



**ASSESSMENT**  
**BUSINESS STARTUP CENTER KOSOVO**  
**2005-2008**



**ASSESSMENT CONDUCTED: DECEMBER 9-14, 2007**

**REPORT SUBMITTED: JANUARY 2008**

---

**Lead Evaluator & Author: Craig Hempfling**  
**Assistant Evaluator: Alush Grosha**

## Table of Contents

<b>Summary</b> .....	1
<b>Introduction</b> .....	3
<b>Methodology</b> .....	4
<b>Program Overview</b> .....	5
<b>BSC Kosovo Office &amp; Institution</b> .....	6
Startup & Management .....	6
BSC Sustainability.....	8
<b>BSC Coordination Committee</b> .....	9
Membership .....	9
Coordination Committee Feedback.....	9
Responsibilities & Activities.....	10
<b>Training: Business Plan Writing &amp; Business Skills Development</b> .....	11
Training Courses - Staff Perspective .....	11
Training Courses - Trainee Perspective.....	12
CEFE Training.....	15
Training Courses - Trainer Perspective .....	15
Other Potential BSC Offerings .....	17
<b>Business Plan Competition</b> .....	18
Competition Management.....	18
Competition Awards .....	19
Competition Winners.....	20
<b>Credit Facility for Winning Startups</b> .....	21
<b>Consulting Services for Winning Startups</b> .....	24
<b>SENSI &amp; Regional Coordination</b> .....	25
<b>Monitoring &amp; Evaluation</b> .....	27
<b>Netherlands-Funded Program Coordination</b> .....	27
TAM/BAS .....	27
PUM .....	29
CARE REGS.....	30
Ministry Programs .....	31
<b>Contacts &amp; Interviewees</b> .....	33
<b>Annex: BSC Kosovo Assessment: Interview Plan</b>	

## Definitions & Acronyms

**ATA:** Former name of SPARK, the implementing international organization behind the BSC project. Throughout the report, the authors use the current name, SPARK even if the organization was called ATA at the period of time in question.

**BSC:** Business Start-Up Center. In this report BSC is generally used to mean BSC Kosovo, except where clarification between the BSC Kosovo and other BSCs is necessary.

**BSCK:** Business Start-Up Center Kosovo, a two-year, €1,000,278 project started in October 2007, and currently extended through March 2008. BSC-K generally refers to the name of the program but can also be used to indicate the center itself.

**BSCK-2:** Second phase of BSCK with proposal currently under review by Dutch government. If funded, would continue BSC-K activities into 2010.

**CC:** BSC Coordination Committee.

**CEFE:** Competency-based Economies through Formation of Enterprise; a set of training instruments using an action-oriented approach and experimental learning methods to develop and enhance business management and personal competences.

**Client:** The persons served by the project, in this case the trainees of both the Business Plan Development and Business Skills Training courses and competition winners.

**CoC:** Kosovo Chamber of Commerce.

**EAR:** European Agency for Reconstruction.

**EBRD:** European Bank for Reconstruction & Development. EBRD mobilizes the financial resources of country and intergovernmental owners, investing mainly in private enterprises including banks, industries and businesses, together with commercial partners. It also supports privatization, restructuring state-owned firms and improvement of municipal services.

**Expert:** In the BSCK program, the term is synonymous with Pre-Trainer.

**GIS:** Geographic Information System.

**HACCP:** Hazards Analysis and Critical Control Points.

**ILO:** International Labor Organization, a UN Sub-Organization.

**KEP:** Kosovo Enterprise Program; a development-mandated micro-enterprise loan program.

**LED:** Local Economic Development.

**M&E:** Monitoring & Evaluation, also referred to as DM&E (Design, Monitoring & Evaluation), is a cyclical process whereby a program is designed and implemented, then monitored and evaluated, resulting in a continual process of improvements and refinements to the original design.

**MEF:** Kosovo Ministry of Economy & Finance.

**MEST:** Kosovo Ministry of Education, Science & Technology.

**MLSW:** Kosovo Ministry of Labor & Social Welfare.

**MoCYS:** Kosovo Ministry of Culture, Youth, Sports & Non-Residential Issues.

**MoTI:** Kosovo Ministry of Trade & Industry.

**MSME:** Micro, Small & Medium Enterprise (SME: Small & Medium Enterprise)

**Pre-Trainer:** A trainer engaged in the training-of-trainers. Typically this was an international consultant from Netherlands or the Balkans. These trainers generally designed the training modules used and later adapted by local trainers. In BSC-K the term is synonymous with Expert. Jaap van Tilburg was extensively used as a Pre-Trainer.

**Pre-Training:** Training-of-Trainers.

**RCC:** Regional Coordination Committee, the body planned to coordinate regionally between country programs and organizations. Later evolved into SENSI.

**SEE Business Center Coordination:** Network of BSCs in the Balkans, including those in Bosnia & Herzegovina, Kosovo, Macedonia, Montenegro and Serbia.

**SENSI:** Southern European Network of Start-Up Centers & Incubators: Network of BSCs and business incubators in the Balkans. SENSI was developed as an SEE Business Center Coordination initiative.

**Southeast Europe Business Start-Up Network:** Three-year, €10 million euro project being implemented from 2007-2010 with goal to establish four BSCs, one in a select city in each of the countries of Bosnia & Herzegovina, Macedonia, Montenegro and Serbia. BSC-K is considered to be the pilot program for the Southeast Europe Business Start-Up Network.

**SWOT Analysis:** Strengths, Weaknesses, Opportunities & Threats Analysis is a business analysis tool used to determine strategic market entry points and comparative advantages, opportunities and constraints.

**TAM/BAS:** Turn-Around Management/Business Advisory Services program implemented through EBRD, EAR and Netherlands funding. TAM targets consulting services to medium to large enterprises, while BAS targets micro to medium enterprises.

**PSD:** Private Sector Development in the Western Balkans is a three-year SPARK-Kosovo project that builds the capacities of ministries, universities and other institutions to tackle economic challenges on a regional level.

**YEA:** Young Entrepreneurs Association, a youth and trainee networking initiative proposed under the BSCK-2 project.

## Summary

**Overview:** This report presents the results of an external assessment of the Business Startup Center Kosovo (BSCK) project implemented by the Netherlands organization SPARK, together with local stakeholders. An assessment team of two evaluators interviewed 48 trainees, staff members, Coordination Committee members, trainers, partners and other stakeholders to provide comprehensive feedback and recommendations for the BSC program. Almost without exception the program and its training courses received positive feedback. This report summarizes that feedback, evaluates the program and provides recommendations for improvement of the current and future BSC activities. Recommendations are noted as either having been provided by interviewees (yellow boxes) or evaluators (blue boxes).

**Program Goals & Activities:** The program targets the training and development of 400 youth in Kosovo, helping them improve their business skills and establish 30 new businesses. The goal is accomplished through three cycles of training courses and business plan competitions consisting of: i) one-week Business Plan Writing course; ii) ten-week Business Skills Development course; and iii) a Business Plan Competition, whereupon winning trainees receive an award package to help them register and start their businesses.

**Meeting Program Deliverables:** In the original proposal, SPARK commits to completing three training cycles and facilitating the startup of 30 enterprises. To date, two cycles have been undertaken with the second about to be completed; seven enterprises accepted the competition award package and registered. A number of issues were identified during the first year of the program that resulted in delays and setbacks. While behind schedule, SPARK, the BSC and the evaluators believe it is possible to complete and improve the third cycle by implementing some changes to make the process more efficient: i) eliminate or retarget the Business Plan Writing course, since trainees feel it is redundant as a pre-cursor to the Business Skills Development course; and ii) consolidate Business Skills Development training modules to eliminate redundancies between modules.

**Coordination Committee:** Coordination Committee (CC) members generally report positive feedback with respect to the program, their roles and responsibility, and communication. According to staff and CC members, there are of course differences between the members with respect to their level of activity, interest and cooperation. In some cases this is related to organizational issues and the partners represented on the council, while in others it is related to the specific individual appointed to serve on the council by the member organization. Many agree that participation on the council by the business sector could be bolstered. (Although Riinvest is private, perhaps it is viewed as an “academic” rather than a “business,” and while the Chamber of Commerce does represent the private sector, it is a public institution. There are discussions to add KEP as a member.) BSC and SPARK should evaluate members’ performance and make the necessary changes to council membership and policies.

**BSC Sustainability:** Sustainability of the BSC is an important goal of the project and one which should be addressed quickly, not only because it will take time, but more importantly because the stakeholders and SPARK staff members have different visions for the future. The BSC is currently not locally registered but rather remains operating under the SPARK Kosovo registration. While SPARK mandates that the BSC be registered as a shareholding entity embedded within and governed by the institutional partners, the BSC staff envisions the BSC as an independently owned and managed entity. By and large, Coordination Committee members have yet to enter into the discussion, which is likely to further complicate the issue. SPARK should immediately begin working with the BSC and its stakeholders to articulate a joint vision and to develop marketable services, as well as take the necessary legal steps for their registration.

**Training Programs:** With respect to the one-week Business Plan Writing course, most of the trainees interviewed felt that the content of the course was redundant, either through their past experience or through the Business Skills Development course. Given this, and with the short time remaining on the project, we recommend that the BSC drop this course from future cycles (or retarget it to a different group of participants rather than using it as a pre-cursor to the ten-week course). The Business Skills Development course, by all accounts, most importantly the trainees, is useful and of high quality with many positive aspects, in particular its practicality, approach and quality trainers. However, nearly all stakeholders interviewed, including trainees, trainers, BSC staff and others, feel that the course is too long, either in terms of the number of weeks, number of days per week, or number of hours per day. SPARK and the BSC should consider the following recommendations for future training cycles:

1. interview current and past trainees and trainers to identify specifically where and how the ten-week training can be condensed, and/or invite trainers to a workshop where they go through the substance of each module and work together to streamline and consolidate modules;
2. develop a better understanding of potential entrepreneurs and target demographic profiles most likely to start and register a business;

3. incorporate the actual business plans of the trainees as case studies during the training, and allow working time in class for applying the course material to the business plans;
4. ensure that timely feedback is provided to all trainers following the completion of their module;
5. maximize guest speakers, field visits and coaching; utilize prior BSC graduates as “ambassadors” to serve as guest speakers and work with subsequent groups of trainees;
6. incorporate some of the principles and practices of the CEFE training into the BSC modules.

**Business Plan Competition:** Following the ten-week Business Skills Development course, participants are able to prepare and present their own business plan to a jury of five members. After the first cycle of training, the jury selected eleven winning business plans for an award package that included the cost of business registration, up to €5,000 of credit, and 100 hours of consulting services from one of two local consulting firms. Seven of the winning competitors accepted the award package and legally registered their businesses. Many interviewees, notably the staff and training graduates from the first cycle, stated that the terms of the credit facility were not presented clearly and accurately before the course began (they had been told the award would be a grant). The current round of trainees was properly introduced to all terms and conditions of the competition.

**Award Package Utilization:** While seven of the winning competitors from the first cycle have accepted the award package and credit, only one to date has requested the consulting services. (SPARK indicates that at the time of this writing the services have been provided.) Regardless, both the credit and the consulting services remain somewhat under-utilized compared with the budgeted plan. To alleviate this issue, the evaluators recommend to: i) offer the consulting resources to all enterprises that start and *register*, and provide consulting services on a project, rather than hourly, basis; ii) increase the number of winners and/or the amount of credit available for winners; iii) score the competition business plans so that if one or more groups do not accept the package, the award is available to others; and iv) sponsor subsequent business plan competition(s) for the non-winning applicants from earlier rounds.

**Credit Facility for Winning Startups:** While the terms of the credit seem in fact quite competitive based on limited information available to the assessment team, many trainees (most notably those from the first cycle) express some disappointment with respect to the credit. Many interviewees, including KEP, suggested using a grant-credit combination in lieu of strictly credit (though SPARK indicates that this is not an option). According to KEP’s Research & Development Manager, KEP is willing to re-examine some of the specific terms of the credit. SPARK and the BSC might also consider involving other commercial lenders in the process; even if they are not at first willing to participate as a partner, they may be interested in financing some of the non-winning competitors. If nothing, inviting them to jury events as guests will raise the profile of the BSC in the banking community.

**SENSI & Regional Coordination:** The Southeast European Network of Start-Up Centers & Incubators (SENSI) is a network of 35 member BSCs, incubators, universities, economic institutions and international donors from seven countries in the region and Europe. The mission of SENSI is similar to that of the BSCs themselves, albeit on a macro scale that facilitates information and experience exchange between the members. To date, three SENSI meetings have been organized with the fourth scheduled for May 2008. While the BSC Kosovo should be responsible for overall coordination of SENSI (by virtue of the activity residing in their budget) the initiative has been more realistically managed by SPARK itself. SPARK, the BSC Kosovo and the other member organizations should openly discuss sustainability, the future and the leadership role of SENSI at the upcoming meeting.

**Monitoring & Evaluation:** While SPARK and the BSC are able to cite many results that the center has achieved, the team can make some improvements in its systems and practices to monitor and evaluate program results. While in most cases basic statistical data for the various activities is available, the program can improve its ability to present results. In addition some resources should be dedicated to capturing and documenting successes. SPARK has recently taken steps to install their web-based M&E system used in the other BSCs in the Kosovo office.

**Coordination with Other Programs:** Profiles are presented on other Netherlands-funded projects in Kosovo including TAM/BAS (Turn-Around Management & Business Advisory Services), PUM, REGS (Regional Economic Growth & Stability), and a number of Ministry programs. While most of these programs reported positive feedback and interaction with the BSC the fact that these programs are complementary, rather than competitive, makes concrete collaboration between them difficult. The programs do exhibit open communication channels and an informed knowledge of one another’s activities. Perhaps increasing the level of coordination, especially with Ministry programs, is a task that the Coordination Committee members could effectively assume, an activity that would both help the BSC as well as increase the sense of input and responsibility of council members.

## Introduction

**Assessment & Scope:** This purpose of this assessment is to evaluate the SPARK-implemented Business Startup Center Kosovo (BSCK) project. The BSCK project officially started on October 10, 2005 and was intended to be a two-year project; the total budget for the project is €1,000,278. The program has been extended through March 2008 with a second no-cost extension requested through June 2008. The assessment team interviewed 48 individuals including all relevant staff, stakeholders and partners plus 23 current and former trainees. The result is an in-depth and comprehensive assessment of the program that we hope will be useful to the organizations as they close out the current phase of the project and hopefully continue their work with the youth of Kosovo.

**Positive Feedback:** First and foremost it should be noted that almost without exception the BSC program and its courses received positive feedback from all stakeholders and trainees. Throughout the interviews the positive aspects of the program were repeated again and again. These comments are of course listed in the report; for the purpose of brevity, however, we attempted not to be repetitive. So if the report seems critical at times, the reader should be cognizant of the fact that any constructive feedback and recommendations were made after the interviewee offered praise for the program and credit toward the staff for their effort and diligence.

**Recommendations:** Recommendations are made throughout the report in relevant sections. Key recommendations are highlighted in yellow, corresponding to **interviewee recommendations** or blue for **evaluator recommendations**. The yellow boxes mean that the recommendation was offered or derived from someone directly involved in the program, versus the blue boxes which are simply the opinions of the evaluators. Therefore, SPARK can differentiate between the recommendations to determine whether and how they should be adopted or otherwise handled. In addition there are other recommendations embedded in the discussion; each paragraph attempts to offers some feedback. Several recommendations can appropriately fit into one or more sections; in most cases the author attempted to place them where most applicable and not repeat them in more than one section.

**Direct Feedback:** Prior to beginning, we discussed the goal of the assessment with the SPARK Program Manager, Philip Hostert, who stated that SPARK is seeking direct and open feedback on what is working well and what can be improved upon, from all angles and related to all activities of the program. Thus, the team approached the assessment with a critical eye and attempted to produce a report that is very direct and open. The purpose of such an assessment is, of course, the continual improvement of the program, and the sincerity and openness with which the interviewees offered their comments should be a testament to their commitment to quality. The assessment team recommends that this report be openly shared and discussed with BSC management and staff, as well as other relevant stakeholders.

**Objectivity:** After reviewing the draft report with SPARK, the author commends them for their objectivity. Readers should bear in mind that the content of this report was derived through direct feedback from stakeholder interviews; the job of the evaluator is simply to report back to management the perceptions and opinions of the stakeholders, and to offer some suggestions for improvement based on the collective feedback from the interviews. Events are not always perceived the same by different parties and what may in fact be "incorrect" information nevertheless was reported by one or more stakeholders. This of course also leads to fact that conflicting accounts and recommendations are to be expected; the evaluators have attempted, therefore, to provide all of the feedback even where the various stakeholders have disagreed. Again, it is up to SPARK management what input and recommendations they wish to adopt.

**Staff Performance:** This assessment does not attempt to evaluate the performance, responsibilities, or job descriptions of the BSC staff members, but rather examines the program activities and the support and assistance that SPARK and other stakeholders provide to help the BSC accomplish the project goals. The reader should therefore refrain from drawing any conclusions with respect to staff performance, positive or negative, based on the content of the report.

**Report Organization:** The report is organized according to the eight stated results, similar to the outline of the proposal and interim reports. In some cases sections were added, either to provide more clarification or attention, or if the subject matter did not correspond to one of the results.

**Appreciation:** The assessment team would like to thank all of the interviewees and BSC staff, especially Ahmet Rushiti, for facilitating the assessment in addition to his other duties as Project Officer and acting Project Coordinator. We would like to commend the staff for their transparency, openness and honesty and for maintaining their sense of humor and not worrying about what might be said behind closed doors. If there are any errors in the report, they are probably due to misunderstanding on the part of the evaluators; therefore, we apologize in advance should this occur. We hope that SPARK and BSC appreciate the effort that went into this assessment by the interviewees and assessment team and we sincerely hope that it serves the purpose of improving the work of BSC Kosovo.

## Methodology

**Interviews:** The interviews for this assessment were conducted by two evaluators from December 9-14, 2007. Over the course of six days, 48 individuals were interviewed: eight BSC and SPARK staff members, five Coordination Committee members, six trainers (including one who is a former Coordination Committee member), six partners and other stakeholders, and 23 current and former trainees, ten of which were members of competition-winning groups. Except for the trainees, all interviews were conducted individually. Most of the trainee interviews were also conducted individually or in pairs; there was also one focus group interview at which five current trainees were present. Six of the ten winning groups were interviewed, including five of the seven who accepted the credit and registered their businesses. All of the interviewees are listed under “Contacts & Interviewees” at the end of this report.

**Assessment Plan:** The assessment was planned in a “top-down” format, beginning with the BSC staff and managers, in order to develop a solid understanding of the program goals, activities and operations; roughly 4-6 hours were spent with the staff discussing in detail all aspects of the program. Next, Coordination Committee members were interviewed, followed by trainers, partners and other stakeholders; and finally the trainees themselves. In this way the team was able to fully understand the different perspectives and goals of the stakeholders, so that when the trainees were interviewed (arguably the most important of the interviewees) the team had a fully informed view of the entire program. The final day was spent with a wrap-up and feedback period with the local staff; as well as an interview with former Project Officer, Shpend Kursani.

**Focus Group:** The focus group format offered a unique opportunity and insight into the program because of the interaction between the interviewees. While the one-on-one interviews were logically more structured and perhaps more comprehensive, the focus group offered glimpses into different viewpoints held by trainees, as well as topics on which they held common opinions. The focus group participants were all quite direct and had no trouble disagreeing with one another at times. Interestingly, in the few cases where they were dissatisfied with a particular trainer or module they were much more specific than they were individually, when they tended to refrain from naming specifics; perhaps they felt more secure as a group or in a format where they were sure that others shared their views.

**Comfort Level:** In most cases the interviewees initially seemed somewhat hesitant or skeptical of the assessment process, why they were being interviewed, and what was about to take place. During our introduction we explained that SPARK and BSC themselves were carrying out the assessment and that the purpose of the assessment is to better understand what the team is doing well and how to improve the program should it continue in another phase. In all cases this put the interviewee at ease; afterwards all were cooperative and willing to share their experiences. If we can characterize the groups, we might say only that some of the Coordination Committee members were more “diplomatic” in their responses.

**Line of Questioning:** The line of questioning we generally conformed to was the following: i) background on interviewee, their work or organization, and their role in the BSC program; ii) what they know about the BSC and its programs; iii) what is their specific involvement with the program, as well as any technical subjects related to their work or coordination with BSC; iv) what they feel are the strong points of the BSC and its programs; v) what can be improved in the current program; and vi) what recommendations they can make for either the current program or other activities that the BSC might consider for the future. The original assessment plan is presented in the Annex.

**SPARK Review:** After submitting the draft assessment report, interviews were held again with the Program Manager and with SPARK senior management. At this time, the findings and recommendations were discussed in detail. Several of the key recommendations had already been put in place by that time, including the installation of the M&E system in BSC Kosovo as well as some of the more specific recommendations concerning the training courses. SPARK management also provided clarification and useful insight on a number of topics that were presented from the point of view of the clients and BSC staff only; this information helped provide a more complete picture of the BSC project, especially during the startup phase, and helped ensure that this report provides a thorough assessment of the project through the viewpoints of all stakeholders.

**Assessment Team:** The assessment team consisted of the lead evaluator, Craig Hempfling, and the assistant evaluator Alush Grosha. On the first and last day of the assessment both assessors worked together. On Tuesday and Wednesday, while Craig followed the schedule above Alush conducted site visits and interviews of six winning competitors. On Thursday both evaluators focused solely on trainees.

## Program Overview

**Staff Articulation:** The BSC staff members articulated accurately and concisely the goals and activities of the project, as well as the background and history of project implementation. As the lead evaluator, their overview provided a much better understanding of the program than those found in the Annual Report and interim reports. Their description is summarized below.

**Program Goals:** The program was created to help young people in Kosovo; 18-35 year-olds constitute 60% of the Kosovo population. The project aims to help those people, train them, and help them start businesses by developing their entrepreneurial spirit. The project aims to train 400 people in improved business skills and establish 30 new startup enterprises.

**Pre-Training:** A unique aspect of the program was the process used to develop the training curricula and train the trainers, called "Pre-Training." The process was led by international expert, Jaap van Tillburg of the Netherlands, and relied on several regional and local trainers who together developed the curricula for both the one-week Business Plan Writing and the ten-week Business Skills Development courses. The course content and materials thereby combined the best aspects of international training with local knowledge and application. In addition to the course content, it was widely opined that one of the more positive aspects of the BSC program was the regional cooperation between the trainers in designing and developing the curricula.

**Business Plan Writing Training:** To start the program BSC organized a promotion inviting young people to apply for the Business Plan Writing course. Applicants complete a 2-3 page application form with personal data and a basic outline of their business idea. A jury of 3-5 people evaluates the applications based on standard criteria then rank the applications based on scores. The top 80 applicants are selected to attend a five-day training in how to write a business plan. Of the 80 applicants selected in the first round, 68 completed the training. The trainees that attend all five days with no absences receive a certificate of completion. The goal of the training is to prepare people for the second training and competition – a ten-week Kosovo-wide Business Skills Development course and subsequent Business Plan Competition. Participants do not need to complete the one-week Business Plan Writing course in order to apply for the Business Skills Development course.

**Business Skills Development Training:** The Business Skills Development course is essentially the heart of the BSC program. It is a ten-week program focusing on all aspects of business management and entrepreneurship. Each week a different module is presented, including Business Finance, Project Management, Operating a Business in Kosovo, and seven other modules. At the end of the training, participants who successfully complete all modules receive a certificate for credit transfer to the European Credit Transfer System which counts toward their university degree. Each week a different trainer teaches a new module; the trainers also organize guest speakers or site visits to existing businesses to complement the class material. Thus, the course is very practical and interactive, designed to keep interest high. The training is four hours per day, five days per week, for ten weeks.

**Business Plan Competition:** After completing the ten-week Business Skills Development course, trainees have the option to prepare their own business plan, either as individuals or in groups; trainees have two weeks to complete and submit their plan. At the jury event, each competitor is allotted five minutes to present their business idea to a jury, which then selects ten of the businesses to receive an award package, including the cost to register the business, credit from the Kosovo Enterprise Program (KEP) in an amount up to €7,000 to start the business (special approval is required for loans over €5,000), and 100 hours of consulting services provided by one of two local consulting agencies. All entries in the Business Plan Competition must have successfully completed the ten-week Business Skills Training course.

**Recommendation:** SPARK might consider renaming the term "competition" in cases where it is in fact a training program. As an outsider, the program terminology was confusing when the three main elements are named so similarly and all use the term "competition" in their title. Only one of them, the "Final Business Plan Competition," is a competition per se, while the other two are actually training programs (albeit with a competitive selection element for acceptance). Once understanding the approach it is really quite simple, but it took a number of explanations and reviews. Similarly the term "Pre-Training" is a bit ambiguous; "Training-of-Trainers" or "Curricula Development" may be clearer, though we recognize that the process constitutes more than a typical training-of-trainers. Note that the terms used in this report refer to the names commonly used by the BSCK staff, rather than those used in the Annual Report.

**Results:** In the original proposal, SPARK commits to implementing three training cycles and facilitating the startup of 30 enterprises. At the time of this assessment, one cycle had been completed and the second cycle of the ten-week Business Skills Development training was seven weeks underway. Seven enterprises from the first cycle accepted the



competition award package and legally registered. SPARK plans to complete the third cycle prior to the proposed extension date of June 2008; in order to facilitate this, the evaluation team offers the following recommendations.

**Recommendations:** *In order to complete the program deliverables and invest the project resources within the proposed extension period, SPARK should consider the following measures.*

- 1. Eliminate the Business Plan Writing course from the third (and subsequent) cycles.*
- 2. Consolidate the training modules to eliminate redundancies between modules; eliminate Module 4 in its entirety.*
- 3. Offer the consulting resources to all enterprises that start and register, regardless of whether or not they are competition winners. Provide the consulting services on a project basis, rather than 100-hours. (SPARK management counters that this is already essentially the case.)*
- 4. Increase the number of winners and/or the amount of credit available for winners. Attempt to renegotiate credit terms with KEP and/or other lenders.*
- 5. Rank or score the competition business plans so that if one or more does not accept the package, the award is available to others. Open subsequent business plan competition(s) for the non-winning applicants from earlier rounds.*

**Staff Member Commitment:** As evaluators, we were pleasantly surprised at the seeming level of energy, interest and commitment to the project by the staff. Staff members seem to sincerely enjoy their work and positions in the project and state that they plan to continue with the program through BSCK-2 should they have the opportunity to do so. When asked what they thought were the project's greatest aspects and successes, they cited the following:

**Youth Focus:** The project targets youth, stressing the importance of youth in Kosovo society. Furthermore, the project targets those individuals that *want* to open a business. Since both Ahmet and Belma are young and energetic they enjoy working with and helping their peers on issues that they understand and respect.

**Practical Nature:** The staff like that the project focuses on business, and does so in a practical manner. Ahmet compared the program with his studies: whereas in his studies he finished a project and it is placed on a shelf, with BSC the participants can learn, apply, and then gain additional training on how to be even more successful. Furthermore, they enjoy the fact that some of the projects are realized through a financial mechanism, so that participants actually get to realize their plan that they developed over the preceding several months.

**Real Experience:** The staff members enjoy (and stated that the participants enjoy as well) the guest speakers and field visits they make that expose them to the real-life workings of the business world.

**Good Reputation:** The team enjoys a positive and rapidly-growing reputation in the community and around Kosovo. Those who participate in the program have positive experiences to share; and those who have heard about the program have a good opinion of it. The staff takes pride in the fact that this is due in large part to their efforts, and sees it as a rewarding part of their work.

**Recommendation:** *Staff members see an opportunity to expand the program to offer opportunities to young people who may not be entrepreneurs at heart, or who otherwise are not likely to start their own businesses. For those individuals, BSC might consider a short-duration jobs-training program with components in CV preparation; interviewing techniques; and identifying, applying and marketing their skills. SPARK management notes that the University of Prishtina's LINK project offers such a course and that a similar course is also included in the BSCK-2 proposal. More potential BSC opportunities are outlined further in the Training section under "Other Potential BSC Offerings."*

## BSC Kosovo Office & Institution

### Startup & Management

**Initial Delays:** According to the first interim report, the project started 5-1/2 months late due to problems with the original proposal partner, WUS Austria. According to SPARK, the two organizations jointly developed the project proposal with the intent to submit it to donor(s) for funding. Prior to submitting the proposal to the EU Tempus program, WUS removed SPARK's name (at the time ATA) and received €100,000 sans SPARK. SPARK later heard from the Dutch Embassy that the project was awarded. The issue was elevated to discussions between the Dutch and Austrian governments. The Dutch government then agreed to fund the current BSC program, indicating their preference that WUS and SPARK work together. From October 2005 through May 2006 SPARK management reports making repeated attempts for the two programs to work together. In the end, however, the programs were separately managed.

**Subsequent Timeline:** After the initial delay, the program began moving forward. In April, the first office was opened and promotional activities commenced. The first employee hired was Ahmet Rushiti, Project Officer, on June 12, 2006. The first Project Coordinator, Arsim, and the second Project Officer, Shpend Kursani, were hired shortly after. The office was later relocated and officially opened in its present location on October 25, 2006.

**Timeline Analysis:** Without doubt much of the delay resulted from the WUS situation and was beyond SPARK's control. Other factors may, however, have caused further delays, since by October 2007 (the original completion date of the project) only one of the three training cycles had been completed. Accounts differ somewhat between among interviewees as to what did and should have happened. Some of the rationale offered includes:

**Student Holidays:** The first cycle of training was reportedly ready to begin in August 2006, but the decision was made to delay it until October 2006 because many students were away on summer holiday.

**Initial Project Coordinator:** The first Project Coordinator was hired through an interview process conducted by the Coordination Committee (CC). This individual was connected with various Ministries, and the CC was reportedly strict about his hiring. In turn, he asked for funds to be transferred to MoTI to manage the project, which SPARK viewed as a conflict of interest. He left the position in July 2006 upon mutual agreement. SPARK then took the initiative to hire the second (current) Project Coordinator, Belma Bajrami-Kastrati.

**Dedicated BSC Staff:** The refurbishment and equipping of the first office was completed through the efforts of SPARK Prishtina and supported by Ralf van der Zijden and others, prior to the hiring of any permanent BSC staff. BSC staff argues that the earlier hiring and involvement of dedicated BSC staff may have helped.

**Leadership:** At times, there was perhaps a lack of clear leadership and management hierarchy during the first year of the project, with several Program Managers responsible for various activities and/or at different times.

**Management Tools:** Some staff members also feel that more orientation could have been provided at the outset or upon their hiring; also the use of an updated Gantt chart or timeline may not have always been widely relied upon by all staff members, though management disputes this claim.

**Recommendation:** *SPARK and the BSC staff should schedule time to discuss these early issues and develop a list of lessons learned. This exercise should include a retrospective examination of the startup and implementation periods, staff workload and efficiency, and the relationship between project operations and budgets. These lessons can be useful in developing and implementing future projects.*

**Public Outreach & Relations Materials:** SPARK and BSC have done an excellent job with the website and outreach materials such as brochures and applications. There is a variety of high quality, creative pamphlets available in the office and all of the materials are available in Albanian and Serbian. The website is informative and easy to navigate.

**Building a Positive Image:** One important issue that evoked a degree of emotion with staff and trainees was that incorrect information was given to applicants and stakeholders with respect to the competition award terms, specifically the terms of the credit (versus grant) for winners, the sequence of training activities and the number of participants. There are differing accounts between SPARK management and BSC staff as to how this happened. Regardless, throughout the first training cycle, the staff feels that they were performing damage control, attempting to "re-image" the BSC and improve the brand. On the positive side, the result can be considered a success: everyone interviewed made positive statements about the BSC staff and were genuine in their positive reviews of the center and its programs. On the organizational side, BSC staff and SPARK management worked together as a team to rebuild the image. The result is a center that is professional, serious, modern and approachable.

**Recommendation:** *The project terms and conditions should be clearly defined to the staff so that they in turn provide accurate information to applicants and stakeholders. Management should ensure that information released to the public is accurate. This is an easy recommendation to make in hindsight of course; nevertheless, the issue was iterated by many interviewees.*

**Current Situation:** The staff unanimously agrees that much has improved since the startup period. SPARK involves the BSC staff and employees feel that they are given the freedom and resources to implement the project. Information and ideas flow freely and regularly between the staff and Program Manager, and they feel they have freedom and control over daily operations and decisions. They understand the responsibilities of the Program Manager with the other BSCs and are successful at keeping him informed. Financial and planning approvals are reported to be timely, and they state that the Program Manager always responds to issues and approvals within one day.

## BSC Sustainability

**Overview:** Sustainability is an important issue and one which should be addressed quickly, not only because it will take time, but more importantly because the stakeholders and SPARK management have substantially different visions of sustainability. The hope of course is that the BSC will become a sustainable entity, but there have been limited activities to date toward achieving this. When examining the “marketable” resources of the BSC, the staff identified the following:

1. Extensive databases of trainers, experts and youth, including regional and international trainers and experts.
2. High quality training curricula and tools, consisting of 17 separate modules. BSC has successfully sold one training program to an NGO in Kosovo, and have had discussions with Women-to-Women who may also hire them for some training.
3. Customized approach to training that targets trainees’ profiles. The staff feels this is a competitive advantage since they adjust their curricula to the trainees.

**Sustainability Perspectives:** The BSC is currently not registered in any form; it is registered in Kosovo under SPARK. SPARK management state that the BSC must be registered as a shareholding entity embedded within and governed by the institutional partners. The BSC staff, on the other hand, envisions an independently-registered entity with some parts of the BSC operating as a non-profit, while other activities could be marketed on a for-profit basis; SPARK management clearly states that this is not an option.

**Stakeholder Inputs:** Several Coordination Committee (CC) members have pledged material support to the BSC, which supports the shareholder structure: the municipality of Prishtina has pledged to provide physical space for a proposed business incubator and the University of Prishtina Law Faculty has provided physical space for the BSC office and training. (The training space has been used but the office space has not.)

**Recommendation:** *SPARK should begin working immediately with the BSC staff in laying out a vision for sustainability that is agreed upon by the stakeholders and partners, and SPARK’s organizational philosophy should be clearly spelled out to the BSC. While SPARK has developed a sustainability plan, it seems to have been completed without significant input from the BSC staff, and also does not address ownership and management, focusing instead on outlining potential marketable BSC services. Furthermore, there are differing opinions with respect to the continued involvement of some of the existing Coordination Committee members; as well it can be expected that the members will have different views and interests among themselves on the issue. Many issues might be anticipated in this discussion.*

**Consulting Database:** The staff has compiled a trainer and consultant database consisting of those that worked for the BSC, plus those that previously applied. By managing and marketing this resource, the BSC can provide consulting to business clients, graduates of the program other enterprises, and market services directly to clients.

**Recommendation:** *Rather than outsourcing the 100 hours of consulting services for the winning start-ups to the MDA and UBO consulting agencies, BSC can utilize and expand its own database to provide the service themselves, thereby building and retaining this capacity in-house. SPARK management indicates that it is the plan to use MDA and UBO only for the first six months; after this period, the BSC consultants will be contracted.*

**BSC Trainings:** The staff feels it is important to continue the free trainings through donor support rather than charge a fee for the service. In the opinion of the evaluators, the issue of whether trainees are willing to pay gets at the issue of how much they value the training and how well it suits their needs. On the other hand, it is unlikely that the BSC can sustain itself on training fees, especially given the high availability and competition in Kosovo for quality training programs, such as those offered by the CoC, MoTI, the University of Prishtina, donor-funded programs, and a host of accredited private institute and university courses.

**Networking:** BSC staff sees a potential opportunity in “selling” networking by serving as a “bridge” for regional initiatives such as SENSI and YEA, which could be a sort of CC for youth. The integration of BSC services, SENSI and YEA can of course be beneficial, but how that can result in a sellable product for BSC needs to be articulated; Belma suggested a participation fee and sponsored business exchanges.

**Personal Commitment:** The BSC staff seems to have the necessary level of commitment to remain with the project and attempt sustainability. Both plan to continue in BSCK-2; they like the program, like what it does and what it stands for. They enjoy the responsibility, freedom and challenges in planning and implementing their own work, and are exposed to new ideas and training techniques. Both feel that they are contributing in a positive way and that they are developing new skills. Difficult times can surely be expected in any transition to sustainability and they should be prepared to sacrifice a steady salary and other benefits in exchange for what the opportunity can bring.

## BSC Coordination Committee

### Membership

**Coordination Committee Membership:** As can be expected in such situations, there are various opinions and views with respect to the Coordination Committee (CC). While the selection process employed by SPARK was built on a prescribed model (membership agencies admitted due to their mandate and/or proposed involvement) there are several issues with respect to either institutions or specific members. Institutionally, some interviewees questioned the inclusion of the Ministry of Trade & Industry (MoTI) and the Ministry of Education, Science & Technology (MoEST). Also, while institutional support is necessary, the BSC must also have the appropriate individuals from within the institutions – people who have knowledge in the field, are business-oriented, and have a desire to serve voluntarily as an active member. While SPARK can try to steer who a partner elects, it is ultimately up to that partner to select the individual.

**Current Members:** With respect to individual members, SPARK staff admitted that some members are not particularly active. Mr. Flamur Keqa of the Kosovo Chamber of Commerce received particularly high marks from the staff for his activity and interest in the BSC and its programs. Besnik Krasniqi, the former CC member from Riinvest, was also very popular and active, though he was replaced upon his departure from Riinvest. The University of Prishtina was noted for not being more proactive in providing classrooms, but the university itself also shares this problem. MoTI reportedly doesn't take advantage of the BSC partnership despite the fact that they also manage a department for business startups. It was noted that at one point, Riinvest wanted to forfeit their seat on the CC because they didn't see the value of their participation; at the same time BSC staff members envision them taking a greater role.

**Membership Changes:** Several interviewees noted the absence of business sector representatives on the CC and when asked if and how they would change the composition of the CC, inclusion of the business sector (along with some specific names by some CC members) was the general comment. KEP was mentioned as a good potential member by more than one interviewee. Riinvest does of course represent the private sector, though perhaps it is viewed as more academic than business. Arguably, the Chamber of Commerce can also be viewed as representing the private sector, though it is a public institution.

**Recommendation:** BSC and SPARK should address, and perhaps “evaluate” each member of the CC and provide direct feedback with respect to his or her activity and involvement on the council, as well as their desire to continue to serve. BSC and SPARK can then make educated decisions regarding the future composition of the council and make any necessary adjustments, such as including business sector representatives. This would also be an opportune time to re-examine and clarify the administrative policies and coordination role of the council.

### Coordination Committee Feedback

**Coordination Committee Member Feedback:** All six CC members were interviewed and all echoed similarly positive sentiments with respect to the BSC and its staff. All offered diplomatic responses and indicated that BSC represents a good and needed opportunity for students and young people in Kosovo. Members reported varying opinions on the optimal size of the CC, its current membership, and level of transparency within the CC, though no opinions were particularly dramatic or surprising. For the purpose of brevity, not everything is repeated, but specific recommendations are noted in the relevant sections of the report. Of the six members, only Shpresa Hoxha of the University of Prishtina has attended any of the training courses in person. The positive aspects of BSC generally cited included:

- The BSC course is practical-oriented with quality trainers; students get to meet and learn from the experiences of business people first hand.
- The training is creative and helps young people fulfill their dreams.
- The BCS staff works hard and does their job very well.
- The CC has good cooperation among members and with the BSC staff. Though this is what they generally stated, some members admitted they had not attended all of the meetings due to their busy schedules. One member stated that the CC was more involved at the beginning of the project and that their involvement has gradually reduced as responsibility was transferred to BSC staff.
- The CC meetings serve to inform members of the current training and other issues, as well as provide a forum for making decisions. CC members report to having been involved in the selection of both participants and competition winners (though some of this was indirect, as they actually nominated jurors).

**Coordination Committee Meetings:** The CC is intended to meet at least four times formally each year. According to interviewees, they meet at least this often on a formal basis and sometimes more with respect to specific issues. There were conflicting reports about the frequency of meeting between some members, and some admitted that they had not attended all meetings due to other obligations.

**Communication:** In general members feel that communication within the CC and between BSC and the CC are satisfactory. They indicate that the primary source of communication is distribution of meeting minutes and quarterly reports from the BSC manager. At least three members indicated that communication could be improved (though in one case the member in question stated that he had not attended the last CC meeting, and though he had received the minutes from that meeting, he could not recall the agenda items). Nearly all of the members, however, feel that updates are necessary on the competition winners, as none of them feel informed about the progress or successes the winning startups have achieved. Similarly, many expressed an interest in other updates involving the training, future plans, or trainee needs that they might assist. SPARK counters this argument stating that the CC members have been briefed on the projects and that the CC members could be more diligent in reviewing the updates.

**Recommendation:** *At least one interviewee recommended a periodic newsletter focused on the progress of the winners and other aspects of BSC as a way to improve communication and feedback to the stakeholders. While this is an excellent idea, it requires staffing and resources to research, prepare and organize the content. In lieu of this undertaking, BSC could establish a more manageable target with its current staffing levels; for example, they could prepare one single-page "success story" per month on a winner. There are format and content guidelines available to assist staff to produce the content with minimal effort; a local graphic design company (or even a current or former student) could professionally format the piece; and it could be simply and inexpensively distributed electronically. The stories can easily be "spiced up" to include interesting human interest or other angles.*

## Responsibilities & Activities

**BSC Staff Opinion on Coordination Committee:** The BSC staff views the CC more as an "advisory group" than a "governing committee," as they are not directly involved in the daily management and decision-making of the BSC. Several steps have been taken of late in involving the CC to a greater degree, and the CC members have responded with increased support (e.g. incubator space and office/training space). There is some question as to whether or not CC members should receive a financial allowance for participation, considering that the meetings are generally held during their normal work time when they are otherwise receiving their salaries.

**Recommendation:** *SPARK can use the potential opportunity of BSCCK-2 and the changes that it inevitably represents to produce some changes on the council. SPARK and BSC should discuss the current membership and recommendations presented here in detail to build a consensus, as some of the recommendations may conflict with one another. No one feels that the number of members should be increased from six, and perhaps should even be reduced. However, while the sectors included on the CC include academic and public institutions, some feel they lack sufficient representation by the business sector (Riinvest seems to be viewed as academic and the Chamber of Commerce is actually a public institution). The roles of the two Ministries (MoTI and MoEST) should be discussed, and there are already discussions to invite KEP as a member.*

**Coordination Committee Responsibilities:** BSC staff and CC members were able to articulate their responsibilities and typical agenda items. These included providing names and databases of trainers, nominating jury members for the Business Plan Competition, and approving loans in excess of €5,000. From the BSC side, the staff likes the CC members to be involved and participative, but does not feel it appropriate to give them power over the strategic decisions of the BSC. At least two of the CC members, however, felt that the CC should have a larger "coordination" role in the BSC. While the areas of responsibility of the partners are fairly clearly outlined in the statute, perhaps this should also be reviewed along with the future membership and in light of steps toward sustainability.

**Membership Benefits:** BSC staff recognizes that more can be done from their side as well to improve the partnership and cooperation, and they seem willing to take some initiative. In addition to the indirect benefits members receive (to some extent the BSC is doing what those institutions should be doing), plus periodic participation at conferences and workshops such as SENSI, BSC can provide other benefits to CC members. For example, they can provide their curricula on business and entrepreneurship to the University of Prishtina to integrate it into the regular coursework, and introduce guest speakers to universities. They can also expand to involve other universities and business schools, sharing curricula and networks between them. Institutional partners and others could also use the BSC as an information resource, to conduct surveys, and to gain access to trainers and experts. One of the largest benefits might be access to extensive trainer and resource databases, as well as the 400 people trained through the resources of the BSC. Finally, the CC members should be more proactive in inviting BSC to their events and initiatives, as they can also gain by BSC

presence and participation. Interestingly, when asked this same question, none of the CC members were able to articulate how the BSC might help them, but instead replied that they are there to help BSC.

## Training: Business Plan Writing & Business Skills Development

### Training Courses – Staff Perspective

**Promotion Strategy:** The BSC team developed and implemented an innovative and effective promotion strategy that included the following elements:

- The promotion team went to student cafeterias to deliver promotion materials and applications to young people and answer questions. They distributed application forms and allowed people to take them home, complete them, and return them to the office.
- The team identified popular cafés for students in Prishtina and went there during peak periods for three days in a row. When the waiter would bring coffee, he would tell the customer that the coffee was free, paid for by BSC. The staff was then on-site to present the program to those who were interested.
- The team advertised in daily newspapers and identified television stations and programs where they could advertise free-of-charge.

**Attendance Challenges:** The team cited challenges in persuading trainees to regularly attend training; as a result they began organizing events and social activities to keep trainees interested. Ahmet indicated that he spends a considerable amount of time talking with students on the telephone trying to keep them motivated and in attendance. Many trainees (notably those that are not university students) have jobs as well and must balance their work, families and education.

**Changes Implemented:** From the first to second cycles of the training, the BSC staff made a number of improvements based on the trainee evaluations. The training was made more practical and some modules were changed specifically. New modules were introduced, such as Project Management Tools & Techniques, How to Use Market Research & Create a Marketing Plan, and Competitive Advantage. Some low-rated trainers were also replaced. The staff feels that they now have the base curriculum and can work to continually refine and improve the training modules themselves. For Cycle 3, the staff envisions no major changes other than improving and refining the curriculum.

**Minority Involvement:** In the first cycle of the Business Skills Development course, only two Serbs participated; in the second (current) round, there are none; no other ethnicities were represented in either cycle. The staff indicate that they did indeed target minorities throughout Kosovo, including Serbs in minority towns and enclaves, as well as Turkish, Gorani and Bosniaks in their communities. In the first cycle they admitted that promotion was rushed. However, in the second cycle they really concentrated on Serbian enclaves. The intern Marc Kelner visited the Serbian enclaves and all promotional materials were printed in Serbian. The team surveyed Serbs, offering four potential alternatives that would better attract them to the trainings; the choice most often cited was conducting trainings in or near to their community.

- Likely the core problem is that all of the trainings are conducted centrally in Prishtina, meaning that participants who live outside of Prishtina must incur travel time and costs. To address this issue, BSC did cover the travel costs for Serbian participants in the first cycle and offered the same for the second cycle, though this still did not attract them. Taken together with the fact that many of those individuals work during the day and have other obligations, the dedication of time may simply be too high for many. This issue should be resolved to a great extent in BSCK-2 with the opening of two satellite offices in Peja and Mitrovica, with additional training conducted in Gjilane (though no staff or office is planned there). The Prishtina office will of course remain and will coordinate the satellite offices.
- Furthermore is the obvious fact that at this particular time political tensions are high due to the possibility of Kosovo's declaration of independence. As a result, Serbs are particularly unwilling to travel to Prishtina, and probably as well choose to limit their involvement in activities where they are clear minorities.
- With respect to the Turkish, Gorani and Bosniaks, the team promoted the program in those communities but few, if anyone, showed up to receive an application.

**Reducing Ethnic Tensions Tenet:** Regional cooperation and the inclusion of ethnic minorities are two of the key tenets of the BSC program. SPARK management stressed that these core values were discussed and agreed with project stakeholders at the outset of the project. While they recognize the difficulties in organizing multi-ethnic programs in Kosovo, they feel that without pressure by management to ensure participation by these groups, the project will succumb to mono-ethnicity, as many programs in southeast Europe have tended to become over time. SPARK and BSC

are making sincere attempts and seeking newer and more effective ways to more actively involve minority groups; hence the decision to decentralize the BSC training in the proposed BSCK-2 project. The project, with regional offices planned in Peja, Mitrovica, and Gjlane, should improve ethnic and geographic participation.

**Assessment Team Training Notes:** The evaluators took the opportunity to attend the training for approximately one hour. The particular course was instructed by Lumir Abdixhiku of Riinvest and held in the Chamber of Commerce training room; there were 20 participants on the given day. Mr. Abdixhiku was engaging and the students were participative and interested. The course was conducted in Albanian; the presentation materials were professionally done. At several times, the students entered into debate around a particular subject and the instructor did an excellent job of facilitating those discussions.

## Training Courses – Trainee Perspective

**Business Plan Writing:** With respect to the Business Plan Writing course, all of the trainees interviewed that attended this course felt that the content was redundant. Some felt that this course could be useful for participants with little experience in similar trainings or perhaps targeting individuals with no university education. For many participants it wasn't the first time they had received such training; and all indicated that the entire course was repeated yet again in the ten-week course. Furthermore, strictly through observation of the assessment team, many of the ten-week participants had not attended the Business Plan Writing training, which would seem to indicate that it was not in practicality a necessary prerequisite. The five day course outline included:

1. Introduction to business planning, SWOT analysis, goals and objectives;
2. Business structure, management and operating principles;
3. Financial statements;
4. Cost and investment analysis, feasibility of business venture;
5. Business plan summary.

**Recommendation:** *Eliminate the one-week Business Plan Writing course from future cycles. Not only is it redundant for the Business Skills Development participants (the primary clients of the BSC) but it will save time for SPARK to complete the third cycle of training within the current timeline.*

**Training Quality:** By all accounts, most importantly the trainees, the training program is useful and of high quality. Students stated this in individual and focus group interviews and articulated well what they felt was most useful and what could be improved. Some of the positive comments heard throughout the interviews were:

- Training is more practical-oriented than what they receive through university courses. Trainees cited specific training modules that they found most useful: marketing, human resource management, financial analysis, time-management and others.
- Atmosphere is positive and conducive to developing ideas since all participants come with a similar goal of starting their own business.
- Trainers from abroad, plus Kosovo business owners, are useful and interesting in sharing their experiences.
- Students have positive, friendly and open communication with trainers that in some cases they continue even after the particular training module is completed.
- Training materials and handouts are appropriate.
- Coaching is helpful and interesting and something that is new in Kosovo.
- Both trainers and trainees made positive remarks about the professionalism and organization of the BSC staff.

**Training Duration:** Generally speaking, nearly all stakeholders interviewed felt that the ten-week Business Skills Development course is too long, either in terms of the number of weeks or modules, number of days per week, or

### Training Innovation: An Idea by Adem Gashi

*Adem Gashi, a graduate from the first cycle, proposed a unique and innovative idea. While at first his vision might seem far-fetched, after consideration some of his ideas could be developed and perhaps successfully marketed on a smaller scale than he laid out in his interview.*

*"BSC could develop a TV reality show based on the training, like 'Apprentice' or 'Big Brother.' Ten competitors dedicate 24 hours a day to starting their businesses. In each 'episode' competitors generate income or take a step for their business.*

*"Contestants live together (in a sponsor hotel, for example) and are given a small stipend (€200) that they can grow through business activities in order to provide their living expenses. Contestants must literally survive on €200 for ten weeks, thereby demonstrating the hardships routinely faced by entrepreneurs. The show would also present other realities, such as relationships with family and friends.*

*"The program would reach a large audience through the media, and BSC could generate income through sponsors and exposure. Participants might become famous and even get additional assistance in starting their businesses, or job offers to work for others.*

*Adem added, "If you want someone to become an entrepreneur from what you are offering, then you have to think how to demonstrate it in real ways."*

number of hours per day. Interestingly, trainees were inclined to say that the duration of training was more or less appropriate in terms of the number of weeks, though they typically argued that it was too many hours per day. Nearly all other stakeholders (BSC staff, trainers, Coordination Committee members, and partners) feel that ten weeks is simply too long. Trainees were quite specific about what modules can be excluded, condensed, or combined in order to shorten the training. Trainees unanimously felt that Module 4 can be eliminated entirely, as it was completely redundant.

**Training Timing:** Some trainees reported that the timing of the training could be improved somewhat to coincide with the standard university schedule, beginning in September so that by early January the business plans can be submitted for competition. SPARK indicates that they did, in fact, make changes to better accommodate participants. Of course, the timing is also dictated in large part to the project requirements and budget.

**Attendance:** Though many of the trainees feel that the course is of more-or-less appropriate duration, attendance and early departures may indicate otherwise. While many attend nearly every day, trainees state that it is common practice for some of them to leave after the break, staying only for the first half of each day. BSC staff note challenges in retaining participants in training, since many of them work during the day, and then attend the training course from 4:00-8:00 pm when they are tired; many travel as well. Since most are relatively young, they also have short attention spans and lose interest quickly if not stimulated.

**Recommendation:** BSC should interview current and past trainees and trainers with the goal of identifying specifically where and how the ten-week course can be condensed (or new modules added in lieu of others). While nearly everyone agreed the training should be shortened, some felt that it should be done by reducing the hours-per-day, while others the number of weeks or days-per-week. Another idea was to have a one-week break in mid-term. BSC could fairly simply pose this question, or present several alternatives, to the participants and trainers and make some quick and simple improvements. Aside from simply shortening the course in one way or another, some suggestions included:

1. Attract trainees that can attend a more intensive course for a shorter period of time, for example two weeks full-time, where they can take vacation from work or otherwise free themselves of their responsibilities for the duration.
2. Divide the modules and offer them separately so that participants are not expected to attend all the modules, but may choose those that best fit their needs.
3. Work with the trainers to consolidate the modules into shorter sessions, perhaps two hours per session, with one hour of working time and presentation of business plans.

**Training Content:** In general the trainees feel that the course content is adequate, though they feel that some of the content is repeated in different modules and can therefore be eliminated and made more efficient. In addition, some trainees feel that the addition of some new modules would be useful:

- **Accounting:** While the course teaches financial management, some feel that a practical overview in basic accounting should be added.
- **Import-Export:** Several trainees in the focus group feel that a separate module, or expansion of an existing one, on customs regulations and requirements for import and export would be valuable.
- **Specific Technical Instruction:** One group of trainees suggest that prior to beginning the Business Skills Development training, BSC can instruct the trainers on the background of the various business plan ideas, so that during the course the trainers and/or BSC staff can help them obtain more specific technical instruction related to their business ideas.
- **Human Resource Management:** One trainee cited human resource management as a topic that should be expanded upon (apparently there was at least part of one module dedicated to the topic). The trainee felt that this is an area where an international expert could be of use, due to a lack of HR expertise in Kosovo, subject of course to the project budget.

**Recommendation:** Prior to beginning subsequent training cycles, BSC should invite all trainers to a workshop where they review the substance of each module and work together to consolidate and eliminate redundant content and combine modules so that they more logically flow. They should be able to streamline the course and make more efficient use of the trainees' time. SPARK reportedly has already planned such an activity prior to the third cycle of training.

**Business Plans as Case Studies:** There is fairly widespread agreement that the course should make more effort to use the actual business plans of the trainees as case studies during the training itself, as well as allowing the trainees some time during the modules to apply the principles to their plans and present them for discussion. Trainees indicate that they are offered individual consulting time with trainers, but they rarely use it due to the already high commitment



required by the course. Especially in the focus group, trainees felt that feedback from their peers on their business idea would be valuable. Those who had attended the CEFE training modules stated that the CEFE course was better in this respect. BSC staff and SPARK management, however, argue that they are practicing confidentiality in the course by not sharing the business plan ideas with other trainees.

**Recommendation:** *BSC should determine among the trainees what is more important: confidentiality or peer feedback. Alternatively trainees should understand that they will be expected to both provide and receive feedback on their business plans throughout the training. Regardless, trainees should be actively completing their business plan throughout the training (with some class time dedicated to specific activities that they then can present to their peers). This will ensure that they use the principles learned while the ideas are fresh and when feedback is timely. Therefore, by the end of the training cycle, trainees' business plans should essentially be complete (saving a further two weeks that will help SPARK to complete the third cycles).*

**Training Materials:** Trainees feel that the materials provided for the modules are clear and appropriate. One minor recommendation that arose is to distribute the materials before, rather than after, presentation of the module. This might help to reduce the training time per day, since trainees could review the materials prior to the course, come more prepared, and thereby shorten the class instruction time.

**Recommendation:** *BSC could produce a course "textbook" which includes all of the modules in a single bound publication. Professionally printed and translated, this course book could be used as a standard in all BSCs and perhaps be marketed, thereby generating income for BSCs*

**Trainers & Evaluations:** Trainees generally feel that all of the trainers, with a few exceptions, put forth their best effort, especially the "young trainers educated abroad." Trainees routinely fill out the evaluations (though the current group said that they only received evaluations for the first five modules and were not provided evaluations for the last three). In most cases, trainees were hesitant to name those trainers they feel did not put forth their best effort, but the focus group of current participants named Krasniqi ("who didn't give 100%") and Lumir Abdiziku ("who centered on his own career") as falling short of their expectations.

**Guest Speakers & Field Visits:** Trainees value guest speakers, and nearly all of those interviewed would like the number of speakers to increase. Most feel that each module should have at least one guest speaker to share practical experience in areas such as business registration, taxation, and customs. Trainees also consider the field visits valuable, and again they would like to increase the number of visits to allow them more opportunities to visit working businesses and discuss the issues facing entrepreneurs and managers.

**BSC Graduate Mentoring:** Both current and past trainees of the BSC program indicate that it would be useful for prior BSC graduates to visit the current and future classes to share their experiences. All of the graduates interviewed state that they are willing and interested to do this, both to share their experience and to learn about the businesses the new trainees are considering.

**Recommendation:** *BSC should seek ways to involve past graduates into current and future training cycles, both as guest speakers and other ways. It is widely opined by both sides that it would be invaluable for BSC graduates and trainees to share experiences and contribute toward improving the training courses. SPARK indicates that they are already pursuing this recommendation.*

**Coaching:** Coaching was described as a process that helps trainees develop problem-solving skills and experience, and is offered to trainees every second Saturday throughout the course. Many trainees feel that this is one of the most positive aspects of the program (though in practice most of them did not attend every session since they were held on every second Saturday). Participants stated that the Macedonian coach, Victor Kunovski, and his techniques helped them to gain confidence and develop a clearer picture for themselves and their proposed businesses.

**Recommendation:** *Integrate the Coaching process into the course content so that it is not offered only on Saturdays. While many of the trainees felt that this was one of the most valuable parts of the program, most of them did not attend every session (and many of them attended only a few) simply because they felt that Saturday attendance, along with the other obligations, was simply too much.*

**Cross-Visits:** As the Southeast Europe Business Start-Up Network program and SENSI continue to mature the BSCs can engage in cross-visits where some of the competition winners or other high achieving trainees are given the opportunity to travel to other BSCs and visit with their clients and observe courses and other programs. While some of

this is happening already, the visits seem more often attended by CC members rather than trainees. SPARK and BSC can even assign visiting trainees various “tasks” that will help the host BSC; for example by presenting their country programs, or collecting information during their visits that can be used for M&E purposes.

## CEFE Training

**CEFE Overview:** Competency-based Economies through Formation of Enterprise (CEFE) is a set of training instruments using an action-oriented approach and experimental learning methods to develop and enhance business management and personal competences. Its members are trainers certified by CEFE International. CEFE Kosovo was registered in 2005 and conducts trainings and consulting services to start-ups and other enterprises.

**CEFE Training Approach:** As with BSC, CEFE touts a hands-on, practical approach to its training programs, utilizing tools such as “energizers,” “metaplan cards,” and photo CD examples. They incorporate group exercises where participants present ideas and plans both individually and in groups, thereby reinforcing teamwork, cooperation and negotiation skills so that participants “learn by doing.”

**CEFE-BSC Cooperation:** The GTZ-funded CEFE program provides some of the modules for the ten-week Business Skills Development course (Modules 1-3 in the current round). They also participated in the workshops and assisted in preparing the training, subjects and agendas. The partnership was formed since both parties share similar goals and activities, and by combining their resources both can become more efficient. CEFE provides cooperation free-of-charge to BSC Kosovo since they are already fully funded. The CEFE modules include: i) Business Idea, ii) Marketing Research, and iii) Organizational Business Structure.

**CEFE Feedback on BSC:** The Director of CEFE, Nusret Vitija, had positive feedback on the BSC program and their cooperation to date, praising the BSC staff for its organization and management of the ten-week course. Mr. Vitija believes that the program is effective in helping people to start businesses and is supportive of both the training and competition. As with many others interviewed, he feels that the training can be condensed into a shorter period of four to five weeks without sacrificing quality or content; in contrast, the complete CEFE business planning course is three weeks. Mr. Vitija also suggested including additional, optional modules and said that trainees suggested modules focusing on sales, communications and customer relations. Mr. Vitija also felt that the training might be rescheduled to better facilitate those who must travel.

**Trainee Feedback:** Despite positive feedback on both the CEFE and BSC modules, the trainees interviewed found the CEFE approach somewhat more favorable. In particular, they find the training more practical, more participatory, more built around actual case studies, and more specifically focused on their own business ideas and plans, while the BSC training is more lecture-oriented. Again, while they were positive about both they said that the CEFE trainings are slightly better and that time passes quicker during the CEFE modules.

**Recommendation:** *When restructuring the course for future cycles involve CEFE in the process and seek ways to incorporate some of theirs (or similar) training methodologies into BSC modules, since trainees generally find them more effective. CEFE indicated that they are open to increasing cooperation with BSC and, in addition to training, can also provide follow-up consulting with the businesses started.*

**Evaluations:** At the end of each CEFE module, trainees complete two evaluations – CEFE and BSC surveys. CEFE surveys ask trainees to evaluate the program, materials, subject matter, exercises and trainers. Mr. Vitija stated that the CEFE evaluations were all positive, but that he did not receive feedback from the BSC evaluations.

## Training Courses – Trainer Perspective

**Trainers Interviewed:** Four trainers were interviewed during the assessment: three from Riinvest Institute, plus Besnik Krasniqi from the University of Prishtina Faculty of Economics. The trainers represented both the Business Plan Writing and Business Skills Development courses. Riinvest trainers instructed modules on Financial Management, Project Management and Doing Business in Kosovo. All trainers took pride in their modules, each similarly stating that his module was particularly important or well-received.

**Riinvest Institute:** Riinvest Institute plays a big role in Kosovo education and political sectors. It is the largest independent think tank in Kosovo, and one of its vice-presidents was recently elected mayor of Prishtina. The institute has implemented many projects and conducted much research such as developing community development plans, local economic development plans, and consultation guidelines. They also play a significant role in networking with Diaspora. Many of their staff, researchers and trainers were educated abroad; all of those who the evaluation team met were young, competent and energetic.

**Positive Trainer Feedback on BSC:** All of the trainers had mostly positive feedback with respect to the BSC, its programs, and staff. In particular, trainers noted:

- The BSC program invests in the priority area of educating the Kosovo work force; by strengthening the SME sector they can turn knowledge into enterprises and reduce the unemployment rate;
- Appropriateness of module topics and relevance for young entrepreneurs in an un-established market;
- Practical training in developing a business plan, as well as developing and managing future businesses;
- Open and positive interaction and feedback with trainees that continues even after the module completion;
- Classes create good energy and spirit and a “society” where they socialize with one another and are friends;
- Positive collaborative process in working with experts and other trainers to develop course modules;
- Effective selection process of trainees results in classes of very interested students;
- BSC staff again received positive remarks for their organization and efforts.

**Training Duration:** As was the case with trainees, the trainers as well feel that the Business Skills Development course is too long in terms of the number of hours per day and/or the number of weeks. All trainers interviewed support the idea for consolidation. Specifically, various trainers suggested: i) reduce the daily class to an effective 2 to 2-1/2 hours per day; ii) consolidate the course modules to five weeks; and/or iii) institute a one-week mid-term break.

**Trainee Selection:** While as noted above some positive feedback with respect to trainee selection was provided by one trainer, all three Riinvest trainers did continue to offer some constructive feedback with respect to the trainees:

- Trainers feel that only a few students are actually trying to develop a business, while the others are typically university students, who while interested in the course, are taking it to improve their management, finance or other skills, not necessarily with the aim of applying them in their own business. While the course may be useful for all of them, it could be better targeted toward a specific trainee profile.
- Trainers observe a lack of participation, particularly with the current group; all trainers viewed the dynamics of the first group as much more participatory and positive. They noted that the current participants arrive tired, choose not to participate, and then leave early due to travel or other obligations. Especially when it comes to group work, only a few trainees choose to remain.
- Some trainers feel that participants are too young and/or lack sufficient academic background. While they feel the program might focus either more on academics or practicality, depending on trainees’ background, it is difficult for the trainers when they have to cater to both backgrounds. Regardless, trainers feel that trainees should be at a very minimum at least 20 years old. One stated, “If you have to invest in one shot, make sure that you do it with people who are prepared.”

**Recommendation:** *Develop a better understanding of the most likely potential entrepreneurs, define a targeted trainee profile, and then implement an outreach campaign that targets that profile and subsequently selects the most competitive candidates likely to start their own business. In addition, develop an incentive system to encourage trainees to stay through to the end of each day and module. One trainer suggested that trainees make a financial deposit at the beginning of the course, which they sacrifice should they not successfully complete the course.*

**Language:** Trainers expressed mixed feedback related to language. First, they feel that English speakers have a clear advantage in selection, which should not be a prerequisite for starting a business. On the other hand, at least one trainer feels that some of English speakers have more knowledge, are more well-read, open for debate, and are therefore better students. Others argue that many of the trainees in the English course did not have sufficient language skills to be placed in that course. Adding to the debate was the argument that English speakers are the most likely to have jobs, and are therefore already employed (and subsequently tired during the classes). Finally, all of the trainers agreed that since the modules are now taught only in Albanian (since the current course has only Albanian speakers) the situation is better than it was with an English and an Albanian class. Clearly this is an area where individuals have differing viewpoints.

**Trainer Recruitment, Selection and Training:** The trainers interviewed all had positive feedback with respect to the recruitment and selection process. They all report having passed panel interviews and are proud to have been selected. Trainers heard about the opportunity in a number of ways, either through word-of-mouth or through the solicitation. Similarly, all reported positive feedback on the training-of-trainers, collaboration, and use of experts.

**Trainer Evaluations & Feedback:** None of the trainers interviewed indicated that they have received any feedback from BSC or SPARK with respect to their evaluations. While some trainers were apparently replaced from the first cycle to the second cycle, it seems that there was never a formal feedback mechanism to explain to each trainer both the positive and negative feedback provided by the trainees. The only feedback mechanism they receive seems to be either directly by the trainees themselves, including an “Oscar” awards ceremony organized by the first group of trainees. All of the trainers unanimously agree that they would like to receive formal feedback from BSC based on their evaluations.

**Recommendation:** *Institute a formal feedback process for each trainer within one week of completing his module. Feedback should focus on both positives and negatives, along with a recommendation for continued cooperation. Though the assessment team did not view the evaluation forms, some trainers feel that they can be improved by eliminating redundant or similar questions, and soliciting more written feedback rather than relying on check boxes.*

**Guest Speakers:** Like the trainees, the trainers also note the value of guest speakers and site visits in making modules more interesting for participants. (Two of the three Riinvest trainers interviewed used guest speakers.) Trainers seem to be primarily responsible for organizing guest speakers for their own modules, though report getting assistance in some cases by the BSC staff. The trainers note some difficulties in identifying guest speakers that are willing to come to the class and lecture or answer questions.

**Recommendation:** *Establish mechanisms to aid recruitment of guest speakers such as: i) establish a network of BSC-friendly businesses and entrepreneurs who are willing to participate on a regular basis and actively involve them in BSC activities; ii) promote value associated with being a guest speaker and attract individuals with that incentive; iii) pay a nominal consulting fee to the speakers (not a possibility according to SPARK).*

**Facilities:** The University of Prishtina has agreed to provide training space in a Memorandum of Understanding with the BSC. Trainers, however, note that the facilities at the University of Prishtina are not up to standards and that BSC should continue working to provide a facility (such as the Chamber of Commerce room which is very good) that can be used regularly for all courses and modules.

**Trainer Agreements:** BSC contracts directly with trainers, rather than the private institutes that employ them. SPARK and BSC state that they do this in order to develop their own roster of trainers; however, this does not seem to have been clearly communicated to the institutes that the trainers generally work for. It can be argued that these institutes have made an investment into attracting, developing, and retaining these trainers; it would be surprising if they agree to allow these individuals to accept outside employment, particularly if it falls within the mandate of their employer. The trainers and Riinvest seem to be informed that the practice is simply the standard contract mechanism and is done to ease bureaucratic contracting procedures, rather than with the intent of adding the trainers to the BSC roster. SPARK should re-examine this policy, and as a minimum make sure that they are transparent in their intent.

**Recommendation:** *There are many recommendations in this assessment contributed by both trainees and trainers; SPARK and BSC should adopt those that are clearly logical; the remainder, especially those that may conflict with one another, should be proposed to a focus group of trainees and trainers to obtain their feedback and perspective on the value that each would bring and which are most favored.*

## Other Potential BSC Offerings

**Overview:** One of the questions commonly asked interviewees was, “What else can BSC provide to meet the needs of Kosovo’s youth, entrepreneurs and/or business community?” This section is devoted to the ideas and opinions of the stakeholders in responding to that question.

**Internship Program:** One winning competitor offered the recommendation to incorporate an internship program into the existing Business Skills Development training. His concept was that the trainee and BSC identify internship opportunities in similar types of businesses as those that the trainees are considering. The trainee would begin his or her internship prior to, or at the start of, the ten-week training and continue it through the duration of the training period. This would allow the student the opportunity to learn more about the type of business they want to start, as well as the opportunity to apply the lessons learned in the coursework to an actual business. An alternative recommendation made by one of the competition winners was to place interns after completion of the training, again in businesses similar to the ones proposed. Placements could possibly be facilitated by the Chamber of Commerce or a BSC-supported network. SPARK indicates that an internship program is currently offered by their Private Sector Development program.

**Preparing Business Plan Service:** Alban Zogaj of Riinvest suggested that one opportunity for graduates who choose not to start their own business is to help other businesses and entrepreneurs to prepare their business plans. Since all of

the graduates have completed the course, they are in a position to market themselves to assist others with the new skills they possess. This is also an opportunity for them to work in groups with their colleagues who may specialize in a particular trade or planning skill. He indicated that the market in Kosovo pays up to €3,000 for a quality business plan.

**Management Skills for Existing Businesses:** Lumir Abdixhiku of Riinvest cited a problem of many business managers not recognizing that they lack managerial and organizational skills, an issue related to self-esteem. His idea is to target those existing owners and managers who do recognize that they can improve and develop a training course suited to them, then expand it to other businesses as the reputation grows. Another target group for this or a similar training program would be to target those enterprises that have just started, for example less than one year ago, rather than the current practice of targeting those that may start in the future.

**Labor Market Skills:** Alban Hashani and Lumir Abdixhiku, both of Riinvest, separately suggested that BSC might offer a program to teach trade and labor market skills to individuals who are not entrepreneurs at heart, to assist them in finding employment in existing enterprises. For example, Mr. Hashani said, "Project Management is no longer a career option, but a critical skill necessary for all types of jobs." Perhaps two courses – one targeting entrepreneurs and another targeting job skills – would best reflect the needs of the Kosovo labor market. SPARK notes that this is already an existing activity of the LINK project, implemented by OSCE and the University of Prishtina.

**Career Development:** Besnik Krasniqi of the University of Prishtina cited a lack of service providers for career development – a program that helps job-seekers to improve their CVs and interviewing skills and identify job opportunities. Conversely, he cited increased pressure on companies to hire more skilled employees. The initiative could start with some research and focus courses to identify the needs and gaps in the job market. SPARK indicates that this is also an existing activity of LINK.

**Business Planning Condensed:** Several interviewees suggested a condensed version of the Business Plan Writing training, similar to the existing one-week course, but designed to serve as a stand-alone offering rather than a precursor to the ten-week course. The course could target startups, newly formed enterprises or existing businesses, helping them to better plan and organize for the future. Content for these courses should be readily available.

**Entrepreneur Club:** Several interviewees suggested forming an Entrepreneur Club or Alumni Club comprised of BSC graduates and trainees that would engage the members in opportunities and social activities. Part of the proposed BSCK-2 project is to form a Young Entrepreneurs Association (YEA), which presumably would fill that niche.

**Linkages & Networking:** There were numerous suggestions for establishing, facilitating or improving business networks, particularly among the winning startups. Recommendations ranged from facilitating networks of businesses involved in similar activities to those financed; establishing a company mentor or partner program, wherein a startup is paired with a larger but similar or complementary enterprise; utilizing the SPARK network of BSCs in the Balkans to link awarded startups with other regional countries that could mutually facilitate market opportunities; and facilitating access to Ministry and institution resources for the startups and trainees. Some of these ideas may fall within the goal of SENSI.

**BSC Curricula at University of Prishtina:** Mr. Kraniqi suggested institutionalizing the BSC course modules for instruction at the University of Prishtina, noting that if the modules can be installed within the current university system, then the existing university infrastructure can be more effective in recruiting trainees and providing the training at a lower cost. A curriculum development workshop is planned for January 25, 2008 by Mr. Kraniqi and Jaap van Tillburg.

**Demand-Driven Courses:** Mr. Flamur Keqa suggested demand-driven courses that BSC could offer and finance for groups of trainees that identify a need, attract participants, and propose the curricula. He cited one example where a group of export-oriented enterprises proposed a course on international trade, export culture and International Commercial Terms 2000. The Kosovo Chamber of Commerce, in cooperation with Customs and the Ministry of Transport, are delivering the training, while GTZ is financing the course.

## Business Plan Competition

### Competition Management

**Competition Terms:** As previously mentioned, it was noted by nearly all interviewees, especially the training graduates of the first cycle, that the terms of the competition were not presented clearly and accurately. When discussing the competition and the project in general, this was often the first point that arose indicating its level of importance in the view of the trainees and stakeholders. Generally speaking, the interviewees reported a similar understanding of the

competition terms: first a grant rather than a loan, next a loan in the amount of €10,000 or more, and finally a loan in the amount of €5,000 but with more favorable terms. While the obvious recommendation is to more clearly define the terms prior to beginning, there are also a number of other constructive recommendations and thoughts.

**Competition Judging:** The competition jury was comprised of five members: two from KEP, two from the CC, one from the University of Prishtina, and one from MoTI (who reportedly failed to show up). The award event was professionally organized in a hotel in Prishtina where the winners were announced. Competitors were generally satisfied with the competition procedures and judging but did offer a few recommendations. First, some of them felt that the results were judged more on the basis of financing and whether or not the business fit within the constraints of the loan, rather than the quality of the business plan or idea. Second, some participants felt limited by the five-minute presentation time constraint; and one participant who was unavailable on the designated day due to other obligations was unable to reschedule for another time. Lastly, the non-winning competitors did not receive feedback on the strong and weak points of their plan, nor recommendations for improvement.

**Recommendation:** Based on this feedback, incorporate some minor modifications to the judging process;

1. Ensure that the evaluation criteria for the competition are clear to all participants. If financial requirements are a governing criterion, then identify alternatives for startups that exceed the financial limits to allow them a fair chance for competition. As a minimum, ensure that they are aware of the fact that a too-high credit request will prohibit them from winning, so that they have the opportunity to reconsider their proposal.
2. Consider increasing or changing the five-minute presentation time. One suggestion was to structure the competition more like a loan interview; this could be easily facilitated by KEP or other credit partner.
3. Conduct the presentations over two separate days to ensure that all participants have the opportunity to compete in case they have a prior scheduling conflict. Of course getting the jury members together is also a key issue.
4. Ensure there is formal feedback for all non-winning (as well as winning) competitors, preferably including professional counseling on whether or not they should proceed independently with their business idea.

## Competition Awards

**Business Ideas & Non-Winners:** The assessment team was impressed with the business ideas presented, the level of knowledge and planning that went into developing the ideas, the clarity and conciseness with which the trainees were able to articulate their ideas, and the conviction with which they believed in success. Three of the ideas presented included import substitution of greenhouse tomatoes, a skate park and training facility in Prishtina, and trade of specific products such as orthopedic shoes and diabetic aids. In all cases, the trainees had a solid grasp of the business and financial fundamentals, market demand and competitive analysis. They still hope to realize their plans and are seeking other financing alternatives. The BSC Project Coordinator is helping the trainees in this regard and has promoted some of the business plans to IOM, CARE and MPDL.

**Recommendation:** Several interviewees from the staff, SPARK Kosovo and the CC recommended increasing either the amount of credit and/or the number of competition winners in the current and future rounds. Not only would this expand the program results but will also help to fully utilize the budget line items. Interviewees suggested a number of ways to do this along with their supporting rationale; after listening to each of them, SPARK may consider the following:

1. Do not necessarily place a limit on the number of winners, but rather finance those that fit within a pre-determined budget, or leave the decision to the recommendation of the CC and KEP (or other finance provider), subject of course to the approval of BSC.
2. Establish financing "guidelines" rather than a "limit" and allow startups the opportunity to access higher amounts of credit in cases where the CC and credit provider consider that the risk level is acceptable. In this case, ensure that the approval process is timely yet diligent. SPARK reports that they have already adopted this measure; in cases where a plan exceeds the financial ceiling it is subject to approval by the partners.

**Recommendation:** In light of the underutilization of the credit and consulting services by the winning enterprises, SPARK might open a new competition for the non-winners of the first and second cycles, thereby allowing those competitors an extra chance to compete and win. The number of winners can be adjusted according to either the quality of the plans or the available budget.

**Recommendation:** In future competitions, BSC and SPARK should consider ranking or scoring the business plans so that in the event one or more withdraws from the competition, doesn't register the enterprise, or chooses not to accept the award the next-highest ranked business plan will become eligible.

**Business Registration:** As part of the award BSC paid the costs of the business registration. The winners were given two months in which to register their business. Registration fees were not quoted but it was noted that they are of nominal cost.

**Credit:** While the Credit Facility is presented in more detail later in this assessment, along with some recommendations from KEP and the assessment team, this section focuses mainly on the feedback from the competitors and CC members with respect to the credit offered for winning competitors. While all of the interviewees understand that KEP is entitled to set the terms that balance risk and allow them a profit, they do not necessarily view the credit as an “award” for winning a competition. Among the focus group participants from the current group, all intend to take the loan should they win the competition, though they remain under the impression that the maximum amount is €7,000.

**Recommendations:** *Trainees and past competitors offered a number of suggestions for improving the credit for the winning competitors. These should be considered together with the recommendations presented in the Credit Facility for Winning Startups section. The recommendations below are presented in their entirety as proposed by interviewees.*

1. *Establish more strict preconditions and criteria to win in exchange for receiving better loan conditions, either more favorable rates and/or a longer grace period, especially for seasonal or agriculture-related businesses. In other words, the award is more difficult to attain, but BSC and KEP can be more assured that the winning competitors will succeed. “Those that win, really win.”*
2. *BSC should view themselves as “partners” in the investments, take a more active role in the project, and offer part of the financial award as a grant, rather than credit. As discussed later, SPARK indicates that this is not an option.*
3. *Increase the amount of the investment available, essentially leaving it in the hands of the credit provider to approve or not. The rationale is that if the credit provider is comfortable in balancing the risk versus investment, then BSC and SPARK should not reject the project strictly on the basis of required investment.*

**Other Credit Providers:** Many of the competition winners and non-winners proposed that BCS involve other banks and credit providers in the competition process. This is an excellent idea in several respects. First, it is a possible source of finance for non-winning startups. Second, it provides value to the banks through exposure and positive public relations at a relatively low cost. And perhaps most importantly, it introduces an element of market competition into the finance aspect of the startups. Perhaps with no lengthy negotiation process, one or more banks would agree to match or beat the terms offered by KEP. At the very least, as one winning group suggested, BSC could initially involve them simply by inviting them to listen to the competition presentations. SPARK management indicates that they are confident that they have exhausted all options and that KEP represents the best option available among limited choices.

**Consulting Services:** The conditions of the 100 hours of consulting services do not seem clear to the trainees. First, it is not clear whether taking the credit is a prerequisite for utilizing the consulting services. In other words, can the winners still access the consulting services if they choose to forego the KEP credit? If not, BSC and SPARK should reconsider that policy.

**Recommendation:** *First, the conditions of utilizing the consulting services should be clearly outlined for all competitors, particularly clarifying whether the credit is a prerequisite for accessing the services. If the credit is required, BSC should change this policy. Second, BSC and SPARK should consider opening up the consulting services to all competitors that register an enterprise, including the non-winners. This might also help SPARK with its budget line items. Finally, some trainees recommend that coaching be included in the system. (It is not clear whether this is already an option; if so, competitors should be made aware of the opportunity.)*

**Incubator:** If a business incubator is opened in the future, BSC and SPARK can offer the winning competitors space in the incubator as part of the award package. Presumably the incubator will offer favorable tenancy rates, which will substantiate the “award.”

## Competition Winners

**Interviewees:** The assessment team interviewed six of the ten business plan winning groups, including five who accepted the credit. All ten winners are profiled in the BSC Kosovo Annual Report; those who accepted the credit are briefly summarized below. Their comments and recommendations related to the training and other aspects of BSC are presented in the appropriate sections.

**Rral-Pak:** Romir Shalqini; 23 years old; Prizren. Paper bag production. Accepted credit in amount of €5,000, 24 months, no grace period. Credit, plus own investment, used to purchase bag production equipment. Credit terms were disappointing (initially under the impression that award would be a grant). Attended 70% of training

and reported positively on the training and BSC. BSC provided registration and assisted in identifying new business contacts. KEP has followed up since issuing loan.

**Syla:** Reshid Morina; 21 years old; Rahovec. Milk & meat production. Accepted credit in amount of €5,000, 48 months, 6-month grace period, interest 9% per year, monthly repayment €156, €37 per month during grace period. Credit was used to purchase 10 beef cattle, pay land rent and purchase feed. Credit processing was slow and was received after 2-1/2 months (KEP later countered his arguments). Attended all training and reported positively on all aspects, especially coaching. BSC provided registration. Has not requested, and is unclear how to utilize, consulting services.

**Global Alliance Network:** Valton Berisha, 23; Berat Kecekolla, 29; Hazir Haziri, 26; Prishtina. Provide business management, marketing, trade, and foreign company registration consulting services. Firm rents two fully-equipped premises in Prishtina and has contract with at least one foreign company. Accepted credit in amount of €5,000 for procurement of office equipment and marketing materials. Credit procedures reported as efficient but terms unfavorable (required cosigner). All participated in training on a regular basis and reported positive feedback. Have requested 100 hours of consulting service from UBO and MDA on international business, European integration and market research. (SPARK indicates that it's since been completed.) KEP has not visited since issuing the loan.

**Bio Green Factory:** Jehona Oruqi, 31; Fadil Ukiqi, 35; Prishtina. Recycles waste oil and produces bio-fuel; startup anticipated in January-February 2008. Company has a buyer and reports secure market. Accepted credit in amount of €7,000, 36 months, 6-month grace period, monthly repayment €300, €52 during grace period. Credit, together with €12,000 from family, used to purchase waste oil processor. KEP requested collateral plus cosigner; higher amount was approved with "raised expectations." Reported delays in credit approval process; believes due to BSC approval rather than KEP because of the €7,000 amount. Have requested consulting services for training program in import and export procedures. The company also applied to IOM and may get an additional grant for up to 75% of the cost for additional assets.

**Pika Zero:** Adem Gashi; Prishtina. Provides electrical system solutions such as energy efficiency and loss audits and energy research; generates additional income through cooperation with marketing agency with which they share office space. Accepted credit in amount of €5,000 to procure computers; used own funds for opening office.

**Monitoring, Evaluation & Feedback:** Nearly all of the CC members, current students, and other stakeholders cited a lack of information with respect to the trainees, and especially contest winners, as an area for improvement. Briefings should be sent to project stakeholders reporting on client progress and successes. SPARK management states that this issue was addressed in the week following this evaluation.

**Recommendation:** Conduct monitoring visits of competition winners and prepare briefing materials to be shared with CC members, trainees, and other stakeholders. Periodically provide updates on each winner and expand the briefings to include winners from recent rounds as well as other BSC success stories. Some current students suggested a periodic newsletter highlighting some of the winners, personalized to present the issues each business faces.

**Continued Involvement:** In addition to continued monitoring of the enterprises established through the BSC program, several of the newly-registered businesses expressed a desire to continue working with BSC in other ways. This can easily be viewed as a two-way-street: BSC can continue to offer the businesses support and training, perhaps even utilizing them as pilots for some new types of activities; and the businesses can assist future BSC programs by offering guest speakers, field visits and perhaps short-term internships.

## Credit Facility for Winning Startups

**Note 1:** The following discussion was taken from an interview with Ms. Silvana Domi, the KEP Research & Development Manager. After reviewing this report, SPARK reports receiving conflicting information from KEP and its Director than that provided by Ms. Domi, specifically with respect to KEP's views on the grants, the credit terms, and their willingness to renegotiate. Since no other information is available directly from KEP, the content of this discussion is based on the interview with Ms. Domi.

**Note 2:** Many interviewees, including Ms. Domi, feel that a combination of grant and credit would be appropriate for the winning startups. Following their review of this report, SPARK has indicated that this is simply not an option as it does



not present a sustainable form of financing in the absence of donor funding. This discussion and the ideas, however, have not been eliminated from the discussion.

**General Opinion:** The credit facility for the winning startups is the most controversial aspect of the BSC program because of i) the early misinformation of the competition award, ii) the ambiguous loan amount allowable, and iii) the perceived poor credit terms. While the training graduates from the first round of training were diplomatic and understanding, they all raised the issue of the incorrect information regarding the competition terms, and most also expressed disappointment in the terms of the credit (though in actuality, the terms seem competitive, even favorable).

**Credit Terms:** The terms of the credit for both the client and KEP are summarized in the table below. As discussed in the table, the 9% flat interest rate plus the 3% administrative fee translate to an effective interest rate of 21% on a declining basis (the 9% flat rate equals 18% declining, plus 3% administrative fees). One advantage of the credit over that available from commercial banks is the early repayment savings, up to 50% compared with only 20% to 25% at commercial banks. KEP allows the grace period which is not stipulated in the agreement. KEP stated that, "from a risk standpoint, the credit is fair; but from an emotional standpoint for the young entrepreneurs, it is high."

BSC-KEP Credit Terms Summary	
Client Terms	KEP Terms
Credit Limit: €5,000*	Research & Development: €3,000
Interest Rate: 9% flat	Loan Officer Training: €3,000
Administration Fee: 3% deducted from loan	Initial Administrative Costs: €4,000
Maximum Term Length: 48 months	SPARK Loan Capital Contributed: €90,000
Collateral: None, cosigner required	KEP Loan Capital Contributed: €20,000
Grace Period: 6 months maximum, principal only	KEP Loan Service Fee: 1/3 of interest
Early Repayment Savings: 50% minimum interest due	Closeout Terms: KEP retains 18% of loan capital
<p><i>The credit terms available to the trainees remain a source of contention among the competition winners, as well as other stakeholders. The 9% flat interest rate translates to 18% declining, not including the 3% administration fee deducted from the principal at the time of the loan. For a €5,000 loan clients will repay a total of €6,050 over two years, translating to an effective borrowing rate of 21% for two years.</i></p> <p><i>* Loan size remains ambiguous. Trainees were informed that they could request up to €7,000, which could be specially approved by BSC. However, one client who attempted this was told that the process would take too long to approve and that he should take the €5,000. According to the KEP agreement itself, the maximum loan size is €5,000. The €7,000 figure was repeated by several interviewees.</i></p>	

**Recommendation:** Renegotiate the credit terms with KEP; KEP seems open to this possibility. In particular, KEP plans to introduce declining interest rates in accordance with the Central Bank of Kosovo once they have undergone their transformation to a commercial bank in 2008 – they noted that a 9% declining rate would be roughly 5% fixed annually. Second, KEP is willing to reexamine the 3% administrative fee; Ms. Domi indicated she would support eliminating the fee altogether (their normal fee is 1.5% for business loans and 1% for consumer loans).

**Other KEP Loan Products:** The credit offered to BSC clients is less expensive than KEP's typical SME loans for existing businesses. KEP offers SME loans at 12% fixed, agriculture loans at 10% to 11%, and consumer loans at 9%. They do not offer loans to startups in their non-BSC portfolio; they secure all other loans with collateral; and there is a grace period for agriculture loans only. All interest rates at present are flat, though KEP is in the process of registering as a commercial bank, after which it will be required to offer declining interest rates. Only in housing loans does KEP currently offer declining interest rates at 7%. Therefore, with respect to business loans, the BSC clients are getting the best deal KEP has to offer; and according to SPARK's tender, the best deal possible in Kosovo.

**Comparison with Other Credit Providers:** A number of the trainees and other interviewees stated that better terms would be available from commercial lenders. At least one seemingly informed interviewee from one of the other international programs stated that commercial credit can be obtained for 9% or less, including administrative fees, and that terms can even be negotiated to some extent. The assessment team was able to confirm the terms offered to existing SMEs by ProCredit, which in the end seem comparable to those currently offered to the startups by KEP. ProCredit offers SMEs 12% declining interest rate; so in the example above, a total payback of a €5,000 loan repaid over 24 months would be €6,130 (€80 higher than the KEP product).

**Collateral Requirement:** Clause 20 in the agreement created some confusion between KEP and SPARK due to its ambiguity in whether or not KEP can require collateral; in one case, they attempted to impose a collateral requirement but were told by BSC that they could not (the clause does seem to allow KEP to do so). In this example, the confusion in Clause 20 was partially to blame for a delay of approximately two months in one client receiving credit (though KEP stated that his application was also late).

**Collaboration with BSC:** KEP indicate that they have good relations and open communication with BSC staff; they also report positive feedback from clients with respect to BSC training. The BSC clients that received credit were required to transfer their business plans into KEP's standard format in order to apply for the credit; Ms. Domi stated that they completed their business plans "wonderfully." She feels it is important for programs such as BSC to support startups.

**KEP Analysis of Credit Offering:** Ms. Domi agrees that the terms offered to BSC clients are less than ideal for the startups. Specifically, she stated the following conditions which she thought could be changed:

- **Fund Resources:** SPARK and/or other investors could contribute more resources to the fund to increase the number of opportunities.
- **Credit Limit:** Increase the credit limit per enterprise. Not only are the funds limited, but there is no possibility for exceptions to raise the credit limit for a particularly strong business plan; a significantly higher limit, perhaps with some additional controls would be preferable if the idea was very good. For example, Bio Green, the bio-diesel company needed €20,000 to procure a machine; for companies like this that need a specific machine, they obviously cannot buy only part of it but rather need the whole amount, which can be higher than the €5,000 limit. (In the bio-diesel example, the winners borrowed the remainder of the money from their families.)
- **Loan Monitoring:** KEP indicated that it is unclear whose responsibility it is to monitor the enterprises. Specifically, i) the roles of KEP and BSC should be clarified, as they are not clear in the MoU; ii) other stakeholders indicate that not enough has been done by BSC and KEP to monitor the loans and progress of the winners; iii) KEP indicated that it could be possible for winners to use the loan funds for other purposes; therefore, someone should ensure that the loans are used for the intended purposes. This last point does not seem to be an issue with the seven current clients but it should be addressed before expanding the program, as it would be a very serious issue if BSC is not prudent. There seems to be a possibility for it to happen, and ensuring that it does not should be a simple adjustment. KEP indicated that they have visited all seven of the clients receiving credit for their own due diligence.
- **Enterprise Monitoring:** In addition to registering new enterprises, the competition winners also have other expectations, such as creating legal and registered employment and expanding the enterprise over time. Therefore, in addition to monitoring the loans, BSC should also track enterprise performance using these and other indicators. Employment created should be verified and the extent with which enterprises legalize employment should be tracked, or even required.

**Recommendation:** SPARK and/or KEP could be involved in procurement to ensure the credit is used for the intended purpose and assist clients with what, how and from where to purchase, as well as potentially facilitating import. Funds could even be transferred directly from SPARK or KEP to the vendor. BSC and KEP should also require the clients to report, so that clients are essentially tasked with the responsibility of informing the organizations of their progress. This can be done on a quarterly basis using a standardized reporting form. Finally, BSC and KEP should seek other ways to bring the clients closer to the organizations, so that they see themselves not just as a client but as a partner.

**Advantages for KEP:** The amount of loan capital provided to KEP is relatively small, at present €50,000 with a ceiling of €90,000. While only seven winning businesses have taken credit to date, for a total of €35,000 or less, there are a number of advantages to KEP:

- KEP can expense 1/3 of the interest collected to cover operating costs;
- the remaining 2/3 of the interest revolves back into the loan capital;
- the partnership with BSC represents value for KEP, providing them with options for new loan products and possible future collaboration;
- the BSC clients may take future KEP credit, in potentially larger amounts, as they continue to grow;
- KEP receives marketing and promotion through BSC without incurring any costs since BSC manages the training and competition;
- SPARK contributed €10,000 euros for administrative costs, loan officer training and research & development;
- moral and strategic advantages in working with startup enterprises.

**Credit Approval & Follow-Up:** A KEP staff member served on the competition jury that selected the winners. As previously stated, of the eleven original winners, seven took the credit. At least one winner had initially requested the €7,000 maximum (as it was understood to be) but was informed by BSC staff that SPARK was unlikely to approve the loan without considerable delays and bureaucracy; in the end, the client took a loan in the amount of €5,000 which was approved without delay. For all clients that were interested in the credit, KEP loan officers fully briefed the clients,

spending at least one hour with them during the application process. Given the high number of stakeholders (KEP, BSC, SPARK) and the resulting lower level of risk, KEP's loan procedures were simplified for the clients.

**Reconsider Credit Facility:** A number of recommendation were made regarding ways to improve the credit facility, restructure the terms, make the loan product more appealing, or structure the financing more like an "award." First, KEP is open to renegotiating the credit terms and supports the idea of a credit-grant combination. Second, the assessment team heard through various sources that credit is becoming more competitive in Kosovo and that two strong banks will soon be opening their doors in Kosovo.

**Recommendation:** SPARK should reconsider the credit facility generally and examine the advantages of offering a combination of grant and credit for the competition winners. (SPARK has clearly stated this is not an option). As it now stands, the winning clients are struggling not only with the challenges of starting their businesses, but with relatively high interest rates on their loans as well. The evaluation team, KEP, BSC staff, and numerous other interviewees offered this recommendation. The change could be implemented in a number of ways: i) follow the mold of a prior, reportedly successful, GTZ project that offered a 50-50 grant-credit scheme; ii) utilize the interest collected to subsidize the grant portion; or iii) follow standard KEP guidelines requiring clients to match 20% to 25% of the loan with their own resources, but instead contribute that amount in the form of a SPARK grant.

**Recommendation:** An alternative to the above recommendation offered by Adem Gashi, a Round 1 winner, is to offer a grant once the enterprise survives its first year. Therefore, the winning enterprises are expected to take the credit (or self-finance) for their first year of operation; after that, they are eligible for an influx of cash through an equipment grant to award their first-year success. (This is also not an option according to SPARK.)

## Consulting Services for Winning Startups

**Overview:** The consulting services for the winning startups have yet to be utilized by any of the winners, though at least two of the winners have made some preliminary request. (After the initial draft version of this report, SPARK reports that one client has fully utilized the services.) In the opinion of several interviewees, it will take some time before the newly-registered enterprises are in a position to understand their needs and have the time to dedicate to identify and utilize these services. Mr. Ardian Jashari of MDA offered input into why he believes the services have not been accessed:

1. The enterprises are not yet ready for consulting services since they don't clearly understand their needs.
2. The clients may be exhausted from the ten-week training and/or they think that having completed the training, they already have the knowledge they need.
3. They are too busy trying to establish business and meet their family and personal obligations that they simply don't have the time for 100 hours of consulting. Since most of the firms are small, one to two people, they can't task someone else with the responsibility to work with the consultant.
4. Some are still not sure if they really want to proceed with the business plan idea, or may be considering changing their plans.
5. In more than one case, the impression that they would receive a grant rather than a loan (and/or the amount of the loan) changed their expectations.

**Consulting Firms:** Agreements were signed with two consulting agencies to provide 100 hours of consulting to each startup enterprise: MDA and UBO. Both are private, professional consulting firms and are ready to deliver quality services. In the case of MDA, all of its consultants originate from Kosovo and earned their degrees either in the US or Europe. After the war they returned to Kosovo to fill an identified niche in management skills and business planning and credit facilitation for existing enterprises. The portfolios of both firms include a wide variety of training and services including marketing research and strategy, project management, feasibility studies, management consulting and human resource development. MDA manages a human resource service where they recruit, screen and interview candidates for postings, both helping the company to hire the most qualified personnel as well as providing a convenient "out" in cases of nepotism pressure. At least in the case of UBO, they are willing to provide specialized technical consulting for particular types of products or businesses. The two firms are in good relations with one another and have attempted to collaborate on various projects in the past, though they have yet to be successful in a bid.

**Feedback on BSC:** Both firms were well informed about the BSC project and are able to state the goals and describe the activities. Mr. Jashari of MDA indicated that four of their consultants had provided Business Plan Writing training for BSC. Both indicated that BSC and its training programs have a good reputation in Kosovo; their cooperation with BSC

has been good so far and they look forward to increased access of consulting services for the winners. Mr. Jashari likened the Business Skills Development training to a “mini-MBA,” something that is very much needed in Kosovo. With his limited yet informed knowledge of the program, Mr. Jashari felt that ten weeks was “a bit too long.”

**Accessing Consulting Services:** SPARK is following the request and approval process employed and recommended by TAM/BAS for the consulting services; SPARK indicates that all competition winners were fully briefed on how the services are intended to function. From the standpoint of MDA and UBO, however, there does seem to be some minor confusion with respect to the request and approval process. Mr. Shaipi of UBO stated that the BSC is responsible for coordinating the consulting services; MDA understands that the client decides which firm to utilize. UBO stated that two companies so far have requested services, and that they are planning to provide them. MDA said that they have met with each winner, presented their offerings, and are now awaiting requests; they are aware of only one request and it isn’t clear whether this is one of the same ones that UBO referred to. SPARK states that the firm with the greatest experience is awarded the services. Perhaps it should simply be clarified how and by whom this evaluation occurs.

**Voucher Scheme:** MDA issued caution of the voucher scheme based on the experience of MoTI in using the scheme in a similar program. According to MDA, the voucher scheme failed because it allowed collusion between the consulting firm and client, wherein the firm and client would agree to minimal service and subsequently split the fee between themselves. SPARK reports that they have taken the necessary precautions to ensure that collusion does not occur.

**Recommendation:** *Implement or modify procedures to make it simpler access the consulting services.*

*1. Allow clients to access the consulting services by project rather than by hour. For example, a consulting project might consist of developing a strategic plan; building a web site; conducting market research on a particular product, service or geography; or developing a set of promotional materials. In this way the project can be tendered between the two firms and awarded to the one with the best offer. The firm is paid based on the deliverable rather than the hour (which can be easily corrupted in collusion with the client). Each company can then be provided with either a budgetary or hourly limit that they can use on a single or multiple projects. After the services are completed, the firm is required to submit concrete deliverable(s) to the client and BSC, after which they are paid based on deliverable.*

*2. Emphasize training over consulting, since the newly-formed enterprises might be in a better position to access training for themselves or their employees.*

**Agreements:** With respect to their consulting agreements with BSC, the firms felt that negotiating and signing the agreements took a considerable amount of time, which until now has not paid off. MDA also questioned the policy of BSC in contracting agencies versus individuals. For example, he said, when BSC needed trainers for the Business Plan Writing course, MDA provided four trainers, but BSC insisted that they contract with individuals rather than firms. When they selected the Business Skills Development module trainers, MDA submitted ten or more candidates, which were reportedly rejected because they were proposed through the firm (although MDA had agreed to allow them to sign individual contracts). Yet in the case of consulting services, BSC has contracted with the firms. Again, it does not appear that BSC or SPARK has communicated their intent to use consultants and trainers in its own roster.

## SENSI & Regional Coordination

**Regional BSC Coordination:** The concept of Regional BSC Coordination was drafted into the BSC Kosovo proposal and, according to SPARK management, was based somewhat on the SPARK PSD project and the summer university, both of which are considered successes in terms of collaboration and networking between regional organizations working in the same or similar sectors.

**SENSI Formation:** The first regional coordination meeting was organized in Tuzla, Bosnia & Herzegovina in October 2006 and hosted 46 individuals from seven countries in the region and Europe representing BSCs, incubators, universities, economic institutions and international donors. At the meeting, the regional coordination concept was expanded into the Southeast European Network of Start-Up Centers & Incubators (SENSI). To date three meetings have been held: the second being in Maribor, Slovenia in March 2007; and the third in Kragujevac, Serbia in December 2007. During this time, SENSI has grown from 18 members to 35 at present.

**SENSI Activities:** According to the SENSI website, [www.sensi.biz](http://www.sensi.biz), SENSI aims to “develop business support for young and starting entrepreneurs and to improve the quality and accessibility to services in order to increase their chance of long-term success.” SENSI members support each other by providing, free of charge, the following services: i) exchange best practices; ii) exchange training curricula, materials and experts; iii) mobilize entrepreneurs, students, professors

and experts between the centers; iv) organize study visits and conferences on a rotational basis between network members; v) organize joint study visits to centers outside of southeast Europe; vi) organize a joint regional business plan competition; and vii) support regional opportunities.

**Cost-Effective Organization:** One of the successful aspects of SENSI is the cost-effectiveness with which they have been able to accomplish the growth of the organization. Until now, SENSI has organized its meetings in connection with other conferences. In addition to keeping the organizational costs to a minimum, this practice has been successful in ensuring the widest possible participation and spirited inclusion of members and other parties. Members are required to contribute in terms of organization, discussions and presentations, as well as financially as they cover a portion of their own travel and accommodations.

**Stakeholder Feedback:** BSC staff and CC members were asked for feedback on their experience with SENSI and regional coordination. While SENSI is viewed positively and interviewees were able to cite its goals and activities, they struggled a bit regarding their own personal involvement and in clarifying specifically how they have benefited from participation. This is probably due at least in part to the fact that only one of the Kosovo staff and no stakeholders attended the third meeting (since it was in Serbia); so nine months have elapsed since they attended a SENSI event.

**Management Feedback:** SPARK management has received positive feedback from SENSI members and is satisfied with the content of the events and workshops, the agenda, and the involvement of the regional members. Management would like to see the BSC Kosovo staff and CC take a larger role in organizing and participating in the meetings and developing SENSI as a long-term institutional structure. However, they realistically view this from both sides: while they would like to see more substantial contribution from the Kosovo BSC, they also recognize that their international team has perhaps taken too great a role in organizing the meetings. Ralph van der Zijden took the initial lead in organizing the meetings; on his departure it was added to Michel Richter's agenda; an intern, Marnik Eidleberg, helped the Serbia BSC staff in organizing the third meeting in Kragujevac.

**BSC Kosovo Staff Feedback:** BSC staff reinforced the views of management; when questioned about SENSI, the BSC staff deferred to Michel. After discussing this assessment with SPARK, the Program Manager spoke again with the BSC staff about their involvement in SENSI. This discussion revealed that there probably is insufficient interest on their part to assume the primary leadership of SENSI, due to: i) tentatively, the BSC Kosovo project will end in the first half of 2008 and the team has more pressing issues, as well as limited time to turn SENSI into a sustainable organization; ii) BSC Kosovo staff view their responsibility more in the area of developing the BSC Kosovo itself rather than focusing on regional initiatives, and don't see the direct impact of SENSI on the BSC; iii) the BSC Kosovo staff do not feel sufficiently in the loop to take over responsibility; SENSI has not been clearly delineated as their responsibility; and until now their role has been relegated to less meaningful, logistical matters; and iv) general reluctance and lack of interest due to personal matters and issues among the staff.

**Sustainability:** For a regional initiative such as SENSI, sustainability is potentially a more complex issue than of the BSCs themselves, with its added complications of physical separation of members and functional issues. SENSI's long-term sustainability is scheduled for discussion at the upcoming fourth meeting in May 2008 in Ohrid, Macedonia (coinciding with EU Promotion Day). It has not been defined what form SENSI might take in the long-term, be it an informal network as it is now or a full-fledged fee-based membership organization. SPARK management points out that SENSI has evolved from its first meeting and creation of the website into the informal network that it is today. There have been preliminary discussions with respect to membership fees, statute, categories of members, as well as the potential of SENSI in developing proposals (though realistically, even if developed soon, proposals would not likely expect funding until at least 2009).

**SENSI Budget:** The budget for SENSI is a small part of the overall BSCK project. SPARK has done well in making progress by effectively combining SENSI meetings with other events and holding members to financial and in-kind participation. Nevertheless, without the BSCK-2 project, management recognizes that it will be nearly impossible to make SENSI sustainable within the next six months. The upcoming meeting therefore contains added importance to solicit member input regarding their visions for sustainability and the future.

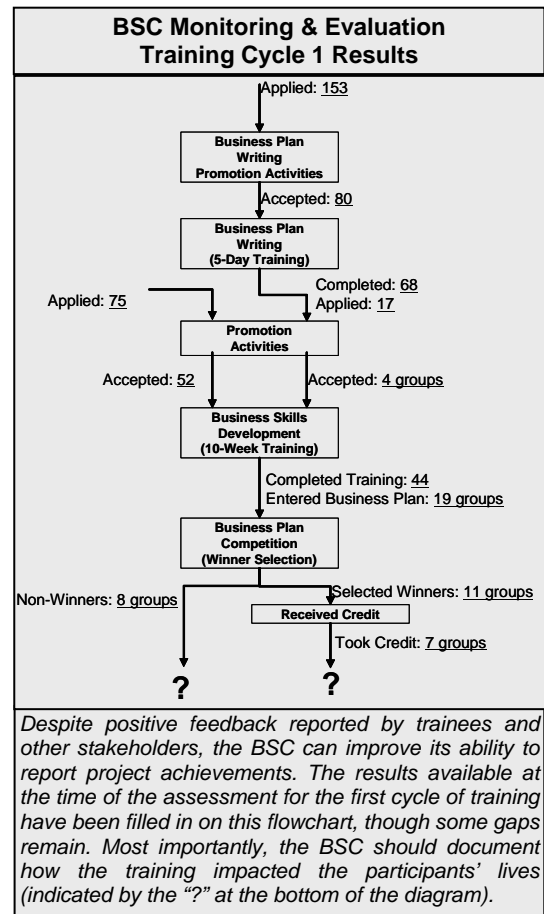
**Recommendation:** *With respect to BSC Kosovo SPARK should openly discuss with the staff to determine their interest and willingness to assume lead responsibility for SENSI, especially given the realities of the current project timeline. A similarly open discussion should be held at the May meeting to gauge member interest and to perhaps seek other alternatives for leadership, at least in the short to medium term. Members should also work to identify what they hope to get out of SENSI from their membership; obviously the benefits they receive should outweigh the cost. If for no other reasons than the ongoing resolution of Kosovo status and the possible phase-out of BSCK, perhaps one of the other BSCs is better equipped to assume responsibility for SENSI.*

## Monitoring & Evaluation

**Overview:** While SPARK management, BSC staff and other interviewees are able to cite many results that BSC has achieved, the staff had some difficulty in presenting some of the basic statistical figures. This is illustrated fairly simply in the diagram, which depicts the entire first cycle of training beginning with the application for the Business Plan Writing and continuing through the Business Skills Development course and the Business Plan Competition. Between each stage of the process, the numbers of participants have been filled in to the extent they were available. (For consistency sake, BSC should measure both individuals and teams at each stage in the process.)

**Discussion:** While most of the statistics were available from the BSC staff (albeit after some time) there are some gaps remaining (specifically with respect to numbers of individuals versus groups). Filling in these figures on this or similar diagram would help in the BSC's ability to assess the program and articulate to partners what the program is accomplishing. For example, after examining these figures one can see that only 25% (17 of 68) of the trainees from the Business Plan Writing course applied for the 10-week course; the reasons for this should be investigated, after which the BSC and SPARK may wish to restructure the program in light of the findings.

**Impact:** Once the relatively simple task of filling in the numbers is complete, only then can BSC and SPARK begin to answer the more important question, "What is the real impact of this program," illustrated by the "?"s at the bottom of the flowchart. For example, the program claims that even those that were not selected as winners are in a better position to establish a business; that they are in a better position to find employment; or that they use the course for credit transfer. The question then remains as to what extent these things are happening. There is also minimal information available on the status of the winners. Given all of the positive feedback by trainees, trainers and other stakeholders, there are most certainly some successes that should be documented and promoted.



**Recommendation:** SPARK management reports having designed an elaborate and effective M&E system, automated for use via internet that is currently in use by other BSCs; this tool should be introduced and utilized by the BSC Kosovo at the earliest date possible. It might also be useful to develop a simple summary sheet, such as the one shown, that the staff can provide to stakeholders on short notice that concisely summarizes the program activities and results.

## Netherlands-Funded Program Coordination

### TAM/BAS

**Overview:** TAM and BAS are technical programs of EBRD; the programs are two tools that EBRD applies in transition countries in the SME sector; the programs complement one another through joint implementation through a common office and use of resources. The Prishtina office has three local staff plus colleagues in London managing 25 other offices around the world.

**Turn-Around Management (TAM):** TAM targets medium to large enterprises with at least 50 employees, €1 million in annual revenues, and strong growth potential. The program provides senior advisors from industrial countries that service needs in client enterprises for a period of 12-18 months. The typical assistance model is to form a team of three expert advisors for each project: one senior industry advisor plus two more assigned on a case-by-case basis in areas such as production, sales, finance, etc. The team typically conducts four to five working visits and provides ongoing technical assistance from their home countries. TAM has signed 28 contracts with medium and large enterprises since its inception in 2005; 25 are completed, three are still being implemented, and four more are about to commence.

**Business Advisory Services (BAS):** BAS provides technical assistance for micro, small and medium enterprises with local ownership, at least ten employees, €250,000 in annual revenues, and in business for at least two years. The program delivers assistance primarily through local consultants, though if expertise cannot be identified locally the program may draw on foreign expertise. The program has twin objectives: i) to assist MSMEs, who co-share the costs of consulting services; and ii) to build the local capacity of consultants and consulting agencies, which must compete for projects through a competitive tendering procedure. BAS has also been working since 2005 and has implemented 111 projects with 106 enterprises, in areas of business plan development, investment planning, market development, branding, product launching and quality & management systems.

**BAS Consulting Sector Stimulation:** Kosovo consultants have the skills to serve the MSME sector; BAS helps the consulting agencies to advance those areas where they still need improvement, as well as developing areas where future demand is anticipated. BAS incorporates two products in its portfolio to stimulate the consulting sector:

- BAS facilitates ongoing relations between the consultant and enterprise to create enterprise-demand for consulting services, while providing ongoing assistance to the consultants to further develop their portfolio of tools, while not directly intervening in the real work of the consultant.
- BAS supports “Non-Conventional Projects,” which include market development activities for consultants by designing accredited and certified training programs, such as Quality Management, Asset & Investment Evaluation, and Management Consultant Accreditation. Every year the program assesses the needs of the MSME sector and where the consulting sector stands in relation to those needs; it then designs training programs to prepare consultants to meet anticipated future needs.

**Quality Management:** To support the high and increasing demand of the MSME sector for quality improvement, BAS implemented a four-month training and certification course for certification by the European Organization for Quality to examine and develop local competencies, so that MSMEs can rely on local capacity rather than bringing it from abroad. Now, two years later, there are 33 quality managers with five-year licenses. BAS implemented 23 quality-related projects with 23 different enterprises: twelve were certified by international certification bodies; three certifying bodies were established in Kosovo; two companies were HACCP certified and two more are in the process of receiving certification; two laboratories were accredited by ISO17000.

**BAS Asset & Investment Evaluation:** BAS organized a training program on asset evaluation and assessment, training 25 professional consultants, 16 of which passed their certification examination.

**Management Consultant Accreditation:** In 2008 BAS will examine accreditation of management consultants. There is currently some confusion in the market as to how management consultants are certified – by competencies determined through the local market, or by education and experience. Since there are several accreditation schemes, the project will bring a certified management consultant to provide the clarification and standardize accreditation mechanisms.

**Monitoring & Evaluation:** Every month BAS receives ten to fifteen applications, and approves three to four; this as an indicator of the demand for their services. On the consulting side capacity is increasing, though slower than desired. They progressively exit from areas where they’ve made significant progress and proceeding to more challenging areas such as energy, environment and networking. Out of 111 projects, only eight were cancelled. They monitor projects from entry to conclusion, and one year after to measure the impact, results and satisfaction of assistance provided.

**Netherlands Funding:** TAM and BAS will continue for four more years with funds from the Netherlands. Their objective is to serve an additional 192 enterprises over that time, plus engage in two to three market development activities per year to build the capacity of local consultants.

**Coordination with BSC:** While TAM/BAS and BSC Kosovo have held several coordination meetings, in general they concluded that their programs differ in objectives and methodology, particularly since TAM/BAS does not include startups (see criteria above), though they have assisted four classic startups. They are, however, open to working with more startups but they need to ensure that the startups have clear tools and resources and a likelihood for survival, and therefore present low risk – TAM/BAS has “very ambitious targets and priorities, with many indicators.” While the programs are complementary in some way, they are also very different. That said, there are a number of areas where the programs might cooperate:

- **Business Incubator:** A Business Incubator initiative is one area for potential future cooperation, and TAM/BAS is in the “late stages” of discussing this with other partners. They indicated that they are always in favor of public-private partnerships, but the other three Business Incubator initiatives that they are aware of have failed; SPARK indicates this was due primarily to their small, rural locations and resulting lack of market for tenants.

- **Client Referrals:** TAM/BAS has a referral system in place with BSC. The system could be formalized to include a database of candidates with a desire to enter business but who lack the resources. The system could then be used to link those individuals with an existing business to form a joint initiative between the enterprises. TAM/BAS can offer a platform to facilitate such linkages.
- **Internships:** Due to the stated interest in internship programs by a number of the interviewees, the evaluator questioned whether the TAM/BAS program might assist in developing an internship program for BSC trainees and graduates to place them in TAM/BAS enterprises to gain experience. Though this might be a possibility, it is clearly outside the scope of activity of the program. Note that the BSC does not currently have, nor does it plan, an internship program; it is, however, part of the SPARK PSD program.
- **Rural Woman-Owned Startups:** TAM/BAS has a proposal for rural women-owned startups to be implemented in cooperation with a women's network in Kosovo. The network, funded with a "significant grant" from the UK will be used to baseline, recruit, identify initiatives, implement a grant scheme and elevate the groups to a basic level, after which TAM/BAS will provide them with advanced training. They plan to assist 30 enterprises with co-financing, mentoring and linking with existing enterprises. After six months, clients will be enrolled in an 8-9 day training program designed to progressively monitor and train clients. A second round of grants will be progressively reduced, with clients contributing higher amounts of co-share. Since the network of women does not have the business skills to assist in the advanced training, the two initiatives prepared and submitted this joint proposal. TAM/BAS will add another Program Officer specifically for the initiative. There is a possible opportunity for BSC to assist with the training.

**SME Needs & Training Programs:** Mr. Hoxha, the Director of TAM/BAS, does see a need for the type of training offered by BSC; however, he said, "when you see all of the education systems in Kosovo, including numerous private universities, donors and other institutions, somehow all of them are not demonstrating the expected results." He feels that this is due to the fact that the needs from the SME side do not match the skills produced in the program graduates. Specifically, he doesn't see high number of graduates of these programs working in the SME sector. To fix this problem, it is not enough to develop and implement surveys; programs need to perform more critical analysis of the needs of the SME community and only then design training programs. The time for classical business plan training and introduction is past and now programs need to focus more on real, practical cases, such as internships, linking startups with existing enterprises, and closer cooperation between donors and the private sector. SPARK notes that this is currently ongoing in cooperation with the University of Prishtina; a seminar is underway that seeks to change the teaching subjects to better match the needs of the labor market.

**Vocational Education Training 4 (VET-4):** While still in the inception phase, VET-4 is designed to address the real needs of SMEs from the capacity and resource perspective. The program will evaluate the needs in increasing skills and training programs of 240 enterprises, and design training programs to meet those needs. The aim is to serve the individual needs of enterprises in the short term, with minimal bureaucracy – schemes that the SME sector appreciates.

## PUM

**Overview:** PUM is an expert organization based in Hague, operating in 30 countries, with a consultant database of over 3,000 consultants. It aims to improve managerial skills of SMEs and to link cooperation between Holland and the countries that benefit from the program. The primary focus of its programs is the integration of client companies into EU markets, and therefore fulfilling standards such as ISO and others. PUM offers very high level international experts in virtually any technical area through its funding by the Dutch government. The first phase of a project is to support a local company with expertise and the second phase is to make a business link, meaning that either the local company visits its Holland counterpart, or export and/or import is stimulated. After the project is complete the consultants are obliged to be available for future correspondence with the client companies to answer specific technical questions. To date, the project has resulted in some import contracts, but as yet no export. They managed 25 projects in 2007.

**Consultants:** All consultants are international, as one criterion for recruiting a consultant is that the expertise is not available locally. Consultants are typically business leaders and top managers in specific industries (e.g. fiber-optics), and must be between 40 and 62 years old, thereby ensuring a minimum experience level. The consultants work only with the company that owns the project and typically do not attempt to build the capacity of local consulting firms as is the case with TAM/BAS.

**Opinion of BSC:** Mr. Latifi was informed about the BSC program and was able to describe the approach; he had a positive opinion of the training and staff. He classifies the program as one whose intent is to promote innovation rather than to necessarily make a sustainable investment. With many gaps present in such post-conflict environments like Kosovo, he stated that capacity building of young people is a good selection.



**Coordination with BSC:** PUM is willing to cooperate with BSC, though it is also an unlikely match due to the highly specialized technical nature of PUM consultancies. However, Mr. Latifi did outline a few areas of potential cooperation:

- **Business Incubator:** PUM can offer to provide experienced business incubator consultants from abroad to support the potential business incubators. PUM has already shared its consultant assessment of business incubator initiatives in Kosovo with SPARK and the BSC.
- **Technical Training:** PUM can provide highly specialized technical trainings, since they are already funded for this activity. BSC should pay only for the venue and refreshments; PUM also requires a 5% client match for each consulting project.
- **Proposal Development:** Mr. Latifi extended an offer to BSC to align itself and work more closely with PUM, possibly developing joint proposals to Dutch and other donors; first, however, they should show that they have existing cooperation.

**Recommendations for BSC Training:** Mr. Latifi recommends focusing training on the most pragmatic level possible. He feels, perhaps correctly, that there is an “over-production” of training in Kosovo by different organizations and initiatives in a number of business, marketing and management areas, but seldom go directly to the case of the clients; training can be improved only if it goes directly to the clients’ businesses and needs. He recommends looking in terms of integrating companies into the market through improved quality and production; to assist with market penetration first in Kosovo, and then in the region; then build regional relationships and alliances that spread outward internationally.

## CARE REGS

**Overview:** The Regional Economic Growth & Stability (REGS) program changed fairly dramatically from its design to its implementation since the project was reportedly approved 1-1/2 years after it was submitted. The original four program pillars were: i) Municipal Capacity Building; ii) Business & Farmer Associations; iii) Support & Technical Assistance to SMEs; and iv) Regional Cooperation & EU Integration. Since municipal capacity building and LED were already being managed by other implementers and municipalities themselves, the program turned its focus toward value chain development to SMEs.

**Funding & Administration:** The REGS project began in December 2005 and is being implemented from the same funding source as BSCK, in the amount of €1.7 million. The Dutch Ministry of Foreign Affairs views REGS and BSCK as a package for income generation and job creation. The current Phase I is implemented in Kosovo and Macedonia; Phase II will add two more countries. It was originally intended to be a two-year project, but has been extended six months through May 31, 2008. They are now preparing a second phase.

**Value Chain Sectors:** After an initial assessment examined approximately 20 sectors, five were targeted. All are “innovation” startup sectors and are therefore considered as relatively high risk. Interventions in all sectors include a high level of training, coaching and mentoring; REGS employs full-time staff in two sectors, while relying on part-time consultants in the other three. In their case, of course, training participants were chosen based on the targeted sectors.

1. **Off-Season Strawberries:** This product has the advantages of being high consumption, high price, low supply sources, and simple technology. It is an import-substitution product with virtually no one else currently producing locally. Ten demonstration farms were started in Kosovo, resulting in a sales price of €3.5/kg compared with production costs of €0.5/kg.
2. **Non-Timber Forest Products (NTFP):** This category covers everything besides wood including herbs, berries and wild mushrooms, though the project focuses mainly on herbs and berries since there was no collection system in place for those products for the past 25 years. The project and its clients identified markets then began to develop the value chain, using the wild mushroom infrastructure as a foundation and then developing the chain. The program established eight collection centers, each with a 350 kg capacity dryer (which were hand produced in Kosovo for the project) and conducted considerable GIS field analysis. Clients currently offer 50 products with published prices. During the 2-1/2 month testing phase clients exported 40 tons of NTFP products. The sector has the potential to create employment from February through November since there are products for picking throughout that time. A trained collector can earn €15 to €120 per day depending on the herb or berry; pickers have guaranteed prices from the collection centers.
3. **Beekeeping:** The primary aim is to produce non-honey products, specifically pollen, propolis, royal jelly and other products that add value to beekeeping sector; and commercializing beekeepers from hobbyists.
4. **Broiler Chickens:** Consumption of broilers in Kosovo is estimated at 35 million per year, while local production is zero; imports arrive from Argentina, Brazil and Germany; and there are no fresh broilers at all on the market. Though this activity has not yet started, the concept is that the farmers will work for an integrator who will buy and process all local production from the client farmers.

5. **Rural Tourism:** REGS is piloting this sector in just two villages near the Novo Brdo castle, using the castle as a brand name and image. The area is unique not just for the castle but also features its own microclimate. The pilot project, recently completed though not yet officially opened, is establishing accommodation services, catering, entertainment, tourist information and a training center. The area will feature tourist packages such as hunting and hiking. On the marketing side, the project is working with Dutch companies to bring tourists from Netherlands as well as local visitors.

**Investment Grants:** REGS has provided 62 grants in ten targeted municipalities in Kosovo (110 including Macedonia) ranging from €2,000 to €5,000 in the past 1-1/2 years. Clients contribute an average of 40% matching contribution. In some cases REGS has ventured from these sectors if the case could be made that the business idea is related; for example, they financed ecological soaps and decorative materials under the tourism sector.

**Partners:** Both KEP and ICCED (International Center for Community & Economic Development) are local sub-grantees in REGS. ICCED is a for-profit institute for consulting services and is being subsidized by REGS until they are sustainable. In cooperation with GTZ and Swiss Intercooperation they are working on regional and export certification.

**Coordination with BSC:** Mr. Ibrahim was informed about the BSC program and had a positive opinion about the training and the focus on youth, and felt that expansion into regional offices was a positive step. REGS and BSC planned coordination but little was done, primarily because the timing did not work out. BSC credit was not issued until after REGS had already issued most of their grants. Three areas of planned cooperation, included:

- REGS clients and referrals particularly in the agriculture sector, could participate in BSC training courses, thereby supplementing REGS grants with business skills training;
- Conversely, BSC can (and has) provided referrals to REGS for possible grants;
- REGS and BSC could coordinate their grants schemes to create synergy between the programs in cases where goals and sectors overlapped; the BSC Project Coordinator has already had this discussion with REGS.

**Recommendation:** *At this point, with the imminent completion of BSCK-1 there is little use in allocating resources to significantly develop collaboration among these programs. However, in the event that BSCK-2 is approved the SPARK Program Manager should meet with these organizations to determine if there is a greater possibility to improve coordination. It seems there are a number of areas where their technical expertise can improve the BSCK-2 program, notably in the startup of a business incubator. Business incubators require a high degree of resource commitment and negotiation skill to facilitate agreements between partners whose interests are not always in line with one another. Increased coordination with these programs can also improve the quality of training, provide success stories for donor(s), and perhaps result in new funding opportunities. SPARK management will need to be involved in this effort.*

## Ministry Programs

**MoCYS Strategy for Youth 2007-2010:** MoCYS is currently implementing the Strategy for Youth 2007-2010 in cooperation with various donors including UNDP, World Bank, OSCE, as well as other Ministries (MLSW, MEF, and MEST) and civil society organizations. The program targets five areas:

1. Education (formal and informal)
2. Employment
3. Health Education
4. Security
5. Activities (sports and entertainment)

**BSC Participation:** Mr. Salih Morina, the Director of the MoCYS Youth Department, envisions BSC Kosovo as an implementing partner in the strategy, particularly in supporting MoCYS and youth in the first two areas and in implementing the Action Plan for Employment of the Youth drafted with the support of MLSW and the ILO. UNDP has provided the first grant in the amount of \$400,000 as an initial step in implementing the strategy.

**World Bank & EAR Programs:** The World Bank is also launching a similar program with the MoCYS Youth Department to promote and develop youth employment. EAR is also planning a €2 million project in cooperation with the Youth Department targeting the employment area of the strategy.

**MLSW Vocational Training:** MLSW also manage a vocational training program and reportedly has established seven such programs or courses. BSC and MLSW could collaborate on the initiative, sharing expenses and logistical support, to expand the programs or introduce new subjects. Mr. Flamur Keqa suggested focusing on specialized technical

trainings that could be applicable to both BSC competition winners as well as a broader audience in an opportunity field; an example he mentioned is technical training in snail production.

**Collaboration with BSC:** The Department of Youth can be a valuable resource for BSC in the coming period, particularly in linking BSC with other projects and perhaps other funding sources; an alliance between BSC and the Department of Youth could yield new sources of funding to continue the BSC training program.

**Recommendation:** *Coordination between these and other programs is a good initiative for the Coordination Committee to focus on. While more frequent CC meetings (as recommended by one member) are not necessarily advisable, several members do seem interested in taking a larger "coordination" role. Assigning select members with some specific coordination initiatives to complete and report back to the committee with respect to other programs could serve the BSC and SPARK, as well as increasing the sense of input and responsibility of the CC members.*

## Contacts & Interviewees

### SPARK & BSC Staff

---

**Philip Hostert:** SPARK Program Manager; p.hostert@spark-online.org; +381 63/377-040

**Belma Bajrami-Kastrati:** BSC Kosovo Project Coordinator

**Ahmet Rushiti:** BSC Kosovo Project Officer; arushiti@bsckosovo.org

**Merita Mustafa:** BSC Kosovo Project Officer

**Yannick du Pont:** SPARK Director, Netherlands

**Michel Richter:** SPARK Director, Netherlands

**Valentina Qarri:** SPARK Prishtina Head of Office; v.qarri@spark-online.org; 044/159-948

**Shpend Kursani:** Former BSC Kosovo Project Officer and Temporary Project Coordinator, shpend\_k@hotmail.com

### Coordination Committee Members

**Flamur Keqa:** Kosovo Chamber of Commerce; Director, Department of Economic Analysis & Social Dialogue, f.keqa@ipko.net; www.odaekonomike.org

**Safet Fazliu:** Ministry of Trade & Industry (MoTI), Chief of Division for Business Support; safet.fazliu@ks-gov.net

**Besim Mustafa:** Officer for Coordination & Projects – Higher Education Ministry of Education, Science & Technology & Professional Institute of Self-Government; besim.mustafa@ks-gov.net

**Salih Morina:** Ministry of Youth, Sport & Culture

**Shpresa Hoxha:** University of Prishtina, Faculty of Economics

### Trainers & Training Organizations

---

**Nusret Vigija:** CEFE, Director; nusretv@yahoo.com

**Lumir Abdixhiku:** Riinvest, Researcher; lumir.abdixhiku@riinvestinstitute.org; www.riinvest.org

**Alban Zogaj:** Riinvest

**Alban Hashani:** Riinvest

**Besnik Krasniqi:** University of Prishtina, Faculty of Economics, Department of Management; b.krasniqi@staffs.ac.uk

**Ramadan B. Kelmendi:** College of Arts & Social Sciences, Director; qrpm1@hotmail.com

### Partners & Other Stakeholders

---

**Silvana Domi:** KEP, Research & Development Manager; sdomi@keponline.net; www.keponline.net

**Ardian Jashari:** MDA, ajashari@seemda.com; www.seemda.com

**Kushtrim Shaipi:** UBO, Vice President UBO Consulting

**Alban Ibrahim:** CARE REGS Program, Project Manager; ibrahimia@careks.org; www.careks.org

**Besim Latifi:** PUM, bbesim.latifi@technitix.com; www.technitix.com

**Ekrem Hoxha:** TAM-BAS, National Programme Director; choxha.bas.kos@its-ks.net; www.bas-ks.org

### Trainees & Competition Winners

---

**Round 1 Competition Winners:** Adem Gashi, Besimir Grezda, Visar Vokri, Romir Shalqini, Reshid Morina, Valton Berisha, Berat Kecekolla, Hazir Haziri, Jehona Oruqi, Fadil Ukiqi

**Round 1 Trainees:** Flamum Miftari, Behar Isma, Kushtrim Avdiu, Ardijana Avdiu

**Round 2 Trainees:** Mirlinda Lajqi, Labeat Mustafa, Saxhid Zeka, Maehmet Trakaniqi, Mentor Rexhepi, Blerim Bushi, Amanit Buzogu, Floreta Abazi

**Business Plan Writing:** Anera Alishani

### Evaluation Team

---

**Craig Hempfling:** Lead Evaluator, craighfling@yahoo.com

**Alush Grosha:** Evaluation Assistant, MSP Deputy Team Leader; alush59@yahoo.com

# **Annex**

## **BSC Kosovo Assessment Interview Plan**

## Interviewees & Introduction

### Interviewees

---

#### S=Staff

- Phil Hostert
- BSC Kosovo Staff Members

#### C=Coordination Committee

- Safet Fazliu, Ministry of Trade & Industry
- Besim Musgtafa, Ministry of Education, Science & Technology
- Besim Beqaj, Kosovo Chamber of Commerce
- Shpresa Hoxha, University of Pristina, Faculty of Economics
- Boris Curkovic, Business Startup Center, University of Tuzla
- Ministry of Youth, Sport & Culture, Department of Youth

#### T=Trainers & Consulting Firms

- MDA Consulting Firm
- UBO Consulting Firm
- Valbona – Director of CEFE
- Pre-Trainers [ ]
- Trainers [ ]

#### K=KEP

- KEP

#### P=Coordinating Partners & Organizations

- Jaap van Tillburg
- PSD – Private Sector Development (Dutch)
- CARE Regs Program
- TRQN
- ISOM
- PUM
- EBRD (TAM: Turn-Around Management; BAS: Business Advisory Services)
- University of Pristina
- Other Universities
- Other
- Netherlands Embassy in Belgrade:

#### A=Clients

- Business Plan Competition Winning Clients [10]
- Non-Winning Clients Trained

### Introduction

---

Introduction: name, role, experience.

Purpose of interview is to get some feedback on the BSC Kosovo project.

We were hired by the donor to assess the performance, inform them what they did the best and what can be improved upon. We are independent and do not work for BSC or their donor.

Duration of the project was two years and BSC is currently negotiating follow-on work.

The feedback gained will be used to improve the project and to design future projects.

Purpose is not to be critical or evaluate anyone in particular or to use the information in such a way that it negatively affects their performance. It is simply to get feedback that can improve this program and programs like it.

We expect to survey over 50 individuals and groups.

The results you give will be combined with those of others interviewed. Your name or position will not be associated with any of the responses (confidentiality) unless you agree. Do they agree to this or not? Can let know at end of interview.

Please be candid in explaining the best parts of the programs and what can be improved upon.

## BSC Kosovo Assessment Interviews

### A. BSC Kosovo Office & Institution

S  C  T  K  TO  A

1. Provide a brief overview of the program.  
*Look for understanding of the program and ability to articulate it. Which aspects do they focus on.*
2. What are the main goals/objectives of the program and what activities is the program undertaking to meet those goals/objectives.
3. Which program activities are the most important and/or effective and why? Least effective and why?
4. What is the current composition of the Committee and the members' overall contribution to BSC in meeting its goals.
5. Describe the role of the Coordination Committee in implementing the BSC program. How effective is the committee? How often do they meet?
6. What agenda items does the Coordination Committee discuss at its meetings? How productive and organized are their meetings?
7. Describe the decision-making process for making key operational and strategic decisions affecting BSC Kosovo.
8. Describe the role of the Coordination Committee in the promoting BSC's goal of youth entrepreneurship and providing employment opportunities.
9. Describe the role of the Coordination Committee in selecting business plans for trainings.
10. What is the effectiveness of each partner in the Coordination Committee? Are the partners relevant? What can be done to improve the functioning of the Coordination Committee?
11. Do you feel that staffing and budget needs are sufficient for your work? Discuss. How can it be improved?
12. How effective is the program marketing? To whom should the BSC be marketed? To the general public? To donors? How can it be improved?
13. Describe the documentation and procedures established for the BSC Kosovo. Are they effective and appropriate? How can they be improved?  
*Look for effective, efficient, burdensome, etc. and why.*
14. What steps toward sustainability of the BSC are being taken? Is BSC seeking other donors or do they plan to market services directly to clients in the future?
15. How would you characterize the management of SPARK in helping and guiding the BSC? What can be improved? Any feedback for SPARK employees and management?
16. Have there been external evaluations?

### B. Credit Facility for SMEs

S  C  T  K  TO  A

1. Provide an overview of the credit rates and terms in the Kosovo Enterprise Program. Are the terms competitive with other lenders?
2. Are the terms the same for BSC Business Plan winners as they are for your other clients?
3. Are the terms conducive to stimulating start-ups?
4. How can the terms or offerings be improved or added upon from the perspective of KEP? From the client perspective?
5. How well is KEP attending to the needs of the BPC-financed projects?
6. What recommendations can you make for improving KEP cooperation with BSC? What can BSC do to improve the partnership?

### C. SEE Business Center Coordination Meetings (SENSI)

S  C  T  K  TO  A

1. Representatives of Coordination Committee: i) Kosovo Chamber of Commerce; ii) Reinvest Institute; iii) Ministry of Education, Science & Technology; iv) Ministry of Trade & Industry; v) University of Pristina.
2. What was the role of the Coordination Committee in the Business Plan Competition? How can it be improved?
3. What was included in the original ToR for Coordination Committee?

4. How does the Coordination Committee function relative to the original ToR? What is it doing or not doing versus what was intended?
5. What is the goal/mission of SENSI (Southeast European Network of Start-Up Centers & Incubators)?
6. What activities is SENSI engaged in?
7. How does SENSI fit into the overall program? How does SENSI benefit BSC Kosovo? How can it be improved or managed better?

---

#### **D. Training Modules in Business Plan Development**

S  C  T  K  TO  A

1. Describe the training methodology. Describe the various training modules.
2. Describe the role of the trainers, BSC, and consultants in designing the training modules and programs.
3. How effective is the training methodology? What are the strong points? What can be improved? In what ways can the modules be improved, or changed, to be more effective?
4. Do clients evaluate the training? Do you have/know the results of those evaluations?
5. Describe the system and relationships/engagements of the Expert, Pre-Trainers and Trainers.
6. How effective is the system for engaging trainers? How can the system of engagement be improved?
7. Is there a feedback mechanism for trainers and experts?
8. How well are the training targets being met (results and quality)?

---

#### **E. Kosovo-Wide Business Plan Competition**

S  C  T  K  TO  A

1. Describe the procedures used to implement the Business Plan Competition. Were the competition procedures and rules adequate and effective for the program?
2. How many applications were there? How would you rate the quality and number of applications?
3. How transparent was the selection process? What policies and practices ensured its transparency? How can it be improved?
4. How can the training and/or competition be improved when considered together?
5. What was the targeted population for the competition? Was the application process reach the targeted population group?  
*Identify Youth, aged 18-30*
6. What was the ethnic breakdown of the applications? What was the ethnic breakdown of the winners?
7. How wide was the coverage of the competition geographically?
8. I understand there was relatively low attendance of minorities? Why do you think this is? How can it be improved?

---

#### **F. Business Plan Training Program and Recruitment & Training of Experts**

S  C  T  K  TO  A

1. Describe the training content of the Business Plan Writing training. How many days/hours is the training?
2. Outline the relationship and differences between the CEFÉ training and the BSC training. How would you compare the effectiveness and methodology of the two trainings?
3. How effective is the training in developing entrepreneurial skills? How effective is the training in developing an effective business plan?
4. What are the strongest points of the training? How can the training be improved?
5. Who ultimately prepares most of the client business plans – consultants or the clients themselves?
6. Is the Business Plan Training reaching the appropriate target group of 18-35 year-olds? Is this the appropriate group? How can it be improved either by changing group or methods in reaching them?
7. Are university students and/or graduates the appropriate target or should non-students and graduates be targeted?
8. How can the participation of ethnic minorities be improved?

---

#### **G. Course Modules & Coaching**

S  C  T  K  TO  A

1. What is the role of the academic bodies in developing the training programs?
2. Have the training modules developed Pre-Trainers and Trainers been accepted and/or absorbed into the curricula of local universities? If so, how did this happen? If not, why, and (when) is it expected to happen?



3. How can the curricula development process be improved? What can BSC do to improve it? What can university do? Can other institutions help the process and how?

---

#### **H. SMEs Established & Supported by BSC**

S  C  T  K  TO  A

1. What is the present situation of the ten enterprises selected through the Business Plan Competition? What is the present situation of the assistance to them? What has been completed and what remains?
2. What do the enterprises receive as winners?  
Micro-Credit plus 100 hours of consulting services.
3. Review the Selection Committee process resulting in the ten winners.
4. How responsive and efficient is KEP in providing and servicing micro-credit to the winners?
5. How do the two consulting firms compare in their approaches in providing the consulting services? How are the services delivered to the clients?
6. How effective are the services and consulting firms? How would you improve the services of one or the other or both?
7. How would you improve the delivery or type of consulting services provided?
8. How would you rate the business plans that were not selected as winners? What can be done with these clients to help them improve their plans or businesses?
9. Would these business plans be attractive for KEP, other donors or commercial credit lenders?

---

#### **I. Coordination with Netherlands Projects and BSC Kosovo**

S  C  T  K  TO  A

1. Provide a brief overview of your activities.
1. What can you tell me know about the BSC Kosovo and its activities?
2. Do you regularly coordinate with them and how?
3. What activities might be done within your current mandate to improve your cooperation and coordination?
4. Are there any new activities that could be undertaken together that are not directly in your mandate, but for which you see a need or opportunity?

---

#### **J. Clients & Business Plan Winners**

S  C  T  K  TO  A

1. How did you find out about the BSC training program? How did you apply? Do/did you use the website?
2. Describe the present situation of your enterprise.
3. Describe the process you went through and services you received from the BSC Kosovo. What was the most helpful? What was least helpful? What can be improved?
4. Briefly describe the training courses you attended. How effective were they? Were they appropriate in terms of content and duration of training?
5. Do you feel the courses were targeted enough toward your particular business and circumstances? Did you have opportunities to participate and ask questions?
6. Did you complete an evaluation of the trainings and programs? In general, how did you evaluate them?
7. Do you feel the Business Plan selection process was fair and transparent? Did it result in the selection of the best business plans for awards? What could be improved about the selection and/or notification process?
8. How responsive and efficient is KEP in providing and servicing micro-credit to the winners?
9. Which consulting firm(s) delivered services to you? What was the most useful and why? Least and why? What could be improved in the consulting services?
10. If you received services from both firms, how did they compare in their services and delivery?
11. Of all of the services you received, which did you apply the most? Which did you not apply at all? How can the services be improved?
12. What else do you know about the work of BSC Kosovo?