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# EMPOWER PRIVATE SECTOR ACTIVITY

## QUARTERLY REPORT #6

*Project Year 2, Q1*



On December 15, 2015, the Kosovo Information and Communication Technology Association (STIKK) launched a new training facility for young programmers, with the support of EMPOWER Private Sector, in collaboration with the Embassy of Norway and GIZ Germany. US Ambassador to Kosovo Greg Delawie joined Minister for Labor and Social Welfare Arban Abrashi, Deputy Minister for Economic Development Besa Zogaj- Gashi, and Norwegian Ambassador to Kosovo Jan Braathu at the launch.

**January 31, 2015**



# EMPOWER Private Sector Activity

## QUARTERLY PROGRESS REPORT #6

### PROJECT YEAR 2

OCTOBER-DECEMBER 2015

**Submitted by:**

Cardno Emerging Markets USA, Ltd.

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## 1. SUMMARY OF THE QUARTER

**EMPOWER Private Sector** (“EMPOWER”) is a USAID-sponsored project dedicated to Kosovo’s economic growth. It began in July 2014, has an expected term of five years, and an original budget of approximately \$10 million. The Project has a staff of 16 and is headquartered in Pristina, with

*Table 1: New Activities by Sector – Q6*

Sector	#	EMP €000	CoFin €000	#Firms
Apparel	2	62	139	2
Energy	5	81	136	4
ICT	1	5	5	*
Metal	1	47	377	1
Other	3	163	354	14
Tourism	2	17	35	4
Wood	2	45	167	4
<b>TOTAL</b>	<b>16</b>	<b>€420</b>	<b>€1213</b>	<b>29</b>

\* Participants were individuals

a branch office in North Mitrovica. It is implemented by Cardno Emerging Markets, with subcontractors Crimson Capital of and RTC Consulting.

EMPOWER’s overarching objective is **job creation**. Job creation comes only from businesses that have growing sales and need to increase their employment in order to produce more goods and services for the market. To support job creation, EMPOWER aims to help *firms* expand and improve their capacities to sell into identified markets, while helping *individuals* obtain skills in demand on job markets by growing firms. These themes are reflected in EMPOWER’s two primary work components: (1) SME-level

competitiveness and (2) workforce development.

EMPOWER implements its assistance through technical assistance combined with grants and procurements from its \$2.0 million Strategic Activities Fund (SAF). In early 2015 the Project issued a call for applications to the SAF, and by its closing at end-May received almost 800 applications requesting nearly €40 million. After screening and evaluating these applications, essentially the entire fund was committed by the end of program Year 1.

*Table 2: New Activities by Support Area – Q6*

Support Area	# Actvts	# Firms	Value €000		
			EMP	Co-Fin	Total
Production	8	19	346	1,123	<b>1,816</b>
Markets	2	4	41	77	<b>118</b>
Quality/Prdty	1	*	3	-	<b>3</b>
WfD / Skills	3	*	18	10	<b>28</b>
Business Envnt	2	1	12	5	<b>17</b>
<b>TOTAL</b>	<b>16</b>	<b>25</b>	<b>€420</b>	<b>€1,215</b>	<b>€1,636</b>

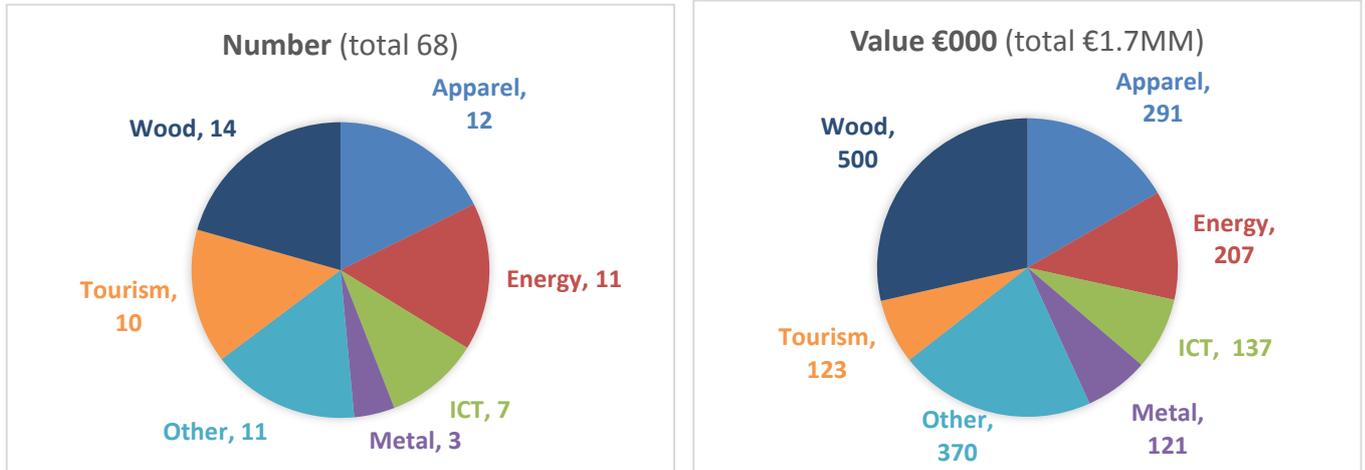
\* Participants were individuals

EMPOWER initiated 16 new activities (interventions) during the quarter (Table 1), committing €420K in program funding, and attracting €1.2MM in co-finance from beneficiaries, other donors, GoK agencies, and banks.

Table 2 shows how the 16 interventions initiated during Q6 were broken down by support area. Half supported the expansion of beneficiaries’ physical production capacities, and the rest were divided among connection to markets, workforce skills development, quality, and business environment improvement. 25 companies were beneficiaries of these new activities.

The following charts break down by economic sector all of EMPOWER’s approved and initiated discrete interventions through Q6:

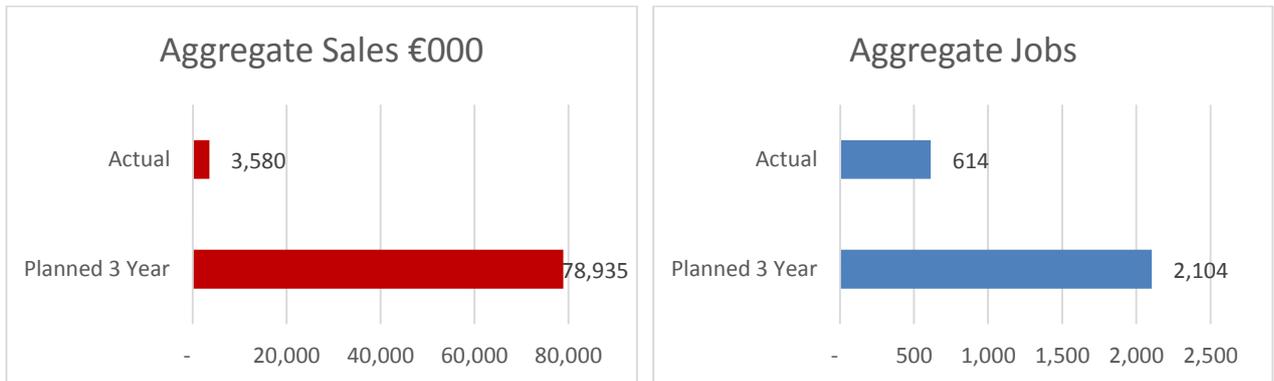
Figure 1: Distribution of EMPOWER Interventions by Sector



68 interventions approved through Q61 covered six discrete product sectors, plus “other”.

Overall impact for all 68 interventions approved and initiated through Q6, for both project components, showing both actual and expected results through the 3-year projection horizon, is shown in the following:

Figure 2: Impact – Top-Line Indicators



This was the sixth running quarter of the Project, or the first quarter of Project Year 2 (Oct 1 – Dec 31, 2015). Table 3 provides a summary of results versus EMPOWER’s main Performance Management Indicators (PMIs) during the quarter.

Sector	#Jobs		Sales €000		#Trainees
	Actual	3Yrs	Actual	3Yrs	
Apparel	47	32	609	2,280	0
Energy	6	117	294	3,938	14
ICT	23	0	700	0	141
Metal	4	36	5	1,160	0
Other	14	112	75	3,373	32
Tourism	0	22	0	1,125	35
Wood	73	51	996	3,026	40
<b>TOTAL</b>	<b>167</b>	<b>370</b>	<b>€2,679</b>	<b>€14,902</b>	<b>262</b>

During the quarter, EMPOWER beneficiaries added 167 actual new jobs and generated €2.5MM in additional sales attributable to Project support. They added an expected 370 new jobs and almost €15MM in additional sales over the 3-year projection period. 262 individuals added to EMPOWER-supported training and internship programs during the quarter.

From the beginning of the Project through Q6, EMPOWER's cumulative impact is updated in the following table:

Sector	#Actvts	EMP €000	CoFin €000	#Bens	#Jobs		#Trainees	Sales €000	
					Actual	3Yrs		Actual	3Yrs
Apparel	12	291	959	16	147	306	111	666	13,390
Energy	11	207	314	9	24	257	14	316	8,400
ICT	7	137	476	3	270	591	379	1,100	12,300
Metal	3	121	939	3	4	99	0	5	9,530
Other	11	370	1,129	20	29	266	32	112	8,100
Tourism	10	123	204	51	0	57	54	96	2,370
Wood	14	500	3,103	13	141	528	40	1,137	24,860
<b>TOTAL</b>	<b>68</b>	<b>€ 1,749</b>	<b>€ 7,124</b>	<b>115</b>	<b>615</b>	<b>2,104</b>	<b>630</b>	<b>€ 3,432</b>	<b>€ 78,950</b>

By the end of the quarter, EMPOWER had initiated a total of 68 activities – approximately one new intervention per week since the beginning of the project – and invested €1.75MM in funding, complemented by €7.1MM in co-financing from beneficiaries, other donors, GoK agencies, and financial institutions, for a leverage ratio of 5.1x. These interventions have created 615 actual jobs 3.4MM in new sales to date, and are expected to generate about 2,100 new jobs and €79MM in new sales over the coming 3 years. 630 individuals participated in EMPOWER-supported workforce skills training programs through the end of the report quarter.

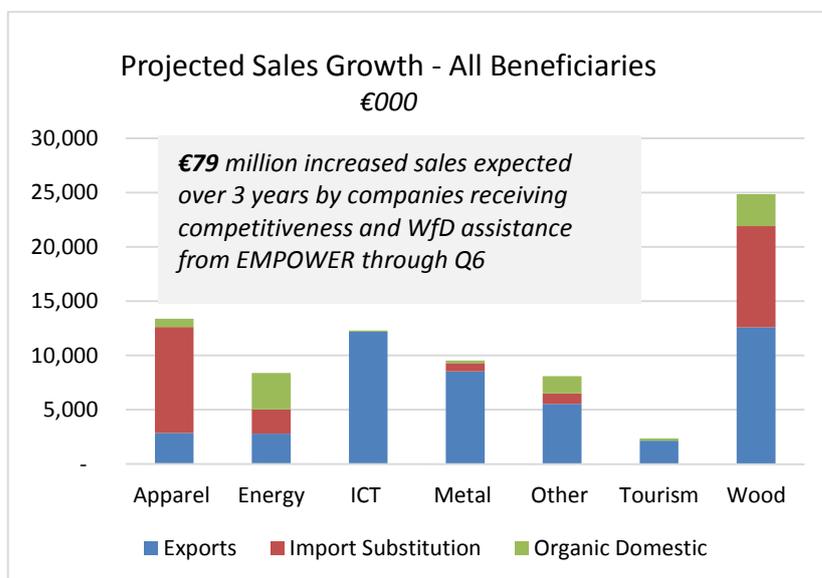
## 2. ACTIVITIES AND TASKS VS. WORK PLAN

The main body of this report, which follows, is organized according to EMPOWER’s Year 2 Workplan. Each section covers Project Quarter #6: 1-Oct to 31-Dec-15.

The narrative sections below survey activities and results in major task areas. Following this, in Annex 1, is a tabular listing of the entire Year 2 Workplan, with detailed actual versus expected results to date for every line item. The codes entered in paragraph headings below refer to line items in the detailed Workplan.

Annex 2 provides a table describing the status of each EMPOWER intervention since the project began, rating each “green” (AOK), “yellow” (watch list), or “red” (significant concerns) according to performance vs. expectations. Of 61 activities described there, only one is rated “red”, 12 are rated “yellow”, and 48 are rated “green”.

Annex 3 provides a list of all SAF-funded grants and procurements as of the end of Quarter 6.



### 2.1. General & Administrative

#### 2.1.1. Strategic Activities Fund Management

EMPOWER received 791 applications in response to its first request for applications for SAF funding launched in January 2015 and closed in May. The screening process for these continued throughout 2015. By the end of Q6 597 concept notes had been reviewed and not accepted, 125 were still in the screening process, and 69 were approved or expected to be. Including likely further commitments, EMPOWER’s entire initial \$2MM SAF was accounted for, and at least another €300K was in the “parking lot”, awaiting the possibility of further SAF funding.

The following table provides SAF status as of the end of Quarter 6:

Status	Number	SAF	Co-Finance	Jobs	Leverage	SAF / JOB
Approved & Signed	51	€ 1,491,191	€ 6,165,381	1856	4.1	€ 803
Approved; not yet Signed	6	€ 195,405	€ 873,650	218	4.5	€ 896
<b>Total Approved</b>	<b>57</b>	<b>€ 1,686,596</b>	<b>€ 7,039,031</b>	<b>2074</b>	<b>4.2</b>	<b>€ 813</b>
<b>Breakdown by Category</b>						
Firm Level Growth	35	€ 1,303,995	€ 6,276,342	1177	4.8	€ 1,108
Market Development	11	€ 163,206	€ 172,384	155	1.1	€ 1,053
Workforce Development	11	€ 219,395	€ 572,000	742	2.6	€ 296
<i>Of which:</i>						

Table 5: SAF Grants & Procurements Approved by Type – through Q6

Status	Number	SAF	Co-Finance	Jobs	Leverage	SAF / JOB
North Kosovo	10	€ 365,740	€ 707,395	234	1.9	€ 1,563
Microenterprise	25	€ 586,146	€ 1,597,397	870	2.7	€ 674

This is an increase of 7 total approved grants and procurements during the quarter, for an additional €363K in funding. 10 awards for €453K were signed during the quarter. The majority of grants continued to be for production expansion.

51 grants and procurements for a total of €1.49 million in SAF funds were approved and signed by the end of Q6, of which €729K was actually disbursed by December 31, 2015.

By the end of Q6, of SAF beneficiary companies, 44% were microenterprises, and 18% were in North Kosovo.

At €813 (\$890) overall, EMPOWER continued to better its nonbinding guideline of \$1000 in SAF funding per new job through Q6.

Annex 3 to this report provides a list of all SAF-funded grants and procurements provided by EMPOWER by the end of Q6.

### 2.1.2. Public Events & Communications

EMPOWER printed materials, Facebook page and Website: In Q6, EMPOWER continued the publication and circulation of a monthly two-page newsletter, releasing numbers 7, 8, and 9. The newsletter has a broad audience, including EMPOWER beneficiaries and the business community at large, government institutions, and the general public. It is published electronically in three languages on the Project’s website and Facebook page. Printed copies are exhibited in the Project office and distributed at meetings and events.

Facebook continues to be a powerful communications tool for EMPOWER. 58 postings during the quarter reported events, news, and other important information to a broad audience including over 1,900 people who “like” the Project’s page. EMPOWER also posted 25 updates to its web page during Q6. All information is available in three languages.

Significant Media Attention: Two EMPOWER-supported events received wide media publicity during the quarter. (i) the inauguration by Ambassador Delawie and USAID Kosovo Mission Director Hope of the opening of a new children’s shoes production line at Solid Shoes in Suharekë/Suvarëka, and (ii) the opening by Ambassador Delawie, with the Minister of Labor and Social Welfare and the Norwegian Ambassador, of the STIKK Education Academy. EMPOWER’s support is further described below.



US Ambassador Greg Delawie, USAID Mission Director James Hope, and owner Shefqet Kuçi cut the ribbon to open a new factory for children’s shoes at Solid Shoes of Suhareka, supported by an EMPOWER Private Sector grant.

In addition, three TV shows or interviews where EMPOWER activities were discussed or presented were aired in RTK and TV21. Videos of these segments were posted on the Project’s website.

## 2.2. Component 1: Competitive SMEs

EMPOWER's work in this component involves direct support to businesses with market opportunities to increase their production capacities, find new markets (export and import substitution), and improve quality and factory productivity. Companies targeted for this support are mainly in the wood, apparel, energy, tourism, and metal sectors.

In Project Year 2, of which Q6 is the first quarter, EMPOWER will continue to help companies facing excess demand in their markets expand their production capacities as in Year 1, but will focus more intensively on following up these investments with assistance in productivity improvement and standards / certifications, in addition to workforce skills development, which is reported under Component 2 below. The Project will widen its assistance in market connections, through trade show attendance and recruitment of sales agents, crucial for exports. Finally, EMPOWER will organize the first-ever domestic industry conventions for the wood, apparel, and energy sectors, to strengthen internal networking, develop shared business development strategies, bring business environment issues to the attention of policymakers, and elevate public awareness of the successes of these sectors and the benefits of private sector development.

### 2.2.1. Wood Sector

Grants for Capacity Expansion (Workplan line items C1.G.1, C2.O.1, and C4.N.1): During the reporting period, EMPOWER signed two grants with wood processing companies (Binni and Te Naseri) totalling €89,100, expected to create 78 new jobs, of which 38 are for women and 45 for youth. 4 additional expansion opportunities needing growth finance were identified (Daqa, Doni, Marles and Ciao Berto), which are expected to be finalized, approved, and signed in the next quarter.

A total of 9 grants for expansion have been awarded and signed for this sector to date (see table) with SAF investment of €402K, and leveraging co-investment of close to €2.9MM. These signed grants will create 351 jobs over the next 3 years, of which 90 are for women and 290 for youth. Expected sales from these 9 signed grants is €20.4MM over the 3-year period.

Grantee	Location	SAF	Co-Invest	Jobs (3 Yrs)		
				Total	Women	Youth
Marković	Zubin Potok	8,000	4,200	6	0	5
Elnor	Lipjan	50,000	66,000	50	0	50
Shehu	Drenas	40,000	260,000	36	2	30
Palma	Gjilan	50,000	848,900	50	10	50
Sela Impex	Ferizaj	50,000	116,000	50	15	50
Tefik Çanga	Ferizaj	75,000	335,000	63	25	50
Godzi	Zubin Potok	40,000	92,000	18	0	10
Te Naseri	Suhareka	58,000	771,000	50	35	25
Binni	Vushtrri	31,100	390,000	28	3	20
<b>Total</b>		<b>€ 402,100</b>	<b>€ 2,883,100</b>	<b>351</b>	<b>90</b>	<b>290</b>

**Trade Show Attendance** (C1.A.2&3, C1.W.1&2): After the successful exhibition by three Kosovo wood processing companies at the MOW furniture and interiors fair, in Bad Salzflfen, Germany at the end of the previous quarter, participating companies fulfilled sales contracts and initiated partnership with a sales agent in Germany who had been met there. The three companies – a Fair, Elnor and Tefik Canga – are now continuously exporting products to the buyers in Germany.

During this quarter, together with AWPk, EMPOWER identified and prepared for another fair that would be beneficial for Kosovo wood processors – Swissbau Basel, taking place in January 2016. EMPOWER facilitated the collaborative co-funding of this visit with KIESA and SDC PPSE. Three beneficiaries (Elnor, Lesna, and Shehu) were identified as companies with potential for successful presentation at this fair.

Table 14 at the end of this report summarizes the impact to date of the 11 trade fairs in all sectors for which EMPOWER has supported beneficiary participation to date. With an investment of €92K, beneficiaries have realized €1.2MM in sales through Q6, and are expected to deliver €7.9MM over the coming 3 years.

**Market Connections** (C1.A.5, C1.W.4). Recognizing that most sales come from person-to-person business relationships, in this quarter EMPOWER began to implement its Producer Sales Agency (PSA) approach to expanding export sales. This approach rests on finding, generally through trade

**Producer Sales Agency for Furniture Exports**

For a Germany-based sales agency met at an EMPOWER-supported trade fair exhibition, Kelmendi Moebel, EMPOWER organized a familiarization trip to Kosovo. The agency’s representative visited 6 production company sites, and EMPOWER organized a meeting in Pristina at which 10 export-ready wood processors presented their products to him. The PSA now plans to open a showroom and warehouse for Kosovo-produced furniture near Hamburg in March or April of this year.

fair attendance, professional sales representatives, generally specialized by industry, who know buyers in export markets and can present Kosovo products to them, communicating market needs and obtaining orders. For the German market solid wood furniture market, at the MOW fair, EMPOWER facilitated connection between the Kosovo producers and a sales agency (see box).



Representatives of Kosovo wood processing companies Elnor, Ukaj, Tefik Canga, Design, Divani, Deco and Tedes participated in the annual furniture fair in Bad Salzflfen, Germany, supported by EMPOWER.

**Domestic Wood Industry Convention**

(C1.W.5 & C1.A.4): Planning is underway for this event to be held in September 2016. It will consist of a “policy forum”, strategy and marketing workshops, trade show / B2B,

product design contest, and possibly job fair, and will be well publicized.

**Quality Certification Fund (QCF)** (C1.G.4): During this quarter, EMPOWER initiated planning with KIESA, SDC PPSE, and GIZ the establishment of this fund, which will help beneficiaries defray the costs of obtaining formal product-level safety and quality standards that are required by major export markets.

**Manufacturing Productivity Technical Assistance** (C1.G.3): During Q6, EMPOWER worked with AWPk to prepare a list of the companies that are interested for this type of assistance, including identifying potential STTA candidates to provide it.

## 2.2.2. Apparel Sector

**Trade Show Attendance** (C1.A.2): With EMPOWER' support, three Kosovo producers visited the biannual A+A Düsseldorf Fair, Germany, which is dedicated to apparel and equipment for worker health, safety and security, including workwear and protective clothing. The three Kosovo producers – Arta Tex, Puntex and Intertex – made buyer and agent contacts for future sales and job growth, and led to a follow up visit to Kosovo by the outsourcing director of a large Dutch workwear producer, for whom EMPOWER organized a series of factory visits. A return visit is being organized. Co-financed by KiESA, this fair was the first joint foreign marketing effort by Kosovo uniform producers.

Together with KAMA, EMPOWER helped shoe producers prepare to exhibit at the upcoming Global Destination of Shoes and Accessories (GDS) fair in Dusseldorf (Feb 2016).

**Grants for Capacity Expansion** (C1.G.1, C2.O.1, and C4.N.1): EMPOWER signed one grant in apparel for factory expansion with the company In Design, for printed baby clothing production, a new product, which will create jobs for individuals with Down Syndrome, as well as Roma youth (see box). Three more production expansion grants were identified and are in the approval process for award in Q7.

### Production Jobs for Individuals with Disabilities

EMPOWER provide a production expansion grant to In Design, located in Cagllavice, near Pristina, to initiate production of printed infantwear. The expansion is expected to create 31 new jobs, and the company, collaborating with the NGO Down Syndrome Kosovo, plans to train 14 individuals with this disability for permanent fulltime positions in production.

8 expansion grants have been awarded and signed for the apparel sector to date, with SAF investment of €260K, and leveraging co-investment of over €900K. They are expected to enable €10.7MM in new sales over the coming 3 years, and create 269 new jobs, of which 222 will be women and 160 youth.

**Table 7: Apparel Sector Expansion Grants Signed through Q6**

Grantee	Location	SAF	Co-Invest	Jobs (3 Yrs)		
				Total	Women	Youth
Menakon	Gjilan	11,400	5,000	15	15	7
Nori Tex	Vushtrri	21,000	91,630	25	20	10
Solid Shoes	Suhareka	50,000	40,000	55	45	35
Unikat	Peja	36,000	77,000	45	40	35
S/Sprint	Podujevo	75,000	518,700	80	65	55
Yllka Brada	Pristina	4,815	25,350	6	5	4
In Design	Cagllaviice	47,000	133,840	31	20	10
KosovaTex	Pristina	15,600	13,000	12	12	4
<b>Total</b>		<b>€ 260,815</b>	<b>€ 904,520</b>	<b>269</b>	<b>222</b>	<b>160</b>

**Sales Agents** (C1.A.5, C1.W.4): As a result of earlier support for trade fair attendance, one potential Producer Sales Agent (PSA) has been identified so far for the apparel sector, initially targeting Germany and Switzerland. EMPOWER facilitated the visit to Kosovo of the agency's representative, and sent samples for him to present to buyers in Switzerland.

Industry Conventions (C1.W.5 & C1.A.4): Preparations are underway. The expected timing is June 2016. The event will include a product exhibition, forum, marketing workshops, design contest, and incoming buyer familiarization / B2B activities.

Manufacturing Productivity Technical Assistance (C1.G.3): In Q6 EMPOWER engaged an STTA as Apparel Sector Competitiveness Advisor. He visited 14 companies in two sub-sectors (uniforms & sportswear). He is preparing a report summarizing his findings as to needs for improved quality and potential to penetrate global apparel markets with CMT (Cut-Make-Trim) services.



In December EMPOWER and KAMA signed a grant agreement that supports the start-up operations of the association.

Kosovo Apparel Marketing Association (KAMA) (C3.A.1). EMPOWER facilitated KAMA's launch in the previous quarters. In Q6 the Project supported the Executive Director in developing an operating budget, organizing focus groups for KAMA branding, and establishment of its internet portal. EMPOWER provided a grant to support the association's operating costs during its first year. KAMA is working with apparel companies to develop a prioritized action plan for support of the sector, especially in marketing, and to recruit permanent dues-paying members so that the organization can become self-sustaining. KAMA located independent office space during the quarter and ordered furniture and equipment, to

move in early in Q7.

During Q6 KAMA organized training on business communications and marketing attended by representatives of 16 apparel companies. The association also supported three uniform producers in following up with potential buyers after they came back from the Dusseldorf A+A Fair. EMPOWER has informed other stakeholders as to KAMA's formation, and KIESA has publicly stated its appreciation of the usefulness of the association and its intention to rely on it.

### **2.2.3. Energy Sector**

As in other sectors, EMPOWER's focus in energy is in helping private producers address the competitiveness challenges they face in realizing market opportunities, so that they can create more jobs. At the same time, we want to support activities in energy that help address global climate change. Therefore, in this sector our job-creating company beneficiaries are either (i) producers of renewable energy resources – mainly biomass pellets in Year 1, (ii) producers of construction materials and elements that promote energy efficiency, and (iii) recyclers.

Four investment opportunities from this sector were identified in Q6, including the one pictured at right. With SAF investment of €95K, together they are expected to create 109 new jobs over the coming 3 years.

During the quarter EMPOWER organized the first cluster meeting of solar, geothermal, and wind energy producers and equipment installers. 11 companies participated, along with the renewable energy industry association (SHERK). Jaha Energy informed the group of its investment in a new factory to produce solar panels (for hot water and photovoltaic electricity) in Kosovo. MAFRD's announcement of an incentive for renewable energy in its grant scheme for the agricultural sector was noted. Challenges to the sector's growth included:

- Lack of GoK incentives and policies to support renewable energy and encourage market demand
- Lack of trained workforce for installing and maintaining solar/geothermal/ electric systems
- Low public awareness of renewable energy sources, costs & benefits, and environmental impact
- Lack of household finance for covering the high upfront costs of installing renewable energy systems.



In November, USAID Kosovo Economic Growth Office Director Scott Cameron and Europa company owner Mladen Meličević inaugurate the opening of an upgraded biomass fuel pellets factory in Leposavić, North Kosovo, that will create 20 new jobs.

As a result of this meeting, EMPOWER initiated planning for two new initiatives: (i) a collaborative fund to support *10,000 Solar Roofs* in Kosovo, EMPOWER's idea to copy similar initiatives in Germany and the USA (California), and (ii) a workforce development program to train in renewable energy systems installation and maintenance, possibly in collaboration with GIZ.

Business Opportunity Assessments: During Q6 the *Engine Oil Recycling Assessment* previously outsourced by EMPOWER was finalized and will be published in Q7. The report concluded that most of the used engine oil generated in Kosovo is in fact re-used. However, while some of it is sold to reprocessors, much of it is also burned in boilers without reprocessing. A well-organized collection system paying a fair price for used engine oil would result in cleaner burning and reduced atmospheric pollution. The assessment for the supply of used motor oil that can be reprocessed by a company in Mitrovica into clean oil that can be re-sold, is already finalized.

Also, a glass waste recycling assessment was initiated and will be finalized in Q7. This assessment will support the establishment of a new factory in Mitrovica to produce mosaic glass products, which are currently imported from Turkey.

Pellet Fuel Quality Standards and Marketing Campaign (C1.E.1&3): The *Biomass Pellet Fuel Value Chain Assessment* published by EMPOWER in 2015 observed that Kosovo pellet consumers could not be guaranteed of the quality of Kosovo-produced pellets because none had gone through any kind of testing, and were not certified, therefore facing a disadvantage to imported pellets.



Consequently, EMPOWER commissioned a lab analysis per EN 14961-1 standard, and 10 Kosovo pellet producers, plus 2 importers participated. The analysis was completed in Q6 and initial results were encouraging for the quality of domestically-produced pellets. The full analysis will be discussed with the cluster and publicized in Q7.

In November EMPOWER brought together representatives of the renewable energy sector, comprising of installers of solar, geothermal and wind energy systems, as well as producers of solar panels, to discuss growth prospects and strategy.

Trade Fairs/B2Bs (C1.E.5): Attendance at international fairs for insulation materials and renewable energy-using

stoves and appliances will be delayed until Project Year 3. However, a study tour to Austria for wood pellet producers is planned for Q7 or Q8.

Green Design Festival (C1.3.6): Significant preparation for this event took place in Q6. It will take place alongside the EXPOKOS fair in Pristina in May. A 3-day exhibition and forum is planned, along with outside activities in public to promote green energy technologies, energy efficiency in construction, and recycling. Most donor organizations and GoK agencies have been met with and have expressed interest and potential for support.

#### 2.2.4. Tourism Sector

In Q6 EMPOWER helped build the business skills capacities local outdoor tour operators, develop new outdoor/adventure products, and promote the sector through international trade shows and summits.

Development of Via Dinarica and complementary services (C1.T.1, C1.T.2, C1.T.3): During Q6 EMPOWER in cooperation with the Kosovo Mountaineering Alpine Federation of Kosovo and SDC PPSE walked and marked the Via Dinarica trail in its entirety, identified service providers along the trail (and gaps therein), and various points of interest and attractions. The development of marketing material will be finalized in Q7, and preparation of maps in collaboration with GIZ. Meanwhile, in collaboration with USAID Macedonia SBEP, the Transversal Trail connecting Macedonia with Via Dinarica was walked and partially marked, and five access points from the Kosovo side were identified, walked, and marked. Kosovo tour operators prepared five new itineraries connected with Via Dinarica. Promotional material is being developed.

Adventure Travel World Summit (C1.T.4) in Puerto Varas, Chile (Oct 2015) EMPOWER supported the first-ever participation Kosovo at this most most important annual business-to-business fair for the outdoor / adventure tourism business. Kosovo representatives networked with Western Balkans regional partners, including the Via Dinarica Business Alliance, with collaborative support from USAID/REG and USAID Macedonia SBEP.



Kosovo outdoor/adventure operators participated for the first time at the ATTA Adventure Travel World Summit in October 2015 with EMPOWER's support.

Tourism Trade Fairs (C1.T.5, C1.T.6, C1.T.8): In coordination with KIESA and PPSE, EMPOWER supported the participation of Kosovo at WTM London, the largest annual B2B tourism show. EMPOWER supported KIESA qualifying attendees and organizing presentation. Eight Kosovo tour operators were selected to participate (though in the end, due to typical Kosovar visa problems, only four were able to attend). This was Kosovo's first participation at this fair, which is a necessity for any country serious about promoting tourism.

EMPOWER collaborated closely with KIESA during Q6 in selection of trade fairs for 2016 to be supported. These will include ITB Berlin (Mar 16), Destination Natur Paris (Apr 16, in collaboration with the French Embassy Pristina), ATTA Adventure Next (Ohrid, May 16), and WTM London again (Oct 16).

Kosovo Tourism Guidebooks (C1.T.9): In cooperation with the French Embassy in Pristina, EMPOWER supported a visit of French journalists and photo crew from the publishing house Le

Petit Fute, to finalize its new French-language guidebook for Kosovo, the first of its kind, to help open Kosovo to the French market and operators. The guidebook launch is planned for the Destination Natur Paris tourism fair that will take place in Q7.



Adventure tourism operators from Kosovo and the region display certificates earned at the conclusion of ATTA training in October, supported by EMPOWER.

ATTA EDU Training: A second adventure tour operator professional management skills training was held with EMPOWER support in October 2015 in Pristina, with the collaboration of USAID/REG. The 2 1/2-day event was attended by Kosovo and regional participants from Albania, Macedonia, and Serbia. The training focused on marketing, safety and risk management, collaborative product development, and supporting ground services.

Pristina in organizing a 5-day training-of-trainers (ToT) course in December 2015 for 16 professionals of the Kosovo mountain guides community. Yves Fuque, an experienced mountain guide and adventure tour operator, delivered the training. An objective of the training was to develop a Kosovo national professional standard for mountain guiding.

Mountain Guides Training: EMPOWER collaborated with the French Embassy

In addition, as a direct result of this training, the attendees agreed to formally establish the *Kosovo Professional Mountain Guide Association*. This association will take the lead in organizing the mountain/adventure guide community towards a better-regulated market. EMPOWER will support the association in developing professional standards and training curricula, and in obtaining membership in the UIMLA (Union of International Mountain Leader Associations).



Practical exercises at EMPOWER-supported training of mountain guides in December 2015.

### 2.2.5. Metal Sector

In Q6, as a result of reviewing 32 Concept Notes received from Kosovo metal products manufacturers and finding several of them worthy of support, EMPOWER decided to add metal as a focus sector for SME competitiveness and workforce development support. There is currently little cooperation within the sector; the industry association is currently weak. EMPOWER is compiling a sector development action plan based on meetings with metal companies, relevant donors (GIZ), and relevant institutions (KIESA and Kosovo Chamber of Commerce).

EMPOWER has so far identified 5 metal companies for expansion investments, covering sandwich panel production, decorative wrought iron production, foundry products finishing, stainless steel processing, and gutter production. 2 investments were approved in Q5 and 1 in Q6. The approved activities are expected to create 99 jobs, of which 11 will be in North Kosovo.

**Production Capacity Expansion Grants (C2.0.1):** EMPOWER has signed 2 grant agreements with metal beneficiaries for €74K, expected to create 63 jobs over the period of three years.

Grantee	Location	SAF	Co-Invest	Jobs (3 Yrs)		
				Total	Women	Youth
Monter B	Leposavić	19,000	35,500	11	0	6
Ebbers Group	Rahovac	55,000	525,000	52	2	15
<b>Total</b>		<b>€ 74,000</b>	<b>€ 560,500</b>	<b>63</b>	<b>2</b>	<b>21</b>

EMPOWER supported one beneficiary to purchase a modern production line to manufacture gutters and another to acquire essential finishing and refining machinery for the foundry. The latter is the first of its kind in Kosovo and is primarily export-oriented. The equipment is expected to reduce waste, cut costs, enhance quality of products, and increase productivity.

#### **Greenfield Foundry Products for Export**

Ebbers Group, a Dutch-Kosovo joint venture, is a new greenfield factory operation in Rahovac producing foundry products almost entirely for export to the EU. EMPOWER provided a grant for refining and finishing the castings, a critical production line capability. The factory started initial operations in Q6 and will hire 52 new workers over the coming year.

#### **2.2.6. Other Sectors**

EMPOWER has always been able to support specific initiatives in sectors that are not of principal focus for assistance, if substantial job creation can be demonstrated. The Project has identified such opportunities spanning various “other” sectors – health and beauty supplies, automotive parts, and food processing.

In Q6, four new “other” sector investment were identified and put in process – two in confectionary products and two in North Kosovo agriculture. These are in preparation and will be finalized in Q7.

### **2.3. Component 2: Workforce Development**

The following table summarizes participation in EMPOWER-supported workforce development programs through Q6:

Sector	Tot Trainees		Women		Youth		Marginalized		N Kosovo	
	Q6	Cum.	Q6	Cum.	Q6	Cum.	Q6	Cum.	Q6	Cum.
Apparel	-	111	-	73	-	63	-	17	-	-
Energy	14	14	-	-	8	8	-	-	-	-
ICT	141	379	94	261	126	306	1	6	-	-
Metal	-	-	-	-	-	-	-	-	-	-
Other	32	32	13	13	23	23	1	1	14	14
Tourism	35	54	8	13	3	7	-	-	-	1
Wood	40	40	13	13	26	26	-	-	-	-
<b>TOTAL</b>	<b>262</b>	<b>630</b>	<b>128</b>	<b>373</b>	<b>186</b>	<b>433</b>	<b>2</b>	<b>24</b>	<b>14</b>	<b>15</b>

During Q6 there were 262 participants in EMPOWER-supported skills programs, in-company and institutional, of whom 128 were women, 186 were youth, 2 were from marginalized populations, and 14 were in North Kosovo.

During Q6 EMPOWER progressed in its Local VET Councils initiative, and supported a number of skills development activities, including internships. Also, EMPOWER's Workforce Development Specialist was invited by the Ministry of Education Science and Technology (MEST) to serve on the official Working Group for development of the Kosovo Education Strategic Plan (KESP) 2017-2021. The first KESP Working Group meeting took place in November 2015, and the strategy is due to be completed and published in 2016.

Local VET Councils (LVETCs): (C2.S.7): In Q6 EMPOWER engaged an outside local WfD expert to provide focused attention on the establishment of LVETCs in 2-to-3 municipalities in Project Y2. These were initially to be Ferizaj, Prizren, and Gjilan. However, despite some effort, Ferizaj was dropped after a consultative meeting with GIZ, whose Youth Employment Program has created a

public-private dialog mechanism in that municipality already. While it is not EMPOWER's private sector-led model, to start another PPD could be seen as duplicative to prospective stakeholders, so the decision was made to delay the initiative there. Subsequently, EMPOWER's advisor began to conduct visits and meetings with potential stakeholders in Prizren – education/training providers (public and private), government (municipality education departments and municipal/regional employment bureaus), and private businesses. A kickoff meeting for the Prizren LVETC will be held in Q7.



With support from EMPOWER, Enrad started a three-year internship program to meet its need for skilled production and administrative staff in its rapidly growing pellet stoves and boilers business.

Internships and In-Company Skills Training: (C2.S.5)

During Q6 the Project substantially widened its internship / apprentice programs. EMPOWER signed a grant with AWPK to implement an internship program with wood processors. 40 students/trainees were recruited and placed in 14 private production companies across Kosovo. Participating companies are contributing to the cost, and it is expected that they will hire at least 25 of the interns following the program.

EMPOWER also provided a grant to Enrad, the pellet stoves producer in Gjilan, to co-finance the costs of an internship program that will engage 25 participants annually over the next three years, for a total of 75, most of whom are expected to be hired by the company in a variety of practical roles – design, production (including welders, mechanics, and electricians) and production management, sales, and administration. 14 had been engaged by the end of Q6.

ICT Skills Training (C2.S.4): EMPOWER's focus in ICT continues to be primarily in skills development, in view of the ongoing market demand for skilled programmers. During Q6 EMPOWER signed a grant agreement with the Kosovo Information and Communication Technology Association (STIKK), to

#### Launch of STIKK Education

In December the STIKK Education Academy was launched with its first training course, for young programmers, supported by EMPOWER, the Embassy of Norway, and GIZ. Ambassador Delawie joined Minister for Labor and Social Welfare Arban Abrashi, Deputy Minister for Economic Development Besa Zogaj-Gashi, Norwegian Ambassador to Kosovo Jan Braathu, and GIZ Program Manager Elena Lau at the launch.

co-finance the launch the STIKK Education Academy (see box). The initial course will involve 90 participants for training, certification, internships, and employment.

EMPOWER also contributed to a training program in software testing for 15 individuals implemented by the training arm of Cactus, a large Pristina-based ICT services provider. The training included practical work on real projects. 12 trainees were certified and 7 were employed by the end of Q6.

**Table 9: Grants for ICT Skills Training Signed through Q6**

Grantee	SAF	Co-Invest	Jobs (3 Yrs)		
			Total	Women	Youth
Adaptivit	26,820	81,725	43	12	43
AUK-TDI Females in IT	15,000	83,750	55	55	55
MicroBiz	9,400	3,200	10	3	10
Cactus Training	15,000	10,450	13	5	13
STIKK Education	35,150	89,670	70	30	60
IQ-to-Link	30,520	202,700	400	200	100
<b>Total</b>	<b>€ 131,870</b>	<b>€ 471,495</b>	<b>591</b>	<b>305</b>	<b>281</b>

To date, EMPOWER has provided €132K in grants for skills training in ICT, to programs that are expected to create nearly 600 jobs over the next 3 years, half of which will be for women.

EMPOWER also was a lead sponsor of Kosovo's 3<sup>rd</sup> annual participation in *Global Entrepreneurship Week*, organized by Innovation Center Kosovo (ICK). GEW (<http://www.gew.co/>) is a worldwide annual celebration of innovators and job-creating start-ups. Some 4,000 people participated in 42 events across the country during the week-long event.

### 2.3.1. Facilitate Access to Business Finance

No specific interventions, but business expansion grants provided during Q6 helped companies leverage additional bank finance, for a cumulative total of €1.8MM through Q6.

## 2.4. Cross Cutting Issues

EMPOWER seeks to help address the imbalance of women's participation in the Kosovo economy by integrating gender considerations in all program activities in line with USAID's Gender Equality and Female Empowerment Policy. Project activities also target youth, and marginalized populations, including rural women, ethnic minorities, and people with disabilities. Inclusion of North Kosovo in all EMPOWER job-creating strategies is also a major project priority. Furthermore, in keeping with general USAID economic growth priorities, inclusion and development of microenterprises is an EMPOWER strategic focus. Finally, donor coordination is a guiding principle of EMPOWER's work.

### 2.4.1. Priority Populations

#### Women

EMPOWER-supported interventions in competitiveness and workforce development to date added 48 new jobs for women during Q6, bringing the cumulative total since Project start to 294. Over 3 years, based on interventions through Q6, 900 new jobs for women are now expected, an

increase of 103 jobs since the end of the previous quarter. During Q6, 128 women participated in EMPOWER-supported skills training programs.

EMPOWER organized and facilitated two additional regular bi-monthly meetings of the Women in Economic Growth Coordination Group, which it had launched during Project Y1. The group identified the need to train members on gender-perspective in value chain analysis and development. A two-day training was planned for Q7.

EMPOWER facilitated an agreement with RTV 21's *Start Up* show to feature three Project beneficiaries with women owners or co-owners: OSA Termosistem, Rolleo, and S/Sprint.

### Youth

EMPOWER-supported interventions to date added 82 new jobs for youth during Q6, bringing the cumulative total since Project start to 364. Over 3 years, based on interventions through Q6, 1,082 new jobs for youth are now expected – about half of all new jobs expected. 186 youth were active in EMPOWER-supported workforce development programs in Q6.

EMPOWER is also collaborating with the GIZ Youth Employment Program, UNDP's Active Labour Market Program 2 (ALMP2), and the EU's Youth Employment through Apprenticeship program. EMPOWER's VET Councils initiative is expected to originate programs at the local level that focus on youth employment and entrepreneurship.

### Marginalized Communities

Marginalized populations in Kosovo include ethnic minorities, rural communities, victimized groups, and persons with disabilities. During Q6, as a result of EMPOWER interventions to date, 40 individuals from these groups were employed, and 78 are expected to be over the coming 3 years. EMPOWER is actively seeking interventions to widen this impact.

Sector	Quarter 6 (actual)				Cumulative (actual)				3 Years (expected)			
	Total	Wmn	Yth	Min	Total	Wmn	Yth	Min	Total	Wmn	Yth	Min
Apparel	47	30	19	37	147	98	77	40	306	232	178	43
Energy	6	-	4	3	24	1	11	3	257	60	65	7
ICT	23	14	22	-	270	188	212	5	591	305	293	-
Metal	4	-	1	-	4	-	1	-	99	5	28	16
Other	14	3	2	-	29	3	6	1	266	143	124	12
Tourism	-	-	-	-	-	-	-	-	57	1	5	-
Wood	73	1	34	-	141	4	57	-	528	154	389	-
<b>Total</b>	<b>167</b>	<b>48</b>	<b>82</b>	<b>40</b>	<b>614</b>	<b>294</b>	<b>364</b>	<b>49</b>	<b>2,104</b>	<b>900</b>	<b>1,082</b>	<b>78</b>

### **2.4.2. Microenterprises**

As of the end of Q6, EMPOWER had approved 25 grants and procurements benefitting 84 microenterprises (firms with less than 10 employees) for €586K in SAF funding. In Quarter 6, 20 additional microenterprises benefited from EMPOWER-supported activities.

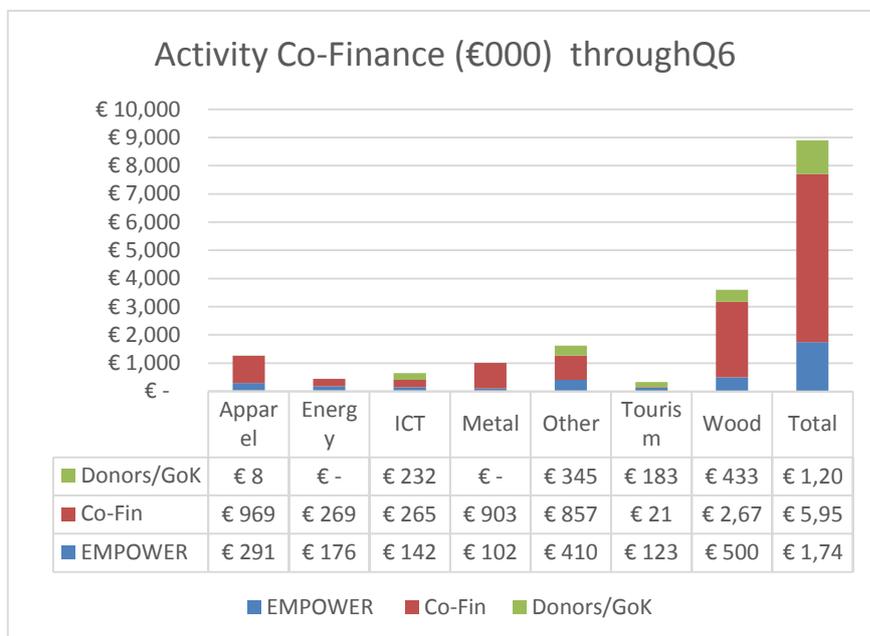
In addition, the EMPOWER tracks supplier beneficiaries – domestic producers that are in the input supply chains of larger companies receiving EMPOWER support. As of the end of Quarter 6, the

Project estimates that there are 232 microenterprise producers in Kosovo whose sales have grown as a result of support that EMPOWER is providing to their larger customer firms.

### 2.4.3. North Kosovo

EMPOWER seeks to mainstream North Kosovo beneficiaries in its competitiveness and workforce development support. In North Kosovo, EMPOWER is open to supporting any type of firm (including farms) with market potential, regardless of sector. The Project’s Senior Advisor for North Kosovo, working from a project office in North Mitrovica and usually accompanied by staff from the head office in Pristina, conducted 23 site visits to 9 NK businesses during Q6.

In response to its APS and well-attended launch events in NK, EMPOWER received 128 Concept Notes from companies there, requesting nearly €5MM in assistance. By the end of Q6 10 grants had been approved for €365K in funding, expected to create 234 new jobs.



### 2.4.4. Donor and GoK Collaboration

From the beginning, EMPOWER has conscientiously sought to know about and collaborate with all donor projects and GoK agencies that are engaged in private sector development in Kosovo, especially in competitiveness and workforce skills, but also in economic development policy and the doing business environment. The figure above provides a snapshot of beneficiary and donor / GoK co-financing to date, which have enabled the Project to leverage its available grant funds by 5.1x through Q6, significantly exceeding the 3.0x PMI target. Leveraging of EMPOWER funds is essential for the Project to achieve its job creation objectives given its limited grant funding.

Table 11 lists meetings that took place between the Project and other donors and GoK agencies during in Q6. At least 15 separate donor projects and government agencies and municipalities were visited in more than 19 meetings – an average of almost 3 per week.

**Table 11: Donor and Government Collaboration**

Institution	Subject Matter	Meeting(s)
UNDP AFT	Region North furniture opportunities	Oct-15
KIESA	Plan roundtable with apparel; Plan roundtable with metal processors	Nov, Dec-15
ADA	Investment fund for German speaking investors	Dec-15
MTI	PSA and investment of Kelmendi in Kosovo	Dec-15
USAID Empower Credit Support	M&E methodology and data sharing	Dec-15

<b>Table 11: Donor and Government Collaboration</b>		
<b>Institution</b>	<b>Subject Matter</b>	<b>Meeting(s)</b>
USAID AGRO Project	Cooperation in agricultural activities; design of an agricultural activity; M&E methodology for agriculture	Nov-15 (3 meetings)
GIZ	Coordinate activities in metal processing; Solar and geothermal energy cluster	Nov, Dec-15
World Bank	EMPOWER program; small business finance; workforce development	Oct-15
VET Schools, VTCs – Gjilan, Prizren	Vocational education / training; local VET councils	Dec-15
Regional Employment Offices – Gjilan, Prizren	Vocational education / training programs; local VET councils	Dec-15
British Council	VET, employer engagement	Nov-15
ALLED Project (Aligning Education with Labour Market Needs)	Vocational education / training programs; local VET councils	Nov-15
IFC Kosovo	10,000 solar roofs pilot project	Dec-15
Sida / Swedish Embassy CNVP- Connecting Natural Values & People	Wood Biomass – Sustainable Forest Management	Oct-15
SDC, SDC PPSE, SDC EYE	Production of traditional sweets sector/cluster	Oct, Nov, Dec-15
Commercial Office, Advantage Austria	10,000 solar roofs pilot project- Energy sector support, awareness and financing model	Dec-15

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. The following table shows 7 meetings that the Project facilitated with 6 different cluster groups in Q6. These meetings have helped create cluster identity, promote business-to-business networking within Kosovo, and develop shared competitiveness strategies.

<b>Table 12: Group and Cluster Meetings</b>		
<b>Group / Cluster</b>	<b>Subject Matter / Purpose</b>	<b>Meeting Date(s)</b>
Solid Wood producers	PSA in Germany	Nov-19
Exhibition in Switzerland	SwissBau exhibitors	Dec-8
Apparel/ shoe producers	Preparation for visiting GDS Fair in Dusseldorf	Dec-15
Metal Processors	Roundtable with metal processors to identify barriers to produce and export	Dec-11
Women empowerment NGOs & organizations	Employment opportunities for marginalized women, skills development and training for women.	Oct-15, Dec-15

Table 12: Group and Cluster Meetings

Group / Cluster	Subject Matter / Purpose	Meeting Date(s)
Solar, geothermal and wind renewable energy cluster	Promote networking among stakeholders in the renewable energy sector; identify challenges and opportunities	Oct-15

### 3. RESULTS VS. PERFORMANCE MANAGEMENT INDICATORS

EMPOWER Private Sector made significant further advances toward its quantitative and qualitative objectives during Q6.

#### Results vs. PMIs Detail

Table 13 below lists all of EMPOWER’s Project Management Indicators from its original approved Performance-Based Management System (PBMS). The following are its highlights:

1. Enterprise beneficiaries: The targeted cumulative number of beneficiaries for Y2 is **260**. The PBMS defined these as “companies that the Project has directly assisted in any way”. In terms of companies that received material assistance directly from EMPOWER, the number of these “Primary Beneficiaries” (PBs) was **115** through Q6, of which **24** were new unique beneficiaries in Q6. However, counting companies that domestically produce and supply production inputs to companies that receive production expansion grants from EMPOWER – “Supplier Beneficiaries” (SBs) – adds an estimated 269 companies, bringing the total number of enterprise beneficiaries (PBs + SBs) to **384, 107** of which new in Q6.
  - o Of which Microenterprises: The cumulative target for microenterprise beneficiaries (companies with less than 10 employees) is 180. To date, **84** of the **115** PBs were microenterprises, and 148 of the SBs, for a total of **232** microenterprise beneficiaries. EMPOWER committed support to **20** unique microenterprises in Q6.
2. Aggregate sales of beneficiaries: Cumulative Y2 sales was projected at **€55.2MM**. Only **€3.6MM** has been realized to date, of which **€2.7MM** in Q6, but total additional sales projected over three years as result of EMPOWER Y1 and Q1 Y2 interventions is **€79MM**, which if achieved will represent more than half of the total sales increase target for the entire 5-year project.
3. Aggregate exports of beneficiaries: Similarly, this was projected at **€15MM**, with **€2.4MM** realized to date, of which **€1.7MM** in Q6, but **€46.7MM** is expected over three years attributable to interventions to date.
4. Business size growth: The PBMS defines this indicator as “enterprise beneficiaries that have grown from less than to more than 50 employees”, and on that basis the cumulative target through Y2 is **10**. **5** have achieved this transition to date, of which **1** in Q6. The Project believes it appropriate to broaden this indicator to add companies that grow from “micro” (less than 10 employees) to “small”, also representing an important transition. Counting these, the number of companies that grew from smaller to larger categories is **9, 3** of which this quarter.
5. New markets: This indicator counts firm-level entry into both new *product* markets and *geographic* (country) markets as a result of EMPOWER assistance. The cumulative target

through Y2 is **40**. Already, **50** new market entries (products plus countries) are actually achieved – **38** in Y1 and **12** in Q6. New geographic markets for a number of companies included regional neighbors (Albania, Montenegro, Macedonia, Serbia) and Western Europe, mainly countries with large Kosovar diaspora populations (Switzerland, Germany, Sweden). New products were highly varied, from children’s shoes to air filter types.

6. Total new jobs: EMPOWER’s most important indicator. Jobs are considered attributable to 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. The target for cumulative attributable new jobs in Y2 was **2,800**, with an actual total so far of **614** (**167** created in Q6). **2,104** new jobs are expected over the next 3 years as a result of to date interventions.

Job creation in the PBMS is stipulated as new employment at enterprise beneficiaries as defined in PMI #1 – Primary Beneficiaries. If Supplier Beneficiaries are included, as EMPOWER considers appropriate, then job creation in Q6 would correspondingly rise by an expected 181 additional new jobs, raising the total expected 3-year impact of EMPOWER interventions to date to **2,285** new jobs.

7. Jobs for women: The cumulative Y2 target is **1,400**, with **294** actually created so far (**48** in Q6). **900** new jobs for women are expected over the next 3 years as a result of interventions to date. The majority of jobs for women were in the ICT sector, followed by apparel.
8. Jobs for youth: Cumulative Y2 target **560**; **364** achieved, of which **82** in Q6 (**1,082** for 3 years).
9. Jobs for minorities: The cumulative Y2 target is **140**, and **49** were created, of which **40** in Q6 (**78** for 3 years).
10. Jobs in North Kosovo: EMPOWER’s interventions in business competitiveness and training in this priority region created **35** new jobs (**14** in Q6), versus a cumulative Y2 target of **840**. Activities to date are expected to create a total of **232** new jobs over the next 3 years.
11. Aggregate business finance: This indicator is defined as the growth in total balance sheet loans of enterprise beneficiaries. This information can be collected by survey only after the end of the calendar year. However, our beneficiaries have confirmed that EMPOWER interventions have leveraged **€1.8MM** in bank finance from date of grant signing to December 2015, and it is expected that Y1 and Q6 activities will leverage a total of **€2.9MM** over 3 years. The cumulative Y2 target is **€17.7MM**.
12. Capacity-building: This indicator was defined as the score on an organizational capacity assessment tool for the expected EMPOWER “local solutions” partner. Since that partner was not engaged, the PMI is not applicable.
13. Investment leverage: The indicator is defined as the total cash cost of EMPOWER-supported activity divided by EMPOWER cash investment from the Strategic Activities Fund, aggregated across all funded activities. The cumulative Y2 target was **3.0x**, and **5.1x** was achieved through Q6.

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

14. Quality certifications: Obtained by **2** firms to date, **1** of which in Q6.
15. Improved management practices: **56** firms, of which **21** in Q6.
16. New technologies: **44** to date beneficiary firms are expected to acquire new technologies, **15** of which EMPOWER committed in Q6.

17. Person-hours of workforce skills training: **178K** hours to date, **42K** of which in Q6.

18. Skills certifications: **183** individuals, **148** of whom in Q6.

### Reports Completed in the Reporting Period

- Weekly Updates
- Year 1 Annual Report including Quarter 5 Progress Report
- Motor Oil Recycling Assessment (pre-final draft)

### Environmental Compliance

EMPOWER conducts environmental compliance reviews, as required, for all grant-funded interventions. In Q6 EMPOWER's outside Environmental Specialist was engaged for 14 different funded activities, which were categorized as "negative determination with conditions", for which the Environmental Review Checklist (ERC) 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).

Each EMMP/ERC stipulated specific environmental mitigation measures required of the grantee. EMPOWER has begun close monitoring to ensure that these mitigation measures are implemented. This monitoring activity will become considerably more intensive over the course of Q7 and the rest of Year 2.

During Q6 3 activities were classified as "categorical exclusion", having no environmental impact requiring neither EMMP nor ERC.

### Activities Planned for the Next Reporting Period

Many of the actions planned for Project Quarter 7 and Year 2 were indicated in the body of this report above. Substantially greater detail is provided in EMPOWER's **Year 2 Workplan**, submitted separately.

**This concludes** the main body of EMPOWER's Quarter 6 Report. Further detail is provided in the annexes listed in the Table of Contents at the beginning of this Report.

Table 13: PMIs Summary with Q6 Actuals

Component/ AO	PMI #	Source / AIR <sup>1</sup>	Performance Indicator	Unit	Target (Cumulative)							Reporting Frequency	Data Source	
					2015		2016		2017	2018	2019			Total Increase
					Target	Actual	Target	Actual						
Beneficiaries	1	Custom	Number of enterprise beneficiaries	#	150	91	260	115 / 384	350	400	400	<b>400</b>	Quarterly	Activities
			of which MEs		100	64	180	84 / 232	250	300	300	<b>300</b>		
1. Competitiveness	2	F / all	Aggregate sales of beneficiaries	€ 000	5,900	951	55,200	3,431	98,500	124,100	145,200	<b>145,200</b>	Annual	Surveys
	3	F / all	Aggregate exports of beneficiaries	€ 000	2,770	659	14,960	2,249	27,990	37,770	48,330	<b>48,330</b>	Annual	Activities, Surveys
	4	Custom / all	Business size – number of beneficiary firms growing to more than 50 employees	#	5	4	10	5	15	20	25	<b>25</b>	Annual	Surveys
	5	CDCS / all	Number of new markets entered by beneficiaries	#	20	42	40	50	60	80	100	<b>100</b>	Quarterly, Annual	Activities, Surveys
2. Job-Creation	6	F / 2.1, 2.2	Total new jobs	#	250	465	2,800	614	4,950	6,270	7,070	<b>7,070</b>	Quarterly, Annual	Activities, Surveys
	7	F, Custom / 2.2 <sup>2</sup>	Jobs for Women	#	125	255	1,400	294	2,475	3,135	3,535	<b>3,535</b>	Quarterly, Annual	Activities, Surveys
	8		Jobs for Youth	#	50	289	560	364	990	1,254	1,414	<b>1,414</b>		
	9		Jobs for Minorities	#	13	9	140	49	248	314	354	<b>354</b>		
	10		Jobs in North Kosovo	#	75	21	840	35	1,485	1,881	2,121	<b>2,121</b>		
11	F / 2.3	Aggregate business finance of beneficiaries (loans and investments)	€ 000	3,065	<i>tbc</i>	17,717	<i>tbc</i>	32,911	43,972	55,585	<b>55,585</b>	Quarterly, Annual	Activities, Surveys	
3. Capacity-Building	12	Custom / all	Capacity to manage USAID awards – Parallel Local Partner	Index 100	--	--	60	--	70	80	90	<b>40</b>	Annual	Evaluation
Leverage	13	Custom	Investment leverage	ratio	3.0x <sup>4</sup>	5.46	3.0x	5.07	3.0x	3.0x	3.0x	3.0x	Quarterly, Annual	Activities

<sup>1</sup> AIR = Activity Intermediate Result (see PBMS causal model) <sup>2</sup> Jobs in subcategories are not additive - they overlap <sup>3</sup> Primary Beneficiaries only <sup>4</sup> Total activity funding from all sources divided by EMPOWER SAF investment (cash)

Table 14: Impact Summary - EMPOWER-Supported Trade Fairs

#	Trade Fair	Sector	Location	Date	# of firms	3 Yr Expected Sales	3 Yr Expected Jobs	3 Yr Expected Markets	Cumulative Actual to 31-Dec-15			Assistance	
									Sales	Jobs	New Markets	EMPOWER	Co-Finance
1	IF Wedding; TEXPO	Apparel	Izmir; Istanbul	04-08 Feb 15	3	€ -	0	1	€ -	0	0	€ 1,326	€ 3,500
2	ITB	Tourism	Berlin	4-8 Mar 15	5	€ 85,000	13	5	€ 76,380	0	12	€ 3,130	€ 8,072
3	Furniture Tirana	Wood	Tirana	12-15 Mar 15	4	€ 555,000	14	6	€ 192,600	3	5	€ 5,280	€ 9,000
4	Destination Natur	Tourism	Paris	19-22 Mar 15	4	€ 100,000	5	2	€ 20,067	0	2	€ 2,589	€ 8,850
5	Energetika	Energy	Zagreb	22-25 Apr 15	1	€ 1,756,870	15	1	€ 370,851	7	4	€ 3,500	€ 3,179
6	Textile, Facon and Fashion	Apparel	Tirana	04 - 06 Jun 15	8	€ 480,000	21	9	€ 24,300	0	5	€ 11,590	€ 40,840
7	MOW Germany	Wood	Hanover	20-24 Sep 15	2	€ 1,500,000	30	4	€ 570,000	0	3	€ 17,230	€ 32,000
8	Adventure Travel World Summit	Tourism	Chile	05-09 Oct 15	2	€ 300,000	15	5	€ -	0	0	€ 4,215	€ 2,000
9	A+A	Apparel	Dusseldorf	27-30 Oct 15	3	€ 1,053,000	15	4	€ -	0	0	€ 2,083	€ 5,000
10	World Travel Market	Tourism	London	2-5 Nov 15	8	€ -	0	0	€ -	0	0	€ 15,865	€ 31,100
11	SwissBau	Wood	Basel	12-16 Jan 16	3	€ 2,100,000	35	6	€ -	0	0	€ 25,000	€ 46,000
<b>TOTAL</b>					<b>43</b>	<b>€ 7,929,870</b>	<b>163</b>	<b>43</b>	<b>€ 1,254,198</b>	<b>10</b>	<b>31</b>	<b>€ 91,808</b>	<b>€ 209,541</b>