

**The Implementation and Impact of the Self-Employment Programme  
(SEP) in Kosovo (2015-2016)**

**UNDP Active Labour Market Programme Two Project**

**Evaluation Report  
(Final)**

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# **The Implementation and Impact of the Self-Employment Programme (SEP) in Kosovo (2015-2016)**

## **Evaluation Report**

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## Executive Summary

The UNDP ALMP2 project launched the Self Employment Programme (SEP) in 2015. ALMP2 followed on from the original ALMP for Youth project that operated from 2005 to 2014. SEP is one of the ALMP2 suite of active labour market measures (ALMMs) managed and operated jointly by the UNDP with the Ministry of Labour and Social Welfare (MLSW). The SEP aims to tackle unemployment through providing grants and mentorship for the unemployed with a view to their establishment in self-employment. The programme was implemented using operational guidelines developed jointly by UNDP and the MLSW. The Programme was launched through two separate calls for applicants, the first was launched by the partners in 2015, in three regions (Prizren, Prishtina, Gjilan) and the second launched in 2016, in Mitrovica. The Programme covered a total of 21 municipalities within Kosovo. The partnership process between the UNDP, MLSW, Ministry of Trade and Industry (MTI), ALMP2 team, Vocational Training Centres (VTCs), and the PES appears to have worked exceptionally well in the SEP model.

The preparation for this current evaluation comprised *inter alia* a review of key documents including the programming files, the individual business plans/monitoring reports et al. An in-country visit was conducted during the week 18<sup>th</sup>-22<sup>nd</sup> September 2017. An on-line survey of participants was conducted in parallel with the in-country interviews.

The selection of the beneficiaries was done in three stages, within the SEP. Applicants submitted their business idea to the Employment Office of their municipality. The applicants with the best business ideas (as determined by a commission of project partners) were invited to participate in a start your own business training course in the Vocational Training Centres (VTCs) of their region, and at the end of it underwent a written test and had developed a business plan. The level of satisfaction and perceived usefulness of the training varied across the beneficiaries and regions. Business plans were evaluated by external experts (on a pro-bono basis) and a commission. The successful candidates were then invited to register their business with the Kosovo Business Registration Agency, and signed a 24-month contract (12 months for the 2016 cohort) to receive the grant and the technical/mentoring support.

The intended results of the SEP have proven to be well defined, measurable and the results verifiable (e.g. through the survey, analytical review and annual reports). Monitoring was exceptionally well organised and monthly visits were well recorded by the UNDP team and PES. Considering the high level of unemployment and inactivity among the general population in Kosovo, a striking feature of the SEP was the level of interest from the public, as reflected in the high number of initial applications (534) for the SEP. This points to a high level of relevance of the SEP for the target groups. The availability of the UNDP team support, monitoring and the availability of mentors were reported to the evaluator by the MLSW, PES offices, the new central PES Agency administration and the VTCs, as being crucial to the success of the SEP initiative. Targeting was good with the exception of people with disabilities, who did not feature in the new business initiatives. All the participants interviewed during the in-country visit regarded the grant as the key factor that allowed them to kick-start the business. The VTCs played an important role in the SEP and were actively supported in their work by the ALMP team in very practical ways. The VTC trainers were briefed in person on the programme expectations, before the training commenced. However, in some cases it is

reported that some trainers have limited capacities and skills required to bring beneficiaries to the point where they can produce a good business plan, in accordance with the standard required in the SEP operational guidelines. Beneficiaries also indicated that it would be very useful to have the option of post start-up additional funding to address needs such as specific skills deficits or additional equipment, that may only become evident post start-up.

The on-line survey contained 40 questions and 70 out of the 82 beneficiaries completed it. The survey revealed *inter alia* a mixed view of the coaching and mentoring delivered. 67% indicated that they had used the services of a coach but its usefulness, as measured, presents a mixed picture. The same mixed picture is also true of the mentoring support.

It is clear from the business survival rates of 77% and 90% in 2015 and 2016 respectively, that the SEP impact is lasting for that majority that are still in business. The impact is even more significant when one takes into account the profile of the participants that were targeted in accordance with the original project document. Without grant support, it is clear that the SEP would fail, as evidenced by the control group who completed the training but were not funded. Very few of the control group set up a business. While this simple counterfactual exercise was a rather crude measurement, it is still a good indicator of the large and sustained impact of SEP. Cost-benefit estimates were examined and were rather approximate and somewhat crude, but they do indicate quite positive overall financial and cost outcomes for the SEP.

Recommendations are made on measures that need to be taken in order to ensure coordination by MLSW of donors who support start-ups into the future. The SEP model requires comprehensive structural support in order to work successfully. However, it is clear that the PES as they currently stand, feel that they cannot deliver that support just by themselves. The main areas of difficulty for them are the mentoring, monitoring and coaching aspects. This will have a negative impact on sustainability of SEP unless this issue is addressed and is discussed in the recommendations section of this report. Recommendations are *inter alia* also made relating to social assistance beneficiaries who were a target group but the take up from this group was small.

Based on the evidence in this evaluation, the SEP can be regarded as a very successful active labour market intervention for the target groups in Kosovo and the outcomes are satisfactory, with very few shortcomings. *The main factors leading to the very successful outcomes include inter alia* the following:

- The well-designed operational guidelines and model that are based on a successful model adopted in Macedonia and were adapted for the labour market characteristics in Kosovo. Further adaptations were made for the second round of the SEP in 2016.
- The well-structured partnership approach where the main key actors were all involved.
- The extensive and in-depth beneficiary application and selection processes.
- The ownership and buy-in of the MLSW, to the extent that the SEP operational guidelines and manual are now the standard documents for the establishment of self-employment ALMMs in Kosovo.
- The close and continued involvement of the UNDP ALMP2 project associates who provided and continue to provide extensive management, support and mentoring to the participants and the project partners, as outlined in this report. (This also added to the sustainability of the enterprises supported by the SEP).

## 1. Introduction

This evaluation report was commissioned by the United Nations Development Programme (UNDP) to evaluate the Self Employment Programme (SEP) 2015-2017. The SEP is one of the components of the Active Labour Market Programme 2 (ALMP2) that is managed and operated jointly by the Ministry of Labour and Social Welfare (MLSW) and the UNDP.

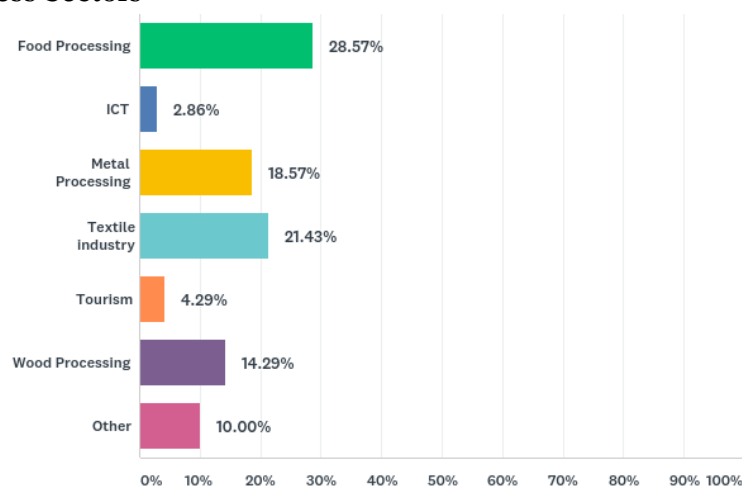
## 2. Description of the intervention

As set out in the terms of reference for the current evaluation, in 2015 ALMP2 (funded by the Ministry for Foreign Affairs of Finland, UNDP and MLSW) launched the SEP. The SEP aimed to tackle unemployment through providing grants and mentorship for the unemployed with a view to their establishment in self-employment. The programme was implemented using operational guidelines developed jointly by UNDP and the MLSW. The Programme was initiated through two separate calls for applicants, the first was launched in 2015 in three regions (Prizren, Prishtina, Gjilan) and the second launched in 2016, in Mitrovica. The Programme covered a total of 21 municipalities within Kosovo. The following sets out the overall level of activity to date:

- 534 business ideas were submitted;
- 210 unemployed people were trained in the preparation of business plans and most subsequently submitted business plans to the programme;
- 82 businesses were created and awarded start-up grants;
- € 379,892 was disbursed in start-up grants;
- Around 2,500 hours of mentoring services were provided to all grantees who requested it in order to make their businesses operational and viable.
- 45 jobs were created (in addition to the 82 SEP beneficiaries).

The start-ups include small businesses in the food processing and packaging industry, wood processing, metal processing, information and communication technology, textiles, tourism, and other related sectors. These priority sectors were established by the Ministry of Trade and Industry (MTI) in the context of the 'Aid for Trade' project and are regarded as having the highest potential for economic growth within Kosovo. **Chart 1** below gives the overall picture, where 'other' includes individuals who are in the fields of dental technician, construction, financial accounting and two individuals in other services.

**Chart 1. Business Sectors**



### 3. Evaluation scope and objectives

In accordance with the terms of reference, the current evaluation aims to identify what results have been achieved and what progress was made towards achieving project outputs. Lessons learned are identified and in addition, conclusions reached and recommendations to improve the SEP and promulgation of best practice are elaborated.

Specific stated objectives of the evaluation are:

- To evaluate the relevance of the SEP for the main beneficiaries.
- To evaluate the efficiency of the SEP and to assess the appropriateness of the integrated approach of the programme.
- To evaluate the effectiveness of the SEP and to identify factors contributing to effectiveness or ineffectiveness of the actions implemented.
- To identify factors directly influencing the level of achievement of the desired results.
- To evaluate the impact of the SEP.
- To identify areas in which the implementation mechanism could have been improved.
- To identify the level of the ownership by local actors of the SEP results and provide prioritised list of recommendations for actions (with respective addressees) in case of any identified need for improvement.
- Evaluation of sustainability and how the institutional and individual capacity development aspects of the programme impact on that sustainability.

### 4. Evaluation approach and methods

The first task was to become fully familiar with the SEP and all other relevant reports/narratives/needs assessments. Key documents were reviewed including the programming files, the individual business plans/monitoring reports et al. An in-country visit was conducted during the week 18<sup>th</sup>-22<sup>nd</sup> September 2017 (schedule is attached as Appendix 1). An evaluation matrix was developed and is attached as Appendix 3. A range of questions to be put to stakeholders was also developed and are attached as Appendix 4. During the visits, discussions and interviews were held with key national and international interlocutors, stakeholders and participants. Management, decision-making and implementation arrangements were reviewed in situ. Site visits to individual businesses supported by the SEP were made in order *inter alia* to gather further intelligence on SEP operations and processes at the individual beneficiary level. An on-line survey of participants was conducted in parallel with the interviews (The questionnaire used for participants is attached as Appendix 2). The survey was completed either by the participants themselves on-line or in collaboration with project staff, in the cases where participants did not have access to email or were unfamiliar with such on-line tools. The response rate was high, considering that the total beneficiary cohort was 82 and 70 beneficiaries completed the survey. Topics covered by the survey included the application process, selection, coaching, business plan evaluation, mentoring, monitoring, ideas for improvement.

### 5. General Analysis<sup>1</sup>

The SEP design benefitted from a previous self-employment programme developed by the UNDP and partners in Macedonia (FYROM). The well tested guidelines are

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<sup>1</sup> Level 6 on the UNDP evaluation scale (6 = Highly satisfactory: no shortcomings; 5 = Satisfactory: minor shortcomings; 4 = Moderately satisfactory: moderate shortcomings; 3 = Moderately unsatisfactory: significant shortcomings; 2 = Unsatisfactory: Major problems; 1 = Highly unsatisfactory: Severe problems.)

exceptionally comprehensive and cover all aspects of the SEP, such as the key elements of programme management, a seven-step programme guide and includes twenty-two appendices covering all administrative aspects such as application forms, templates for business ideas and plans assessments, monitoring, certificates et al.

The selection of the beneficiaries was done in three stages. Firstly, registered unemployed submitted their business idea to the Employment Office of their municipality. The applicants with the best business ideas (as determined by a commission of project partners) were invited to participate in a start your own business training course in the Vocational Training Centres (VTCs) of their region, and at the end of it underwent a written test. Applicants who scored more than 70% in their written test were invited to submit their business plan application. Some of the 2016 cohort were assisted at that stage with their business plan formulation by external consultants from the Centre for Enterprise and Entrepreneurship Development (CEED) group in Kosovo, who were contracted by the SEP to provide coaching and mentoring support to beneficiaries. Business plans were evaluated by external experts (on a pro-bono basis) and a commission. The successful candidates were then invited to register their business with the Kosovo Business Registration Agency, and signed a 24-month contract (reduced to 12 months for the 2016 cohort) to receive the grant and the technical/mentoring support.

It is clear from the project documents reviewed (monitoring, financial reports, mentoring and coaching reports et al) and from the interviews during the in-country visits that the intended results of the SEP were well defined, measurable and the results verifiable (e.g. survey, analytical review and annual reports). Monitoring was exceptionally well organised and monthly visits were well recorded. It is also clear from interviews, that the UNDP team were contacted regularly by participants during non-office hours by phone and in some cases quite late at night. This demonstrates the SEP UNDP team commitment to monitoring coaching, mentoring and general support. This extensive recording and documentation has allowed this evaluation to be made, even though the first businesses that were funded have yet to complete their third year of trading.

## 6. Relevance<sup>2</sup>

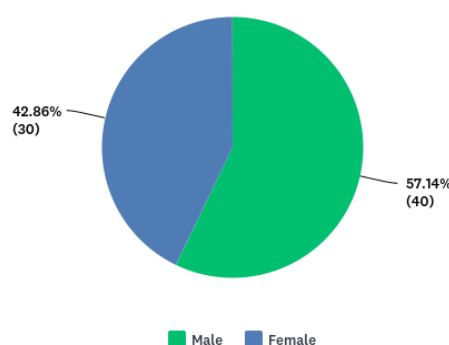
Considering the high level of unemployment and inactivity among the general population in Kosovo, a striking feature of the SEP was the level of interest from the public, as reflected in the high number of initial applications (534) for the SEP. This points to a high level of **relevance** of the SEP for the target groups. This may be partly explained by the lack of direct employment opportunities in the current labour market. The targeting of the national industrial sectors by the MTI also played a role in orientating the beneficiaries towards businesses that reflect a relevance at national level. The priority target groups of greatest relevance to national social inclusion policy included long term unemployed (more than 12 months); youth (18-29 years old); women; beneficiaries of social assistance; single parents; people from rural areas; people with disabilities and ethnic minority groups (gender based violence and domestic violence survivors were also awarded extra points in the 2016 cohort). Applicants from these groups were targeted and awarded extra points during the applicant evaluation process.

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<sup>2</sup> Level 6 on the UNDP evaluation scale (6 = Highly satisfactory: no shortcomings; 5 = Satisfactory: minor shortcomings; 4 = Moderately satisfactory: moderate shortcomings; 3 = Moderately unsatisfactory: significant shortcomings; 2 = Unsatisfactory: Major problems; 1 = Highly unsatisfactory: Severe problems.)

The breakdown of those surveyed and set out in the **Chart 2** below indicates that the gender targeting worked. This is particularly encouraging considering the very low labour market participation rate for women in Kosovo (18-20%).

**Chart 2. Gender breakdown**



## 7. Effectiveness<sup>3</sup>

Activity 3 of the original ALMP2 project document sets out a measure of SEP effectiveness as follows:

‘Training and employment opportunities for vulnerable long term unemployed jobseekers provided. Equal opportunities are provided to women and men. Inclusion of vulnerable groups is ensured through carefully designed selection criteria.

Actions:

Implement self-employment programs aiming at generating sustainable jobs (training plus grants plus mentorship). Through carefully designed criteria, ensure inclusion of women, minorities and other vulnerable groups’

**Table 1. Overview of SEP activities**

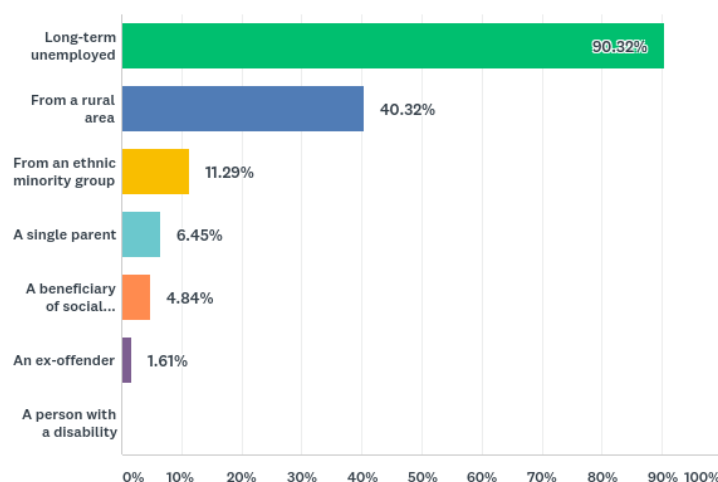
2016	Business idea applications	Jobseekers trained	Business plans received	Grants and mentorship awarded	Total grant awarded	Total Co-financing
<b>Total</b>	265	86	79	39	€157,570	€27,320
<b>Women</b>	110	41	37	16		
<b>Men</b>	155	45	42	23		
<b>Minority</b>	89	40	29	19		
<b>2015</b>						
<b>Total</b>	269	124	79	43	€222,322	€67,500
<b>Women</b>	91	48	31	21		
<b>Men</b>	178	76	48	22		
<b>Minority</b>	93	29	17	9		

During the site visits, all the partners were asked if the model and process of the SEP could be regarded as heavy and complex, to achieve a result where just 82 beneficiaries were actually grant-aided. But interestingly, all actors pointed out in different ways, that

<sup>3</sup> Level 5 on the UNDP evaluation scale (6 = Highly satisfactory: no shortcomings; 5= Satisfactory: minor shortcomings; 4 = Moderately satisfactory: moderate shortcomings; 3 = Moderately unsatisfactory: significant shortcomings; 2 = Unsatisfactory: Major problems; 1 = Highly unsatisfactory: Severe problems.)

the long road from the call to the grant was necessary and useful. All said that they regard the process as a very positive ‘weeding-out’ model that ensures that only committed applicants get to the final stage. A number of partners mentioned that past self-employment initiatives merely awarded money, with no real follow-up or indeed close examination of the business idea and plan. The current self-employment programme run by the Ministry of the Interior for repatriated citizens may be a case in point and VTCs report that the potential beneficiaries of that programme can be quite assertive in their perceived right to receive the standard € 3000. Many do not have the real commitment to follow through with the business idea and plan that they formulate during the training phase. On the other hand, the SEP candidates are reported by the VTCs to be very focused and while some are coming from disadvantaged positions in society and educationally, they are regarded in the main as genuine potential entrepreneurs that have been through a thorough selection process. During the in-country visits, the existence of the UNDP team support, monitoring and the availability of mentors were reported to the evaluator by the MLSW, PES offices, the new central PES Agency administration and the VTCs, as being crucial to the success of the SEP initiative <sup>4</sup>. With regard to the effectiveness of the targeting of beneficiary characteristics/groups the following **Chart 3** gives a survey self-declared breakdown that indicates good targeting, with the exception of people with disabilities. Beneficiaries could select more than one characteristic, hence they can appear in more than one category (e.g. LTU and rural).

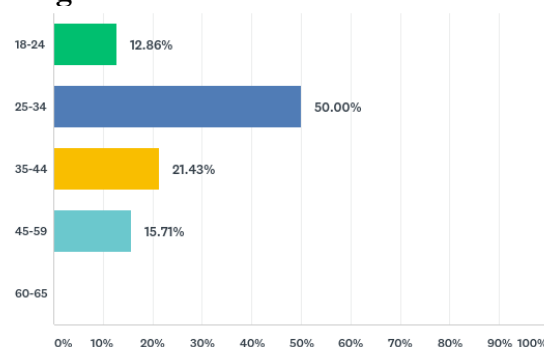
**Chart 3. Beneficiary categories**



There was a good distribution of ages among the survey respondents, with the under 25 year olds at 13% and the 25-34 age group in the majority at 50%. This is on line with the original targeting of youth (19-29 yrs.).

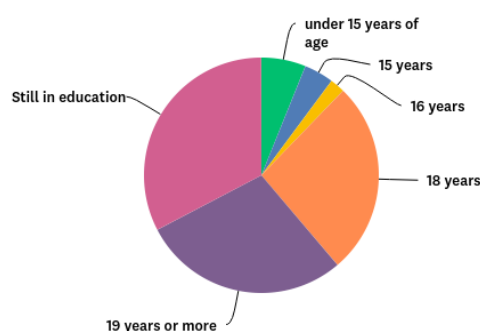
<sup>4</sup> The ALMP team continuously monitored the mentoring services provided and at the same time ensured contract compliance by the mentoring providers.

**Chart 4. Age Range of beneficiaries**



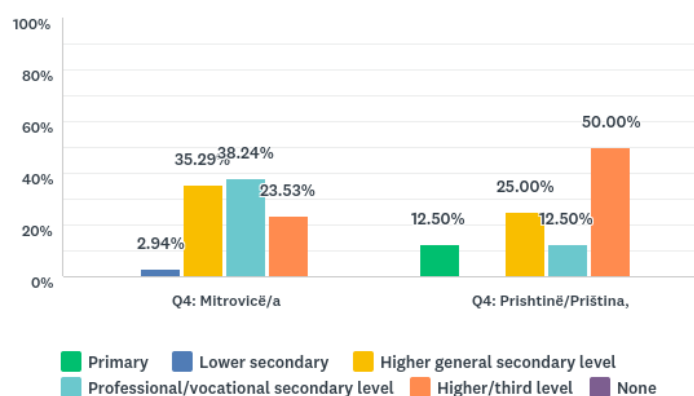
The school leaving age was also spread widely (as reported by those that responded to this question), with a small number who left school at or before the age of 15, but also a significant number were still in education (33%). This latter prompts further examination as to whether this refers to part-time and/or post-graduate or skills training.

**Chart 5. School/education leaving age**



If we compare the two locations with the highest number of participants (Mitrovica and Pristina), it is clear that those from Pristina were more likely to have Higher/Third level qualifications but also that more primary level participants were also in the Pristina cohort. Generally, the spread nationally of educational levels was reasonable with 7% at primary level, 30% at higher secondary, 27% at professional/vocational level and 35% at third level.

**Chart 6. Education levels**

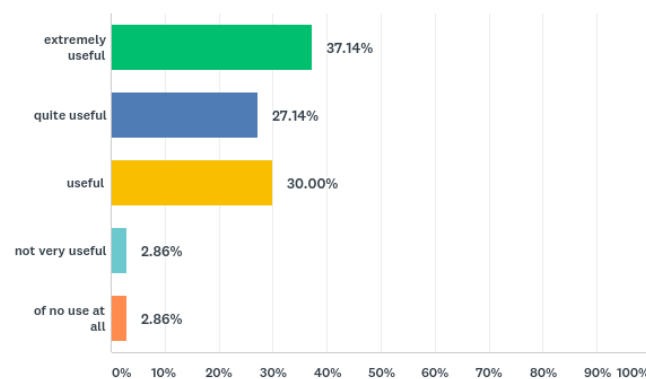


### 7.1 Training

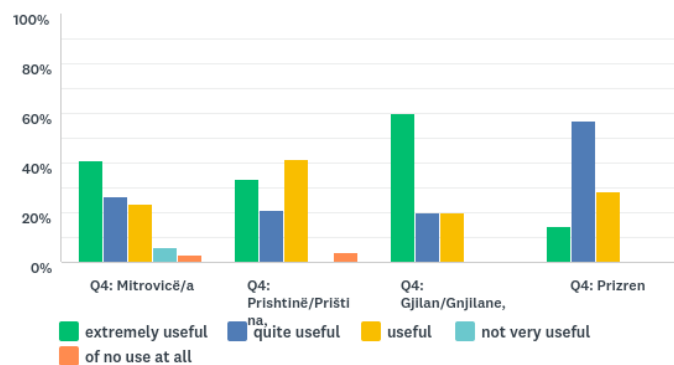
The training was conducted mainly in the VTCs. In the second round, training was provided in an external location (in north Mitrovica) with an external consultant. The level of satisfaction and perceived usefulness varied across the beneficiaries and regions, as set out below. Overall, 38% regarded the training as very useful but also a significant percentage (30%) scored the training as a 3 on a notional scale of 1-5. (The regional breakdown chart is also affected by the individual sample sizes).

**Chart 7. Level of satisfaction with the training**

Overall



Regional Breakdown



The beneficiaries were asked if anything in the training could be improved. 15 suggested additional inputs; mainly with regard to smaller classes, more professional approach by a trainer, specific skills training in their profession, more specificity/less generality, more on marketing and that computers should be available in the training room so that work could go in parallel on the actual business plans writing.

The beneficiaries surveyed were asked to rank their overall support needs on a scale for 1 to 5 (where 1 is the most important and 5 the least important). The results in **Table 2** below indicate a need to prioritise the type of initial and continuing support. The clear primary need identified is in the financial planning area with a significant number also identifying branding/marketing as the second most important need and it is recommended that this ranking be taken into account when designing the SEP training module into the future.

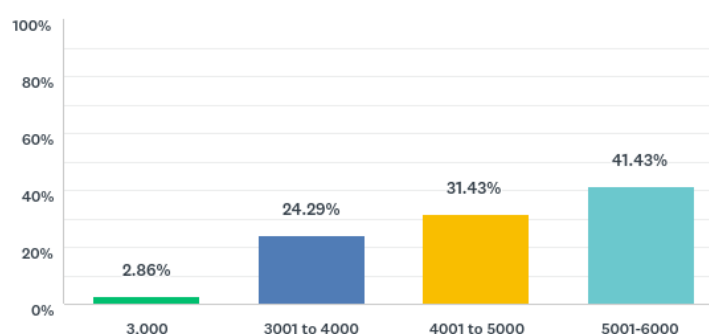
**Table 2. Support needs, in order of importance**

	1	2	3	4	5	TOTAL	SCORE
Financial planning for use of grant	47.14% 33	25.71% 18	17.14% 12	5.71% 4	4.29% 3	70	4.06
Production/operations management	22.86% 16	20.00% 14	27.14% 19	18.57% 13	11.43% 8	70	3.24
Risk Management	12.86% 9	18.57% 13	24.29% 17	34.29% 24	10.00% 7	70	2.90
Marketing/Branding	11.43% 8	32.86% 23	20.00% 14	27.14% 19	8.57% 6	70	3.11
Assistance with legal aspects	5.71% 4	2.86% 2	11.43% 8	14.29% 10	65.71% 46	70	1.69

## 7.2 Financial Grant.

One of the core features of the SEP is the financial grant award. All the participants interviewed during the in-country visit regarded the grant as the key factor that allowed them to kick-start the business. Coupled with the fact that 77% of the 2015 grantees and 90% of the 2016 grantees are still in business in 2017, this would indicate that the financial grant was effective in the context of the programme design. Of those that are not trading, the reasons given relate mainly to factors other than the capital grant, such as lack of expertise in planning and management, lack of technical skills, business skills, quality assurance and failure to survive in the market due to competition. A minority mentioned the existence of unpredictable expenses.

**Chart 8 Level of grants awarded to the survey respondents**

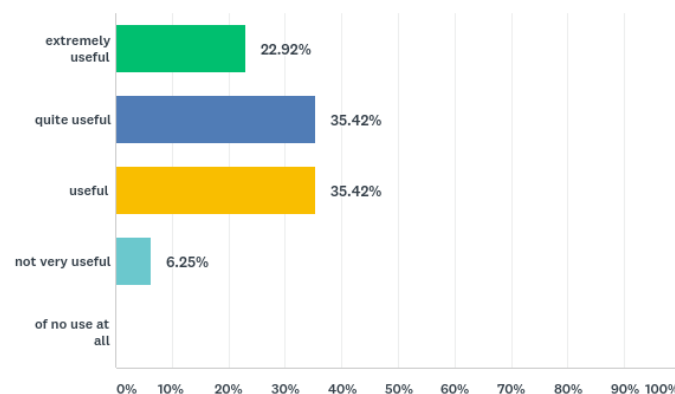


25 Respondents confirmed that they had also borrowed funds ranging from €500 to €13,000, with the average amount borrowed being €1500. Some of the entrepreneurs interviewed during the site visits, indicated that it would be very useful if it were possible to build some post-start-up funds into the SEP model. This related to the need for additional specific skills training in new approaches to their original production model and other additional equipment needs that only become apparent as the business develops and expands. Funds are available from other sources but the application pre-conditions can exclude some of the beneficiaries. If such an option were included in the SEP model, the beneficiary would already be familiar to the UNDP/PES and would come with a proven track record, without the need to prove their bona fides again from scratch.

### 7.3 Coaching/Mentoring

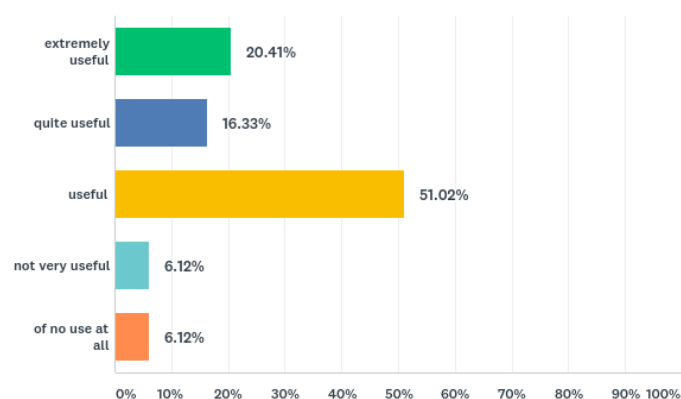
These two areas of the SEP design and process were regarded by most of the beneficiaries as crucial to the success of their start-ups. Coaching was mainly to support the development of the business plan. Mentoring related to all start-up issues in the initial period of business operations. This included support with bookkeeping, procurement, production issues and so on. The survey revealed a mixed view of the coaching and mentoring delivered. 67% indicated that they had used the services of a coach but its usefulness presents a mixed picture. The effectiveness and quality of the coaching approach may need to be revisited in the next round of the self-employment programme.

**Chart 9. Perceived usefulness of Coaches**



72% indicated that they used a mentor and again the beneficiaries' perception of the usefulness of the mentoring is a mixed picture, as below. The effectiveness and quality of the mentoring approach may also need to be revisited in the next round of the self-employment programme.

**Chart 10. Perceived usefulness of Mentors**



## 8. Sustainability (two evaluative levels-see footnotes 5 and 7 below)

The subject of sustainability can be viewed from two perspectives: the individual businesses and the actual SEP model. It is too early to say if the businesses supported are sustainable<sup>5</sup> but considering the SEP target groups, the indications are good (as outlined above, 77% of the 2015 and 90% of the 2016 cohorts are still trading). International experience would indicate that if new businesses are to fail, that it usually happens within the first three years<sup>6</sup>. This aspect will need to be revisited by end 2018/2019, to measure further the sustainability of the enterprises. But as mentioned, the relatively sophisticated SEP model and the selection procedure would appear to ensure a good measure of permanence for the enterprises but this is also of course subject to the economic environment in the region.

With regard to the sustainability of the SEP model in Kosovo<sup>7</sup>, the picture is different. During discussions with the PES managers and staff, it became very clear that they doubted their own ability to fully manage SEP, despite the training provided to them at the beginning of the process. The main areas of difficulty for them are the mentoring, monitoring and coaching aspects. They have already successfully implemented the marketing of the SEP and the initial application process and are quite able to be part of the business ideas selection commission, but less so for the business plan selection commission. They also feel that they need specialised staff for such self-employment activities. Overall the PES mentioned the difficulties in matching the intensity of the UNDP partnerships with the beneficiaries and the expertise of the outside consultants (CEED). On the other hand, the Ministry and the new PES Agency head-office team were more optimistic about their ability to mainstream the SEP. Indeed, the MLSW indicated that they would be giving self-employment priority over other measures in the coming programming period. They also indicated that they would be using the SEP manual and operational guidelines for any new SEP-type activities. The latter fact indicates a good level of sustainability for the SEP model at national policy level but as stated, the operational competency level in the PES may not be as positive.

However, there is also the issue of coordination, as the MLSW and the PES activities have up to now been donor-driven and this needs to change if the ALMMs are to be consistently delivered to a set standard. Currently there are other SEP-type ALMMs in the pipeline and one has in fact commenced a call for business idea proposals funded by GIZ (an arm of the German Federal Ministry for Economic Cooperation). While the MLSW has full ownership of the SEP Operational Guidelines and has specified its use by GIZ, it is important that activities of such donors are closely coordinated in an active manner and that the MLSW fully abandon the previous donor-driven reactive approach.

## 9. Impact<sup>8</sup>

It is clear from the business survival rates of 77% and 90% in 2015 and 2016 respectively, that the SEP impact is lasting for that majority that are still in business. The impact is even more significant when one takes into account the profile of the

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<sup>5</sup> Level 6 on the UNDP evaluation scale (6 = Highly satisfactory: no shortcomings; 5 = Satisfactory: minor shortcomings; 4 = Moderately satisfactory: moderate shortcomings; 3 = Moderately unsatisfactory: significant shortcomings; 2 = Unsatisfactory: Major problems; 1 = Highly unsatisfactory: Severe problems.)

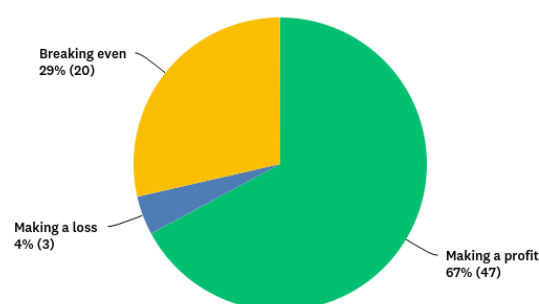
<sup>6</sup> In Serbia for example, according to the European Employment Observatory review, the National Employment Service checks the survival rate of start-up grant beneficiaries' businesses six months after the expiration of their contractual obligation to remain self-employed and it is generally above 80 %. Three years after the contractual obligation expired it was over 50 %.

<sup>7</sup> Level 4 on the UNDP evaluation scale (6 = Highly satisfactory: no shortcomings; 5 = Satisfactory: minor shortcomings; 4 = Moderately satisfactory: moderate shortcomings; 3 = Moderately unsatisfactory: significant shortcomings; 2 = Unsatisfactory: Major problems; 1 = Highly unsatisfactory: Severe problems.)

<sup>8</sup> Level 6 on the UNDP evaluation scale (6 = Highly satisfactory: no shortcomings; 5 = Satisfactory: minor shortcomings; 4 = Moderately satisfactory: moderate shortcomings; 3 = Moderately unsatisfactory: significant shortcomings; 2 = Unsatisfactory: Major problems; 1 = Highly unsatisfactory: Severe problems.)

participants as set out in **Chart 3** above. Another very significant aspect of the impact of the SEP is the number of jobs created by the business start-up owners. It is reported that 27 additional new jobs were created in 2015 and 18 in 2016. While some of the jobs are seasonal and part-time, many are reported to be full-time. This clearly indicates a significant level of additional employment and when added to the SEP beneficiaries, amounts to 117 posts created and surviving, in total by 2017. The impact on the actual livelihoods of the beneficiaries is regarded as significant and can be measured in part by the number of businesses in profit and the gross turnover from the businesses. Of the 70 respondents to the survey, 67% are in profit and 29% are breaking even.

**Chart 11. Reported profit levels**



**Table 3. Notional wealth created by SEP**

Turnover for the 2015 cohort over 2 years	€342,600	Notional Wages for workers 2015-16 ( 27 additional workers for the period 2015-16 and 18 extra for the 2016 period)	Circa <b>€345,600</b> (based on a monthly average of €400)
Turnover for the 2016 cohort over 1 year	€145,000		
Total SEP Turnover 2015-16	<b>€487,800</b>		

Turnover amounts to €342,600 for the first two years of the 2015 cohort and €145,000 for the first year trading of the 2016 cohort, giving a grand total of €487,800 by end 2016 for the currently trading businesses. If we add to this the notional wages of 27 additional workers for the first group for two years and for the second group of 18 for 2016, we get an additional wealth creation of €345,600 over the two full calendar years of 2015 -16, based on a notional wage of €400 per month for each additional employee. These figures represent a significant impact on lives of the beneficiaries, their employees and their families and have thus increased the wealth in circulation within the local economies.

With regard to the impact on policy makers, it is clear that the SEP approach has been fully adopted by the MLSW and it is now their policy that the Ministry will use the SEP operational guidelines and model for any self-employment initiative they will approve in future. During the field visits, the representatives of the Ministry of Trade and Industry also indicated that they are happy with the SEP sectoral approach and encourage further expansion, but also indicate that a widening of the priority industrial sectors is acceptable to them.

### *9.1 Counterfactual aspects*

In order to further measure the impact of the SEP, it was considered useful to look at those applicants for the SEP who got to and completed the training phase but were not ultimately funded. It was possible to make contact with 17 of those unsuccessful candidates from the 2015 round. They were asked if they were actually in business despite not receiving the grant. 4 indicated that they were currently in business for periods ranging from 3 months to 2 years with one at 4 years (the latter individual would be disqualified in any event). So it is clear that only 3 out of 17 actually started a business. From the second 2016 round it was possible to contact 33 of those candidates who completed the training but were not funded. Of those, 3 indicated that they had started a business but one of them failed. The other 2 have been in business for 1 and 3 years respectively (this latter individual may have been excluded in any event). These analyses show clearly that the grant and mentoring stages of the SEP appear to have had a profound effect on business start-up and sustainability. Without grant support, it is clear that the SEP would fail, as evidenced by the 'control' group who completed the training but were not funded. While this is a rather crude measurement, it is a very good indicator of the large and sustained impact of SEP.

As previously mentioned, it is probably too early to be able to measure the full impact of SEP as it is just over two years in operation. Ideally a new impact assessment should be conducted in late 2018 or early 2019.

## **10. Efficiency<sup>9</sup>**

42% of respondents indicated that they had borrowed €63,900 in total, in matching funding (this was a plus factor that awarded extra points during the business plan evaluation process). This feature of the SEP process is likely to have increased efficiency and beneficiary commitment.

The partnership model underlying the SEP design and its operationalisation during the course of the SEP was robust and this was confirmed during the in-country interviews with the stakeholders. If there was one weak area, it was the sourcing of experts to assist in the business plans evaluations. This process relied on the engagement of experts from industry on a voluntary and partnership basis. This partnership depends on goodwill and it is not certain that this approach is sustainable in the longer term, particularly since this aspect is key part of the beneficiary selection process.

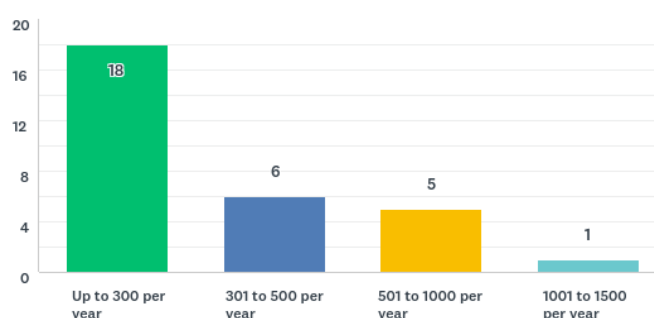
SEP grants awarded amounted to €379,892. Other main costs include consultancy services to provide mentoring and coaching at €86,782 and a notional full time equivalent staff member cost for the support and monitoring role at €19,000. The overall cost of the SEP therefore amounts to **€485,674** (excluding overhead cost for the UNDP office and apportionment of travel costs within the overall ALMP2 project). The cost per business start-up amounts therefore to **€5,922** per beneficiary. Set against this cost, is the income of € 487,800 generated by the beneficiaries and the wage income of € 345,600 generated by the 45 additional employees. The surviving SEP beneficiaries amount to 72 individuals and can therefore be said to have generated **€6,775** per participant, at a minimum. If we take the upper limit of the bands in the **Chart 12** below, income tax of **€29,800** for the 2 years was declared by the surveyed beneficiaries (28 individuals

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<sup>9</sup> Level 6 on the UNDP evaluation scale (6 = Highly satisfactory: no shortcomings; 5 = Satisfactory: minor shortcomings; 4 = Moderately satisfactory: moderate shortcomings; 3 = Moderately unsatisfactory: significant shortcomings; 2 = Unsatisfactory: Major problems; 1 = Highly unsatisfactory: Severe problems.)

declared that tax was paid = € 414 spread over the 72 survivors). These calculations indicate that the income generated by the beneficiaries exceeds the costs incurred by the SEP by approximately **€1,267** per participant. While these cost-benefit calculations are rather approximate and somewhat crude, they do indicate positive overall financial and cost outcomes for the SEP.

**Chart 12. Tax declared by the survey respondents**



14 respondents also indicated that they had created new business lines. This indicates growth and expansion and points towards greater potential business sustainability and adds to the efficiency effects.

## 11.Theory of Change or Results/Outcome Map<sup>10</sup>

If we look at the main factors leading to the intended outcomes and the assumptions, factors or risks inherent in the design that influenced the overall outcomes, we can identify the high quality of the programme design and its implementation by the ALMP and PES teams as the main key factors influencing the high level of achievement of the intended outcomes. The huge number of initial applicants confirmed the assumptions that there is a need for and a desire to engage in SEP among the general population. The selection process was exceptionally intensive and ensured that weak business ideas were weeded out and only committed beneficiaries were ultimately funded. Targeting was good and the beneficiaries' profiles matched the initial programme ambitions, with the exception of social assistance beneficiaries and PwDs.

Also, as set out above in the body of this report, the intended outcomes of the SEP have proven to be well defined, measurable and the results verifiable (e.g. through the survey, analytical review and annual reports). Monitoring was exceptionally well organised and supported by the UNDP and the PES, as set out above. It is clear from the business survival rates of 77% and 90% in 2015 and 2016 respectively, that the SEP design factors have produced an impact that is lasting for that majority that are still in business. As mentioned earlier, the impact is even more significant when one takes into account the profile of the participants that were targeted in accordance with the original project document. It is also clear that without grant support, the SEP would fail, as evidenced by the control group who completed the training but were not funded (set out in the counterfactual analysis in section 9 above). The risks identified at the programme design phase proved to be insignificant in practice, as set out further in the conclusions section below.

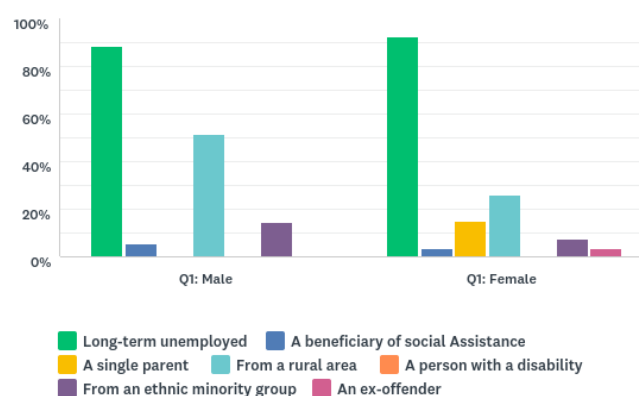
<sup>10</sup> Level 6 on the UNDP evaluation scale (6 = Highly satisfactory: no shortcomings; 5= Satisfactory: minor shortcomings; 4 = Moderately satisfactory: moderate shortcomings; 3 = Moderately unsatisfactory: significant shortcomings; 2 = Unsatisfactory: Major problems; 1 = Highly unsatisfactory: Severe problems.)

## 12. Gender<sup>11</sup>

The project design set out gender equality as one of its main ambitions. This targeting of women as potential entrepreneurs was very pointed and was even more so in the second 2016 round, where victims of domestic violence were particularly encouraged to take part in the SEP. This initial design factor and the operational implementation of the SEP, influenced participation and access by women to programme benefits. During the in-country visits it was clear that the female participants interviewed were particularly strong entrepreneurs who had a clear vision for the future expansion of their businesses. Gender equality has already been indicated in section 6 above, where the breakdown of surveyed participants is 43% female to 57% male. As stated above, this is very encouraging considering the very low labour market participation rate for women in Kosovo (18-20%). Female applicants were awarded extra points during the applicant evaluation process.

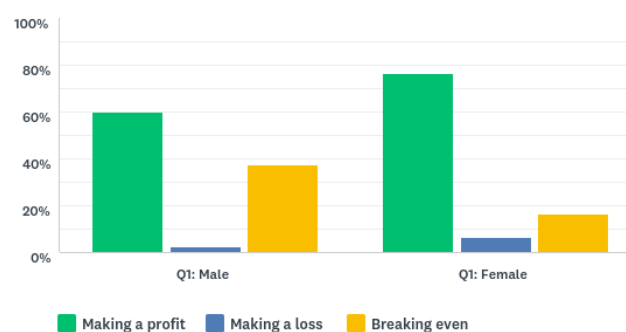
Chart 13 below indicates that the targeting of female groups was good and a number were single parents but less women than men were from rural areas. Long-term unemployment rates were similar for both men and women.

**Chart 13. Beneficiaries' categories reached**



It is very interesting to note that more women than men are making a profit, indicating good beneficiary and business idea selection.

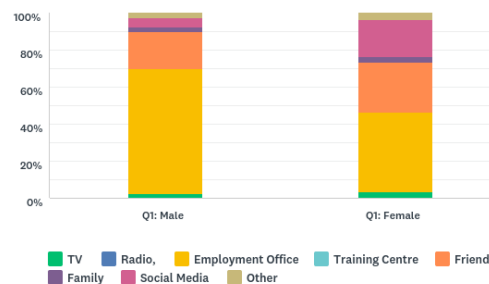
**Chart 14. Level of profit generated**



<sup>11</sup> Level 6 on the UNDP evaluation scale (6 = Highly satisfactory: no shortcomings; 5 = Satisfactory: minor shortcomings; 4 = Moderately satisfactory: moderate shortcomings; 3 = Moderately unsatisfactory: significant shortcomings; 2 = Unsatisfactory: Major problems; 1 = Highly unsatisfactory: Severe problems.)

Women were more likely to have heard about the SEP from friends or social media, whereas the majority of men heard about SEP in the employment office. This is important to take into account when launching future programmes that have *inter alia* an equality agenda.

**Chart 15. Source of information on the SEP (by sex)**



### 13. Stakeholders and partnership<sup>12</sup>

The project Board and Working Group approach at the SEP design phase, ensured that MLSW felt complete ownership of SEP and in particular, the operational guidelines. This was an extremely important factor in the overall support and buy-in from all actors interviewed during the in-country visit. In that context, it is clear that the partnership process between the UNDP, MLSW, Ministry of Trade and Industry (MTI), ALMP2 team, VTCs and the PES appears to have worked exceptionally well. It became clear during the in-country interviews that the agreed design was effectively put into operation by those programme partners and the process maps were adequately established and operationalised.

However as set out in the 2015 annual project report, ‘even though the counsellors in the PES offices were trained to provide support to unemployed applying for the programme, there was a need for direct support from the project team throughout the process’. Based on the interviews during the in-country visit, this situation has not changed and is addressed in the recommendations section below.

### 14. Conclusions and lessons learned

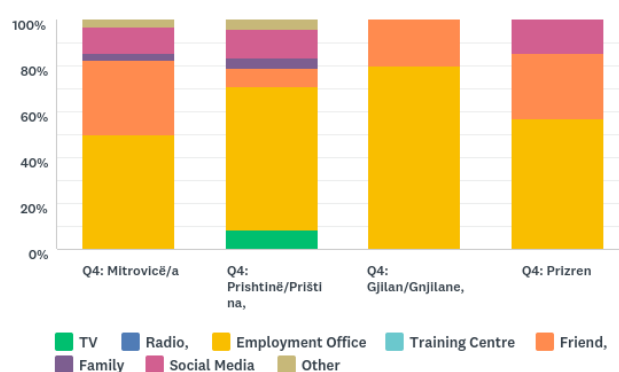
The assumptions underlying the design of the overall set of ALMMs in ALMP2, contained a number of risks that were outlined in the original ALMP2 project document. For the self-employment programme specifically, an identified risk was the possibility of ‘a limited number of interested and eligible people wishing to establish their own business and to apply for the self-employment programme’. To respond to that risk the project document outlined that ‘self-employment beneficiaries need to be carefully targeted in order to avoid a high business failure rate’. It was emphasised that ‘entrepreneurship spirit and viable business plans are the two main elements ensuring success of beneficiaries. Lack of interested applicants might also have an impact on the

<sup>12</sup> Level 5 on the UNDP evaluation scale (6 = Highly satisfactory: no shortcomings; 5 = Satisfactory: minor shortcomings; 4 = Moderately satisfactory: moderate shortcomings; 3 = Moderately unsatisfactory: significant shortcomings; 2 = Unsatisfactory: Major problems; 1 = Highly unsatisfactory: Severe problems.)

project implementation’. The risk log outlined the countermeasures and management responses to be implemented. In that regard outreach activities were organised in order to ensure wide dissemination of the self-employment program. In addition, ‘the design of the programme should be such that it is applicable and realistic for the Kosovo environment’. It was also felt that the number of persons that can benefit from the self-employment programmes is rather small. The risks at that time were set at a ‘median’ level.

However, it is clear from the current evaluation that the risks identified turned out to be somewhat insignificant. This is underlined by the high number of applicants for the first and second rounds of the programme. There was also wide dissemination of the availability of the self-employment programme and many of the applicants heard about the programme from the employment services offices. The chart below sets out how the respondents to the survey first heard about the self-employment programme (mainly from the Employment Offices). See also chart 15 above that shows gender differences in this respect.

**Chart 16. Source of information about the SEP**



Based on the evidence in this evaluation, the SEP can be regarded as a very successful active labour market intervention for the target groups in Kosovo and outcomes are satisfactory with very few shortcomings<sup>13</sup>. *The main factors leading to the very successful outcomes include *inter alia* the following:*

- The well-designed operational guidelines and model that are based on a successful model adopted in Macedonia.
- The well-structured partnership approach where the main key actors were all involved.
- The extensive and in-depth beneficiary application and selection processes.
- The ownership and buy-in of the MLSW to the extent that the SEP operational guidelines and manual are now the standard documents for the establishment of self-employment ALMMs in Kosovo.
- The close and continued involvement of the UNDP ALMP2 project associates who provided and continue to provide extensive management, support and mentoring to the participants and the project partners, as outlined earlier in this

<sup>13</sup> Overall Level 5 on the UNDP scale (6 = Highly satisfactory: no shortcomings; 5 = Satisfactory: minor shortcomings; 4 = Moderately satisfactory: moderate shortcomings; 3 = Moderately unsatisfactory: significant shortcomings; 2 = Unsatisfactory: Major problems; 1 = Highly unsatisfactory: Severe problems.)

report. This also added to the sustainability of the enterprises supported by the SEP.

Additionally, as set out in the monitoring reports, and based on the assessments of the mentors, there are two key elements that ensure the success of a start-up. The best performing SEP businesses have been the ones that are run by someone who rather than being just a good manager, knows the profession/business either through education/training and/or through engagement in a family business. Secondly, it is crucial that the start-ups are run by people who have entrepreneurship skills that are particularly important in sourcing clients, product placement and marketing.

## **15. Recommendations**

1. In the past, there has been a lack of coordination in Kosovo among donors who support start-ups. As set out above, there is a requirement for the MLSW and the newly established central PES Agency management to ensure that a standard operational approach to the self-employment ALMM be adopted. The Ministry has indicated that the SEP operational guidelines will be standard model from now on. This needs to be ensured by the active promulgation of this model among partners. It is recommended that in order to ensure consistency and quality assurance, that an ALMM implementation committee be established by MLSW on a partnership basis, where the UNDP ALMP2 team and the PES have central roles. Any donor-led proposals for the implementation of ALMMs should in future be reviewed by this committee before any implementation occurs. Standard operational guidelines established by MLSW should be imposed as a condition of the acceptance of donor-led ALMM proposals and their funding. (As a result of close collaboration between the UNDP and the MLSW, these guidelines are now available for a range of ALMMs including SEP, on the job training, wage subsidies).
2. The SEP model requires comprehensive structural support in order to work successfully, as outlined earlier in this report. However, it is clear that the PES as they currently stand, feel that they cannot deliver that support just by themselves. This is partly due to staffing issues but also to the lack of specific expertise in some aspects of business start-ups, particularly in relation to the mentoring and coaching aspects. During the implementation of the SEP, such specific coaching and mentoring supports were provided in part by the VTCs but mainly by the UNDP team and the consultants (CEED) retained to provide the extra supports. There are a number of options available that could address this:
  - Provide a budget line for such consultancy support in any new self-employment programme implemented by the PES. However, such consultants should come within the management control of the MLSW/PES so that quality and intensity of consultancy support to beneficiaries is ensured.
  - Recruit and train one self-employment adviser in each main PES office who would deal with all self-employment clients funded within the PES office catchment area. This would also entail the provision of an adequate travel budget to cover fuel/motoring expenses for monitoring and mentoring purposes
  - Provide both options to each main PES office.
3. The process for the evaluation of business plans required assistance from business people who worked on a voluntary basis. This needs to be addressed in

any future programmes, by the establishment of a panel of such experts who would understand the commitment required. A gratuity award system might also be considered for such experts.

4. The VTCs played an important role in the SEP. However, in some cases it is reported that some trainers have limited capacities and skills required to bring beneficiaries to the point where they can produce a good business plan, in accordance with the standard required in the SEP operational guidelines. This could be addressed by the provision of such self-employment trainers with refreshment training of trainers inputs. One of the VTC managers interviewed during the in-country visits, indicated that bringing in project-based outside trainers is not the solution, as in the experience of that manager, the outside trainers can cause operational problems within the VTC, because they are answerable to the donor rather than the manager. This can be addressed through a contractual arrangement whereby the management reporting lines are specified in the collaboration contract.

There may also be a need to provide more human resources to the VTCs if the self-employment ALMM is significantly expanded and numbers of beneficiaries increase (for example, this may happen if the numbers of repatriated self-employment clients increase).

A clear primary need identified by the beneficiaries is in the financial planning area with a significant number also identifying branding/marketing as the second most important need and it is recommended that this be taken into account when designing the SEP training module into the future.

5. While there was very little evidence of fraud (one participant) in the SEP, there is some discussion about the procurement of equipment by beneficiaries and the potential scope for issues in this area. Currently the close monitoring by the UNDP team and the PES advisers ensured that equipment was bought, recorded and its use monitored. In the past, in other similar projects there have been issue around procurement and sell-off of purchased equipment (or indeed a grant given and no machinery purchased). One of the advantages of SEP is that the process is efficient and the grant can be accessed quickly once approved, and equipment purchased. If the procurement of such equipment were to be centralised, then delays might occur. It is recommended that the experience in other countries, particularly in Macedonia (where procurement is organised centrally) be reviewed in order to reach consensus on a feasible new approach or indeed to leave the status quo in place where the mentors were quite involved in equipment purchase. The centralised approach may be more appropriate for particular sub-groups of beneficiaries, depending on their background and characteristics.
6. While social assistance beneficiaries were a target group, the take up from this group was small. They face huge financial and practical difficulties in starting a business. There is an argument that as in some other countries, there be a disregard of social assistance payments when such clients take up training and/or other ALMMs such as SEP. It is recommended that social assistance benefits be retained by such potential beneficiaries for a period of one year from business

start-up and grant approval. This would ensure that inclusion aspects of SEP are strengthened. This would require a legislative change.

7. A number of beneficiary interviewees indicated (section 7.2 above) that it would be very useful to have the option of post-start-up additional funding. This related to the need for additional specific skills training in new approaches to their original production model and/or other additional equipment needs that only become apparent as the business develops and expands. It is recommended that this option be examined and if feasible, be incorporated into any future expansion of the SEP model.

## Appendix 1.

### Schedule of visits for the in-country visits from 18-22 September 2017

Monday, 18 <sup>th</sup> of September, 2017		Venue	Confirmation
9:00- 11:00	<b>Meeting with the ALMP team and GBV and Forestry team (Alexandra Jovanovic and Alexander Rapajic)</b>	UNDP main office Project office	Confirmed
11:00-11:30	<b>Meeting with Andrew Russell -RR</b>	UNDP main office	
11:30- 13:00	<b>Lunch meeting with ALMP team</b>	Amadeus Restaurant	Confirmed with restaurant
13:00 -13:30	<b>Ministry of Labour and Social Welfare</b> Drin Haraqija, Director of EA	EA Contact:	Confirmed <b>The meeting was canceled</b>
14:00 -15:00	<b>Ministry of Labour and Social Welfare</b> Ylber Aliu Ms. Jehona Namani <b>Fisnik Lakna</b>	MLSW Contact: 044662874 044121567	Confirmed-Ylber
15:00-17:30	<b>Business plans and mentoring services CEED</b>  Kreshnik Lleshi Asdren Xerxa	<b>CEED Office - Peyton</b> Contact: 044169426 045477074	Confirmed

Tuesday, 19 <sup>th</sup> of September, 2017		Venue	Confirmation
9:00-10:00	<b>Ministry of Labour and Social Welfare</b> Fadil Osmani Besa Dodaj	MLSW Contact: 044185289 044558609	Confirmed
10:15 –11:00	<b>Employment office Prishtina</b> Zylkifli Obertinca, Head of EO	<b>Employment Office</b> Contact:	Confirmed
11:15-12:00	<b>MTI</b> Valbona Dushi	MTI Contact: 045859741	Confirmed
12:00 –13:00	Lunch		
13:30 – 14:00	<b>Vocational Training Center Prishtina</b> Gezimi Bekqeli,VTC Trainer	Contact: 044167286	Email sent
14:20-15:00	<b>Beneficiary 2015</b> Sanije Kuleta – food processing	<b>Vranjevc</b> Contact: 045681399 044261922	
15:15-16:00	<b>Beneficiary 2015</b> Gjyla Krasniqi - Tailoring	<b>Vranjevc</b> Contact: 044433686	


Wednesday, 20 <sup>st</sup> of September, 2017		Venue	Confirmation
09:00 – 10:30	<b>Employment office in Gji</b> Xhevat Aliu, Head of EO	<b>Contact:</b> 044211682	<b>Confirmed</b>
10:30-11:00	<b>Beneficiary from 2015</b> Mirjeta Hoxha – Tailoring	<b>Atele Mirjeta - Gji</b> <b>Contact:</b> 049551485	<b>Confirmed</b>
13:00 – 14:00	<b>Vocational Training Center Gji</b> Burhan Selmani, Head of VTC Ferdeze Agaj, VTC Trainer	<b>Gji</b> <b>Contact:</b> 044211680 044688617	<b>Confirmed – Burhan</b>  <b>Confirmed-Ferdeze</b>
12:00-13:00	<b>Lunch</b>		
14:15 – 15:00	<b>Beneficiary 2015</b> Ajnur Arifi - Metal	<b>Janjeve</b> <b>Contact:</b> 045514048	<b>Confirmed</b>
15:30 -16:15	<b>Beneficiary 2015</b> Bekim Krasniqi - IT	<b>Lipjan</b> <b>Contact:</b> 045505906	<b>The beneficiary canceled the meeting in last minute</b>

Thursday, 21 <sup>nd</sup> of September, 2017		Venue	
9:30-9:40	<b>Beneficiary 2016</b> Islam Shyti – Metal	<b>Business place</b>	<b>Confirmed</b>
10:00-12:30	<b>Beneficiaries from North Mitrovica 2016</b> Almedina Pepic (Mitrovica) and	<b>Contact:</b>	<b>Confirmed</b>
10:00-12:30	<b>Employment office Zvecan</b> Bojana Todorovic	<b>Employment Office</b>	<b>Confirmed</b>
10:00-12:30	<b>Beneficiaries from North Mitrovica2016;</b> Nenad Vasic (Zvecan).	<b>Contact:</b>	<b>Confirmed</b>
12:45-13:15	<b>Lunch</b>		
13:15 – 14:15	<b>Employment Office Mitrovica</b> Sallah Bekteshi	<b>EO</b> <b>Contact:</b> 049114603	<b>Confirmed</b>
14:30-14:45	<b>Beneficiary 2016</b> Dren Baruti – Tailoring	<b>Near EO Mitrovica</b> <b>Contact:</b> 049 636 879	<b>Confirmed</b>
15:00-15:30	<b>Beneficiary 2016</b> Blerta Hajra- Food processing	<b>Near EO Mitrovica</b> <b>Contact:</b> 049323230	<b>Confirmed</b>
16:00-16:30	<b>Beneficiary 2016</b> Ferdi Kadriu - Food processing	<b>Near EO Mitrovica</b> <b>Contact:</b> 049 714 998	<b>Confirmed</b>

Friday, 22 <sup>rd</sup> of September, 2017		Venue	
10:10 – 12:00	<b>ALMP Office small conference room</b> Initial findings of the field mission ( ALMP, GBV and Forestry teams)	<b>Contact:</b>	<b>Confirmed</b>
12:00 – 13:00	Lunch		
14:00- 16:30	ALMP Office		

## Appendix 2

### Survey Questionnaire

 Self Employment Programme

Evaluation of the Self Employment Programme

This survey is designed to get feedback from you so that we can measure the success of the Self Employment Programme. The data is collected anonymously from all the participants in the programme. The results will help us to improve the programme for future participants. Thank you for taking the time to complete the survey. There are 40 questions. Most can be answered with one click. Press OK to continue

\* 1. What gender are you?

☐ Male

☐ Female

\* 2. How old are you?

☐ 18-24 ☐ 45-59

☐ 25-34 ☐ 60-65

☐ 35-44

3. Does any of the following list apply to you either now or before you commenced the programme?

You can tick more than one or none. Click OK when answered.

☐ You were long term unemployed (more than 12 months)

☐ You were A beneficiary of social assistance

☐ You are a single parent

☐ You are from a rural area

☐ You are a person with disabilities

☐ You are from an ethnic minority group

☐ You are an ex-offender

\* 4. Where do you live?

Please choose

☐ Mitrovicë/a

☐ Prishtinë/Priština,

☐ Gjiilan/Gnjilane,

☐ Prizren

5. At what age did you leave school?

☐ under 15 years of age ☐ 18 years

☐ 15 years ☐ 19 years or more

☐ 16 years ☐ Still in education

☐ 17 years ☐ Did not go to school

\* 6. What is the highest education level you achieved?

- ☐ Primary ☐ Professional/vocational secondary level  
☐ Lower secondary ☐ Higher/third level  
☐ Higher general secondary level ☐ None

\* 7. What is the longest period that you have ever been unemployed?

- ☐ less than 1 month ☐ 7 to 12 months  
☐ 1 to 3 months ☐ more than 12 months  
☐ 4 to 6 months

\* 8. Please indicate your business sector

- ☐ Food processing and packaging industry ☐ Textile industry  
☐ ICT along with Business process outsourcing and Customer support centres ☐ Tourism  
☐ Metal processing industry ☐ Wood processing industry  
☐ Other (please specify). Click OK when answered.

\* 9. How many hours a week (on average) are you occupied with your business?

- ☐ less than 20 hours per week ☐ 40 to 49 hours per week  
☐ 20 to 29 hours per week ☐ more than 50 hours per week  
☐ 30 to 39 hours per week

\* 10. As well as running your business, are you also in paid employment?

- ☐ No (go to question 12)  
☐ Yes

11. If you answered "yes" to question 10 above, how many hours a week (on average) are you employed in another job?

- ☐ less than 20 hours per week ☐ 40 to 49 hours per week  
☐ 20 to 29 hours per week ☐ more than 50 hours per week  
☐ 30 to 39 hours per week

\* 12. How long are you in business as self-employed?

- ☐ less than 1 year  
☐ 1-2 years  
☐ 2-3 years

\* 13. Do you employ any full-time staff in your business? Click OK when answered.

- ☐ no  
☐ yes

If "yes", how many?

\* 14. Before becoming self-employed, were you previously employed?

- ☐ no (go to question 16)
- ☐ yes

15. If "yes" to the previous question, how many years were you employed for?

- ☐ less than 1 year
- ☐ 1 to 3 years
- ☐ more than 3 years

\* 16. Did you borrow money for your business? Click OK when answered.

- ☐ no
- ☐ yes

If 'yes', please state amount.

\* 17. You received a grant (UNDP) for your business (i.e. money you do not need to pay back).  
What was the value of the grant in Euro?

- ☐ 3,000
- ☐ 3001 to 4000
- ☐ 4001 to 5000
- ☐ 5001-6000

\* 18. Where did you hear about the SEP Programme?

- |                                                                      |                                    |
|----------------------------------------------------------------------|------------------------------------|
| <input type="radio"/> TV                                             | <input type="radio"/> Friend,      |
| <input type="radio"/> Radio,                                         | <input type="radio"/> Family       |
| <input type="radio"/> Employment Office                              | <input type="radio"/> Social Media |
| <input type="radio"/> Training Centre                                |                                    |
| <input type="radio"/> Other (please specify) Click OK when answered. |                                    |

\* 19. Did you have sufficient time to apply after the announcement

- ☐ Yes
- ☐ No

\* 20. How would you rate the initial application process

- ☐ Easy
- ☐ Not so easy
- ☐ Difficult
- ☐ Very difficult

\* 21. How would you rate the training you received

- ☐ extremely useful                      ☐ not very useful
- ☐ quite useful                              ☐ of no use at all
- ☐ useful

\* 22. In retrospect, was there anything missing in the training that would have helped you to start your business? Click OK when answered.

- ☐ No
- ☐ Yes

If yes, please list below

--

\* 23. Was the development of your business plan:-

- ☐ Easy
- ☐ Not so easy
- ☐ Difficult
- ☐ Very difficult

\* 24. Did you make use of a Business Coach to help you develop your business plan

- ☐ No (go to question 26)
- ☐ Yes

25. If "yes", do you consider this assistance to have been useful?

- ☐ extremely useful                      ☐ not very useful
- ☐ quite useful                              ☐ of no use at all
- ☐ useful

\* 26. When you started the business did you undergo a Skills Needs assessment

- ☐ No (go to question 28)
- ☐ Yes

27. If "yes", do you consider this assistance to have been useful?

- ☐ extremely useful                      ☐ not very useful
- ☐ quite useful                              ☐ of no use at all
- ☐ useful

\* 28. Did you use a Mentor to address your assessed needs?

- ☐ No (go to question 30)
- ☐ Yes

29. If "yes", do you consider this assistance to have been useful?

- ☐ extremely useful ☐ not very useful
- ☐ quite useful ☐ of no use at all
- ☐ useful

\* 30. Please rank your support needs in order of importance (from 1 to 5 where 1 is the most important and 5 is the least important). Click OK when answered.

1 2 3 4 5	<input type="text"/>	Financial planning for using the grant
1 2 3 4 5	<input type="text"/>	Production/operations management
1 2 3 4 5	<input type="text"/>	Marketing/Branding
1 2 3 4 5	<input type="text"/>	Risk management and finance (e.g. bookkeeping)
1 2 3 4 5	<input type="text"/>	Assistance with legal aspects

\* 31. Where do you conduct your business

- ☐ At your home (no special business space) ☐ Homes or workplaces of clients
- ☐ Business, space inside or attached to your home ☐ Construction sites
- ☐ Factory, office, workshop, shop independent from your home ☐ Markets, trade fairs, street stall
- ☐ Farm or individual agricultural plot ☐ No fixed location (mobile)
- ☐ Forestry

\* 32. Is your business:-

- ☐ Making a profit
- ☐ Making a loss
- ☐ Breaking even

\* 33. What is the value of your average month's turnover (i.e. money generated by your business in an average month, in Euro)?

- ☐ no sales ☐ 501 to 800 per month
- ☐ 300 per month or less ☐ over 800 per month
- ☐ 301 to 500 per month

\* 34. Have you paid any taxes on your business income for the last 12 months

- ☐ no (go to question 36)
- ☐ yes

35. If "yes", how much tax did you pay in Euro? Click OK when answered.

- ☐ Up to 300 per year
- ☐ 301 to 500 per year
- ☐ 501 to 1000 per year
- ☐ 1001 to 1500 per year

If over 1500 per year, please state the amount per year

\* 36. Have you opened any new business lines within the existing business or developed any new products

- ☐ no
- ☐ yes

37. What aspects of the Self Employment Programme most helped you in your business? Please describe in the box below.

Click OK when answered.

\* 38. Are there any national or local institutional factors that hinder you in your business? Click OK when answered.

- ☐ no
- ☐ yes

If yes, please list below

\* 39. Are you still in business today?

- ☐ yes
- ☐ no

40. If you answered 'no' above why are you no longer self-employed? (you may tick more than one box). Click OK when answered.

- |                                                   |                                            |
|---------------------------------------------------|--------------------------------------------|
| <input type="radio"/> found better employment     | <input type="radio"/> too much competition |
| <input type="radio"/> sold the business           | <input type="radio"/> too demanding        |
| <input type="radio"/> unsuited to self-employment | <input type="radio"/> not enough support   |

other, please describe below

### Appendix 3 Evaluation Matrix

Relevant evaluation criteria	Key Questions	Specific Sub-Questions (see also Annex 2)	Data Sources	Data collection Methods/Tools	Indicators/ Success Standard	Methods for Data Analysis
<b>Relevance</b>	Is the SEP relevant for the main beneficiary and Kosovo in general?	- How relevant was the choice of the self-employment programme for the stakeholders? - Is the financing mechanism relevant in the Kosovo context	Programme Documents, Questionnaire (see main inception report) Interviews	Documents and processes reviews. Stakeholder and beneficiaries interviews. Questionnaire	Demand for participation. Number of applicants trained. Number of start-up companies created. Number of companies active after two years of operation.	Consultant's analysis based on the evidence. Survey Monkey analytical tools.
<b>Effectiveness</b>	What aspects of the SEP processes were effective and what elements or approaches worked well and what have not?	To what level has the project reached the results set out in the SEP design and objectives, and the ALMP project document? Was the training effective? Was the financial grant effective in the context of the programme design.	Programme Documents, Questionnaire (see main inception report) Interviews	Documents/processes reviews. Stakeholder and beneficiaries interviews. Questionnaire	Number of applicants trained. Number of start-up companies created. Number of companies active after two years of operation. New investments (additional business activities/business lines, new businesses etc.).	Consultant's analysis based on the evidence. Survey Monkey analytical tools. Counterfactual impact analysis.
<b>Sustainability</b>	Are the programme's results and businesses sustainable?	- Are there risks that have not been considered or reduced by the SEP actions? - Has ownership of the programme been transferred to the corresponding stakeholders e.g. the PES, MLSW?	Programme Documents, Questionnaire (see inception report) Interviews	Documents/processes reviews. Stakeholder and beneficiaries interviews. Questionnaire	Percentage of business operating after 1 year of operations. Percentage of business operating after 2 years of operations. Turnover of businesses in the first year of operation and in the second year of	Consultant's analysis based on the evidence. Survey Monkey analytical tools.

		- Have the programme partners the capacity to sustain the SEP model and further develop the results. How sustainable is the SEP if managed solely by the PES?			operations. Number that ceased trading	
<b>Impact</b>	Is there evidence of long lasting impact?	What are the impacts on the livelihoods of the beneficiaries? - Has the initiative influenced policymaking or institutional operations at different levels? - Has the project impacted the wider target beneficiaries and how?	Programme Documents, Questionnaire (see inception report) Interviews Tax/benefits records	Documents/processes reviews. Stakeholder and beneficiaries interviews. Questionnaire. Counterfactual analysis using control group.	Number of companies that were funded by the programme active after two years of operation. Number of applicants that failed to receive funding but are currently trading as self-employed.	Consultant's analysis based on the evidence. Survey Monkey analytical tools. Counterfactual impact analysis
<b>Efficiency</b>	Have resources been used efficiently?	- Has the organisational integrated approach worked? - What is the cost-benefit ratio?	Programme Documents, Questionnaire (see inception report) Interviews Financial records National tax records	Documents/processes reviews. Stakeholder and beneficiaries interviews. Questionnaire Cost/benefit analysis	Cost Benefit analysis. Numbers of jobs created. New own-funded investments. New business lines developed.	Consultant's analysis based on the evidence. Survey Monkey analytical tools.
<b>Stakeholders and Partnership Strategy</b>	Was the partnership strategy effective?	Who are the major actors and partners involved in the SEP and how were their roles and interests defined and taken into account?	Programme Documents, Questionnaires (see main inception report) Interviews	Documents/processes reviews. Stakeholder and beneficiaries interviews. Questionnaires.	Stakeholders' level of satisfaction	Consultant's analysis based on the evidence. Survey Monkey analytical tools.
<b>To what extent can the programme actually be evaluated</b>	Can the SEP be evaluated credibly considering it has been in operation only since 2015 and the latest	- Were the expected results adequately defined, appropriate	Programme Documents, Questionnaires (see	Documents/processes reviews. Stakeholder and	Well-developed evaluation study that is finalised and signed off	Consultant's analysis based on the evidence. Survey Monkey

	participants were recruited in 2016?	and stated in measurable terms, and are the results verifiable? - Were monitoring systems in place?	main inception report) Interviews	beneficiaries interviews. Questionnaires. International comparisons.	by relevant stakeholders.	analytical tools
<b>Theory of Change or Results/Outcome Map</b>	What were the main factors leading to the intended outcomes?	- What are the assumptions, factors or risks inherent in the design that influenced successful or negative(if any) outcomes?	Programme Documents, Questionnaires (see main inception report) Interviews Programme Operational Manual	Documents/processes reviews. Stakeholder and beneficiaries interviews. Questionnaires.	Level of positive outcomes. Affirmation of the design	Consultant's analysis based on the evidence. Survey Monkey analytical tools
<b>Gender</b>	Did the project design support gender equality?	- Did gender aspects influence participation and programme benefits within the SEP?	Programme Documents, Questionnaires (see inception report) Interviews Programme Operational Manual	Documents/processes reviews. Stakeholder and beneficiaries interviews. Questionnaires.	Good gender balance	Consultant's analysis based on the evidence. Survey Monkey analytical tools

## Appendix 4

### Stakeholders Questions

The stakeholders are a diverse group unlike the beneficiaries who are all pursuing the one goal of successful self-employment. Therefore while a standardised ICT based questionnaire is appropriate for the latter, the approach to the former diverse group will be in the form of direct face to face tailored questions related mainly (but not exclusively) to process. The following is an outline of *some* of the questions that will *inter alia* be put to the stakeholders.

#### MLSW(+MTI-relevant subset of these 18 Qs)

1. How did you first hear of the programme.
2. What was your role in the SEP and how did SEP meet the interests/priorities of the MLSW/MTI.
3. How were the needs for such a programme for the unemployed identified within the Ministry.
4. How does it fit in with national governmental policy.
5. You were involved in the programme planning and design. How would you rate that planning and design process.
6. How would you rate the SEP manual. Very good, good, or average. Please give the reasons for your choice.
7. Was the partnership approach effective or were there too many actors involved.
8. How did the business/candidate selection committees that you were involved with work. Were they efficient, effective or cumbersome/a burden that took time from your main work in the Ministry. How was the gender issue dealt with.
9. Same questions about the business plan evaluation committee
10. Is SEP relevant as an ALMP for all the unemployed.
11. A large number of applicants applied for SEP but only 43 were grant aided in 2015 and 39 in 2016. Was that a lot of administrative effort for a small result.
12. Were there any issues with the selection process from the MLSW perspective.
13. How relevant is it to the economy of Kosovo, in your view. If it is so, then in what way.
14. The SEP is co-financed currently. Is it sustainable if it is solely funded by the MLSW.
15. Have the financial resources been used efficiently. Would you do anything differently in that regard if you were starting the SEP again. Was it value for money.
16. The implementation of the SEP was contracted out in part to CEED. How did that work. Was it efficient or should it have been solely a PES task.
17. What aspects of the SEP processes worked well and which ones did not.
18. Do you feel full ownership of the SEP or do you see it as a UNDP programme.
19. Has the SEP process and approach to self-employment for unemployed jobseekers had any influence on future MLSW policy and operations.
20. Would you like to see the programme expanded and mainstreamed so that a much greater number could be helped into self-employment.
21. If so, is there room for improvement in the SEP and how would this be done.

## **PES**

1. What is your general opinion of the SEP.
2. Would you say your involvement in the design and operation of SEP was high medium or low.
3. Did SEP meet jobseekers needs' (particularly vulnerable young men and women) that you yourselves had already identified and that could not be met with your existing jobseeker almp toolkit (i.e. did SEP fill a gap that you had already identified).
4. How would you rate the SEP manual. Very good, good, or average. Please give the reasons for your choice.
5. The SEP process included *inter alia* an information campaign, selection committees, evaluation of the business plans, training in business skills. Do you have a clear idea of how the evaluation of the business plans process worked. Did you have any involvement in that stage of the process.
6. How would you rate the complexity of the application process for your clients...high, medium or low.
7. Was it a very complex or easy process to manage the SEP from the PES perspective.
8. ALMP2 was involved with the monitoring of the grant-aided businesses. How did the PES placement officers view that involvement.
9. The implementation of the SEP was contracted out in part to CEED. How did that work from your perspective. Was it efficient or should it have been a PES task.
10. Do you consider yourselves as having full ownership of the SEP or do you see it as a UNDP programme.
11. Do you think you would be happy to manage the whole SEP programme yourselves. Do you have all the skills required (application process, selection, coaching, business plan evaluation, mentoring, monitoring). If not what aspects do you think that the PES should handle and manage.
12. Can all employment officers manage a start business programme such as SEP or is there a need for officers with special training.
13. Any opinions on the costs as against the benefits of SEP to jobseekers. Could the money be used more effectively on another almp, from your perspective.
14. Have you had any feedback from your jobseekers who took part in the SEP process.
15. What is your level of satisfaction with the SEP scale of 1-5 where 1 is low and 5 is high.
16. Is there a high demand for self-employment programmes from you clients.
17. Would you like to see the programme expanded and mainstreamed so that a much greater number could be helped into self-employment.
18. If so, is there room for improvement in the SEP and how would this be done.

## **RVTC**

1. VTC trainers were tasked with training SEP candidates in the skills of developing business plans. When did you become aware of the SEP. Were you involved in the design phase.
2. How would you rate the SEP manual. Very good, good, or average. Please give the reasons for your choice.
3. How did the VTC finance your delivery of this specific training for SEP.
4. How did the part-time training schedule fit in with your trainers' normal contact hours.

5. What is your opinion of the general business knowledge and standard of the candidates referred to the VTC for training.
6. What was your involvement with the independent business coaches, if any.
7. There was a final test administered at the end of the training. How was that designed and what were the marking/scoring criteria.
8. Some candidates failed to achieve 70%. What were the main reasons, from your perspective. Was this a fair cut-off point and if so why.
9. How does the SEP coaching, mentoring and funding approach compare with your own start business training courses.
10. Do you think that the whole SEP approach/model is more likely to result in businesses that are more sustainable in the longer term.
11. Has the SEP model any aspects that you would wish to add to your start business training courses.
12. Can the SEP model and processes be improved and if so, how.

## **CEED**

1. How did you get involved with the SEP.
2. Were you involved in the design process.
3. How would you rate the quality of the candidates' business ideas.
4. How would you rate the complexity of the application process for the beneficiaries...high, medium or low.
5. How would you rate the SEP manual. Very good, good, or average. Please give the reasons for your choice.
6. You also made a point in your reports about the higher quality of candidates in the second as against the first round. Please discuss.
7. How did you select your mentors/coaches.
8. What was the general feedback from them with regard to the SEP model and the beneficiaries.
9. What lessons were learned from the first round of the SEP and that changed how round two was managed.
10. The application and approval process for the second round was reduced from 6 to 4 months. How was that achieved.
11. Were you involved in general monitoring of participants, (other than by ALMP2 or PES). If so how did that work and could the process be improved.
12. You made a strong point in your reports about the lack of accounting skills among the beneficiaries. How will that be addressed.
13. Have you any observations to make on other financial aspects of SEP.
14. How did the partnerships among quite a range of stakeholders work from your perspective. What could be improved regarding these partnerships.
15. How would you rate your level of satisfaction with the SEP design and model. Scale 1-5 (1 low, 5 high)
16. Would you change anything in the SEP and if so, what. (Concentrate on process first please and then on other aspects).

## **UNDP/ALMP2/Donors**

1. Can the SEP be evaluated credibly bearing in mind that the SEP has been in operation for only two years. (e.g. it appears that processes can certainly be evaluated but is an impact evaluation possible at this stage of only two years into the programme).
2. How was the need for such a programme established.
3. The SEP was one of a number of initiatives in ALMP2. Was it the most complex initiative in ALMP2 to manage. If so, why. If not, please discuss.
4. Was it the most expensive per placement (e.g. 83 self-employed placements at a cost of ?% of \*million-check figures)
5. How was the SEP particular approach chosen for a self-employment programme.
6. What are your views on the following: stakeholder/partnership strategy (how did the partnership model work-would you change anything if starting again), relevance of SEP to the client groups and to national policy on entrepreneurship, effectiveness, sustainability, impact, efficiency, outcomes and gender balance.
7. Why were CEED contracted to support SEP and how did that decision process work. Could someone or some other body have provided this support.
8. How would you rate the SEP manual in operation in the field. Very good, good, or average. Please give the reasons for your choice.
9. Was the process outlined in the manual overly complex or was it easy to follow for the partners (as reported to you). Please discuss.
10. Were there any issues around the eligibility for and the administration of the financial grant
11. In your view can the SEP be solely managed by the PES at this stage (e.g. has the capacity of the PES to manage the SEP been raised to a SEP handover level). How can associated process risks be ameliorated and minimised.
12. You made changes to the approach in the second round. What would you change/improve if there is a third round.
13. Is the SEP ready to be mainstreamed and if so, how should this be done.