



PROJECT FACTSHEET

Kosovo June 2018

REDUCING YOUTH UNEMPLOYMENT IN KOSOVO WITH THE HELP OF THE PRIVATE SECTOR



With the support of SDC, tourism service providers are expanding their products and services, as in this adventure park in Peja district. © SDC

The Promoting Private Sector Employment (PPSE) project is strengthening companies in the food and tourism sectors and spurring job creation in Kosovo.

While Kosovo's economy has experienced moderate growth in recent years, poverty and unemployment remain persistent problems. The public sector has little room for growth and is unable to create new jobs. This is where the private sector comes in. Small and medium-sized enterprises (SMEs) account for three quarters of the jobs created in the private sector. Companies in the agri-food and tourism sectors have been identified as having a strong growth potential but are facing significant problems, in particular shortcomings in marketing and management. The food processing sector lacks access to raw materials and the market. It therefore needs to:

- Increase farm production and improve access to sales channels, for example through contracts with large distributors;
- Carry out organisational improvements and establish a certification to market its products nationally and internationally.

The tourism sector mainly needs to diversify and advertise Kosovo's tourist attractions, for example by marketing mountainous regions as destinations for both summer and winter tourism.

It is essential to reinvigorate these two sectors. Over 55% of Kosovo's population is aged between 15 and 35. Some 36,000 members of this age group enter the labour market every year but fewer than 18,000 jobs are created. This has resulted in an overall unemployment rate of 29% (50% among young people), with the rate being considerably higher in rural areas and for women and minorities. Among the Roma, Ashkali and Egyptian (RAE) communities, unemployment is as high as 80%.

SUSTAINABLE AND INCLUSIVE JOBS

1,000 SMEs benefited from the project during the first phase. The tourism sector has experienced 10% job growth and considerably improved the quality and diversity of its services. Positive results have also been achieved in the agri-food sector: new technologies and a network for producers and distributors have facilitated links between farmers and the food processing industry. 850 full-time jobs were created in this sector, of which 42% were taken up by women and 9% by members of minority communities. Thanks to SDC's financial support for the PPSE project, SMEs are better organised and more competitive.

SDC's goal for the second phase of the project is to achieve real integration of SMEs into well-organised, inclusive economic sectors, leading to sustainable employment growth, a diversification of products and services and greater competitiveness in the marketplace. Unemployed young people – especially young women and members of minority groups – will thus benefit from inclusive jobs created in growth sectors and SMEs.

In 2021, some 2,000 young people – 10% of them from minority groups – should benefit directly or

indirectly from the project. Furthermore, lowering unemployment, improving the performance of the food sector (reducing dependence on the import of fruit and vegetables) and the tourism sector stimulate the economy, generating additional revenue for the government.

SYNERGY BETWEEN STAKEHOLDERS

The PPSE project fulfils several objectives set out in Kosovo's National Development Strategy 2016–21 and the Swiss Cooperation Strategy Kosovo 2017–20. Both strategies identify addressing youth employment as a key objective to improve the country's economic situation. To fulfil this objective, in addition to the PPSE project, SDC also supports the «Enhancing Youth Employment» project and SECO the «Investment Climate» project. By promoting sustained, inclusive and sustainable economic growth, these projects also further Switzerland's efforts to fulfil the UN's Sustainable Development Goals in promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

THE PROJECT IN BRIEF

NAME

Promoting Private Sector Employment

DEPARTMENT

SDC – Cooperation with Eastern Europe

TOPIC

Economy
Private sector

COUNTRY/REGION

Kosovo

PARTNERS

Swisscontact
Rinvest Institute

BACKGROUND

Strengthening companies in the food and tourism sectors to enable them to create sustainable jobs is necessary to improve the competitiveness and innovative capacity of Kosovo's private sector

OBJECTIVES

Reduce youth unemployment by strengthening SMEs and improving their competitiveness, products and services and efficiency. Put a special emphasis on increasing the performance of the food sector and diversifying tourist services

TARGET GROUPS

2,000 young people – 10% of them from minority groups – should benefit directly or indirectly from the project. In addition, the project also aims to support the inclusion of women through activities in sectors with strong growth potential

DURATION

Phase 2: 16.11.2017 – 15.11.2021

BUDGET

Phase 2: CHF 7'320'000

FURTHER INFORMATION

The SDC's activities in Kosovo
<https://www.eda.admin.ch/deza/en/home/countries/kosovo.html>

Enhancing Youth Employment project
https://www.eda.admin.ch/deza/de/home/laender/kosovo.par2_projectfilter_page1.html/content/dezaprojects/SDC/en/2010/7F06875/phase2?oldPagePath=/content/deza/de/home/laender/kosovo.html

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