

PROGRAMME TITLE: DIASPORA ENGAGEMENT IN ECONOMIC DEVELOPMENT (EXTENSION)

Programme Duration: 2014-2016
Anticipated start/end dates:
01.07.2014-31.06.2016
Fund Management Option(s): pass-through
Managing or Administrative Agent: UNDP

Total estimated budget*: EUR 820,000
Out of which:
1. (Preliminary) Funded Budget EUR 820,000
2. Unfunded budget: -
* Total estimated budget includes both programme costs and indirect support costs

Sources of funded budget:

- Government of Finland 820,000

Names and signatures of implementing organizations:

*Andrew Russell, UN Development Coordinator and
UNDP Resident Representative*

Signature



UNDP Kosovo

Date & Seal

Jorge Baca Vaughan, Chief of Mission

Signature



IOM Kosovo

Date & Seal

The Memorandum of Understanding among participating organizations and the Ministry of Diaspora, as the main Kosovo counterpart institution, is signed and annexed to this programme document

Acronyms

AFT	Aid for Trade (UNDP Project, funded by Finland)
AKM	Association of Kosovo Municipalities
ALMP	Active Labour Market Programme (UNDP Project, funded by Norway)
CSO	Civil Society Organization
CERD	Convention on Elimination of All Forms of Racial Discrimination
DEED	Diaspora Engagement in Economic Development
EC	European Commission
GIZ	German Society for International Cooperation
ICESCR	International Covenant on Economic, Social, and Cultural Rights
ICCPR	International Covenant on Civil and Political Rights
KBA	Kosovo Banking Association
MAFRD	Ministry of Agriculture, Forestry and Rural Development
MDLO	Municipal Diaspora Liaison Office
MLSW	Ministry of Labour and Social Welfare
MoD	Ministry of Diaspora
MTI	Ministry of Trade and Industries
IPAK	Investment Promotion Agency Kosovo
PPP	Public & Private Partnership
SMESA	Agency of Small and Medium Sized Enterprises
USAID	United States Agency for International Development



CONTENTS

Contents	3
1. Executive Summary	4
2. Situation Analysis.....	6
Context of the joint programme.....	6
3. Challenges to be addressed.....	9
Challenge 1. While new policies to encourage migrants’ investments or return have been created, central and local institutions continue to face limited resources for their implementation.....	9
Challenge 2. The conditions for allowing migrants to safely and effectively invest in Kosovo are inadequate.....	10
Challenge 3. The potential of the Kosovar diaspora as a driver of economic and social development is not fully realized	11
3. Strategic approach of the programme	12
Lessons learnt	14
Proposed programme outputs	14
Gender mainstreaming within the programme.....	18
Human rights	19
Capacity gaps of stakeholders	19
Sustainability of results	20
4. Results and Resources Framework.....	21
INPUTS	21
Activity result 3: Diaspora business networks, targeting especially women entrepreneurs and women in business, created and functioning in the main migration destination countries.....	21
Activity result 4: Municipal Diaspora Liaison Officers have skills and knowledge to perform their tasks in an efficient and effective manner	22
5. Management and Coordination Arrangements	25
6. Fund Management Arrangements	27
Budget (separate attachment, TBD).....	28
7. Monitoring, Evaluation and Reporting	29
9. Legal Context or Basis of Relationship.....	32
10. Work plans and budgets.....	33

1. EXECUTIVE SUMMARY

The Diaspora Engagement in Economic Development (DEED) programme has been designed jointly by the two implementing organizations UNDP and IOM in close consultations with the main national stakeholder, the Ministry of Diaspora of Kosovo. The planned programme is an extension of a joint DEED project, which has been active since August 2012 and is coming to an end in March, 2014. The DEED project assisted the Ministry of Diaspora of Kosovo in designing of a first ever National Strategy for Diaspora, a comprehensive document guiding the next five years of strategic policy work on diaspora issues in Kosovo.

In addition to the strategy, during the project lifetime several important knowledge-based products have been delivered by DEED: a feasibility analysis of possible banking products and services that would encourage formalizing the economy surrounding remittance transfer; assessment, mapping and piloting of investment models and instruments for diaspora; an evaluation of the international guarantee fund model; and three Kosovo Remittance Studies (2010, 2012 & 2013). Translation of these knowledge products into policy and practice has also been started. However, the two-year timeframe of the DEED project has proven to be too short to allow for a long-term sustainable, gender equitable local economic development to become visible. There is a risk that without further guidance and support the institutions may fail to further develop and implement the activities on the basis of these already established intervention models.

The DEED project has also managed to generate a well-functioning relationship and mutual trust between the relatively newly established Ministry of Diaspora (MoD) and the two development organizations, UNDP and IOM. During the project also connections between the MoD, Kosovar Diaspora abroad (including diaspora associations) and the diplomatic network of Kosovo have been strengthened significantly. The DEED project also established a very cooperative relationship between MoD, IPAK/SME agency¹, and the Kosovo Banking Association (KBA). All these networks are expected to be further strengthened and new relationships to be established during the next phase of DEED, so that the Ministry of Diaspora would be enabled to ingrain the models, services and products piloted during the first phase of the project.

In spite of these strides, the original timeframe of 24 months has proven very short for securing the full benefits of the work already underway. This is particularly true of the investment promotion models identified and evaluated by the project. Since identifying of the models was one activity of the original project, it was not possible by the time of the design of the project to know exactly what these investment models would actually look like or how long it would take to develop them. For creation of an investment fund (the recommended investment modality for the central level), the feasibility study proposes a timeframe of two to three years for establishment and fundraising for the fund. The second model, related to leveraging economic zones at the local level, requires assisting municipalities through the various steps of its establishment and promotion of such zones to the diaspora. This includes assessments of the land and feasibility of the proposed zones, acquiring of 16 different permits from various ministries, and development of promotional material targeting especially diaspora investors. Furthermore, in regard to the International Guarantee Fund model the study determined that the best option for implementation was through collaboration with USAID's guarantee scheme. This option however requires approval from Washington DC which in turn necessitates the sending of an assessment team, a process that, once begun takes several months. Considering the time needed for conducting the research for these models in Kosovo as well as among members of diaspora, the timeframe remaining for piloting of these models is not adequate for the project to implement the needed activities or to reach the number of investments facilitated foreseen in the original proposal.

¹ The Kosovo Investment Promotion Agency and the agency for support of Small and Medium Sized Enterprises are currently in the process of being merged.

Moreover, excellent opportunities for synergies between several existing IOM and UNDP projects can be identified in the possible extension of the DEED project. The extension phase of DEED would continue the piloted concrete measures for better livelihood and entrepreneurship opportunities for the remittance-receiving households. As a result, it would leverage the work done through existing UNDP interventions like Aid for Trade (AFT) and Active Labour Market Programmes (ALMP). In addition, synergies with the EU funded Community Stabilisation Programme and SME Support Project implemented by IOM can also strengthen efforts to promote entrepreneurship by providing seed capital through their grants programmes to microenterprises and SMEs. Further, these projects and their beneficiaries will benefit from contacts established with diaspora businesses. During the first phase of DEED it has become clear that one of the main obstacles reported by diaspora for investment in Kosovo is corruption. In this respect, an extension of the DEED project could help tackle corruption through a more comprehensive intervention in close cooperation with the Anti-Corruption project of UNDP (Good Governance Program). Possibility for cross-programmatic approach and the strong experience in assisting the government institutions at the central level make UNDP a uniquely placed development actor in the economic development of Kosovo. On the other hand, the IOM has a strong network and impressive experience in working with diaspora communities, as well as engaging diaspora in economic development of their country of origin.

The overall objective of the programme is to enhance the contribution of diaspora to poverty reduction in the short-term and to sustainable, gender equitable local economic development in the long-run, through facilitating and encouraging investment and saving behaviour among migrants and remittance-receiving households.

In order to address the objective, the programme foresees intervention through three key methods: **1) Strengthened capacities of Kosovo authorities to implement the National Strategy for Diaspora 2013-2018, 2) Relevant stakeholders have increased capacities to facilitate migrants' investments in Kosovo, and 3) Strengthened capacities of remittance recipients, diaspora business networks and Kosovar authorities to increase the positive impact of migration on the socio-economic environment of Kosovo.**

2. SITUATION ANALYSIS

CONTEXT OF THE JOINT PROGRAMME

Civil, political, and socio-economic unrest has led to various waves of emigration and internal movements that continue to have profound impacts on the prospects for sustainable development in Kosovo. According to the recently approved National Strategy on Diaspora the Kosovo Government estimates that over 800.000 Kosovars have emigrated in the last half century, excluding a large group of Kosovar Albanians that relocated to Turkey in the first half of the 20th century. Most of the former group lives in Western European Countries, specifically in Germany (39%)², Switzerland (23%), Austria (7%), Sweden (5%), and Great Britain (4%). A long migration history means that diaspora communities are well established while the recency of the last two waves of migration implies a high degree of connection with the communities of origin. Both point to the great potential for active engagement of the diaspora in the development of Kosovo.

It is very likely that emigration will continue to bear an important demographic influence in Kosovo for the foreseeable future. A household survey conducted in 2008 showed that 54% of 18- to 40-year-olds want to leave Kosovo.³ Migrants go abroad in order to search for better work opportunities, get an education, save money during their stay abroad, and return to their country of origin with better prospects and opportunities. According to the latest UNDP Kosovo Remittance Survey, in 2012 86% of breadwinners intending to emigrate from Kosovo planned to do so for economic reasons, which is in line with the results of also other studies describing migration profile of Kosovo. IOM's research shows that 46.4% of Kosovars with intention to emigrate in the following six months wanted to emigrate to take up employment, as compared to 26.4% that reported that they planned to leave for family reasons⁴. With unemployment above 35% and youth unemployment in particular above 60%⁵, the push to seek better futures abroad persists. The latest ILO's Labour Force Survey results show an inactivity rate of 63.2%, which may indicate that vast majority of the labour force in Kosovo has lost their motivation to even search for employment. Especially when considering that Kosovo has one of the youngest populations in Europe with some 200.000 youths expected to join in the next five years an already saturated labour market, emigration remains one of the few options for securing a decent livelihood for many.

Migrants and diaspora communities influence the Kosovo economy in many ways, one of which is remittances: funds that migrants transfer from their country of residence to their families in the country of origin. Remittance transfer may be made on a regular basis, sporadically or only in the event of crises, emergencies or special events. Analytical studies have shown that remittances play a crucial role in supporting the economy of Kosovo: 22.4% of Kosovo families received remittances during the year 2012, while the share of remittances of Kosovo GDP was 9.3% in 2012⁶. While remittances contribute to the short-term survival and well-being especially of poor and vulnerable households, and remittances can be seen as an essential tool for poverty-reduction, remittances can also have a negative impact by possibly creating remittance dependency both on the household and national levels. Also, remittances may entail the so called "spoil effect" on individual behaviour, which implies that remittances reduce the willingness to join labour market.

One of the UNDP Kosovo Remittance Study 2012 findings is that channels of transfer of remittances to Kosovo have been formalizing: in 2011 already 38.9% were transferred by using banks, in comparison to only 16% in 2010, and in general 57.2% of remittances were transferred by using formal channels. High costs have remained as the main reason hindering the use of

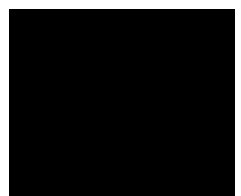
² % of the total number of Kosovars living abroad

³ IASCI. *Kosovo Market Analysis: Maximising the Development-Impact of Migration-related Financial Flows and Investment to Kosovo*. 2010. Available at www.iasci.info

⁴ IOM. *Labour Migration Patterns, Policies and Migration Propensity in the Western Balkans*. 2009

⁵ Labour Force Survey 2012. Statistical Office of Kosovo.

⁶ Study on Remittance in Kosovo 2013



formal transfer channels, however according to KRS 2012 more than 30% of emigrants would still prefer using informal channels even if costs of all transfer channels were the same⁷. The DEED project has cooperated with the Kosovo Banking Association in order to develop the banking products and services in Kosovo in order to increase financial literacy of remittance recipients and to increase savings, which could further be channeled to lucrative investment activities and that way stimulate economic growth in Kosovo⁸.

A study on the saving behaviour and investment potential of migrants found that the total pool of savings accumulated abroad by migrants is as much as 5.59 times higher than the amount of remittances over the same period. This finding points to the fact that remittances are only a small factor compared to the full potential that migrant and diaspora investment can have on the economic development of Kosovo. There are many examples of successful diaspora investment in Kosovo, especially through the privatization process; some examples include the Stonecastle Winery, Trofta Company, and Kosovatex textile company. In fact a Swiss funded study conducted in 2008 found that 25% of businesses surveyed in Kosovo have been started up with partial or complete funds generated from abroad.¹⁰ In addition, the Central Bank of Kosovo reported that 30% of Foreign Direct Investment came in the form of joint ventures with members of the diaspora.¹¹ This points to the fact that members of diaspora not only contribute their own wealth to their home economy but also stimulate investment from their colleagues, associates, and neighbours abroad. However, the potential of diaspora investment is far from fully actualized. In an online survey of members of diaspora conducted as part of the DEED project 66% of respondents reported that they had plans to establish business activities in Kosovo. The barriers to realizing this full potential are discussed below in the 'Challenges' section.

As has been reaffirmed by governments from around the world in IOM's Global Diaspora Ministerial Conference at which the Kosovo Minister of Diaspora took part, diasporas' contributions are not only financial but include skills mobility and social remittances. Through DEED and previous IOM projects it has become clear that members of the Kosovo diaspora do have an interest to return (permanent, temporary, or virtual) and contribute their skills to Kosovo's development. Through the Migration and Development in the Western Balkans (MIDWEB) project 12 diaspora professionals were placed in Kosovo institutions, including with the Ministry of Diaspora, for 2 month duty trips. However due to financial constraints the project could not fulfill the demand from both side having more diaspora applicants and institutional request than could be supported. During the DEED project, the project management has made a particular effort to engage human resources from the diaspora for the various research activities. Consultants from diaspora communities in Germany, Sweden and Finland have been contracted both of which have since found further engagement in Kosovo and continue contributing to their home communities. Other consultants had previously returned from the diaspora communities in the US and brought their unique experiences to the project.

In order to create evidence-based policies and mechanisms to manage and benefit from these movements the government needs to have accurate and comprehensive data. Furthermore, effective evidence-based policies are essential to Kosovo's future in the European Union. Providing the necessary framework for ensuring sustainable rights-based return and reintegration of returnees as foreseen by the readmissions agreements and Law on Readmissions approved by the Kosovo Assembly, these policies are a required step for entering into visa liberalization dialogue with the EU. However, a dearth of adequate data and a lack of capacity and coordination among the Kosovo institutions for elaborating evidence-based policies still remain, although the DEED project has produced data and built the capacities of national institutions to gather and

⁷ KRS 2012 (UNDP), p.52

⁸ KRS 2012 (UNDP), p.56

⁹ Kosovo Market Analysis: Maximising the Development-Impact of Migration-related Financial Flows and Investment to Kosovo. IASCI, 2010. Available at www.iasci.info

¹⁰ *Diaspora as a driving force for development in Kosovo: Myth or Reality?* SDC and Forum for Democratic Initiatives. 2009

¹¹ Havolli, Sokol and Jazbec, Bostjan. *Determinants of Migrant Investments: is there Room for Policy-Making?*. 2011

analyze data. New data about remittances is available due to the two Remittance Studies (2012 and 2013) that have been produced by the DEED project. While in 2011 the first national census since independence was conducted, diaspora members were excluded from the process. Therefore, with support from the DEED project, the Ministry of Diaspora has developed a plan for creating a voluntary diaspora registry over the next few years. The Ministry plans to begin piloting aspects of the plan in 2013 and has asked DEED project to further assist technically in creation of the respective questionnaire and database.

3. CHALLENGES TO BE ADDRESSED

The key challenges addressed by the DEED project during 2012-2014 were the following:

1. The developmental impact of remittances remains limited
2. The conditions for allowing migrants to safely and effectively invest in Kosovo are lacking
3. Existing policies or services do not encourage migrants' investments or return

The project has been able to contribute to these challenges by providing accurate data about remittances and possible investment mechanisms in order to increase the developmental impact of remittances. The project has also begun prototyping of some models like advancing entrepreneurship among remittance-recipient households to encourage migrants' investments and to increase the developmental impact of remittances. As one of the main results of the DEED project, due to significant financial and technical assistance given to the Ministry of Diaspora, the National Strategy for Diaspora was finalized and approved by the Kosovo Government in 2013. The strategy foresees policies and services that are necessary in order for Kosovo to maintain close relations with its diaspora, and eventually also to encourage migrants' investments and even return to Kosovo.

With reference to the achieved results of the DEED project, the key challenges have been revised for the extension of the project as the joint DEED programme based on the information gathered through the implementation of the project activities. Also the recommendations and data provided by the KRS 2012 and 2013 have been taken into account when formulating the key problems and proposed activities of the intervention.

The new challenges for the proposed programme are as follows:

1. While new policies to encourage migrants' investments or return have been created, central and local institutions continue to face limited resources for their implementation
2. The conditions for allowing migrants to safely and effectively invest in Kosovo are inadequate
3. The potential of the Kosovar diaspora as a driver of development is not fully realized

Each of these challenges is further elaborated below:

CHALLENGE 1. WHILE NEW POLICIES TO ENCOURAGE MIGRANTS' INVESTMENTS OR RETURN HAVE BEEN CREATED, CENTRAL AND LOCAL INSTITUTIONS CONTINUE TO FACE LIMITED RESOURCES FOR THEIR IMPLEMENTATION

Through focus group meetings and surveys conducted during the first phase of the DEED project members of the Kosovar diaspora have expressed their concern about the poor investment and economic climate that currently exists in Kosovo. They complain about corruption and red tape and ask for business-friendly policies that will support their investments. In addition to that, the general trust level in government is low, and migrants feel that much is expected of them to help develop Kosovo, while very little is done to actually facilitate that process.

In response, with the support of the DEED project, the Ministry of Diaspora has developed the National Strategy on Diaspora which was approved by the Kosovo government in August 2013, and whose Action Plan foresees several actions how the government institutions can support the diaspora abroad. Further, government also recently approved a new Law on Foreign Investments which the Ministry of Trade and Industry has revised to include all members of diaspora, whether having foreign citizenship or not, and thus providing institution protection to their investments. However, these new policies need further efforts to ensure their effectiveness. Being the first diaspora strategy for Kosovo, the institutional mechanisms for monitoring and implementation are still not in place at the central or local level. While the new Law on Foreign Investments promises protection, measures to provide fiscal and financial incentives are still lacking. In addition to these examples, the

existing employment and self-employment measures and education mechanisms need to be expanded to target also the diaspora and potential migrant population. In order to encourage and systematize investment behavior of the diaspora, relations between the diaspora members themselves as well as between the diaspora and Kosovo people and institutions need strengthening and institutionalizing.

CHALLENGE 2. THE CONDITIONS FOR ALLOWING MIGRANTS TO SAFELY AND EFFECTIVELY INVEST IN KOSOVO ARE INADEQUATE

An important element in the effort of enabling the migrants' and returnees' saving and investment in Kosovo is a viable business environment. Examples in other countries show that investments from the migrants or remittances have proven to fuel the economy if supported by business-friendly environment and flexible financial sector¹². Three main barriers that are usually mentioned by businesses in Kosovo are unreliable electricity and water supply, insufficient rule of law, and limited access to finance¹³.

When talking to potential investors among the Kosovar diaspora, the DEED project discovered that the main obstacles for them to invest in Kosovo were issues related to corruption, bureaucracy, lack of reliable information, and other aspects of the business environment such as access to financing and lack of infrastructure. While the first is an ongoing struggle for the Government of Kosovo, many reforms have taken place to 'cut the red tape' including decentralizing the business registration process and combining the issuance of both business and fiscal identification numbers. These have brought down the time for registration to a number of days from a number of weeks. Activities undertaken through the DEED project have contributed to alleviating several of the other barriers as well. Through supporting the Ministry of Diaspora to facilitate the formation of diaspora business networks in the region and further abroad, the project has helped create conduits for the dissemination of information. Furthermore, in cooperation with the Ministry of Trade and Industry, specifically IPAK, the project is developing a promotional video with successful diaspora investors telling their story in order to give potential investors in diaspora a more accurate picture of the current situation.

Those Kosovar migrants who wish to return and invest in Kosovo, regardless of their length of stay abroad, want to ensure favourable living conditions upon their possible return by contributing to their families' quality of life, and also supporting local and regional development. Yet despite these goals, migrants still face common barriers in the financial sector that hinder the achievement of their migration-related goals. Interest rates are on a very high level in Kosovo, climbing up to 25%, and even so, banks in Kosovo are reluctant to grant loans due to risk averseness. Interest rates reflect the high cost of capital and perceived high levels of risk in Kosovo, resulting from poor quality of business plans, the risk of confiscation of collaterals due to weak enforceability of contracts and the lack of cadastral documentation. Banks depend primarily on deposits and loans and offer for investment only a few products and services that could potentially diversify their revenue base and allow some more competitive lending. Related to this latter point, one finding from the DEED project is that the potential investors in diaspora have differing interests and intentions. Some would like to invest through expansion or establishment of business activities in Kosovo while others prefer to invest capital in existing businesses without the burden of personal involvement or physical return. However, the lack of a stock exchange in Kosovo coupled with the paucity of financial service previously mentioned serve to discourage the latter form of investment.

¹² World Bank Country Economic Memorandum 2010

¹³ EC progress report 2011

CHALLENGE 3. THE POTENTIAL OF THE KOSOVAR DIASPORA AS A DRIVER OF ECONOMIC AND SOCIAL DEVELOPMENT IS NOT FULLY REALIZED

Remittances transferred to Kosovo, while having some positive effect on immediate poverty reduction, have not fully realized their potential impact on the economic and social development of Kosovo. Part of this challenge is due to how remittances are transferred and how they are used. A large share of remittances remains to be transferred via informal channels (42.8%), perhaps also because of 25.3% of remittance recipients don't have a bank account¹⁴. Second, the potential multiplier effect of employment creation has not been realised due to the fact that most of the remittances received in Kosovo are used for consumption, often of imported goods, instead of investments.

The financial sector of any country plays an important role in mobilising savings, creating access to credit and contributing to development. In Kosovo, the financial sector offers a limited range of products to clients, and a concentration of commercial banking tends to keep fees high. To the disadvantage of local companies and enterprises, interest rates are higher than in neighbouring countries. To the impediment of households, high bank fees prevent the use of daily banking services such as bank transfers or the use of savings accounts, while maintaining the informality of financial transactions. Lack of employment and regular income of remittance recipients is discouraging them to use the expensive banking services. On the other hand there is a lack of investment services available for migrants sending remittances. Based on studies conducted by the DEED project specific products and services to increase the development impact of remittances in Kosovo have been identified and recommended for the banks, however the relevant institutions require more data and also building of capacities in order to start offering the services.

¹⁴ KRS 2012, p.51-53

3. STRATEGIC APPROACH OF THE PROGRAMME

The overall objective of the programme is to enhance the contribution of diaspora to poverty reduction in the short-term and to sustainable, gender equitable local economic development in the long-run through facilitating and encouraging investment and saving behaviour among migrants and remittance-receiving households.

The expected programme result of DEED is that the Kosovo diaspora is empowered to play a greater role as development actors in their communities of origin in order to have a positive impact on their local economy and the livelihood of their residence.

The UNDP Kosovo Programme Action Paper¹⁵ defines as one of its priorities the fostering of an enabling environment for inclusive economic growth. Women entrepreneurship and the usage of remittances as an instrument of investment are mentioned as support mechanisms in order to promote inclusive growth. The DEED programme contributes to the first outcome of the UNDP Kosovo Programme Action Plan (2011-2015)¹⁶, by further developing investment modalities for remittances, by introducing banking products for transfer of remittances, by advancing entrepreneurship and employment opportunities among the remittance receiving households, and by facilitating trade initiatives between Kosovo and its diaspora.

The DEED project during 2012-2014 was implemented jointly by UNDP and IOM, and used an applied pass-through modality in management of funds, with the responsibility of financial and narrative progress reporting being mainly the responsibility of UNDP as the Administrative Agent. By creating a joint programme the UNKT aims to upgrade the DEED project into a multi-partner intervention, with the multi-donor trust fund to manage the funds separately with each implementing partner. This modality will make it easier for additional partners to join the intervention at later stages, and also the responsibility of financial and progress reporting will be divided equally between all partners – with the Administrative Agent having the coordinating role.

The other relevant stakeholders, however not directly involved in this joint programme include the MTI and IPAK, MLSW, EC, USAID, GIZ, SDC and other interventions active in the areas of diaspora engagement in socio-economic development of Kosovo. The MTI and IPAK are central authorities in Kosovo as it comes to foreign investments to Kosovo and international trade activities, as well as entrepreneurship in Kosovo. The MLSW is the main authority in the area of employment activities, and provides services also for returnees (incl. former migrants). The EC is funding and coordinating projects in Kosovo related to economic development, as well as USAID and GIZ. The SDC was funding a Diaspora for Development project until summer 2013, and they plan to continue interventions related to diaspora in the near future. DEED will coordinate its activities and aims to cooperate closely with these possible external partners.

In the short term, remittances are seen to eradicate poverty effectively. Studies have shown that remittances are a major mechanism for reducing poverty in Kosovo by notably raising the income levels of the poorest households. According to the Kosovo Remittance Study 2010, remittance-receiving households report lower average monthly incomes, higher unemployment rate, as well as lower educational attainment. In addition to that, households in rural areas as well as households headed by women are more likely to receive remittances compared to households that reside in urban areas or that are headed by men. Remittances thus alleviate poverty especially of the most vulnerable households, targeting especially the most vulnerable households residing in areas with less access to health and education services.

¹⁵ KPAP p.8

¹⁶ by 2015, "vulnerable women and men (returnees, IDP, minority groups, PWD, youth) have more economic and livelihood opportunities, and benefit from better public and social services", KPAP

Moreover, remittances not only contribute to the wellbeing of Kosovar households and the livelihoods of men and women, but they also have a larger impact on the Kosovo economy. In 2012, the contribution of remittances to the GDP of Kosovo was 9,3%¹⁷. Kosovo has a small open economy driven mainly by consumption growth and high public investment. Kosovo has the lowest level of domestic production and the highest rate of unemployment of all the countries in the Balkans, and due to limited productive capacities, Kosovo continues to import significant amounts of goods and services. In 2009, the value of exported goods covered only 8.5% of the value of imported goods. Thus, Kosovo's economy faces a trade deficit at the value of 46% of its GDP. If it were not for external injections of cash such as remittances, Kosovo would be constrained to import goods and services only at the level that its domestic economy could afford. Considering the low base of exports and relatively low income from investment, the inflow of remittances contributes to the improvement of the current account balance (which, excluding government transfers amounted to 27 percent of GDP in 2009).

Kosovo's economy faces many structural constraints which frame the present socio-economic conditions. According to the latest Labour Force Survey, unemployment rate remains high at 30.9% in 2012, although it has come down from 2009 (45.5%). Additionally, low participation of women and youth within the labour force raises concerns over the marginalisation of many working-age Kosovars due to structural deficiencies within the labour market. Under the conditions of low domestic production and high unemployment, financial assistance to Kosovar families from abroad is of major importance to Kosovo's development prospects because it alleviates the difficulties Kosovo will face until it manages to achieve sufficient and sustainable economic growth.

While this project welcomes the significant contribution of remittances to the economy of Kosovo and especially to the support of less prosperous households, it addresses the need to shift away from a track where Kosovo economy becomes dependent on remittances **in the long term**. To leverage Kosovo's long migration history to create sustainable economic development, the diaspora must be engaged as full development actors. This means enabling and facilitating the investment of wealth accrued abroad into projects and enterprises that have a direct multiplier effect in the Kosovo economy. As mentioned previously Kosovo migrants save up to 5.5 times as much money abroad as that which they remit, so the potential impact of migrants' savings on the Kosovo economy is great. Even though for all the reasons previously mentioned the full potential of this money has not been realised, 25% of businesses surveyed in Kosovo reported having been started up with partial or complete funds generated from abroad¹⁸ (either from their own work, work of their family members or both).

Migrants and diaspora not only have monetary wealth to contribute to Kosovo but also a wealth of knowledge and experience in operating at different levels within complex developed economies. Around 63% of the Kosovar diaspora emigrated because of their financial situation and 46.4% of those planning to emigrate report that it is related to work,¹⁹ thus ensuring viable economic opportunities is the only way to encourage a voluntary return in dignity for members of the diaspora and to mitigate the effects of brain drain. Through the establishment of mechanisms assisting migrants, diaspora, and their families to establish income generating activities, the programme will indirectly contribute to creating the necessary conditions for their possible return and participation in the Kosovo economy. The proximity of the largest diaspora communities, in Germany, Austria, and Switzerland, to Kosovo facilitates the management of transnational enterprises, meaning diaspora entrepreneurs do not need to give up their well-established lives in their countries of migration to contribute their wealth to the economy. By stimulating the economy and generating employment for residents rather than just smoothing consumption, this kind of engagement breaks the cycle of remittance dependency creating local opportunities and a conducive environment for voluntary return of skilled Kosovars. Further, while it is expected that with

¹⁷ Study on Remittance in Kosovo 2013

¹⁸ Forum for Democratic Initiatives. *Diaspora as a driving force for development in Kosovo: Myth or Reality?*. 2009

¹⁹ IOM. *Labour Migration Patterns, Policies and Migration Propensity in the Western Balkans*. 2009

time remittances decline in relation to the level of integration of the diaspora, transnational commercial activities have the potential to increase as more established members of the diaspora have more disposable income for such investment.

LESSONS LEARNT

The cooperation established with the Ministry of Diaspora and the IPAK during the DEED project support the achievement of results. One lesson learned during the DEED project has been that the capacities of the MoD to effectively implement the Diaspora Strategy require regular, intensive assistance, and the DEED project staff has managed to earn the trust of the MoD by providing them with the necessary additional human capacity and technical support. The establishment of close connections also in the form of official networks has proven to be crucial for the implemented activities to be sustainable, and in order to achieve a change in attitudes and behavior of the stakeholders, namely diaspora.

While implementing the activities the programme can contract skilled professionals or recently graduated young talents from the Kosovar diaspora who wish to work short assignments in Kosovo – a practice that has been successful during the DEED project 2012-2014. These individuals benefit the project by bringing their personal expertise from diaspora in addition to their specific professional skills, and at the same time they can become a positive example for their fellow diaspora members abroad about how it is possible to work and live in Kosovo. Their added value is also the fact that they channel realistic information to diaspora about current living conditions and regulatory framework in Kosovo, and to their family members and relatives in Kosovo they transfer the skills and values they have adopted while living abroad.

Based on previous experiences, innovative methods in the design and implementation of activities will be used as much as possible to reach the multiple relevant stakeholders. DEED has already consulted the experts in the UNDP Bratislava Regional Centre Knowledge and Innovation Team, and DEED has lot of potential to reach out better to its beneficiaries by introducing user innovation techniques (especially in activities on entrepreneurship, trade development and investment models), and by using more of the new (social) media when reporting about the progress. DEED is already reporting regularly via the Really Simple Reporting²⁰ blogsite, a new reporting channel introduced in UNDP during 2012. DEED will also look into the possibility of using innovative applications of mobile technology in advancing its objectives, like the diaspora registry and investment models. The Finnish expertise in mobile and high technology will be used as much as possible in order to add Finnish value to the project.

PROPOSED PROGRAMME OUTPUTS

Output 1. Strengthened capacities of Kosovo authorities to implement the National Strategy for Diaspora 2013-2018

Under the Law on Diaspora and Migrants passed in 2012 and the National Strategy on Diaspora 2013-2018, the MoD is obliged to develop a registry of the Kosovo diaspora. During the initial phase of the DEED project, assistance was provided to the MoD at all stages of the development of the Strategy and DEED assisted specifically in drafting of the concept document for the development of the diaspora registry. Both the Strategy and the concept document have been approved by the government, and the government has foreseen over 2 million EUR to be needed for the implementation of the latter. The registry will have a vital role in providing disaggregated demographic data on the Kosovar diaspora for the creation of public policies that will facilitate further their engagement in the socio-economic development of Kosovo. The register will also allow for more efficient communication between the Kosovo authorities and members of diaspora, both women and men, which will address another barrier often mentioned by members of the diaspora: the lack of reliable and accurate information. The Strategy and the Action Plan are crucial elements for stimulating members of the Kosovar diaspora to

²⁰ <http://undp.akvoapp.org/en/project/895/>

contribute to their communities of origin since members of the diaspora reported during the initial phase of the DEED project that a lack of trust in Kosovo institutions was one of the main barriers for them to invest in Kosovo. Some of the activities foreseen in the Action Plan have already been initiated such as the opening of Cultural Centres abroad and supporting the establishment of diaspora business networks, however, these documents are both quite ambitious in scope and will require support in order to ensure that they do not remain largely words on a page. The Strategy is inter-ministerial and multi-sectorial, prescribing actions in coordination with various institutions such as the Ministry of Education, Science, and Technology and the Kosovo embassies and consulates abroad as well as diaspora associations existing and to be established. For example, the MoD will support the national diaspora business networks in the primary countries of destination to facilitate communication with potential investors and eventually inviting them to a global congress of diaspora businesses. Although exact numbers of diaspora in different destination countries are still lacking, the KRS 2013 respondents reside mainly in the following countries: Germany, Switzerland, Italy, Slovenia, Austria, and USA, and Sweden. During the first phase of DEED diaspora business networks have been established in Germany, Switzerland and Austria. Therefore targeting diaspora communities in higher income countries, the MoD is now planning on facilitating the establishment of networks in USA and the Nordic countries. In particular through focus group meeting with diaspora in Sweden and Finland organized by DEED, it was found that many of the Kosovar diaspora members living in the Nordic countries are actively involved in business or politics and the project will actively support the establishment of the business network in the Nordic countries, with the purpose of strengthening the social and economic ties between Kosovo and the diaspora residing in Finland, Sweden, Denmark, and Norway. Especially diaspora women active in business will be encouraged to form networks and contribute more actively to the economic development of Kosovo, not the least in the form of providing their skills and expertise to be shared with women active in business in Kosovo. An important dimension of strengthening the ties between Kosovar diaspora and Kosovo is to encourage brain-gain to Kosovo. One of the most crucial institutional structures that need to be developed in this regard is a body for overseeing the implementation of both the Strategy and Action Plan. A new ministry with a new strategy as yet lacks the internal structures to gather information from the various actors within the Ministry and outside which will be responsible for various activities.

Activity result 1: Staff of relevant Kosovo authorities, especially Ministry of Diaspora and the Kosovo Agency of Statistics, have the skills and knowledge to produce and manage information related to migration and development, including gender disaggregated data

Activity result 2: Staff of relevant Kosovo institutions have the skills and knowledge required to implement the National Strategy for Diaspora 2013-2018

Activity result 3: Diaspora business networks, targeting especially women entrepreneurs and women in business, created and functioning in the main migration destination countries

Activity result 4: Municipal Diaspora Liaison Officer have skills and knowledge to perform their tasks in an efficient and effective manner

Activity result 5: A monitoring and evaluation system created in the Ministry of Diaspora in order to provide sustainable support for local authorities in implementation of the diaspora strategy

Output 2. Relevant stakeholders have increased capacities to facilitate migrants' investments in Kosovo

This output will be achieved by building on the results of the feasibility studies and piloting of models identified during the DEED project. The three models identified are a private investment fund, municipal bonds and further development of economic zones to attract investments from the Kosovar diaspora. After thorough risk analysis and creation of a detailed action plan, the models are being put in practice in coordination with the actors from the financial sector and the relevant public institutions at the local and central level. It is foreseen that the three models will be piloted beginning in the end of 2013 and into the first quarter of 2014. However, these models are complex initiatives involving many and varied stakeholders, and adequate time is required for the models to be fully operational. As Kosovo business sector mainly consists of small and medium size enterprises, the models itself prior to establishment require a *detailed study of the deal flow* with

mature enterprises to review transactions that for instance the private equity fund can seek for investment. Investments by the Fund would have to be done in phases over few years as each one would take time to find, negotiate and conclude. However, in principle, the Diaspora Private Investment Fund will have to seek investment in the higher end of these of mature enterprises with large cash flows.

In addition, taking into account all the research findings derived from the multiple research activities as part of the study for the investment model on Economic Zones, a number of recommendations related to attracting diaspora investors by offering to them investment opportunities on economic zones, including related PPP aspects are recommended and respective actions to be taken by DEED, in the next months and years, have been also identified.

As a follow-up action resulting from the law on economic zones that was approved recently, it is recommended that the National Plan on Economic Zones is drafted and approved with priority. This initiative, undertaken by MTI/SMESA may be achieved in cooperation with AKM and other relevant stakeholders (BSOs, experts, and NGOs, and international development organizations). International best practices and expertise should be pursued in the process of drafting the strategy, which the DEED programme can offer in the short and long run. A few objectives of the strategy can be: developing a document that foresees development of economic zones in Kosovo for the next 20 years; identifying location specific needs and developing economic zones that enable industrialization and competitiveness; drafting a national strategy to promote those zones to potential investors (domestic, international, and diaspora).

In the context of issuing municipal bonds, this investment alternative is perceived to be a good capital generating alternative for the municipalities. Nevertheless, members of the diaspora, consider investing in municipal bonds as a not the most preferred investment option because of lack of knowledge and experience by the Kosovo municipalities in issuing bonds; high level of perceived investment risk and uncertainty; lack of relevant secondary legislation in place; and the overall poor investment climate in Kosovo. Also small municipalities do not have the capacity to engage in issuing bonds due to high long term costs, lack of expertise, as well as limited borrowing capacity.

Furthermore, if municipalities plan to issue local level bonds, than they have to develop the relevant secondary legislation, which is necessary to regulate this economic activity. The local government investing in building professional staff capacities to deal with such undertakings is only one major area where DEED programme will become instrumental in. The DEED programme will help Municipalities on their path to overcoming above mentioned challenges, in close cooperation with central government by initiating a possible strategy in the central level context.

Finally, as the focus group studies conducted during the first phase of the DEED have shown, members of the Kosovo diaspora, regardless of gender, tend to trust mostly word of mouth information from other businesspeople. This means that it will also take time for the potential users for the diaspora to become familiar with and spread the word about the services the models offer. Taking this into consideration, adequate time should be allocated for the consolidation of the models and a thorough assessment of the piloted models should only be done after at least one year of full implementation, as has been recommended also in the studies produced during the first phase of DEED.

Activity result 1: Completion of Piloting of the selected Models/Instruments for investments

Activity result 2: Relevant stakeholders have the requisite data and support to successfully establish the Investment fund targeting the Kosovar diaspora

Activity result 3: Relevant stakeholders have the requisite data and support to successfully establish and develop Economic zones targeting the Kosovar diaspora

Output 3. Strengthened capacities of remittance recipients, diaspora business networks and Kosovar authorities to increase the positive impact of migration on the socio-economic environment of Kosovo

This output will be achieved by strengthening the skills and capacities of the lower income remittance-receiving households to manage and administer small businesses in order to have a sustainable source of income with the additional help of regular or occasional remittances. The Study on Remittances in Kosovo 2013 points out that within the three lowest income categories the households that receive remittances are less than those households that do not receive remittances²¹. This data can be interpreted to show that remittances help to keep households out of poverty. For the sake of sustainability and also stability of the communities in Kosovo, it is crucial that the effect of remittances would be channeled to benefit the overall economic development and better livelihoods in Kosovo. The project approach to make this kind of inclusive growth happen is to support the remittance recipient families to use remittances as seed money for investments, so that they can provide employment for those households within their community that do not receive remittances. The project will engage the banking sector and other financial service providers to offer products that will facilitate the transfer of remittances, e.g. by reducing the transfer costs, when channelling the remittances to investments to small businesses. Successful small or microenterprises from different parts of Kosovo will be used as mentors for the start-ups, thus creating a practical network of remittance receiving small enterprises. The exact design of this activity will build on the lessons captured during the cooperation activity with RDAs East and West (first phase of DEED). Because of the prototyping character of this cooperation activity, monitoring and evaluation of the activity has been paid special attention to, and a careful analysis of the results of the prototyping will serve in further detailed development of this activity in phase two of DEED. Positive gender discrimination, i.e. providing support especially for business-oriented women, will be emphasized especially when choosing the beneficiaries of this activity. DEED will also use the experience of the UNDP Area-Based Development project when designing the implementation of the activities on entrepreneurship.

By incentivizing migrants to transfer remittances through formal channels, these households will have an increased access to financial services, which will support the savings behaviour of remittance-receiving households. Regular income and savings will make it possible for the low income remittance receiving households to use financial services, and a successful microenterprise will make possible for them to get credit from regular financial institutions for further investments.

Sustainability of the initiative will be ensured by using a model of co-financing in creation of the small businesses. The remittance-senders will be kept motivated by channelling a small percentage of profit for their initial investment, and the remittance receiving households will be required to invest a small percentage in the creation of the small business. This dimension of the activity can however be further developed only after having recorded the experiences from the RDA cooperation activity, which is ongoing while this document is being written. Having in mind that not every remittance recipient is willing to become an entrepreneur, the activity will also target SMEs with strong potential to offer employment in case of receiving investments from diaspora. The activity foresees a wider multiplier effect through employment of non-remittance receiving community members within support businesses, thus increasing the impact on poverty reduction in these communities.

To ensure the sustainability of these initiatives, activities will be coordinated with the Ministry of Diaspora (MoD), the Ministry of Agriculture and the Ministry of Economic Development. The MoD will be encouraged to continue working with the relevant financial institutions in Kosovo to advance their responsiveness to the needs of remittance senders and receivers. In turn the MoD and other relevant institutions can assist in reaching out to potential clients thus creating a win-win situation for all stakeholders. For example, the counsellors at the Migration Service Centres throughout Kosovo can be trained to assist remittance receiving households to identifying and maximising the potential benefit of the innovative products developed by the private sector.

²¹ KRS 2013, p.30 (Figure 3.4)

The private sector must be the driving force for sustainable growth in Kosovo. Currently, over 98% of registered businesses are micro-enterprises with limited export capacity and thus the trade imbalance remains high, with imports accounting for 50% of the GDP. As was demonstrated in the Kosovo Remittance Study 2012, remittances have fuelled this consumption driven economy as over 60% are used for consumption while remittance receivers also reported a slightly higher minimum reservation wage than non-recipients. To break this cycle not only is further investment needed to increase the private sector but also markets for the products are needed to make such investments profitable and ensure the sustainability of the enterprises. The Kosovar diaspora is a foreign market which could be targeted by local producers. Members of the diaspora can be consumers of local products, both as individuals as well as through the businesses they own or manage. Furthermore, as has been the case in United States with Central American migrants, Diaspora members not only are consumers themselves but can help products from their countries of origin to gain access to mainstream markets in the long run. In the example mentioned above this effect was such that in 2007 'salsa' outsold the American standard of ketchup, \$462.3 million to \$298.9 million. This means that the diaspora not only opens a market of around 800,000 Kosovars living abroad but beyond that also to the several million residents of countries in which they live. Therefore, the promotion of local products to the Kosovar diaspora has both a short-term and long-term impact on the growth of the private sector in Kosovo. For this reason, the Ministry of Agriculture, Forestry and Rural Development (MAFRD) has been promoting local products within the Kosovo market but is also eager to expand this promotion to the members of the diaspora, while IPAK has been linking Kosovar businesses with foreign investors and business abroad. During its first phase DEED has also assisted the MoD department for investments in creating important networks between diaspora businesses and Kosovo, such as the Kosovo Diaspora Businesswomen Network. Through leveraging modern technology and also traditional business matching practices the project will assist in coordinating the efforts of MAFRD, IPAK, as well as the MoD to outreach to both individuals and business in the diaspora to promote local Kosovar products abroad.

Going beyond only financial transactions, skill and brain drain from developing countries has been flagged as a developmental challenge for decades, but the problem persists and increases in scope. Most industrial countries belong to "aging advanced" economies, with the EU-27's old age dependency ratio will more than double to 38.33 % by 2030, from 25.9 % in 2010 (Eurostat). In Kosovo, the challenge is particularly acute: labor markets significantly lag behind in creating attractive jobs, as a result of which workers of all skill levels, and particularly the highly-skilled, depart for the EU and other western countries. The increasing integration with the EU further may well exacerbate the draining of productive human resources from Kosovo. Unless the can design innovative ways to "circulate", "return" or effectively utilize the skills which of those Kosovars abroad, the economies will continue to stagnate. The diaspora must play an important role and, as part of the National Strategy on Diaspora, the government has committed to engaging with them to this end. Using expertise gathered from similar projects from around the globe, the project will assist the government in creating a sustainable scheme for this purpose.

Activity result 1: Kosovar producers have established links with diaspora businesses abroad allowing local Kosovar products to be available in the primary diaspora communities.

Activity result 2: Mechanisms in place to sustainably improve the livelihoods of remittance receiving communities.

Activity result 3: An effective approach to encourage knowledge transfer from diaspora to beneficiaries within Kosovo institutionalized with project support

GENDER MAINSTREAMING WITHIN THE PROGRAMME

The proposed activities will target especially women, as they are according to several studies in a weaker economic position than men, with the remittance-receiving households being no exception. According to KRS 2012²² only 29.4% of women from remittance recipient households are employed, whereas the corresponding figure for men is 69.9%. As migrant women

²² KRS 2012, p.44

report to save a higher share of their total income (20%) than men (17.4%)²³, the project aims to target especially women as potential investors for businesses in Kosovo. Women in diaspora are also more often employed than women living in Kosovo, and thus strengthening the women's networks between diaspora and Kosovo is expected to advance female employment in Kosovo by providing encouraging examples of economically independent women. Successful women from diaspora will also be asked to mentor the female start-up entrepreneurs in Kosovo in order to provide them the best possible peer support. The challenge in addressing gender mainstreaming with some of the activities of DEED lie within the fact that the ratio of women being nominated to middle management, senior management or even specialist positions is significantly lower than that of men. Having this in mind it has proven quite difficult to aim for gender balance when implementing activities that target especially businesspeople, municipal diaspora liaison officers, or staff of government institutions like the Ministry of Diaspora or IPAK. It is quite limited how much DEED can influence the gender balance of these beneficiaries who should primarily be chosen based on their substantive knowledge, position in the organization and relevant experience or skills or potential – and who must be chosen by the respective stakeholder organizations, in the end. Another challenge for improving gender balance in DEED activities is that according to different studies (Labour Force Survey, Remittance Study) women seem to be less motivated to advance their careers or be highly active economically or establish businesses. This might be because of traditionally there have been less opportunities for women than men in the Kosovar society for economic activities, but another reason may also be that women in Kosovo value higher other aspects of life than career and business. However, DEED will try its best to advance gender mainstreaming within its activities, having in mind these challenges and external limitations.

HUMAN RIGHTS

Acknowledging the huge diversity of migratory experiences, the project takes a rights-based approach by increasing the opportunities and capacities of migrants, diaspora, and their families to participate in the economic life of their communities of origin and/or residence. Firstly, by contributing to the eradication of poverty among rural communities and vulnerable groups, the project aids in the effective enjoyment of these populations of their right to an adequate standard of living as laid out in article 11 of the International Covenant on Economic, Social, and Cultural Rights (ICESCR) which Finland ratified on 19th of August of 1975. Article 6 of the same also describes the right of persons to gain their living from freely chosen work, which is supported by the project's facilitation of investment in income generating activities. Furthermore, by creating the conditions for a return in dignity for migrants that were forced to leave their home due to economic hardship the project also supports article 12 of the International Covenant on Civil and Political Rights (ICCPR), ratified by Finland at the same time as the ICESCR. On the other hand, while there is debate over the kinds of rights that should be afforded ethnic immigrants as opposed to national minorities, diaspora communities can be considered ethnic minorities in their country of migration to be protected under articles 26 and 27 of the ICCPR. By supporting the Kosovar diaspora to reach their savings and investment goals while strengthening their links to their communities of origin the project also strengthens its members' ability to enjoy these rights. In the same fashion, these actions support the protections laid out in the International Convention on the Elimination of All Forms of Racial Discrimination (CERD) which Finland ratified on the 14th of July of 1970. This rights-based approach to migration and development centres on the needs and interest of migrants and their families in the while seeking to achieve win-win arrangements between countries of origin and migration.

CAPACITY GAPS OF STAKEHOLDERS

Cooperation with the MoD during the DEED project has shown that the Ministry of Diaspora needs additional support in order to become fully capable to perform its role as the key coordinator of all diaspora related activities that the Kosovo government has and plans to have in the future. The National Strategy on Diaspora 2013-2018 covers many different areas of the society and a lot of coordination between different line ministries (like Ministry of Education, Ministry of Trade and Industries, Ministry of Economic Development, Ministry of Labour and Social Welfare) is needed in order to implement the

²³ KRS 2012, p.53

action plan of the strategy in a successful way. The MoD is still lacking human and financial resources, and since it is a new ministry, also substantive experience and know-how.

On the local level the newly nominated Municipal Diaspora Liaison Officers often have also other duties in addition to their role as key officials in the municipality in relation to diaspora. This results in natural lack of human capacity, and sometimes also lack of professional skills, as some of the topics related to diaspora are new to the MDLOs, and diaspora issues are often cross-cutting.

SUSTAINABILITY OF RESULTS

After 5 years of existence and 2-3 years of intensive capacity building by the DEED programme the Ministry of Diaspora is expected to be fully functional, having stabilized its position and capable of performing its role as the key coordinator of diaspora issues in Kosovo. The activities of the DEED programme are based on careful analysis of the evidence and research data gathered throughout the years of implementation, and all the activities have been negotiated with the key stakeholders like the MoD, MDLOs, the diaspora representatives, KBA, the business community in Kosovo and potential investors abroad. Therefore it is reasonable to expect that once the mechanisms for investments have been established, they will continue to run based on the investments coming to Kosovo from abroad. As co-funding of diaspora and joint implementation and co-funding with different partnering organizations forms the basis in majority of the activities, it is more likely for the results of these activities to be sustainable. Activities proposed for the programme have also either been tested somewhere else in the world, or specifically asked for by the main stakeholders of the programme in order to make sure the sustainability of the results. Ownership of the results is also guaranteed during the whole programme implementation by very closely cooperating with the stakeholders, and with the implementing UN organizations/agencies taking mainly an assisting role while giving the ownership for the beneficiaries and local partners from the very beginning.

4. RESULTS AND RESOURCES FRAMEWORK

The planned objective of the joint programme contributes to the UNKT Common Development Plan priorities. The programme also directly contributes to the UNDP Kosovo Programme Action Plan Outcome #1, aiming that “by 2015, vulnerable women and men (returnees, IDP, minority groups, PWD, youth) have more economic and livelihood opportunities, and benefit from better public and social services”. The following Results and Resources Framework presents the specific activities that are planned to make possible the successful achievement of the three outputs.

Table 1: Results and Resources Framework

UNKT Joint Programme on Diaspora Engagement in Economic Development (DEED)				
Related CDP Outcome: By 2015, vulnerable women and men (returnees, IDP, minority groups, PWD, youth) have more economic and livelihood opportunities, and benefit from better public and social services				
Programme Outcome: Kosovo diaspora is empowered to play a greater role as development actors in their communities of origin in order to have a positive impact on their local economy and the livelihood of their residence				
INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
<p>Output 1. Strengthened capacities of Kosovo authorities to implement the National Strategy for Diaspora 2013-2018</p> <p>Baseline: No registry of Kosovar diaspora in place, MoD has weak capacities to implement the National Strategy for Diaspora, diaspora business networks established in Germany and Austria, MDLOs lack substantive expertise to perform their duties as per the</p>	<p>Targets (year 1)</p> <ul style="list-style-type: none"> - A voluntary registry of Kosovar diaspora piloted - Detailed work plans created for the main responsible departments in the Ministry of Diaspora to implement the strategy - 2 diaspora business networks established, one for diaspora business women - 2 workshops or trainings for 	<p>Activity result 1: Staff of relevant Kosovo authorities, especially Ministry of Diaspora and the Kosovo Agency of Statistics, have the skills and knowledge to produce and manage information related to migration and development, including gender disaggregated data</p> <p>Activity result 2: Staff of relevant Kosovo institutions have the skills and knowledge required to implement the National Strategy for Diaspora 2013-2018</p> <p>Activity result 3: Diaspora business</p>	<p>IOM, UNDP</p> <p>IOM, UNDP</p>	<p>Staff time Total budget: EUR 40.000</p> <p>Staff time Total budget EUR 36.000</p>

<p>action plan, No monitoring and evaluation system in place to support implementation of the Strategy.</p> <p>Indicators: Existence of a diaspora registry, % of MoD staff within targeted department reporting that they are satisfied with support provided, # of functioning diaspora business networks, # of MDLOs trained in substantive knowledge, existence of a M&E system.</p>	<p>MDLOs organized, encouraging municipalities to recruit also skilled women to work with diaspora</p> <ul style="list-style-type: none"> - M&E system in the Ministry of Diaspora designed and prototyped <p>Targets (year 2)</p> <ul style="list-style-type: none"> - A voluntary registry, including gender disaggregated data, of Kosovar diaspora fully functional - Detailed work plans implemented in the MoD departments - 2 diaspora business networks established, one for diaspora business women, in the Nordic countries - 2 workshops, trainings, or study visits for MDLOs organized, encouraging gender balance of participants - M&E system in the Ministry of Diaspora functional and in use 	<p>networks, targeting especially women entrepreneurs and women in business, created and functioning in the main migration destination countries</p> <p>Activity result 4: Municipal Diaspora Liaison Officers have skills and knowledge to perform their tasks in an efficient and effective manner</p> <p>Activity result 5: A monitoring and evaluation system created in the Ministry of Diaspora in order to provide sustainable support for local authorities in implementation of the diaspora strategy</p>	<p>IOM, UNDP</p> <p>IOM</p> <p>UNDP</p>	<p>Staff time Total budget EUR 20.000</p> <p>Staff time Total budget EUR 15.000</p> <p>Staff time Total budget EUR 15.000</p>
---	---	--	---	---

<p>Output 2. Relevant stakeholders to have increased capacities to facilitate migrants' investments in Kosovo</p> <p>Baseline: Piloting of diaspora investment models/instruments not completed, a feasibility study on investment funds completed, a feasibility study on economic zones targeting Kosovar diaspora completed.</p> <p>Indicators: # of assessment reports on piloted models for diaspora investment, # of economic zones supported, # of investment fund prospectus available, # of potential investors identified</p>	<p>Targets (year 1)</p> <ul style="list-style-type: none"> - Piloting of the selected diaspora investment models completed and reported - Increased knowledge of the Relevant stakeholders about the opportunities of an investment fund - Min. two economic zones have increased capacities to attract investments from diaspora <p>Targets (year 2)</p> <ul style="list-style-type: none"> - The relevant stakeholders have adequate data and skills to establish an investment fund - Min. four economic zones have increased capacities to attract investments from diaspora 	<p>Activity result 1: Completion of Piloting of the selected Models/instruments for investments</p> <p>Activity result 2: Relevant stakeholders have the requisite data and support to successfully establish the Investment fund targeting the Kosovar diaspora</p> <p>Activity result 3: Relevant stakeholders have the requisite data and support to successfully establish and develop Economic zones targeting the Kosovar diaspora</p>	<p>IOM, UNDP</p> <p>UNDP</p> <p>IOM</p>	<p>Staff time Total budget: EUR 25.000</p> <p>Staff time Total budget EUR 30.000</p> <p>Staff time Total budget EUR 30.000</p>
<p>Output 3. Strengthened capacities of remittance recipients, diaspora business networks and Kosovar authorities to increase the positive impact of migration on the socio-economic environment of Kosovo</p>	<p>Targets (year 1)</p> <ul style="list-style-type: none"> - Min. 20 B2B contacts between Kosovar producers and diaspora retail businesses created - market assessment for 	<p>Activity result 1: Kosovar producers have established links with diaspora businesses abroad allowing local Kosovar products to be available in the primary diaspora communities.</p> <p>Activity result 2: Mechanisms in place to</p>	<p>IOM, UNDP</p>	<p>Staff time Total budget: EUR 40.000</p>

<p>Baseline: Few trade links between Kosovar producers and diaspora, Low penetration of Kosovar products in European markets evidenced by the low percentage of exports vis-à-vis GDP (18.8% in 2012), no sustainable mechanisms to improve livelihoods of remittance recipient families</p> <p>Indicators: # of members of diaspora business networks, # of contracts signed between local producers and diaspora businesses, # of businesses supported or established with diaspora investments, # of diaspora professionals facilitated to contribute skills to Kosovo</p>	<p>Kosovar products in main diaspora countries available</p> <ul style="list-style-type: none"> - min. 15 businesses supported with grants or skills development, of which 7 owned or managed by women <p>Targets (year 2)</p> <ul style="list-style-type: none"> - min. 10 business links created between local producers and diaspora businesses - Min. 5 retailers in diaspora provide Kosovar products for sale for customers - min. 10 businesses originally supported with diaspora investments provided advanced business training in order to increase profitability and scale of the business - min. 6 diaspora professionals facilitated to contribute skills to Kosovo 	<p>sustainably improve the livelihoods of remittance receiving communities.</p> <p>Activity result 3: An effective approach to encourage knowledge transfer from diaspora to beneficiaries within Kosovo institutionalized with project support</p>	<p>UNDP</p> <p>IOM</p>	<p>Staff time Total budget EUR 75.000</p> <p>Staff time Total budget EUR 65.000</p>
---	---	---	------------------------	---

5. MANAGEMENT AND COORDINATION ARRANGEMENTS

Overall program oversight will be provided by the **Programme Board**, comprising of:

- Representatives of the relevant line ministries (Ministry of Diaspora, Ministry of Trade and Industries)
- The Donor(s)
- The Implementing Agencies

The role of the Board is to approve:

- Approve the strategic direction for implementation of the Joint Programme;
- Approve the arrangements for management and coordination;
- Endorse the annual work plans and budgets and decide on fund allocations, as well as make any necessary adjustments to attain anticipated outcomes;
- Review the annual Joint Programme Report and provide strategic comments and communicate this to participating Organizations;
- Suggest corrective action to emerging strategic and implementation problems;
- Create synergies and seek agreement on similar programmes from other donors; and
- Approve the communication and public information plans prepared by the Programme Management Committee.

The Board will meet semi-annually: one meeting will be focussing on the approval of the work plans, resource allocations and annual reports; and the other to monitor implementation progress. Other relevant stakeholders can be invited to participate as observers.

Each Participating Organisation will be responsible for specific programme outputs and activities agreed upon in the annual work plans under the joint implementation modality.

The implementation of the Joint Programme activities/outputs will be the responsibility of the Participating Organisations and will be carried out by each Participating Organisation in accordance with their respective regulations, rules, directives and procedures applicable.

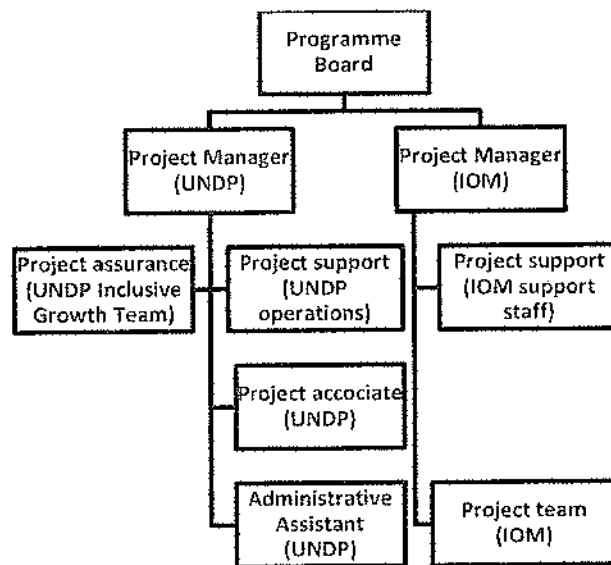
The UNDP activities of the joint programme will be implemented by a Project Manager, who is responsible for the effective and efficient operational management of all program activities and resources (human, financial, physical/material assets, etc) in order to meet expected the respective results. The Project Manager will be supported by the project team and by the Administrative Assistant who will provide support to the effective and efficient functioning of the Joint Program at central and local level; provide administrative, procurement and logistical services; and maintenance and assets management and by the UNDP Kosovo Operations. Quality assurance and implementation responsibilities will be separated within UNDP: quality assurance and internal monitoring of the project implementation will be performed by the UNDP Programme Analyst in charge with the project, while the practical project implementation responsibility will be with the UNDP Project Manager.

The IOM project activities will be implemented by a Project Manager, who is responsible for the effective and efficient operational management of all program activities and resources (human, financial, physical / material assets, etc) in order to meet expected respective results. The Project Manager will be supported by a project team and by IOM Kosovo support staff including administrative, finance, and logistical staff.

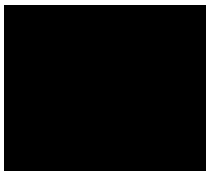
In order to ensure effective coordination and smooth implementation of joint activities, the above project staff will jointly develop the annual workplan delineating the division of responsibilities and tasks between implementing agencies.

A task force, whose main task will be to provide support to the Ministry of Diaspora, identify capacity building needs of the Ministry of Diaspora and ensure coordination between the Ministry of Diaspora and other stakeholders, will consist of members of UNDP, IOM, Ministry of Diaspora and other members if needed. The task force will meet at least twice a month.

Organisation structure of the project is presented in Figure 3.



Regarding donor coordination, the DEED team has been in communication with the Swiss Cooperation Office in Kosovo which is the other primary donor working on diaspora issues in order to deepen coordination and cooperation. Currently, negotiations are ongoing for a potential contribution to the extension phase of the DEED programme from the Swiss Agency for Development and Cooperation (SDC). A proposal for the incorporation of the potential contribution has been prepared and in coordination with the Finnish Embassy in Pristina and submitted for review. In case such a contribution is approved by the SDC, the implementing agencies will coordinate with the current donor to provide all revised documentation needed for formalising the cooperation. Notwithstanding the results of the aforementioned negotiations the DEED team will continue to seek better coordination with the SDC and other potential donors working in the field through regular meetings and information sharing.



6. FUND MANAGEMENT ARRANGEMENTS

The programme will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent (AA) under which the funds will be channeled for the programme through the AA. Each participating UN organization receiving funds through the pass-through would have to sign a standardized Memorandum of Understanding with the AA.

The Administrative Agent will:

- Establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds received from the donor(s) pursuant the Administrative Arrangement. This Joint Programme Account will be administered by the Administrative Agent in accordance with the regulations, rules, directives and procedures applicable to it, including those relating to interest;
- Make disbursements to Participating Organizations from the Joint Programme Account based on instructions from the Steering Committee, in line with the budget set forth in the Joint Programme Document.

The Participating Organizations will:

- Assume full programmatic and financial responsibility and accountability for the funds disbursed by the AA.
- Establish a separate ledger account or project ID for the receipt and administration of the funds disbursed to it by the Administrative Agent.
- Each organization is entitled to deduct their indirect costs on contributions received according to their own regulation and rules, taking into account the size and complexity of the programme. Each organization will be entitled to deduct up to 8% as overhead costs of the total allocation received for the agency.

The MPTF Office will charge administrative agent fee of one per cent (1%) of the total contributions made to the Joint Programme.

UNDP Country Office, as 'lead agency' will consolidate narrative reports provided by the Participating Organizations. As per the MoU:

- Annual narrative progress report and the final narrative report, to be provided no later than three months (31 March) after the end of the calendar year.

The MPTF Office will:

- Prepare consolidated narrative and financial progress reports, based on the narrative consolidated report prepared by the UNDP Country Office and the financial statements/ reports submitted by each of the Participating Organizations in accordance with the timetable established in the MoU;
- Provide those consolidated reports to each donor that has contributed to the Joint Programme Account, as well as the Steering Committee, in accordance with the timetable established in the Administrative Arrangement.
- Provide the donors, Steering Committee and Participating Organizations with:
 - Certified annual financial statement ("Source and Use of Funds" as defined by UNDG guidelines) to be provided no later than five months (31 May) after the end of the calendar year;

- Certified final financial statement (“Source and Use of Funds”) to be provided no later than seven months (31 July) of the year following the financial closing of the Joint Programme.

Budget Preparation - The Programme Coordinator will prepare an aggregated/consolidated budget, showing the budget components of each participating UN organization.

Accounting - Each organization will account for the income received to fund its programme components in accordance with its financial regulations and rules.

Admin Fees and Indirect Costs

- **Administrative Agent:** The AA (UNDP) shall be entitled to allocate one percent (1%) of the amount contributed by the donor, for its costs of performing the AA’s functions.
- **Participating Organizations:** Each organization participating in the joint programme will recover indirect costs in accordance with its financial regulations and rules and as documented in the Memorandum of Understanding signed with the AA.

Interest on funds - Interest will be administered in accordance with the financial regulations and rules of each organization and as documented in the Standard Administrative Arrangement signed with the donor.

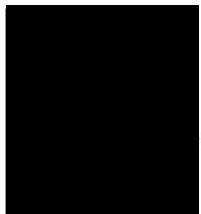
Balance of Funds - The disposition of any balance of funds remaining at the end of programme implementation will be in accordance with the agreements between the participating organizations and the implementing partners as well as donors where applicable.

Audit - The Administrative Agent and Participating Organizations will be audited in accordance with their own Financial Regulations and Rules.

BUDGET (SEPARATE ATTACHMENT, TBD)

The total planned budget for the Joint Program is EUR 820,000 for the three years of program implementation potentially to be funded by the Finnish government. The work plan and the programme has been designed based on the funding from the Finnish government, and in case the resource mobilization activities of the programme prove to be successful, the scale of the planned activities will be increased to reach a better geographic coverage and more beneficiaries.

The program will build on existing UN interventions in Kosovo and maximize the use of the existing human resources and logistics where possible.



7. MONITORING, EVALUATION AND REPORTING

To measure program effectiveness, guide strategic planning, make effective and efficient use of resources and determine where the program is on track and where corrections need to be considered the Joint Program will adopt the following M&E tools and methods:

- Collection of baseline data at the start and towards the end of program implementation through assessment of different dimensions of diaspora engagement in economic development, prevalence and risk factors (investment attitudes and practices; economic behaviour; financial literacy; economic activity of the diaspora etc.);
- Annual financial reports and a final certified financial statement
- Semi-annual narrative progress reports (activity based), annual reports (focusing on outcomes/results, risks analysis and overall impact) timely prepared and submitted to the UN Administrative Agent and the donor(s) and a final narrative report at the end of the program (focusing on the achieved results). The reports will use the templates of the Administrative Agent (UNDP), with possible modifications agreed by all implementing agencies/organizations.
- Based on the semi-annual and annual reports a review of the program will be conducted at the Program Board meetings.
- An independent external evaluation will be conducted before the termination of the project. The evaluation shall review the projects results, identify lessons learned and provide suggestion for the continuation of activities. The evaluation shall focus on relevance, results and effectiveness/efficiency of project implementation. Evaluators are expected to follow relevant guidelines from UNDP and IOM.
- The Joint Programme Monitoring Framework contains the program's indicators and sources of verification that will be used. The information collected through this process will be incorporated in the program's semi-annual and annual narrative progress reports.
- The Programme will continue also real-time reporting via Really Simple Reporting, the programme website and other media channels of both organizations.

Table 2: Joint Programme Monitoring Framework (JPMF)

Expected Results (Outcomes & outputs)	Indicators (with baselines & indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risks & assumptions
<p>Output 1. Strengthened capacities of Kosovo authorities to implement the National Strategy for Diaspora 2013-2018</p>	<p>1) Existence of a diaspora registry; 2) % of MoD staff within targeted departments reporting that they are satisfied with support provided; 3) # of functioning diaspora business networks; 4) # of MDLOs trained in substantive knowledge; 5) Existence of an M&E system. (No registry of Kosovar diaspora in place; MoD has weak capacities to implement the National Strategy for Diaspora; diaspora business networks established in Germany and Austria; MDLOs lack substantive expertise to perform their duties as per the action plan; No monitoring and evaluation system in place to support implementation of the Strategy)</p>	<p>Regular (incl. Annual) progress reports of the Ministry of Diaspora; Signed list of participants of the diaspora business networks conference; Signed list of participants in training; monitoring and evaluation system to support implementation of the Strategy initiated and progress reported; satisfaction survey of MoD staff.</p>	<p>Reported discussions, Quarterly throughout the programme duration</p>	<p>UNDP, IOM</p>	<p>Risks: Lack of decision making positions within MoD led by women, may limit our capacity to meet our gender inclusion objectives. Changes in staff (MoD, MDLOs) may result in delays in the implementation of the activities, and influences the sustainability of improved capacities within the institutions. Parliamentary elections may delay activities related to technical assistance or planned to be implemented jointly with the Gov. Institutions, while new government takes place. Assumptions: There will be a central institution (MoD) who is mainly responsible for implementation of the National Strategy for Diaspora, and that institution remains willing to cooperate with UN institutions.</p>
<p>Output 2. Relevant stakeholders have</p>	<p>1) # of assessment reports on piloted models for diaspora investment; 2) # of economic zones supported;</p>	<p>Regular reports by Kosovo Central Bank; data gathered by the KBA; data from the MTI</p>	<p>Quantitative/statistics, Annually</p>	<p>UNDP, IOM</p>	<p>Risks: Other factors (weak justice system, corruption, access to finance etc.) cause investors to hold back despite the</p>

<p>increased capacities to facilitate migrants' investments in Kosovo</p>	<p>3) # of investment fund prospectus available; 4) # of potential investors identified. (A feasibility study on investment funds completed; piloting of diaspora investment models/instruments not completed; a feasibility study on economic zones targeting Kosovar diaspora completed).</p>	<p>and IPAK, Programme progress reports</p>			<p>establishment of investment mechanisms. Assumptions: Diaspora continues to be willing to invest in Kosovo if there are functioning and profitable investment mechanisms in place. The priorities of the relevant ministries continue to be in line with the implementation of the proposed models.</p>
<p>Output 3. Strengthened capacities of remittance recipients, diaspora business networks and Kosovar authorities to increase the positive impact of migration on the socio-economic environment of Kosovo</p>	<p>1) # of members of diaspora business networks; 2) # of contracts signed between local producers and diaspora businesses; 3) # of businesses supported or established with diaspora investments. 4) # of diaspora professionals facilitated to contribute skills to Kosovo (Few trade links between Kosovar producers and diaspora; Low penetration of Kosovar products in European markets evidenced by the low percentage of exports vis-à-vis GDP (18.8% in 2012); no sustainable mechanisms to improve livelihoods of remittance recipient families)</p>	<p>Regular reports by MoD and IPAK; data on remittances collected by the Kosovo Agency of Statistics; Labour Force Survey, Programme progress reports</p>	<p>Quantitative/statistics, discussions with the established business and diaspora networks</p>	<p>UNDP, IOM</p>	<p>Risks: Lack of motivation to get employed or become economically active of the women or male led remittance recipient households would weaken the results. Lack of interest or purchasing power of diaspora consumers abroad would result in no trade or sales of Kosovar products in the target migration countries. Negative change in overall living conditions in Kosovo could result in increasing willingness to migrate. Assumptions: The number of households receiving remittances is decreasing, thus the motivation of former remittance recipients to become economically active increases. Kosovar diaspora abroad is willing to consume products from Kosovo abroad. The living conditions in Kosovo develop towards a higher standard as integration towards the EU and Kosovo-Serbia relations proceed.</p>

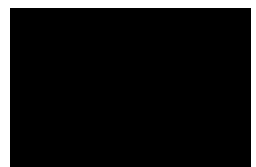
9. LEGAL CONTEXT OR BASIS OF RELATIONSHIP

This section specifies what cooperation or assistance agreements form the legal basis for the relationships between the Kosovo Institutions and each of the UN organizations participating²⁴ in this joint programme.

<i>Participating UN organization</i>	<i>Agreement</i>
UNDP	MOU
IOM	MoU

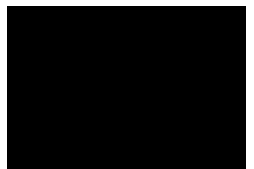
The Implementing Partners/Executing Agency agree to undertake all reasonable efforts to ensure that none of the funds received pursuant to this Joint Programme are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by Participating UN organizations do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this programme document.

²⁴ Including Specialized Agencies and Non Resident Agencies participating in the Joint Programme



10. WORK PLANS AND BUDGETS

The work plan for 2014 and the budget for 2014, as well as the budget draft for the whole duration of the programme, are annexed to this Joint Programme Document.



ANNUAL WORKPLAN July 2014 - June 2016

TARGET	ACTIVITY	2014	2015	2016	Total
Output 1	1.1 Improved capacity of Kosovo authorities to produce and manage information (diaspora registry)	10,000.00	20,000.00	10,000.00	40,000.00
	1.2 Improved capacities of Kosovo authorities at central and local level to implement the strategy	10,000.00	16,000.00	10,000.00	36,000.00
	1.3 Diaspora business networks	5,000.00	10,000.00	5,000.00	20,000.00
	1.4 Municipal Diaspora Liaison Offices	5,000.00	5,000.00	5,000.00	15,000.00
	1.5 A monitoring and evaluation system	5,000.00	5,000.00	5,000.00	15,000.00
TOTAL OUTPUT I		35,000.00	56,000.00	35,000.00	126,000.00
TARGET	ACTIVITY	2014	2015	2016	Total
Output 2	2.1 Completion of Pilot selected Models/Instruments for investments	25,000.00	-	-	25,000.00
	2.2 Investment fund	-	20,000.00	10,000.00	30,000.00
	2.3 Economic Zone	-	20,000.00	10,000.00	30,000.00
TOTAL OUTPUT II		25,000.00	40,000.00	20,000.00	85,000.00
TARGET	ACTIVITY	2014	2015	2016	Total
Output 3	3.1 Business links with diaspora	10,000.00	20,000.00	10,000.00	40,000.00
	3.2 Remittances receivers small grants	30,000.00	45,000.00	-	75,000.00
	3.3 Skills transfer	20,000.00	40,000.00	5,000.00	65,000.00
TOTAL OUTPUT III		60,000.00	105,000.00	15,000.00	180,000.00
A. TOTAL OUTPUT I + OUTPUT II + OUTPUT III		120,000.00	201,000.00	70,000.00	391,000.00
BUDGET ITEM	2014	2015	2016	Total	
UNDP Project team staff costs	31,500.00	63,000.00	31,500.00	126,000.00	
IOM Project team staff costs	29,797.00	60,455.00	30,658.00	120,910.00	
UNDP Admin costs (including office equipment and other office costs)	12,075.00	23,165.00	12,635.00	47,875.00	
IOM Admin costs (including office equipment and other office costs)	6,000.00	12,000.00	6,000.00	24,000.00	
Communication (brochures, PR), participation to conferences etc.	4,000.00	9,000.00	9,000.00	22,000.00	
Project monitoring	2,000.00	4,837.00	7,000.00	13,837.00	
Final evaluation			20,000.00	20,000.00	
B. OTHER BUDGET ITEMS (SHARED COSTS)	85,372.00	172,457.00	116,793.00	374,622.00	
C. GENERAL MANAGEMENT SERVICE - UNDP 7% + IOM 5%	12,450	22,583	11,226	46,259	
D. ADMINISTRATIVE AGENT FEE (1%)	2,178	3,960	1,980	8,119	
TOTAL PROJECT BUDGET (A + B + C + D)	220,000	400,000	200,000	820,000	

UNKT Joint Programme on Diaspora Engagement in Economic Development (DEED)

ANNUAL WORK PLAN

Year: July 2014 – December 2014 (all amounts in EUR)

EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount in EUR
<p>Output 1 - Technical support and improvement of capacities of Kosovo authorities in order to implement the National Strategy for Diaspora 2013-2018</p> <p>Baseline: MoD has limited capacity (lack of staff, lack of financial resources) to implement the strategy, MDLOs lack substantive expertise to perform their duties as per the action plan, No monitoring and evaluation system in place to support implementation of the diaspora strategy</p> <p>Indicators: # of advisers recruited to assist the MoD, # of MDLOs trained in</p>	<p>Activity Result 1.1: Improved capacity of Kosovo authorities to produce and manage information related to migration and development, including gender disaggregated data;</p> <p>Activity actions</p> <ul style="list-style-type: none"> ▪ Organize trainings and workshops for MoD and other Kosovo authorities staff related to the implementation of the diaspora registry 						Special Events (Trng)	5,000(UNDP)	
				X			UNDP IOM MoD MFA Diaspora networks and Associations	FIN	Travel &Accommodation
<p>Activity Result 1.2: Improved capacities of Kosovo authorities at central and local level to implement the National Strategy for Diaspora 2013-2018</p> <p>Activity actions</p> <ul style="list-style-type: none"> ▪ Organize trainings and workshops for MoD and other Kosovo authorities staff ▪ Support the MoD on fundraising for the strategy 	<p>Activity Result 1.3: Diaspora business networks created and functioning in the main migration destination countries</p>						Special Events (Trng)	5,000(UNDP)	
				X			UNDP IOM MoD Municiplts. Diaspora networks and Associations	FIN	Consultancy Services
									Sub-total : 10,000
									Sub-total : 10,000
									Sub-total : 10,000

Indicators: # of investment mechanisms, increase (%) of foreign investments to Kosovo	Activity Result 2.2: Investment fund targeting the Kosovar diaspora in place Activity actions <ul style="list-style-type: none"> No activities are foreseen during 2014. Implementation will begin in the first quarter 2015. 						UNDP MoD IPAK Diaspora networks and Associations	FIN	0
	Sub-total : 0								
Output 3 - Improvement of the business environment in Kosovo to facilitate development impact of migration and remittances Baseline: 25.3% remittance recipients don't have a bank account, 27% of remittance recipient adults are employed, 15% of households have plans to migrate in the near future Indicators: Increase (%) of usage of banks by remittance recipients, increase (%) of employment rate of remittance recipient adults, # of sales points for Kosovar products in target migration	Activity Result 2.3: Economic zones targeting the Kosovar diaspora in place Activity actions <ul style="list-style-type: none"> No activities are foreseen during 2014. Implementation will begin in the first quarter 2015. 						IOM MTI Municipalities	FIN	0
	Sub-total : 0								
	Activity Result 3.1: Kosovar producers have established links with diaspora businesses abroad, and local Kosovar products are available to the primary diaspora communities Activity actions <ul style="list-style-type: none"> Hire Intl/-or National consultant(s) to conduct an outreach and market assessment; 						UNDP IOM MoD MAFRD IPAK	FIN	5,000(UNDP) 5,000 (IOM)
	Sub-total : 10,000								
	Activity Result 3.2: Sustainable mechanisms to improve livelihoods of remittance recipient families and remittance receiving communities established and supported (support to micro- and SMEs and skills development) Activity actions <ul style="list-style-type: none"> Small grants program to support entrepreneurship initiatives of remittance-receiving households, especially women remittance receivers in cooperation with (RDAs) by offering business plan competition business trainings and financial literacy; 						UNDP RDA MoD	FIN	30,000(UNDP)
	Sub-total : 30,000								

countries, increased # of returns, decrease (%) in percentage of households who plan to migrate	<p>Activity Result 3.3: A systematic approach to encourage brain-gain and prevent brain-drain established and supported</p> <p>Activity actions</p> <ul style="list-style-type: none"> ▪ Establishment of database of skills gaps in Kosovo; ▪ Organize training for outreach and identification of diaspora professionals; 	X	X	IOM MoD	FIN	Special Events (Trng)	20,000 (IOM)
						Travel & Accommodation	Sub-total: 20,000
Total Activities						Consultancy Services	120,000
Staff Costs (UNDP & IOM)							61,297
Admin Costs							23,047
GMS							13,459
Admin Agent Fee							2,178
GRAND TOTAL							219,971



**Memorandum of Understanding
between
the International Organization for Migration (IOM),
and
the United Nations Development Programme (UNDP)**

**regarding the Operational Aspects of
Diaspora Engagement in Economic Development Joint Programme in Kosovo**

This **Memorandum of Understanding** (hereinafter referred to as “Memorandum”) is concluded between the International Organization for Migration (hereinafter “IOM”), an inter-governmental organization, established by treaty and having its headquarters at 17, Route des Morillons CH-1211 Geneva 19, Switzerland, and the United Nations Development Programme (hereinafter “UNDP”), a subsidiary organ of the United Nations, having its Headquarters at One United Nations Plaza, New York, New York as Administrative Agent of Joint Programme “**Diaspora Engagement in Economic Development**” in Kosovo (hereinafter “Joint Programme”).

WHEREAS, the Participating UN Organizations to the Joint Programme have signed a Memorandum of Understanding relating to the Operational Aspects of the Joint Programme (attached hereto as Annex I).

WHEREAS, IOM wishes to participate in the Joint Programme receive funds on the same terms as the Participating UN Organizations.

WHEREAS, the Participating UN Organizations and Donors to the Joint Programme agree to IOM’s participation in the Joint Programme.

WHEREAS, the Participating UN Organizations authorize UNDP as Administrative Agent to conclude this Memorandum with IOM for its participation in the Joint Programme.

NOW, THEREFORE, IOM and UNDP hereby agree as follows:

1. IOM warrants and confirms that it has entered into relevant basic agreements with the governments of the countries where it will operate in connection with the Joint Programme, as a basis for its activities.
2. IOM warrants and confirms that it has privileges and immunities in respect of its personnel and assets consistent with those of the Participating UN Organizations in the countries where it is to undertake activities in connection with the Joint Programme, including functional immunity of its personnel and assets, and immunity from legal process and from search and seizure.


3. IOM agrees to carry out its activities on the terms and conditions of the Memorandum of Understanding entered into between the Participating UN Organizations and UNDP attached hereto as Annex I, which is an integral part of this Memorandum.

4. For Notices under this Memorandum, the addresses of IOM and UNDP are as specified in Annex II hereto.

6. This Memorandum shall enter into force upon signature by the authorized officials of IOM and UNDP and shall continue in force and effect until it expires or is terminated.

IN WITNESS WHEREOF, the undersigned, duly authorized representatives of the respective Parties, have signed this Memorandum in English in two copies.

For the International Organization for Migration (IOM):

Signature: 

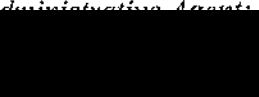
Name: Jorge Baca Vaughan

Title: Chief of Mission

Place: Pristina

Date: 23/07/2014

For the Administrative Agent:

Signature: 

Name: Yannick Glemarec

Title: Executive Coordinator,
Multi Partner Trust Fund Office, UNDP

Place: New York

Date: 21 July 2014

ANNEX I: Memorandum of Understanding between Participating UN Organizations and UNDP relating to the Operational Aspects of Diaspora Engagement in Economic Development Joint Programme in Kosovo

ANNEX II: Notices

