonia Workfair	Apparel	Tetovo	Apr 17	4	17	38	0.3	1

EMPOWER-Supported Trade Fair Results									
#	Trade Fair	Sector	Location	Date	# PB firms	Sales \$000 ³		Assistance \$000 ⁴	
						LoP	Actual	EMP	Co-Fin
42	Ligna Fair - Technology and Forestry	Wood	Hanover	May 17	12			5	8
43	Green Festival 2	Energy	Pristina	Sep 17	22		824	66	18
44	A+A 2017	Apparel	Dusseldorf	Oct 17	6	124	217	17	11
45	STIKK B2Bs, Germany	ICT	Munich; Nuremberg	Oct 17	12		22	5	33
46	ECRM	Other	Miami, Florida	Nov 17	1	336		23	-
47	Kosovo Apparel Industry Convention	Apparel	Pristina	Nov 17	22			22	1
48	Tirana International Fair	Energy	Tirana	Nov 17	4	168		1	14
49	Diaspora Economic Forum	General	Pristina	Nov 17	134	336		13	4
50	Kosovo Wood Industry Convention	Wood	Pristina	Dec 17	21			13	15
51	IMM Cologne Furniture Fair 2018	Wood	Cologne	Jan 18	2	1,120		29	67
52	SwissBau 2017	Wood	Basel	Jan 18	7	3,584		58	112
53	JEC World 2018	Energy	Paris	Mar 18	1	224		-	-
TOTAL					404	\$22,757	\$8,292	\$569	\$944