IOM targets irregular migration push factors through support to private sector

In the framework of the project “Support to Micro, Small and Medium Enterprises in Kosovo” (MSME Grants), funded by the European Union Office in Kosovo* and the Ministry of Trade & Industry, IOM recently awarded nearly 3 million euros to local businesses with the purpose to improve their productivity, competitiveness, export capability, innovation and, hence, ultimately foster Kosovo’s overall economic growth.

The MSME Grants project is a response to the difficulties experienced by enterprises in Kosovo in obtaining funding for development from usual sources of finance, such as banks and microfinance organizations. The grant scheme comprised of two separate lots: one for micro enterprises with an award ceiling up to €25,000 and another for small
and medium enterprises for up to €200,000. In both cases, mandatory and minimum financial contribution were required of applicants in the amount of 15% and 25% respectively.

As a result of the grant scheme, 36 enterprises were awarded through the programme following a highly competitive grant competition, during which 784 project proposals were received from interested local enterprises.

**Reducing imports, promoting exports**

One of the enterprises awarded, Pure Power, is now the first company in Kosovo to export air filters for various models of vehicles. The owner and CEO of Pure Power, Adil Bajraktari, first gained experience with filters while working in Iraq. Upon returning to Kosovo, he realized there was a market gap he could fill.

Through the MSME Grants project, Pure Power obtained top of the line equipment to launch new production lines making three additional types of filters. Increased demand for Pure Power filters, both internally in Kosovo as well as internationally, will allow the firm to expand its workforce by 40% in the upcoming months.

With expanded production, Pure Power is also now a supplier of Baldwin Filters, a global leader in the industry, which supplies to BMW among others.

**Diaspora returning home**

Three years ago, Kosovo native Etida Zeka returned from the United States with her husband, Alex Butler, to open the first craft brewery and restaurant in Kosovo. “In the United States, there is tremendous competition whereas in Kosovo we are the only people brewing,” the couple stated at their warehouse brewery in Graçanicë/Gračanica.

With the financial support from the MSME Grants programme, Sabaja Brewery was able to significantly expand its production capacity facilitating its first exports into the Croatian market. In the coming months, Sabaja Brewery plans to fulfil orders from distributors and restaurants in Albania, Macedonia, and Germany. With increasing demand, the company will hire new administrative and distribution employees.
“All the opportunity was in Kosovo. We realized there was a demand for something new, and we could introduce them to something that did not exist here, and acquaint Kosovars with a whole new category of products that never existed in Kosovo,” concluded Alex.

**Improving policies to enable growth**

Beyond the disbursement of funds, through the MSME Grants project, IOM has conducted an in-depth baseline study of all 36 supported enterprises to identify their additional needs and overall constraints.

“High unemployment and the lack of opportunity – particularly for young people – is the major push factor behind irregular migration throughout the Western Balkans,” stated Alessia Schiavon, programme manager for the MSME Grants at IOM Mission in Kosovo. “Small businesses are the drivers behind employment and economic growth, and we need to improve the environment for their enterprises to flourish.”

IOM will complement the information collected from the awarded enterprises with data from consultations with other relevant stakeholders, including diaspora associations, the banking sector, and partner institutions.

“The findings of this study and the experiences of the MSME Grants programme will provide useful evidence for the broad improvement of government policy and normative frameworks targeting MSME development in Kosovo,” Ms. Schiavon added.

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**IOM supports Ministry of Diaspora in expanding registration campaign**

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President of Kosovo Atifete Jahjaga (pictured far right) and Minister of Diaspora Valon Murati (second to right) meet with campaign volunteers

Through the Diaspora Engagement in Economic Development project
(DEED), IOM assisted the Kosovar Ministry of Diaspora (MOD) in the widely covered launch of the diaspora registration campaign named “You Are Part of the Homeland” in June 2015.

The diaspora registration process began in 2014, aimed at building the diaspora registry as a tool for evidence-based policy and decision making. With Kosovo’s large diaspora population, estimated to be upwards of 700,000-800,000, ensuring their role as drivers of economic development and dynamism is critical, especially as unemployment rates are among the highest in Europe.

The campaign is specifically targeting diaspora members who return to Kosovo for summer vacation. Diaspora members can register through mobile teams, at the airport, border, in their local municipalities, and online.

In his opening speech at the launch event, Valon Murati, the Minister of Diaspora, stressed that the registry was “initiated in order that the institutions of Kosovo provide more efficient services for compatriots, to develop better policies for Diaspora, to make it easier to disseminate information, to encourage participation and involvement of the Diaspora in socio-economic development, and to provide opportunities for the transfer of knowledge.”

The Kosovar diaspora registry campaign is the first of its kind in the Western Balkans.

The DEED project is funded by the Ministry of Foreign Affairs of Finland and jointly implemented by IOM and UNDP.

*Translation of the campaign video*

Ylber Bardhi: “Through the registry we will help you with learning the language, preserving your identity, increasing your participation in decision making, helping cooperation between businesses, offering skills transfer opportunities, as well as networking with the diaspora…

Through this network your son may even find a wife!”

Woman’s voice: “Fellow compatriots, during your stay in your homeland, the Ministry of Diaspora will take care of welcoming and registering you. Work with us, you are a part of the homeland!”

**Mission Highlights**

- To facilitate the return and reintegration of Kosovar returnees, IOM supported
- To support inclusive and economic growth, IOM signed a continuation of the EU-
- To generate temporary employment while improving community infrastructure,
- To better understand the dynamics and challenges to sustainable reintegration of
3,519 voluntary returns from April to June 2015, of which 101 persons received reception and onward transportation assistance and 316 persons were eligible for reintegration assistance. Community Stabilization Programme with funding from the Kosovo Ministry of Communities and Returns to improve the conditions for members of minority communities to stay in Kosovo* and to encourage those who have left to return. MCR funds will allow IOM to implement an additional 15 community projects throughout Kosovo in the upcoming months. IOM through the EU-funded Beautiful Kosovo Programme Phase II broke ground on 14 infrastructure projects between April and June. 807 new jobs are currently supported through these projects, including 626 workers identified by the Municipal Employment Centres as “long-term unemployed.”

returnees to Kosovo, IOM Hungary recently released an evaluation report on AVRR cases from that country to Kosovo. Cases to Kosovo constitute between 70-80% of Hungary’s AVRR caseload.

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* IOM refers to the UNSC resolution 1244-administered Kosovo in an abbreviated manner as “Kosovo/UNSCR 1244”. For the purpose of this presentation, this shall be shortened to “Kosovo*” - this designation being without prejudice to positions on status and in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.