



MILLENNIUM
CHALLENGE CORPORATION
UNITED STATES OF AMERICA

Lessons Learned in Business Acceleration for Female Entrepreneurship: A Partnership between Millennium Challenge Corporation and Miller Center for Social Entrepreneurship in Kosovo and Tunisia

Presented to: Millennium Challenge Corporation (MCC)
Instrument number: 95332419T0017
Instrument type: Cooperative agreement
Assistance amount: \$238,263 (80% MCC, 20% cost sharing)

By: Miller Center for Social Entrepreneurship
Contact: Andrew Lieberman, alieberman@scu.edu

Submitted: November 9, 2021

The author's views expressed in this publication do not necessarily reflect the views of the Millennium Challenge Corporation or the United States government.

Table of Contents

Table of Contents	2
1 Executive summary	4
2 Project overview	10
2.1 Performance period	10
2.2 APS contracting mechanism	10
2.3 Kosovo objectives	10
2.4 Tunisia objectives	11
2.5 Overarching learning objectives	12
3 Covid and its impact on the project	12
3.1 Project plan modifications	12
3.2 Covid’s impact on businesses in Kosovo.....	13
4 Partnerships with implementing contractors and in-country organizations.....	14
4.1 Key partnerships	14
MCC.....	14
4.1.1 Millennium Foundation Kosovo (MFK).....	14
4.1.2 GFA Consulting Group.....	14
4.1.3 Institute for Free Market Economics (IETL)	15
4.1.4 J.E. Austin Associates, Inc. (JAA).....	16
4.2 Partnership learnings.....	16
4.3 Partnership implications for Tunisia and other MCC countries	17
5 Monitoring, evaluation, and learning (MEL).....	18
6 Results.....	19
6.1 Entrepreneur confidence	20
6.2 Business metrics.....	21
6.3 Energy efficiency knowledge	22
6.4 Gender lens	24
6.5 Covid-19 impacts	26
7 Observations and interpretation	26
8 Proposed next steps for Millennium Foundation Kosovo (MFK)	31
9 The MCC – Miller Center partnership.....	32
9.1 Summary of work plan and accomplishments	32
9.2 APS mechanism for engaging international experts like Miller Center	34

10	Annexes.....	37
10.1	Monitoring, evaluation, and learning (MEL) plan.....	37
10.2	IETL final report.....	41
10.3	Deliverable: Role of Women’s Entrepreneurship in Kosovo compact.....	43
10.4	Deliverable: Role of Mentoring in MCC Tunisia program	53

1 Executive summary

This document is the final report for a Cooperative Agreement which was created for Miller Center for Social Entrepreneurship to work with MCC to identify the barriers to women's economic empowerment; develop tools, models, and coordinated investments; and share the learning from this partnership to increase women's economic empowerment to achieve MCC's mission of poverty reduction through economic growth. The work activities were carried out in Kosovo and Tunisia with the intention of capturing learning that could be applied to other MCC countries.

Kosovo

The project was designed to use a learn-by-doing model, with the bulk of the activities carried out in Kosovo through a business acceleration program (BAP) led by Miller Center that complemented a broader program to encourage women entrepreneurs to invest in and benefit from energy efficiency. MCC had already planned to offer a partial grants program for eligible women entrepreneurs that were either working in energy sector businesses or had businesses in which improved energy efficiency could help the business reduce energy costs, and reap cost savings, as well as generate business growth. Combining business acceleration with investment into the businesses is a widely accepted model of enterprise support in emerging economies. There can be a synergy between helping the entrepreneur strengthen their plan for growing the business and providing part of the funding necessary to realize that growth.

Miller Center's BAP provided capacity development for 20 women entrepreneurs whose businesses met a clear set of qualifications: minimum 2 years in business; majority women-owned; 5 or more employees; growth-oriented business; and able, interested and capable of absorbing a potential large co-investment in energy efficiency. Only one of the participants had a business in the energy sector (a consulting company), which is not surprising given how few women-owned businesses there are in Kosovo's energy sector.

MCC's priority for the Business Acceleration Program offered by Miller Center and the related grants program led by MFK and GFA was to enable the businesses to grow in a manner that built in energy efficiency and modernization of their equipment and appliances. In some cases, these improvements would allow them to lower costs. More often, these investments help them to grow their businesses because the new equipment allows them to produce more with the same energy consumption or enables them to offer new products and services.

Due to Covid restrictions, the BAP ended up being a virtual program, structured as follows:

- November 2020: BAP kickoff with 3-day virtual workshop, facilitated by Miller Center and supported by IETL and local mentors.
- December 2020 – April 2021: Ongoing local mentoring and support from IETL. Monthly scheduled sessions with Miller Center staff and mentors. Additional support provided upon request.

- May 2021: 2-day virtual workshop to close the program, facilitated by Miller Center and supported by IETL and local mentors.

The workshops covered key areas of business planning, including business vision, sales and marketing, business model, financial model, growth plan, and investment requirements. In the business model and financial model sections, an extra emphasis was placed on the role of energy costs. The main deliverable of the program was a viable plan for scaling the business.

In parallel to the BAP, MFK and GFA launched a WEE grants program midway through the BAP training program for women entrepreneurs from across Kosovo with an interest and need for energy efficiency business upgrades. All the women in the BAP program were encouraged to apply, offering them the chance for partial funding for energy efficient production equipment or building-related energy efficiency measures. Many other women entrepreneurs not participating in the BAP also applied for these grants, creating a comparison group that can be tracked in the future.

All 20 completed the BAP which is a first for Miller Center and a notable accomplishment given how many demands entrepreneurs have on their time. Ultimately, most but not all of the BAP recipients received partial grants.

Results of the BAP were observed in 5 areas:

- **Entrepreneur confidence:** In general, the participants came into the program with very good levels of confidence, and that confidence increased during the program. This is supported by anecdotal feedback, such as that provided by Albana Hasangjekaj at the end of the program: *The advice gave me a much clearer vision about my business and its sustainability. I gained a better understanding of my finances and investment needs to grow the business.*
- **Business metrics:** The impact of the BAP and the partial grants that many of the women also received on business metrics (detailed in section 5)—such as revenue, staff size, and number of branches— will not be measurable through business metrics until one to two years after the BAP. At the same time, given that many of the women are in service sectors that have been especially impacted by the Covid-19 pandemic, some of the women’s businesses have suffered adverse impacts beyond the control of this program. Still, feedback from the participating entrepreneurs indicates that they are setting themselves on a path to grow their businesses, which may lead to increases in these business metrics. For example, Sadije Deliu of Plan-A Consulting noted: *What is special is that the support of the program was suitable for our needs. The mentors advised us on the areas we most needed it, especially around marketing, finances, and adapting to the virtual world.*
- **Energy efficiency knowledge:** The BAP and grants program aimed to help the businesses become more sustainable and grow through energy efficiency measures like

modernization of their equipment and appliances. The entrepreneurs reported adopting new measures as a result of the energy efficiency aspects of the BAP, notably by installing LED lighting and using more natural lighting. When quantitative savings were reported, they ranged from 7-20%.

- **Gender lens:** The program was offered for women by a two-woman team from Miller Center and a strong all-female team of staff and mentors put forth by local accelerator partner, IETL. The basic curriculum did not need to change in scope for the BAP. The Miller Center team customized it to use example enterprises (a hair salon and a food processing company) that were representative of the businesses expected to be in the cohort. The difference from other Miller Center programs was in the delivery. Female trainers and mentors more easily empathized with the challenges that the women entrepreneurs face, and the program encompassed a holistic support that went beyond the formal curriculum of developing a business plan for scaling to include opening up their personal networks and building a community among the BAP participants. The entrepreneur feedback and observations from the implementers highlighted the satisfaction and motivation of working with other women entrepreneurs and being guided by female mentors. This illustrates the benefits of gender-focused training and mentoring initiatives.
- **Covid-19 impacts:** Before, during, and after the BAP, Kosovo has suffered from waves of Covid infections, resulting in lockdowns and a myriad of challenges for small and medium business owners throughout the country. In the program follow-up survey conducted in September 2021, respondents noted pandemic-related impacts on their business, such as absence of workers, reduction in customers due to inability to make in-person sales calls, and decline in annual revenue.

At the closing workshop for the Business Acceleration Program, MFK's CEO, Petrit Selimi, graciously said: *Thank you, Miller Center, for enabling us to add so much value to our grants program. The experience and networking provided through the acceleration program may be worth even more than the money we distributed to the entrepreneurs. I believe this program has been fundamental to creating capacity and adding value to the economy of Kosovo.* This sentiment resonated with the project stakeholders, but remains to be proved or disproved in terms of actual impact in the businesses.

Six learning questions were identified at the start of the project. As of this writing, the learnings are necessarily rooted in observations by the implementers and participants of how the program went. These insights can immediately help guide future MCC work. Data can be collected in the two years following the BAP to gain more insights into the impact on the businesses.

1. Does mentoring make a difference to the business performance of women entrepreneurs who receive it? For example, do women who receive mentoring and financing on average do better than women who only receiving financing?

- As of this writing, it is too early to definitively answer this question for the Kosovar women entrepreneurs, although some initial qualitative insights can be provided now.
- The women entrepreneurs who received mentoring were highly likely to also have their applications for partial grants accepted, indicating the training was helpful in clarifying business needs and direction to be able to absorb and make good use of the funding.
- The project was designed to allow MCC to compare the business trajectories of the enterprises in each group at a later date.
- Given the small dataset, the results are not likely to be statistically significant, but will give directional evidence and anecdotal insights.

2. Is mentoring or other types of capacity building more important/just as important/less important than financing for the performance of women entrepreneurs' businesses?

- Given that the grant distributions were being made after the BAP and after the data collection for this report, we cannot yet see the impact of receiving the funding and know how that impact compares to the capacity building work done through the BAP. By comparing the trajectory of the businesses that participated in the BAP and received a grant against the trajectory of businesses that received only a grant, important insights can potentially be made into the relative importance of capacity building and funding.
- Of note, all of the entrepreneurs who responded to the September survey said they were still in contact with their mentors. This indicates that lasting relationships were built and that aspect of the program was successful.

3. What are the main types of behaviors or changes that women entrepreneurs implement in their businesses as a result of the mentoring initiative?

- In reviewing the final presentations of the businesses, clear themes emerged around how the women are thinking about their businesses. Most notably, the entrepreneurs now have a clearer understanding of their business's mission and competitive advantages. This enabled them to create more specific strategies for expanding their businesses, which in turn enables them to understand the required investment and potential profits.
- This evolved vision is best summed up by this quote from Xhylizare Selimi Dushi, laundry services company A L Dushi: *As business women, we have ideas in our head about what we want to do in the business, but we rarely have the time and opportunity to make a concrete plan and bring the ideas to life. Writing a plan on paper helped us understand our competition, clarify our marketing strategy, and focus on the financial aspects of the business.*

4. Does the mentoring initiative help women entrepreneurs understand how energy efficiency improvements can lower their energy costs and empower them to self-monitor the savings?

- The BAP curriculum was built from Miller Center’s proven accelerator program content, which looks at all cost and revenue drivers of the business model. Given the energy efficiency focus of the BAP, Miller Center worked with IETL and GFA to present energy efficiency as a way to improve profitability. The entrepreneurs used simple calculation spreadsheet templates to self-monitor the energy savings and incorporate those costs into their financial model. It is too early to fully know how well the entrepreneurs will self-monitor the energy savings going forward.
- Energy efficiency audits conducted by GFA had the most immediate impact, as they provided actionable feedback that could be implemented quickly, such as changing to LED lighting, and also guided the entrepreneurs in making best use of the grant awards.

5. Provide input into how MCC can design entrepreneurship-focused interventions.

- A general business acceleration curriculum covers the business concepts that any entrepreneur needs to understand to grow their business. These concepts are the same for women-led and male-led businesses.
- The program did not have explicit gender-focused content, and instead the gender lens was implemented throughout the program by customizing the program for women business leaders by:
 - Teaching business concepts by using example businesses similar to the ones in the cohort. (For this cohort, the case studies were a hair salon and a food processing company.)
 - Identifying highly experienced and successful women entrepreneurs as facilitators who were facilitators and role models for the participants
 - Providing mentoring by well-established women business leaders in Kosovo who not only mentored but opened their networks and informed the participants of resources available to them as women business owners
 - Creating a community of women entrepreneurs, demonstrated by many of the women coming together for yoga and the stated desire to do a retreat when the pandemic allowed
- The networking aspects of the BAP were highly valued by the entrepreneurs. This was not originally identified as a specific objective, so the prevalence of feedback about the value of the network created indicates that future MCC entrepreneurship-focused interventions for women will be well-served to include networking as part of the program.

6. Are there policies or other steps MCC can recommend, promote, and support that the governments of Kosovo, Tunisia, and other MCC partner countries can use to spur greater female and youth entrepreneurial participation and success?

- Focused support of enterprises that empower women and youth fill a large gap still present in most MCC countries. Focused acceleration can address this gap and has the potential to have outside impact on inclusive job growth in these countries. Bringing in international experts like Miller Center raise the credibility and desirability of an acceleration program, combining global and local expertise and perspectives.
- Synergistic work between an international expert and local organizations takes more upfront coordination but produces the desired level of engagement.

Tunisia

Additionally, Miller Center provided recommendations into MCC’s new Tunisia compact, drawing upon its long track record accelerating enterprises in emerging markets and working in learnings from the Kosovo cohort. Miller Center provided technical assistance on project design to spur women-led entrepreneurial activity in Tunisia and improve women’s access to markets and trade. Miller Center’s work in Tunisia was integrated into the design of the ***Transforming Women-led Businesses in Digital Trade-Oriented Economy*** activity, which was presented to MCC’s counterparts in the Tunisian government in early 2020.

This activity will engage 2,000 Tunisian women entrepreneurs to help them strengthen their businesses through digitalization, access to markets, and access to finance. Of these women, approximately 300 will receive customized coaching and mentoring support. The success of this component hinges on whether:

- the MCA can easily manage the activity.
- mentoring produces meaningful impact in the businesses at reasonable costs.
- a local ecosystem is built for sustainable enterprise support after the MCA.

To be successful, this activity must identify the right local acceleration partner to run a variety of training and mentoring programs in Greater Tunis and around the rest of the country. The partner should be able to:

- develop training content by adapting existing content from Tunisia and/or abroad to meet the specific needs of Tunisian women entrepreneurs.
- build a mentor network including Tunisian business people in the country and diaspora.
- as appropriate (perhaps for the “top 50” of the 300 women), work with an international accelerator to engage global mentors to complement the local mentors.

2 Project overview

This document is the final report for a Cooperative Agreement to work with MCC to identify the barriers to women's economic empowerment; develop tools, models, and approaches, and coordinated investments; and publicly share the learning from this partnership to increase women's economic empowerment to achieve MCC's mission of poverty reduction through economic growth. The work activities in this agreement were carried out in Kosovo and Tunisia with the intention of capturing learning that could be applied to other MCC countries.

2.1 Performance period

The collaboration was originally designed to be implemented from September 9, 2019, to December 8, 2020. Due to the Covid pandemic and a pause in the Kosovo Threshold Program, the project was paused and later resumed with some changes in format (detailed later in this report). Because of these interruptions, a no-cost extension was granted, changing the end date to December 31, 2021.

2.2 APS contracting mechanism

This cooperative agreement was created through MCC's Partnership Annual Program Statement (APS). The contracting process allowed MCC and Miller Center to work collaboratively and creatively to co-design activities that leveraged the unique capabilities of each partner and to integrate the activities into the MCC's existing Threshold Program in Kosovo. MCC and MFK cooperated closely with the Miller Center throughout the implementation period, as the partnership was closely tied to an existing ongoing program and required close coordination and input from all parties involved. Pros and cons of the APS mechanism for this partnership are discussed in section 9.2 of this report.

2.3 Kosovo objectives

The project was designed to use a learn-by-doing model, with the bulk of the activities carried out in Kosovo, given that the status and objectives of MCC's threshold investments in Kosovo were the best match for the timing of the project. The business acceleration program (BAP) in Kosovo was intended as a complement and incentive to a broader program that encouraged women entrepreneurs to invest in and benefit from energy efficiency.

MCC had already planned to offer a grants program for women entrepreneurs that were either working in energy sector businesses or had businesses in which improved energy efficiency could help the business grow and serve as a model of how small and medium enterprises can contribute to reducing Kosovo's energy deficit. Combining business acceleration with investment into the businesses is a widely accepted model of enterprise support in emerging economies. There can be a synergy between helping the entrepreneur strengthen their plan for growing the business and providing part of the funding necessary to realize that growth.

Specifically, the project was designed to have an immediate impact on the business performance of one cohort of 15 to 20 women entrepreneurs, providing technical support for

the businesses and maximizing the potential positive impact of identified seed funding to enable the businesses to invest in energy efficiency. Although the impact on the businesses would be felt immediately by their owners, MCC and Miller Center knew from the outset that business data showing the change in the business due to the program would not be measurable until one to two years after the program.

The Kosovo cohort consisted of women-owned businesses that met a clear set of qualifications: minimum 2 years in business, majority women-owned, 5 or more employees, growth-oriented business, and able, interested and capable of absorbing a potential large co-investment in energy efficiency. While all the women who participated in the BAP program were encouraged to apply for the matching grants program, their participation in the mentoring and coaching did not guarantee funding, and they still had to follow a separate application process for this funding.

The grants program would provide part of the funding for each qualified entrepreneur to buy energy efficient production equipment or building-related energy efficiency measures. At the start of the program, there were a number of open questions around how best to sequence and interconnect the BAP and grants program, which was further complicated by the pandemic and resulting program delays. The learning questions discussed in sections 5, 6, and 7 address this point with what was learned during the project and gives MCC recommendations as how it can deepen the learning.

Additionally, Miller Center's role in Kosovo was to provide entrepreneurship advisory support to MCC for Kosovo Compact development, including advice and recommendations on how MCC's Kosovo Compact could support female entrepreneurship through energy sector investments, building upon what is underway through ongoing MCC threshold investments.

2.4 Tunisia objectives

Given the earlier stage of MCC's work in Tunisia, Miller Center's role was to develop recommendations on due diligence related to MCC's new Tunisia Compact, drawing upon its long track record accelerating enterprises in emerging markets and working in learnings from the Kosovo cohort.

This work consisted in providing technical assistance on project design focused on increasing women's access to markets and trade, which included a set of contemplated mentoring and coaching initiatives. This was done through technical support related to design documents that MCC worked on in the course of compact development and other questions MCC had related to preparation of the Investment Memorandum for the Tunisia compact. This support was undertaken in the context of MCC partner activities related to a landscape analysis of potential accelerator partners in Tunisia, laying the groundwork for a possible compact intervention to strengthen capacity of identified accelerators that support women and youth-led entrepreneurs.

Miller Center’s work in Tunisia was integrated into the design of the *Transforming Women-led Businesses in Digital Trade-Oriented Economy* activity, which was presented to MCC’s counterparts in the Tunisian government in early 2020.

2.5 Overarching learning objectives

Keeping in mind that the work in Kosovo and Tunisia was intended to generate learnings that could be applied to other current and future MCC countries, two overarching learning objectives were also identified:

- Contribute to MCC knowledge regarding what specific capacity building tools and approaches can contribute to women entrepreneurs’ growth and success.
- Demonstrate whether intensive coaching and mentoring can be an effective and efficient complement to interventions designed to support female entrepreneurs, and the potential for its broader replication in other country contexts.

The original monitoring, evaluation, and learning (MEL) plan is included in this report as Annex 1. Sections 5 and 6 of this report discuss the MEL process and results. Sections 7 and 8 provide higher-level analysis and recommendations to MCC.

3 Covid and its impact on the project

As with any other facet of life in 2020 and 2021, the global pandemic forced a number of changes to the project design to ensure that the work could be completed, such as transforming the coaching into a virtual program, and notably, giving support to the women entrepreneurs in Kosovo when their businesses needed it most.

3.1 Project plan modifications

Miller Center had originally planned for the accelerator program in Kosovo to run from approximately May to September of 2020, with Miller Center staff and mentors delivering in-person workshops in Kosovo at the beginning and end of the workshop. When international travel and in-person gatherings first shut down in March, all parties agreed to delay the project “for a few months” until it could be done in-person as planned. Once it became increasingly clear in late 2020 that a return to international travel and in-person workshops were still not on the horizon, all parties agreed to pivot the design to a virtual workshop format.

Thanks to strong teamwork between MCC, Miller Center, and the partners on the ground in Kosovo, the virtual workshop and mentoring process created greater than expected engagement, with all 20 entrepreneurs completing the program and building a supportive peer community. Virtual workshops were held in November 2020 and May 2021, with a series of check-in virtual meetings and local mentoring between the workshops. As described in more

detail in the partnerships section below, the virtual format put more burden on the local acceleration partner organization, IETL, which did an exemplary job in delivering the program.

The project work in Tunisia was not directly impacted by the pandemic. Miller Center's trip to Tunis happened before the global shutdown and all follow-up work has been done virtually whenever requested by MCC, which is the format that was agreed upon at the start of the project.

3.2 Covid's impact on businesses in Kosovo

Even in normal times, building a sustainable business in an emerging market is challenging for any entrepreneur, and much more so for women entrepreneurs, given greater challenges in accessing capital, family responsibilities, and lack of role models and support networks. Annex 10.3 provides more details about these challenges.

The pandemic has taken additional tolls on the economy in Kosovo and has impacted the businesses supported through this project. As will be discussed later in this report, it is impossible to fully separate the macro effects of the pandemic on the businesses from the micro effects of the acceleration program. Nonetheless, it is germane to this report to note the presently available data on the effects of the pandemic on Kosovo's economy:

- The OECD has reported that in 2020 Kosovo's economy recorded a contraction of 6.9%, mainly due to declines in consumption, especially diaspora-related exports of travel services and investments as a result of Covid-19.¹
- The Brookings Institution considers that Covid-19 may cause a more severe recession in the Western Balkans than the global financial crisis. They estimate a reduction of GDP for Kosovo of at least 4.5%, but potentially as high as 15.8%.²

Women entrepreneurs in Kosovo often run service-oriented businesses in sectors including food, education, tourism, and retail, which are highly dependent on in-person transactions. Lockdowns had a disproportionately larger effect on these businesses than the economy as a whole, given that many were forced to pause their operations and did not necessarily have the preparation and resources to pivot their businesses to something more viable during the lockdowns.

¹ <https://www.oecd-ilibrary.org/sites/0314c10c-en/index.html?itemId=/content/component/0314c10c-en>

² <https://www.brookings.edu/blog/future-development/2020/04/29/hard-times-require-good-economics-the-economic-impact-of-covid-19-in-the-western-balkans/>

4 Partnerships with implementing contractors and in-country organizations

This section discusses the specific partnerships that were developed in Kosovo and Tunisia for the project, the learnings from those partnerships, and implications for working going forward by MCC in Tunisia and other countries.

4.1 Key partnerships

Miller Center worked most closely with four partner organizations in Kosovo and one in Tunisia. MCC provided close oversight, facilitated coordination with MFK and other support throughout this process. This section summarizes the relationships with these partners.

MCC

Recognizing the need to more comprehensively integrate capacity building into the planned women entrepreneur-focused intervention in Kosovo, MCC was the contracting party for the partnership, and it provided oversight of the MFK program in Kosovo. MCC provided continued support via envisaging the activities under the partnership and supporting the implementation process.

4.1.1 Millennium Foundation Kosovo (MFK)

MFK is the accountable entity established by the government of Kosovo to lead the Threshold Program, with MCC oversight. MFK provided support through coordination with project partners in Kosovo. MFK also led the call for applications for the Business Acceleration Program (BAP) and established the panel and competition process that selected the women entrepreneurs who participated in the BAP and received grants. MFK also provided four interns to support the work of the local partner organization ITEL. The interns were senior students and recent graduates of the Women in Energy Internship program.

4.1.2 GFA Consulting Group

GFA is MCC's Implementation Consultant for the portion of the Reliable Energy Landscape (REL) project, which includes the WEE program. GFA provided critical support to Miller Center. GFA had a sufficient on-the-ground presence and local context to get Miller Center up to speed and productive in Kosovo. GFA's first major contribution to this project was organizing and facilitating a focus group with women entrepreneurs. This focus group gave GFA inputs they needed for designing the energy efficiency grants program while also providing inputs to Miller Center for the design of the Business Acceleration Program.

Support to the Business Acceleration Program was not in GFA's terms of reference, which led to confusion about their role initially. Further, there were concerns that offering the grants facility and the BAP to women entrepreneurs could cause confusion by dividing their interest. Working together with MFK and MCC, this issue was readily overcome by developing a combined

strategy in which the BAP and a specifically targeted part of the grants program (large scale grants for larger businesses) were marketed jointly, with the BAP positioned as a mechanism to strengthen a selected group of businesses eligible for receiving large-scale grants. Once the shared vision was developed, GFA and Miller Center quickly formed a strong working relationship.

GFA also was especially valuable in adding the energy efficiency aspects to the business acceleration program. They conducted audits of each business, which gave the entrepreneurs ideas about the energy saving opportunities in their companies, how to write their grant proposals and incorporate energy efficiency strategies into their business plans.

The contributions that GFA made to the project leveraged their technical expertise and local presence. Without their involvement, the project would not have been as successful.

4.1.3 Institute for Free Market Economics (IETL)

Miller Center's scope of work included subcontracting a local business accelerator that would be able to work with Miller Center to adapt and deliver the BAP. The partner had to be an organization with local context, bilingual staff (Albanian-English), local credibility, and a network of local business mentors. Given the focus on women entrepreneurs, the partner organization also needed demonstrated capacity on gender issues. The proposed scope of work for the subcontract included:

- Working with Miller Center to adapt and translate the training materials to Albanian language and the Kosovo context.
- Identifying and managing a team of local mentors.
- Handling all workshop logistics.

Miller Center held meetings with several potential partner organizations during its scoping visit to Kosovo, including the country's most-established business accelerator, a university business incubator, a well-known NGO that supports women's economic development, and IETL--a new NGO focused on economic development, recently founded by Besa Zogaj, a highly respected former Deputy Ministry of Economic Development. IETL was selected as the partner for several reasons that have historically worked best for Miller Center:

- Highly recommended by MFK.
- Openness to taking Miller Center's methodology and making it their own for the program and continuing to use it on their own.
- Eagerness to work with Miller Center and MFK and the certainty that this work would be a top priority for them.
- Ability to identify and engage local mentors in Pristina and other regions of the country as needed.

IETL was an exemplary partner and went above and beyond to make the program successful. Their final report is included as annex 11.3.

4.1.4 J.E. Austin Associates, Inc. (JAA)

JAA was the contractor whose role was to design a proposed activity focused on women entrepreneurs in Tunisia. Miller Center served as an outside expert to provide inputs into the activity design. Similarly to the initial relationship between Miller Center and GFA in Kosovo, when Miller Center initially began to interact virtually with JAA and provide feedback on early documents in the design process, there was less uptake on Miller Center's ideas than expected. This was a natural initial response to a new organization with new ideas coming into an existing process.

Miller Center and JAA strengthened their relationship by working together with MCC in person in Tunisia. Miller Center was able to better appreciate the context in which JAA and MCC were designing the activity. The JAA team was able to learn more about Miller Center and the experience they were bringing.

The resulting draft activity design, ***Design Study for Transforming Women-led Businesses in Digital Trade-Oriented Economy***, successfully brought in many recommendations from Miller Center's expertise in designing mentoring and business acceleration programs. The JAA team, including local consultants with deep knowledge of the Tunisian context and the female entrepreneurship landscape in the country provided important perspectives as well, and the resulting design had a level of detail and local relevance that neither JAA nor Miller Center would have been able to develop on its own.

4.2 Partnership learnings

Given the experience in Kosovo, a fundamental question is which organization is the best lead partner for an international expert like Miller Center. For this pilot learning activity, it was logical for the relationship to be directly between MCC and Miller Center, but future implementation work could potentially be done more efficiently directly between an organization like Miller Center and an in-country organization like MFK or the implementing contractor to reduce coordination and logistics issues. For example, MFK could be the partner instead of MCC, but would need support from Miller Center and a local acceleration partner like IETL.

Another option would be to put into the implementing contractor TORs requirements for seeking out relevant partnerships that will help strengthen programs they are tasked with implementing. However, without MCC's APS sourcing mechanism, the partnership with Miller Center may never have materialized because the implementing contractors would not necessarily see the need or value of working with an organization like Miller Center, and, even if they did, they would not necessarily prioritize finding and vetting the right expert partner. Further, the learning loops back to MCC would likely have been lessened if the direct link between MCC and Miller Center had not been present.

Clearly with so many partners, there are trade-offs in the different contracting relationships, so Miller Center cannot recommend any one. From the work in Kosovo, it was worthwhile to have

the multi-organization partnership because it gave the program more credibility and prestige, and those factors surely contributed to the motivation and dedication that the participants demonstrated throughout the program.

As to working with local partner organizations, notably the local business accelerators that are needed to work directly with the entrepreneurs, several important learnings can be drawn from the work with IETL. Although IETL did not have experience in business acceleration, they were eager to build capacity and were fully committed to the project. They brought in the right networks to find mentors and organize supplementary trainings based on the expressed needs of the entrepreneurs in areas like online marketing, which was especially timely due to Covid lockdowns.

IETL was also able to execute cost-effectively by employing students. However, they did need a level of technical expertise that Miller Center could provide but an implementing contractor like GFA or other more generalized consulting firm would not have in-house.

4.3 Partnership implications for Tunisia and other MCC countries

As MCC looks to include activities to strengthen women entrepreneurs' capacity in Tunisia and other countries, a few key points stand out:

- Some contractors with specialized expertise, such as engineering or construction contractors, may not have the expertise to execute an intensive business coaching and mentoring project like this on their own, and they will not necessarily understand the value that an international expert like Miller Center brings. At the same time, other contractors (e.g., JAA in Tunisia, GFA in Kosovo) may have a significant depth of relevant subject matter expertise and deep in-country presence and knowledge that are also very important to ensuring success.
- APS partnerships can make the contracting and management complex but allow MCC to bring in partner organizations that might not otherwise be able to partner with the implementing contractor.
- Local business accelerators and other economic development organizations play a crucial role in this type of project, but the best local partner is not necessarily the one with the most experience—it is likely the one most willing and able to work as a team with the other partner organizations.
- At the same time, for mentoring specifically, women program participants from Kosovo have reported greater interest and value in being mentored by international expert than by local experts.
- Identifying all partner organizations early in the process and clarifying roles, responsibilities, and timing will smooth the path to success.

5 Monitoring, evaluation, and learning (MEL)

These learning questions were defined at the beginning of the project:

1. Does mentoring make a difference to the business performance of women entrepreneurs who receive it? For example, do women who receive mentoring and financing on average do better than women who only receive financing?
2. Is mentoring or other types of capacity building more important/just as important/less important than financing for the performance of women entrepreneurs' businesses?
3. What are the main types of behaviors or changes that women entrepreneurs implement in their businesses as a result of the mentoring initiative?
4. Does the mentoring initiative help women entrepreneurs understand how energy efficiency improvements can lower their energy costs and empower them to self-monitor the savings?
5. Provide input into how MCC can design entrepreneurship-focused interventions.
6. Are there policies or other steps MCC can recommend, promote and support that the governments of Kosovo, Tunisia, and other MCC partner countries can use to spur greater female and youth entrepreneurial participation and success?

This report strives to shed light on all these questions and provide actionable takeaways for MCC. As of this writing—only a few months after the close of the acceleration program and without detailed information about the financials to each business—it is impossible to fully answer all the questions. This report provides insights based on available data and testimony from the entrepreneurs, and it provides recommendations to help MFK conduct further evaluation at a later date. It is important to note that collecting the necessary data to provide better answers will require more than online surveys (which are unlikely to have a high response rate). Ideally, additional data can be collected through annual evaluations in the two to three years following the acceleration program. Miller Center sets expectations for these follow-up evaluations at the beginning of all acceleration programs.

Further complicating matters of answering these learning questions, the Covid-19 pandemic had a major impact on the businesses and the women that run them. As with businesses of all shapes and sizes worldwide, the short-term impacts of the pandemic were severe. Businesses had to pivot to online models, and, in many cases had to reduce employees and close branches to conserve operating cash during the lockdowns. These impacts likely overshadow the impacts of the BAP and grants in the short-term.

To provide the best picture of the businesses' trajectory within the limited duration of the project, Miller Center and MFK sent a follow-up email survey in September (approximately three months after the program end). Despite multiple requests, only 40% of the participants responded, which is understandable given that they may not have perceived much change since they were last surveyed in June and that most are still waiting to receive their grant. While this

response rate is too low to include the data in the quantitative results in the next section, there are some notable observations shared in more detail in the next section, especially the fact that all respondents are still in contact with the mentors that supported them in the BAP.

Despite these limiting factors, there are many learnings to share through this report.

The MEL plan for the Kosovo Business Acceleration Program is included as annex 11.1. The key indicators are:

Indicator	Definition/Description
Number of employees	Number of fulltime equivalent employees throughout the year
Number of women employees	Total number of women employed
Number of branches	Total number of branches owned
Annual turnover	Annual revenue
Annual balance sheet	The total of fixed and current assets before deduction of current and long-term liabilities
Estimated Investment Cost	Total cost of equipment enterprise plans on investing in
SE Confidence Level	Using a set of 6 questions we will measure average confidence of entrepreneurs
Behavior changes to support growth and efficiency	List of actions entrepreneurs may have taken to support growth and efficiency over the course of the program
Energy Efficiency Knowledge	Scale of knowledge

The next section summarizes the results of the Business Acceleration Program, and Section 7 provides observations and interpretation framed as answers to the six learning questions.

6 Results

This section summarizes results from surveys and observations from the project participants and implementers. The results are broken into five areas: entrepreneur confidence, business metrics, energy efficiency knowledge, gender lens, and Covid-19 impacts.

The testimony provided throughout this report, especially in Section 7, offers anecdotal evidence supporting the results detailed here.

6.1 Entrepreneur confidence

The social entrepreneurship confidence questions were administered at the beginning and end of the program to measure changes in entrepreneurs' confidence levels. All questions were rated on a scale from strongly disagree (1) to strongly agree (5).

Participants in the Kosovo Business Acceleration Program	Baseline (Dec 2020) (mean)	Endline (June 2021) (mean)	Percent Change
1. I have all the support necessary to succeed in my business.	4.23	4.00	5.5% ↓
2. I have a strong network of advisors where I can share challenges and obtain advice.	3.69	3.79	2.5% ↑
3. I am confident in my ability to lead my enterprise.	4.54	4.64	2.3% ↑
4. I am satisfied with the work of my enterprise.	4.23	4.50	6.4% ↑
5. I am confident in my entrepreneurial skills	4.62	4.64	0.6% ↑
6. I am confident in my ability to go out and raise funding.	3.69	3.86	4.5% ↑

Given the small sample size of just 20 enterprises, the changes seen over the course of the program may not be statistically significant, but we can infer the following:

- In general, these entrepreneurs came into the program with very good levels of confidence, and that confidence increased slightly during the program. The baseline levels were very high, especially for questions 1, 3, 4, and 5 which are more holistic in nature. The baseline means for the BAP are much higher than other Miller Center programs, which could be attributed to the selection process (see next point) and the fact that the BAP businesses were more established and stable than the typical startups that come into other Miller Center accelerators.
- The high baseline implies that MFK and GFA were successful in selecting entrepreneurs with high levels of confidence and, therefore, more likely to excel in the program. Even though these surveys were separate from the grant application process, we can also infer that the women wanted to show their business confidence and strength among the competing applicants.
- Regarding question 1, we see a decrease from the baseline to endline, which can be attributed to two possible factors. First, there were several bad waves of Covid in

Kosovo, which lasted much longer than expected. The business community has lamented that it has not received enough government support to respond to Covid challenges. Second, there could be a positive bias at baseline, where the entrepreneur is initially excited about the program and has a modest vision of success rooted in the business as it exists today. By the end of the program, many entrepreneurs aspire to scale up their businesses much more dramatically and appreciate all the work left to do to succeed. This leads to an adjustment in response. Although the score went down, the mean is still quite high, indicating a confident group of women entrepreneurs. Miller Center has seen decreases in this score in other programs, and does not consider it as a necessarily negative result of the program.

- The largest increases in confidence are seen in questions 4 and 6. This is consistent with the focus of the program, given that the work was around documenting the viability of the current business and developing a plan for growing it through investment.
- It is worth noting that the lowest baseline numbers are for questions 2 and 6, which are the most specific questions. A worthwhile experiment would be to make the other questions more specific to see if that changes the baseline.
- Considering that in most cases the businesses had grown organically and through investments from the owners, the idea of seeking outside investment was still likely new to most of the participants, and since the program helped them understand the challenges and implications of using outside investment to grow their business, any increase in confidence can be considered a win. Furthermore, most of the women who had applied for grants had not yet received them at the time of the survey, which could have influenced their answers to this question.

This analysis matches the feedback provided by Albana Hasangjekaj at the end of the program: *The advice gave me a much clearer vision about my business and its sustainability. I gained a better understanding of my finances and investment needs to grow the business.*

6.2 Business metrics

The following key business metrics were tracked during the Business Acceleration Program:

Variable	Baseline (Dec 2020)	Endline (June 2021)	Percent Change
Number of Branches	1.8	2.4	33.2% ↑
Number of Employees	13.0	10.9	16.5% ↓
Number of Women Employees	11.0	9.2	16.6% ↓
Number of Women from Ethnic Minorities	0.3	0.4	35.4% ↑

Annual Turnover (Revenue) EUR	€129,988	€124,784	4.0% ↓
Annual Balance Sheet EUR	€69,312	€99,417	43.4% ↑

The main takeaways from this data are:

- In the short term, women-owned businesses did not reap benefits from the program in the form of increased turnover or by hiring more employees. However, this is most likely due to the strongly negative impact of Covid on the operations of the businesses. Many of them are in service and other sectors particularly impacted by the pandemic.
- Although turnover went down slightly, balance sheets are higher. This is also likely due to the pandemic. During any kind of crisis, businesses are wise to conserve cash and hang on to assets, even while reducing employees and branches. This helps ensure the business’s survival.
- Even without the effects of the pandemic, the impact of the BAP and the grants will not be measurable through business metrics until later. As will be discussed in more detail in Section 8, conducting annual data gatherings of these business metrics for the 2 – 3 years following the program and grants will demonstrate the impact on the businesses.

Feedback from the participating entrepreneurs indicates that they are setting themselves on a path to grow their businesses and increases in these business metrics can be expected. For example:

- Kujtesa Peja of Derma Care told Violeta Rexha of MFK that this program helped her very much as she was looking for some time for a training program. She was particularly interested in learning how to develop a business plan for her business, and she got this knowledge from the BAP.
- *What is special is that the support of the program was suitable for our needs. The mentors advised us on the areas we most needed it, especially around marketing, finances, and adapting to the virtual world.* - Sadije Deliu, Plan-A Consulting

Section 8 discusses how future evaluations of the businesses can compare changes in their business metrics with assessment of the value of the business plans created through the BAP.

6.3 Energy efficiency knowledge

MCC’s priority for the Business Acceleration Program offered by Miller Center and the related grants program led by MFK and GFA was to enable the businesses to grow in a manner that built in energy efficiency and modernization of their equipment and appliances. In some cases, these improvements would allow them to lower costs. More often, these investments help them to grow their businesses because the new equipment allows them to produce more with the same energy consumption or enables them to offer new products and services. On a macro level this is an underlying objective of MCC’s work in Kosovo given the electricity shortages that

hamper the country's development. On a micro level, the high cost of electricity hurts small businesses and can limit their growth.

In a normal accelerator program, electricity costs would be just one of many business expenses and would not garner much attention. Given the focus of the BAP, however, explicit attention was paid to electricity costs, including building a financial model that allowed the women to see how energy efficiency improvements (such as LED lighting) or new equipment that increased production would lower their operating costs and improve margins. For the businesses in the program, these changes were not make-or-break in terms of business viability nor did they lead to any changes in the underlying business model. However, any cost reduction for small businesses creates a social and economic impact because those surplus margins will either be reinvested into the business or used to improve the quality of life of the small business owner.

To help the entrepreneurs identify opportunities for improving energy efficiency, GFA conducted an energy audit for each business, and these were well-received because they were helpful and actionable. The recommendations from these audits were built into the growth plans and financial models that the businesses developed during the BAP. The audit and business growth plan fed into the grant applications made by each entrepreneur to partially cover the cost of the desired energy efficiency investments.

As expected, many entrepreneurs requested the maximum grant amount. Given the high demand and limited funding available, most did not receive the full amount. This meant that they had to adjust their plans and pick one piece of equipment to purchase with the grant funding. We can expect that over time, many of them will find other ways to purchase the equipment they had identified.

The participants reported many significant results from the energy efficiency aspects of the BAP. As of the end of program survey, not all women had yet implemented changes. Survey responses about improvements made during the BAP (and before receiving the grants) included:

- Learnings:
 - *“Awareness raising has automatically led to the easier identification of current market options which devices have a significant impact on the total monthly / annual cost that our company spends on electricity.”*
- Changes implemented:
 - *“But after this period we started using economical bulbs while the machines have energy saving.”*
 - *“We changed the electric bulbs to LED.”*
 - *“In my business even before we have taken care to be as efficient as possible in the use of energy, using LED lighting and we have adequate insulation of the building. However, I did buy some new equipment that is more cost effective.”*
 - *“We have changed the production facility, which has more light, more sun, and more insulation.”*

Through the grants program, the entrepreneurs are purchasing equipment to expand their businesses. The following table shows the equipment purchases and corresponding energy savings:

Company	Entrepreneur	Grant €	Total Investment €	Equipment financed	Energy savings (kWh/year)	% Energy savings	CO2 reductions (tons/year)
A L Dushi	Xhylizare Selimi Dushi	22,875	25,599	Industrial washing machines and industrial iron	23,400	30%	25.74
Candore	Ariana Canhasi	20,000	43,900	Bending machine	617	20%	0.68
Krenare Rugova	Krenare Rugova	35,000	35,000	Loom machines	520	30%	0.57
Agro Krusha	Emire Duraku	15,000	19,500	Pirunar Heli CPCD30-WS1H, Lifting machine	7,470	50%	8.22
Diba Celina	Onat Baymak	20,100	26,800	Embroidery machine	6,723	30%	7.39
Chocolate Corner	Bleta Zeqiri	9,280	9,280	Panning Dragees machine	6,349	20%	6.98
DPZ Atelea	Vjollca Neziri	25,000	32,697	Sewing machines	5,600	30%	6.16
Tartine	Adelina Sokoli	17,500	20,772	A new combined oven, fridges and AC units	3,361	30%	3.70
Ranad	Albana Hasangjekaj	17,250	20,903	Textile printing machine	1,681	30%	1.85
Town	Sadete Bislimi	33,750	42,187	CNC wood processing machine	784	20%	0.86
Derma Care	Kujtesa Peja	27,564	49,298	Laser hair removal machine	1,333	25%	1.47
Embelsia	Sela Imeri	11,250	13,829	Solar PV, Air Conditioners	5,600	20%	6.16
Derma D	Shkendije Dobruna	25,125	33,500	Dermoscope	2,241	30%	2.46
S&E Group	Sahadete Gerbeshi	21,672	30,243	Oven, air conditioners, thermal insulation	44,800	30%	49.28
N Katun	Lumnije Demiri	20,000	21,060	Solar PV	33,600	60%	36.96
Plan-A	Sadije Deliu Kelmendi	15,300	21,225	Thermal Camera equipped drones	0	0%	0.00

6.4 Gender lens

It is notable that this program was offered as a training program for women by women. This construct had incalculable benefits for the program that were naturally embedded rather than being a specific part of the curriculum.

Life as a business owner can feel isolating for any entrepreneur, but even more so for women business owners in a country like Kosovo with lower numbers of women entrepreneurs. Thanks to Miller Center's two-woman team, and a strong female team put forth by IETL staff and mentors, a community quickly formed. Despite pandemic limitations, IETL was able to encourage the women to meet in person for yoga and other peer support.

Having female trainers and mentors made it easier to empathize with the challenges that the women entrepreneurs face, and the program naturally encompassed a holistic support that went beyond the formal curriculum of developing a business plan for scaling.

As described in more detail by IETL in annex 10.2, IETL and the local mentors undertook additional activities that added value to the project and strengthened bonds between the women. These included inviting the entrepreneurs to trainings on *Digital Marketing and Social Media*, *Online Commerce*, and *Business Management in Crisis* that were led by the Kosovo Chamber of Commerce to support businesses during the pandemic. Two of the BAP participants that joined these trainings received awards to develop e-commerce platforms. Many of the entrepreneurs also attended trainings on unlocking export potentials of women-led SMEs.

The extra-curricular activities went beyond formal business skills training. Most notably, near the end of the program, one of the mentors organized a yoga and Pilates session for all of the entrepreneurs, IETL, the mentors, and anyone else who had been involved with the BAP.

As evidence of the power of the community that was formed, despite the ups and downs of the pandemic and lockdowns, 100% of the participants completed the BAP. In Miller Center's experience running dozens of similar programs, a 90% completion rate is more typical and considered a leading indicator that the participants were receiving value from the program. Certainly, retention in the BAP was also helped by the women knowing that completing the program would give them an advantage in the competition for grants. Nonetheless, the high levels of engagement in the extracurricular activities and the testimonials about the value of the network being formed among the women imply that the participants' interests went beyond completing the program because they might have believed it would give them an advantage in being selected for a grant. (Even though the BAP was positioned as independent from the grants program, it is likely that many participants felt that the two were connected.) We cannot conclusively state that the engagement was due to the gender lens of the BAP. Yet, as evidenced in more detail in section 7, the participants' feedback and observations from the implementers frequently highlight the satisfaction and motivation of working with other women entrepreneurs and being guided by female mentors.

There is no way to discern the relative value of the adaptations made to the BAP curriculum for Kosovar women entrepreneurs versus the cultivation of community and empathy that resulted from the program being female-led. Miller Center believes that both are necessary investments for a successful program to support women entrepreneurs.

6.5 Covid-19 impacts

As noted throughout this report, the Covid-19 pandemic affected the BAP in multiple facets and has had an outsized impact on the businesses in the short term. Before, during, and after the BAP, Kosovo has suffered from waves of Covid, resulting in lockdowns and a myriad of challenges for small and medium business owners throughout the country. In the program follow-up survey conducted in September 2021, respondents noted these pandemic-related impacts on their business:

- Absence of workers due to illness, including staying home to care for family members who were ill.
- Being unable to make in-person sales reduced the number of customers and forced new sales strategies that may not have been optimal for a given business.
- Decline in annual revenue.

7 Observations and interpretation

At the closing workshop for the Business Acceleration Program, MFK's CEO, Petrit Selimi, graciously said:

Thank you, Miller Center, for enabling us to add so much value to our grants program. The experience and networking provided through the acceleration program may be worth even more than the money we distributed to the entrepreneurs. I believe this program has been fundamental to creating capacity and adding value to the economy of Kosovo.

Violeta Rexha, who was responsible for the BAP and grants program for MFK, noted that participants had told her that they had been looking for a coaching program to help them be more successful in their business, but were put off by the high cost of commercially available programs, so the BAP was a welcome opportunity.

These sentiments of the value of the BAP resonated with the project stakeholders, but they remain to be proved or disproved in terms of actual impact in the businesses. As of this writing, the learnings are drawn from observations by the implementers and participants of how the program went. This section answers the six learning questions to the extent possible. Section 8 proposes how MCC can update these learnings through future evaluation.

1. Does mentoring make a difference to the business performance of women entrepreneurs who receive it? For example, do women who receive mentoring and financing on average do better than women who only receive financing?

- As of this writing, it is too early to definitively answer this question for the Kosovar women entrepreneurs, although some initial qualitative insights can be provided now, and the project was designed such that MCC can obtain quantitative data at a later date.
- MCC is engaging with these groups of entrepreneurs:

- 16 women who participated in BAP and received a SMART grant (with €35,000 as the highest grant amount in this group and an average grant of just over €21,000).
- 2 women who participated in BAP and received an Advanced grant (up to €8,000).
- 2 woman who participated in BAP and did not receive a grant.
- 44 women who did not participate in BAP but received SMART grant (with the highest grant amount of €40,000 and an average grant of just over €15,700). It should be noted that many companies in this group had also applied for the BAP but were not selected. Some of these were not selected as they were deemed to be too advanced and that other applicants could benefit more from intensive BAP coaching.
- At this time, the local project partners observed:
 - An improved understanding of the benefits of strategic and business planning, which was quoted back to the Implementation Consultants during the grant application and management process.
 - An improved understanding of the impact that energy efficiency can have on targeted business growth.
 - Most of the BAP participants stated their shift in understanding their investment strategy as a result of the coaching. According to participants' statements, prior to the BAP coaching they would make investment decisions without strategic consideration. The coaching had encouraged them to take a much wider and longer-term perspective into consideration.
 - The initial motivation for applying for the MFK grant program was to increase capacity and/or improve quality through new equipment. That these goals can be achieved without compromising on energy efficiency was initially surprising for beneficiaries, but subsequently fully embraced by them. The focus on high quality and capacity is still there, but a heightened level of energy efficiency awareness has developed.
- Given that MFK has a direct relationship with all of the enterprises in the above groupings, it is feasible to conduct follow-up surveys at a later date to create a picture over time of business performance. Given the small dataset, the results are not likely to be statistically significant, but will give directional evidence and anecdotal insights.
- We recommend that MCC follow up with women who received the grant but did not participate in the BAP to see how the business trajectory may have differed.

2. Is mentoring or other types of capacity building more important/just as important/less important than financing for the performance of women entrepreneurs' businesses?

- Given that the grant distributions were being made after the BAP and after the data collection for this report, we cannot yet see the impact of receiving the funding and know how that impact compares to the capacity building work done through the BAP.

- By comparing the trajectory of the businesses that participated in the BAP and received a grant with the trajectory of businesses that received a only grant, important insights can potentially be made into the relative importance of capacity building and funding.
- Other research in business acceleration has shown that there is some dependence between the benefits derived from financing and capacity development. In the case of the BAP, it is difficult to determine how much the lure of the grant was responsible for keeping the entrepreneurs engaged. Those selected into the BAP were identified as women who had mature businesses, ambitions to grow them, and willingness to be coached. It was made clear that participation in the BAP did not guarantee receiving a grant. Given the almost unheard of 100% completion rate and their high levels of engagement and positive feedback, there is strong evidence that the selection process worked extremely well in finding entrepreneurs who would derive value from the capacity building, regardless of the grant.
- Of note, all of the entrepreneurs who responded to the September survey said they were still in contact with their mentors. This indicates that lasting relationships were built and that aspect of the program was successful.
- The direct relationship between the entrepreneurs and mentors was consistently cited as a major value of the BAP. For example, Emire Duraku of Agro Krusha SHPK (a peppers and pickle production company) said, *Our mentor was always ready and provided us expertise and support. Thank you for selecting me for this program.*
- Miller Center mentor, Derene Allen, summed up her experience by sharing in the closing event: *I am happy to be a woman among all these powerful women. We all have gifts and wisdom to share to help us all rise. Thank you for bringing to life so many of the principles of true entrepreneurship: action is more important than perfection, delivering our promised quality requires responsible choices, and finding ways to innovate. Thank you for this opportunity. It was truly a privilege.*

3. What are the main types of behaviors or changes that women entrepreneurs implement in their businesses as a result of the mentoring initiative?

- In reviewing the final presentations of the businesses, clear themes emerged around how the women are thinking about their businesses. Most notably, the entrepreneurs now have a clearer understanding of their business's mission and competitive advantages. This enabled them to create more specific strategies for expanding their businesses, which in turn enables them to understand the required investment and potential profits. The following quotes best highlight that evolution in their thinking and vision.
- *Our business is more structured now, and the plan we developed is working. Thank you from the bottom of my heart for this chance to learn and collaborate in a different way.*
- Sadete Bislimi, Town Shpk
- *As business women, we have ideas in our head about what we want to do in the business, but we rarely have the time and opportunity to make a concrete plan and bring the ideas to life. Writing a plan on paper helped us understand our competition, clarify*

our marketing strategy, and focus on the financial aspects of the business. - Xhylizare Selimi Dushi, A L Dushi (Chemical cleaning company, 20 years old)

- *I am privileged to receive this support being a woman business owner away from the capital. We gained experience in making a business plan, and you were always near us. We have now been able to expand into the export market. - Sela Imeri, Embelsia M&A*
- *The business plan template pushed the women to think differently and forced them to consider the strongpoints and weaknesses of the business and come up with creative ideas to expand. It was more than writing a business plan--the women learned to strengthen their mission and vision as a way to strategize new market opportunities. - Lendita Kastrati (mentor)*

4. Does the mentoring initiative help women entrepreneurs understand how energy efficiency improvements can lower their energy costs and empower them to self-monitor the savings?

- The BAP curriculum was built from Miller Center's proven accelerator program content, which looks at all cost and revenue drivers of the business model. Given the energy efficiency focus of the BAP, Miller Center worked with IETL and GFA to present energy efficiency as a way to improve profitability.
- As described in section 6.3, the most impactful short-term aspect of the BAP in terms of helping the entrepreneurs in regards to energy usage came from the energy efficiency audits conducted by GFA. These audits provided actionable feedback that could be implemented immediately such as using more natural light, improving insulation, and adding LED lighting.
- Longer range, the BAP helped the entrepreneurs identify new equipment purchased through the grants that will allow them to grow their businesses and have significant energy savings as shown in the table in section 6.3.
- It is too early to fully know how well the entrepreneurs will self-monitor the energy savings going forward. The BAP curriculum gave them simple calculation spreadsheet templates that they can use for this purpose and presented energy efficiency as a way to improve profitability.

5. Provide input into how MCC can design entrepreneurship-focused interventions.

- A general business acceleration curriculum covers the business concepts that any entrepreneur needs to understand to grow their business. These concepts are the same for women-led and male-led businesses.
- The program did not have explicit gender-focused content, and instead the gender lens was implemented throughout the program by customizing the program for women business leaders by:

- Teaching business concepts by using example businesses similar to the ones in the cohort. (For this cohort, the case studies were a hair salon and a food processing company.)
- Identifying highly experienced and successful women entrepreneurs as facilitators who were facilitators and role models for the participants
- Providing mentoring by well-established women business leaders in Kosovo who not only mentored but opened their networks and informed the participants of resources available to them as women business owners
- Creating a community of women entrepreneurs, demonstrated by many of the women coming together for yoga and the stated desire to do a retreat when the pandemic allowed
- This woman-to-woman approach worked well and should be emulated in future programs targeted to female entrepreneurs.
- The networking aspects of the BAP were highly valued by the entrepreneurs. This was not originally identified as a specific objective, so the prevalence of feedback about the value of the network created indicates that future MCC entrepreneurship-focused interventions for women will be well-served to include networking as part of the program.
- This logic can be extrapolated to other target populations. For example, in a program for youth entrepreneurs, it would be important to use business case studies that are similar to the types of businesses that the participants are running and to have facilitators and mentors that can be role models for the youth and help them form a community.
- *The unique approach of workshops and one-on-one mentorship let us reflect on what we have done as a business and what we plan to do. The other women entrepreneurs in the program were really motivating. This program gave us a light at the end of the tunnel that we can continue post-Covid.* - Edis Agani, FRESA
- *We have witnessed that the networking provided through this project let us create more opportunities. As women leaders, we have the obligation to use our power to help other women. As mentors, it was an honor to have Pamela and Derene mentoring us to better support the women business owners.* - Jehona Lluka (IETL mentor)

6. Are there policies or other steps MCC can recommend, promote and support that the governments of Kosovo, Tunisia, and other MCC partner countries can use to spur greater female and youth entrepreneurial participation and success?

- Building strong local acceleration and mentoring capacity is key to ongoing success.
- Bringing in international experts like Miller Center raises the credibility and desirability of an acceleration program.
- Synergistic work between an international expert and local organizations takes more upfront coordination but produces the desired level of engagement.

8 Proposed next steps for Millennium Foundation Kosovo (MFK)

Given that more robust answers to the learning questions will not be visible until some number of months or even years after the program, it is incumbent upon MCC and MFK to continue to monitor the businesses and understand their growth, both in quantitative terms (e.g., business metrics) and by assessing how much of the business plan created during the BAP was implemented and how it impacted the business.

As mentioned, the 3-month post-program email survey conducted by Miller Center with support of MFK yielded only a 40% response rate, presumably due to the short time period from the end of program survey. Although the data has not been included in this report, it has been made available to MCC and MFK in case it is useful for future longitudinal evaluation.

The next window for MCC and MFK to collect data will be the evaluation work being conducted in late 2021 by IMPAQ. The time window from the BAP to IMPAQ's evaluation will still be too short to see the full impact of the BAP, but it is an opportunity to gain additional insights into the BAP and to compare the entrepreneurs that participated in the BAP with those who received grants, but did not participate in the BAP. Specifically,

- Questions 14 and 15 of the IMPAQ survey ask if the respondent received technical assistance or coaching and its usefulness. Since approximately 4-6 months will have passed since the end of the BAP, the timing will be ideal to see what kind of responses are given, how they compare to the end-of-program surveys, and how they compare to women who received technical assistance or coaching on their own.
- Question 16 asks about how the grant money was used, with possible answers including: energy efficiency, growing the business, hiring more staff, and Covid mitigation. If the BAP was successful, participants will be more likely to answer this question with a more strategic vision of their business's growth trajectory than entrepreneurs who did not go through the BAP.

Following IMPAQ's evaluation, Miller Center recommends annual surveys for two to three years to document the changes in the businesses over time. Data to be gathered include business metrics and other questions about the longer-term impact of the BAP.

Business metrics:

- Number of Branches
- Number of Employees
- Number of Women Employees
- Number of Women from Ethnic Minorities
- Annual Turnover (Revenues) EUR
- Annual Balance Sheet EUR

Additional questions:

- How has the vision of your business plan changed since the Business Acceleration Program?
- Have you stayed in touch with the other entrepreneurs and mentors from the program?
- In addition to the investments made with the grant award, what other investments have you made to your business since the BAP finished in June 2021?
- What changes have you seen to your energy costs since implementing the changes funded through the grant award?

9 The MCC – Miller Center partnership

This section discusses the partnership between Miller Center and MCC.

9.1 Summary of work plan and accomplishments

The following table summarizes the project accomplishments and deliverables as they were actually implemented. The only significant deviance from the original plan were the extended timeline and the switch to virtual workshops due to the global pandemic.

Timing	Kosovo	Tunisia
Sep - Oct '19	Initial planning and coordination with MCC, MFK, and implementing contractor (GFA Consulting Group)	Initial planning
Nov '19	Exploratory trip by Miller Center to clarify SOW, identify partner for acceleration program, develop detailed workplan and timeline, ensure proper division of roles and responsibilities with MCC implementer, design data collection and evaluation approach into MCC learning questions; carry out research and analysis for Kosovo compact entrepreneurship review. Meetings with potential local acceleration partner organizations. Focus group (conducted by GFA) with potential participants in acceleration program and grants program	Technical feedback by Miller Center based upon review of initial deliverables (e.g., inception report, survey, review of best practices in entrepreneurship programming)
Dec '19	Confirmation of IETL as local acceleration partner for Business Acceleration Program (BAP)	Miller Center visit to Tunisia for work with local stakeholders

	Started adaptation of curriculum	
Jan '20	Initial planning of entrepreneur recruiting and selection process in coordination with MFK energy efficiency grants program Finished adaptation of curriculum	Technical review and advice based on draft deliverables
Feb '20	Initial recruiting for BAP (scheduled to launch in May) Recommendations Report for Role of Women's Entrepreneurship in the MCC Compact Program Kosovo	Technical review and advice based on draft deliverables
Mar '20	Due to travel restrictions, BAP was postponed, nominally for a few months until it could be held in-person as originally planned	
Apr – Jun '20	Work on hold due to uncertainty surrounding the ongoing pandemic.	Development of concept note for a program to strengthen Tunisian female entrepreneurs and the local accelerators that support them.
Jul – Aug '20	Pivot to all-virtual workshop format Translation of materials into Albanian	
Sep '20	Prepare call for applications for BAP, coordinated with energy efficiency grants applications Mentor selection / virtual mentor training	
Oct '20	Applications launch Screening / cohort selection Prepare for cohort kickoff	
Nov '20	Cohort kickoff 3-day virtual workshop Initial data collection and analysis	
Dec '20 – Apr '21	Ongoing local mentoring and support from IETL. Monthly scheduled sessions with Miller Center staff and mentors. Additional support provided upon request	
May '21	Cohort close 2-day workshop	
Jun – Jul '21	Final report from IETL Data analysis and preparation of report summarizing lessons learned and applicability to MCC programming designing	

Aug '21	Project closeout planning and report design	
Sep '21	Follow-up survey with entrepreneurs Report writing	
Oct '21	Finalize report	
Nov '21	Results sharing with MCC as a virtual presentation. (Originally planned as an in-person roundtable in Washington DC in June 2020.)	
Dec '21	Final program closeout	

Summary of key deliverables:

Kosovo

- Recommendations Report for Role of Women’s Entrepreneurship in the MCC Compact Program Kosovo (annex 11.4)
- Business acceleration training curriculum with adaptations to
 - Highlight energy efficiency as a cost driver in the business model.
 - Use examples relevant to women business owners in Kosovo.
 - Provide materials in English and Albanian.

Tunisia

- Substantial inputs into the ***Design Study for Transforming Women-led Businesses in Digital Trade-Oriented Economy***
- Summary document, ***Role of Mentoring in the Transforming Women-led Businesses in Digital Trade-Oriented Economy MCC project, Tunisia 2021-25*** (annex 11.5)
- Concept note illustrating how Miller Center could bring its global business acceleration expertise to Tunisia to build local acceleration capacity as part of the implementation of the proposed activity

9.2 APS mechanism for engaging international experts like Miller Center

Miller Center³ was selected by MCC for this project through the MCC Partnership Annual Program Statement (APS). The resulting cooperative agreement fostered a collaborative work process between MCC and Miller Center, but also presented some significant challenges.

On the positive side, the co-creation of the work plan and budget allowed the project to be structured such that Miller Center was able to focus its efforts on its areas of expertise and work with other organizations. It also fostered a collaborative relationship between Miller Center, MCC, and the other partners. This enabled Miller Center to create a shared vision of success for the project. There was open communication with the MCC project lead and her

³ Miller Center is an operating business unit of Santa Clara University (SCU), a private, non-profit university. SCU has an established rate for indirect costs and manages contracts such as this one through its Sponsored Projects Office.

team. The resulting scope of work and award amount had little in common with what Miller Center had proposed in its original response to the RFP, which was a general WEE call for proposals. This evolution of the project design required only a few conversations and iterations through which MCC gained an understanding of Miller Center's capacities and Miller Center gained an understanding of MCC's priorities. This generative process felt efficient and effective for Miller Center.

Miller Center understands that MCC's current APS practice is to develop a more tailored APS call specific to the country and due diligence need. From Miller Center's point of view, this approach could have sped up the process by enabling our starting proposal to be much closer to the specific needs of a given country program. In practice, however, it also could have dissuaded Miller Center from even applying. Country-specific RFPs from other international development agencies typically require (or, at least, imply) that applicants should have a local presence in the country or an already-identified in-country partner.

However, for Miller Center, the cooperative agreement mechanism was cumbersome for such a relatively small project dollar value. Despite reaching a quick consensus on the scope of work, timing, and budget with the project officer, the overall award process was lengthy and time consuming because it took some time to get the co-creation process started, and then even more time to negotiate award details with MCC and get the award through Santa Clara University's internal review processes. This resulted in time delays for finalizing the partnership.

The Kosovo Threshold Program was determined to be the most appropriate for piloting the approach, and as the program was already in implementation, this required a high degree of time-intensive coordination between MCC, MFK, MFK's implementing contractors, and Miller Center. As such, programs in development that do not have such a high number of actors or so many time sensitivities involved might lend themselves better to an APS partnership model. At the same time, confining such partnership to only compacts in development would reduce opportunities for creative partnership to leverage programs in implementation.

From Miller Center's side, the agreement process, administrative overhead, and cost share requirements took time and energy away from the programmatic work. Miller Center, as a business unit within Santa Clara University, has all of the administrative and financial systems in place to manage cooperative agreements with government funders like MCC. Therefore, the challenge is not in the administration per se, but rather in how the lengthy approval process (both on MCC and Santa Clara University's side) complicates programmatic planning. Miller Center has a small team of specialists who work in a collaborative fashion on a project such as this. The implication is that for a project of this nature to be successful, time has to be allotted by several team members at the right moments of the work plan. Miller Center strives to be as responsive as possible to the emerging needs of its partners and the work as it unfolds.

In this project, the delays in finalizing the cooperative agreement created uncertainty for the Miller Center team as to how to allocate staff resources and caused early project activities, including planning of the initial trips to Kosovo and Tunisia, to be more rushed than necessary.

Also, as the project got underway and changes were required due to the pandemic and other circumstances, the Miller Center program team could readily get to an agreed-upon path forward with the project officer, but when that agreement was then contingent on a budget realignment, no-cost extension, or other changes to the award, delays and uncertainty were introduced. It is important to note that the delays in reviewing cooperative agreements were from both MCC and from Santa Clara University's own internal requirements.

Further, the cost share requirement created stress and burden for Miller Center without necessarily adding value to the project that would not have been provided regardless. All of Miller Center's work leverages significant resources that are contributed to a given project at its own expense. Most notably, Miller Center uses Executive Mentors who provide pro-bono services that are never billed to funding partners. Miller Center also makes ongoing investments in developing our training materials, data tracking systems, knowledge formalization, and support community for the entrepreneurs we work with. Having to document these as a cost share requirement is burdensome and led Miller Center to propose the minimum amount of 20%. If this had been a leverage requirement (instead of cost share), Miller Center would have reduced the administrative overhead.

In summary, Miller Center believes that a simpler award mechanism such as a grant without a cost-share requirement would have enabled equal, if not better, project results in a more efficient and timely fashion.

10 Annexes

10.1 Monitoring, evaluation, and learning (MEL) plan

MCC Kosovo Business Acceleration Program

Monitoring and Evaluation Plan

Introduction:

The purpose of this document is to outline the monitoring and evaluation plan that supports MCC's Business Acceleration Program in Kosovo. This document contains a list of indicators along with the data collection and analysis plan. The acceleration program will support the MCC learning agenda by providing insights into these learning questions:

1. Does mentoring make a difference to the business performance of women entrepreneurs who receive it? For example, do women who receive mentoring on average do better than women who do not, but who also participate in the program by receiving financing?
2. Is mentoring or other types of capacity building more important/just as important/less important than financing for the performance of women entrepreneurs' businesses?
3. What are the main types of behaviors or changes that women entrepreneurs implement in their businesses as a result of the mentoring initiative?
4. Does the mentoring initiative help women entrepreneurs understand how energy efficiency improvements can lower their energy costs and empower them to self-monitor the savings?
5. Provide input into how MCC can design entrepreneurship-focused interventions.
6. Are there policies or other steps MCC can recommend, promote, and support that the governments of Kosovo, Tunisia, and other MCC partner countries can use to spur greater female and youth entrepreneurial participation and success?

Indicator	Definition/Description	Plan for acquisition/ data source	Plan for data analysis	Status
Number of employees	Number of fulltime equivalent employees throughout the year	Data will be obtained from the program application.	Data will be analyzed at baseline and endline.	Baseline data acquired. Baseline analysis in progress.
Number of women employees	Total number of women employed	Data will be obtained from the program	Data will be analyzed at baseline and	Baseline data acquired. Baseline analysis in progress.

		application.	endline.	
Number of branches	Total number of branches owned.	Data will be obtained from the program application.	Data will be analyzed at baseline and endline.	Baseline data acquired. Baseline analysis in progress.
Annual turnover	Annual revenue	Data will be obtained from the program application.	Data will be analyzed at baseline and endline.	Baseline data acquired. Baseline analysis in progress.
Annual balance sheet	The total of fixed and current assets before deduction of current and long-term liabilities	Data will be obtained from the program application.	Data will be analyzed at baseline and endline.	Baseline data acquired. Baseline analysis in progress.
Estimated Investment Cost	Total cost of equipment enterprise plans on investing in.	Baseline data will be obtained from the program application. Endline data will ask whether or not an entrepreneur acquired investment necessary.	Data will be analyzed at baseline and endline.	Baseline data acquired. Baseline analysis in progress.
Entrepreneur Confidence Level	Using a set of 6 questions we will measure average confidence of entrepreneurs.	Send baseline surveys to program participants. Endline questions will be included with the end of program survey.	Data will be analyzed at baseline and endline.	Baseline data collection in progress.
Behavior changes to support growth and efficiency	List of actions entrepreneurs may have taken to support growth and efficiency over the course of the program.	Build a set of endline questions that will be used at the end of the program.	Data will be analyzed at endline.	Based on Miller Center acceleration framework, will define the behaviors and build endline survey questions.
Energy Efficiency Knowledge	Scale of knowledge	Build a set of endline questions that will be used at the end of the program.	Data will be analyzed at endline.	Will work with Janna Fortmann of GFA Consulting Group to define this.

In order to answer learning questions #1 and #2 we will:

- First, calculate baseline measures for all the program application indicators and compare baseline averages by accepted and not. We will be limiting the sample to only the top 28 enterprises that made it to the final round of interview to have a presumably close comparison group. Although this is a small sample size and we can assume there is selection bias for program participants, it will be good to know how closely related program participants are to those not accepted.
 - At the end of the program, we will revisit these same indicators to measure the change from the beginning to the end of the program. We will presumably not have endline data for these indicators for non-program participants, so we will only be able to observe the change for program participants. However, we might be able to observe the difference between grant winners and non-winners for all program participants.
- Second, collect grant application data. Using the grants applications, the list of indicators may be expanded to include other proxies for business success. These indicators can be used as another set of “baseline” distinguishing factors between groups. We will then be able to analyze the difference between grant winners and non-winners.
 - Indicators from the grant application not covered in the original program application indicators should also be added to the end of program survey to observe how these indicators changed over the course of the program. We will presumably only have this endline data for program participants who complete the final survey.

In order to answer learning questions #3 and #4 we will:

- First, collect data on social entrepreneurship confidence levels of all program participants. All questions are on a scale between strongly disagree to strongly agree and we will measure the average response for each question.
 - These same questions will be asked again of program participants at the end of program to measure the change in confidence levels.
- Additionally, we will work with Janna Fortmann of GFA Consulting Group to help define the behaviors and build endline survey questions. These survey questions will only be administered at endline.

In order to answer learning questions #5 and #6 we will:

- Collect qualitative data throughout the program on learning and feedback for best practices. This will be helpful for building impactful programs moving forward.

- Additionally, using the data analysis from the list of indicators we will build and M&E final report that can inform policies and recommendations for future work based on the learnings from this program.

Table 1: Type of data we have broken up into groups

Group	Program Application Data	SE Confidence Baseline Data	Grant Application Data	SE Confidence Endline Data	Program Graduation Data (include energy efficiency and empowerment to self-monitor savings questions) Also includes justifiable ask
1. Program + Grant Winners	Yes	Yes	Yes	Yes	Yes
2. Program Participants (Did not receive a grant)	Yes	Yes	Yes	Yes	Yes
3. Grant Winners not in program (but did apply)	Maybe. If entrepreneur applied to program but was not a chosen finalist	No	Yes	No	No

10.2 IETL final report

June 17, 2021

Through this email I wanted briefly to inform you of all the activities done and cooperation we had with women entrepreneurs on the Business Acceleration Program. The announcement is summarized in these bullet points:

- Process of our work with women entrepreneurs in the Business Acceleration Program.
- Additional trainings given for women entrepreneurs.
- Activities for the evaluation of energy efficient equipment.
- Rewarded with a grant.
- Completion of questionnaires sent by Miller Center.

1. Process of our work with women entrepreneurs in the Business Acceleration Program

At the beginning of the mentoring process, IETL has prepared a comprehensive template for a business plan, always containing the GSBI module. According to the work plan, the theoretical part was closed at the beginning of March and then we continued with the finance until the end of May, before the second workshop. After we finished with the theoretical part, mentors proofread all of these business plans and then checked, reviewed and harmonized their financial part.

2. Additional trainings given for women entrepreneurs

Some additional activities that have been done during this mentoring period, the added value of the project has been the opportunity given to women to participate in trainings with some current topics in response to COVID 19 organized by BCC (Director Jehona Lluka) and Kosovo Women's Chamber of Commerce G7. Other donors have supported these trainings, but our goal was to have a more stable partnership and to offer other opportunities to women entrepreneurs. The trainings organized by BCC were on the topic of Digital Marketing and Social Media, Online Commerce, Business Management in Crisis, a one-week training program with presentations and exercises. Some of the businesses that had more free time participated. Two of our women-led businesses have been awarded for an e-commerce platform.

In December 2020, additional training was organized by G7 on Unlocking export potentials of women-led SMEs, and following topics are covered: export as opportunity for growth, how to prepare your business for export, how to develop the export strategy, what are the export procedures.

Lately, four days ago Jehona with her own organization organized a yoga and Pilates session in nature and invited all of us including entrepreneurs.

3. Activities for the evaluation of energy efficient equipment

For the part of the evaluations for Energy Efficiency Viola together with the assistant mentors have visited all the businesses and according to the coordinates of Janna and the project's

engineer they have taken all the notes needed. They visited the places where these businesses are located, and collected data on how much they spend for electricity, thermal energy and what equipment they use and ask for on the application form. Viola together with the assistant mentors have also taken photos of their workplaces. This data has served for the project WEE and the implementing team of the project, to make the technical assessment of the facility where they work and the compliance of their requirements with their jobs.

When time for applying for grants came, I together with three other mentors expressed the willingness to provide support for completing the documents in professional and technical terms, and some of them have needed and found support.

4. Rewarded with a grant

From 20 companies that were part of our programme 16 of them were awarded with a grant from group SMART. Two applicants from our program were awarded with a grant from group ADVANCED (grant to a maximum of 8,000 euros) due to some problems they had with employees' social payments in the last months. Unfortunately, two applications failed to meet the eligibility criteria for a grant.

5. Completion of questionnaires sent by Miller Center

All women entrepreneurs responded to the questionnaire (even though some of them filled the survey a little late) and generally have a positive evaluation of the work done and lessons received on energy efficiency. Their answers were translated into English and shared with Miller Center, GFA, MFK, and MCC.

I want to thank both of you, Derene and all the Miller Center team for this great opportunity and this great cooperation we had while implementing this project together.

Hope to hear only good from you and to have further cooperation together!

Best regards,
Besa Zogaj and IETL Team

10.3 Deliverable: Role of Women’s Entrepreneurship in Kosovo compact

Recommendations Report for Role of Women’s Entrepreneurship in the MCC Compact Program Kosovo

Introduction

This report presents recommendations on how women’s entrepreneurship can be included in MCC’s compact program for Kosovo. Women’s entrepreneurship holds two potential promises for the compact design. First of all, the success of two of the four proposed projects will require new products and service being made to Kosovar businesses and homes, and catalyzing women entrepreneurs to address these new market opportunities would tap an underutilized source of human capital in Kosovo. Second, from a gender and social inclusion point of view, fostering more female entrepreneurship is a viable means of closing the employment gap between men and women.

Women’s entrepreneurship appears to have a potential role in two of the four proposed projects. This report presents initial ideas of businesses that could be brought in from out of the country or offered as extensions of existing businesses. It also provides general recommendations for supporting women’s entrepreneurship through an international development project mechanism.

Background

In her report from December 20, 2019, *Barriers to Women’s Economic Participation in Kosovo’s Energy Sector and Recommendations for Compact Development*, Jaime Shabalina wrote:

Since no data on women-owned energy sector firms is available, it is worth considering the general barriers women face in entrepreneurship. **Female entrepreneurship rates are low in Kosovo, and about 10% of firms are owned by women.** The government provides a higher estimate, identifying 257 (13.4%) of 1,921 registered enterprises in Kosovo as owned by women, and an additional 219 (11.4%) as jointly owned by men and women (ASK 2017). Yet, an estimate of 24.7% female participation in ownership is still comparatively poor. In 2018, in Europe and Central Asia, 32.9% of firms had female participation in ownership and the world average was 33.7% (WDI, accessed October 2019). These figures also overestimate the number of women who control businesses. According to research in 2014, of women who own businesses, just under 30% are the

primary managers of those businesses, and in 59%, daily operations are conducted by male spouses (CLE 2014).

Female business owners mentioned that they have been discriminated against by male clients, suppliers or prospective employees, and one woman mentioned that she takes a “back-up” man to meetings in order to be taken seriously (MCC November 2019 mission).

In Kosovo, collateral requirements are higher than in neighboring countries (USAID 2014), as are barriers to women’s ability to obtain collateral. Women own about 5% of their apartments/homes and men 95% (ASK 2016b), women are 4.9% of agricultural land holders and that men are 95.1% (ASK 2015), and women comprise 15.3% of individual or joint property owners in Kosovo (MESP 2016 in Farnsworth et. al. 2016b). Social Impact also found that males were more likely to report ownership across all of fifteen categories of assets. Female entrepreneurs, however, were more likely to have ownership than other females (but not, on average males), perhaps indicating that this is either the result or the precondition of business establishment. Nonetheless, on average female entrepreneurs had fewer assets than males and were 50% more likely to rely on lending institutions than males, while the latter reported being more likely to rely on self-financing. Furthermore, males were 14 times more likely to be the sole decision maker in household decisions to take debt, an additional potential barrier to women’s ability to secure financing for their businesses (Social Impact 2017).

With respect to entrepreneurship, it was noted that:

Kosovo’s growth model relies heavily on remittances to fuel domestic consumption but has recently shifted toward more investment and export-driven growth. Private consumption was the main driver of growth, which was fueled by the growth in remittances, public sector wages, and social transfers. The inflows of remittances have enhanced the stability of the economy and financed most of the country’s trade deficit. Investments, which lag behind savings, have flowed mainly into residential and commercial construction.

Kosovo is a service-oriented economy. Services represented the largest sector in the economy, with a share of value added at 54% of GDP during 2009–17. Agriculture makes up only around 12 percent of GDP (KAS, 2016), while industry makes up around 13 percent of GDP. However, the agricultural sector plays an important role in economic development and employment. Currently around 27 percent of workers are estimated to be in agriculture, and agricultural products constitute around 12 percent of total export value. Despite investments in the agricultural sector, Kosovo is still facing negative trade deficits of agricultural products (KAS, 2016). Imports of agricultural products remain relatively high, accounting for about 10 percent of all imports. Kosovo is one of the largest importers of food per capita in Europe.

Investments are crucial for Kosovo's economic growth but have been declining in recent years. Low levels of Foreign Direct Investment (FDI) in Kosovo continue to hamper growth. Despite rapid and continued improvement in its business climate since 2011, Kosovo receives less FDI than its regional peers. Kosovo's FDI inflows are 5.6 percent of its GDP, while Albania, which has a less attractive enabling environment according to the World Bank, has an FDI of 8.6 percent of its GDP.

Kosovo's current growth and poverty reduction strategy needs to address (i) the infrastructure bottlenecks, particularly in energy; (ii) create an environment more conducive to private sector development; (iii) equip the young population with the skills demanded by employers; (iv) provide financial protection to citizens to achieve better health outcomes; and (v) build up governance and rule of law to fully reap the benefits of EU integration, unleash productivity gains, and create quality jobs that foster inclusion.

Kosovo is a euroized economy, and its headline macro-fiscal policies continue to be stable. The fiscal rules in place are supported by a healthy banking sector. The financial sector in Kosovo, which is dominated by the banking sector, is healthy and sound. Banks are well capitalized and profitable, with high capital adequacy ratios and a low and declining ratio of nonperforming loans at 2.7% in July 2017.

Gender gaps in access to economic opportunities remain one of the main challenges for Kosovo.

Given this context, women's entrepreneurship is unlikely to flourish in general nor to play a meaningful role in the success of the energy sector projects without intentional actions led by MCC. By the same token, an intentional effort by MCC to foster women's entrepreneurship would unlock latent potential that is not currently being leveraged by existing businesses.

Women's entrepreneurship in the 4 proposed projects

The Government of Kosovo (GOK) submitted a formal proposal to MCC in July 2019 for funding a program that included three high priority infrastructure projects and a single overarching institutional capacity building project. Each project is described in the following subsections, and for the two for which entrepreneurship could play a role, initial ideas are presented.

Project 1: Gas Sector Development

Given that Kosovo does not currently have a gas sector, the creation of this new sector will inherently lead to entrepreneurial activities both in terms of providing gas to homes and businesses and by fostering creation of new businesses that are consumers of gas.

As of this writing, there are still many project parameters that are unclear, such as whether the gas will be delivered via a pipeline or trucked in. No matter how the gas gets to Kosovo, several demand centers inside Kosovo will end up selling gas to municipalities for district heating and industry for both process heat and electricity requirements. Once the feasibility study is

completed, this report will be updated to include more specificity around how to best serve existing businesses and create new ones.

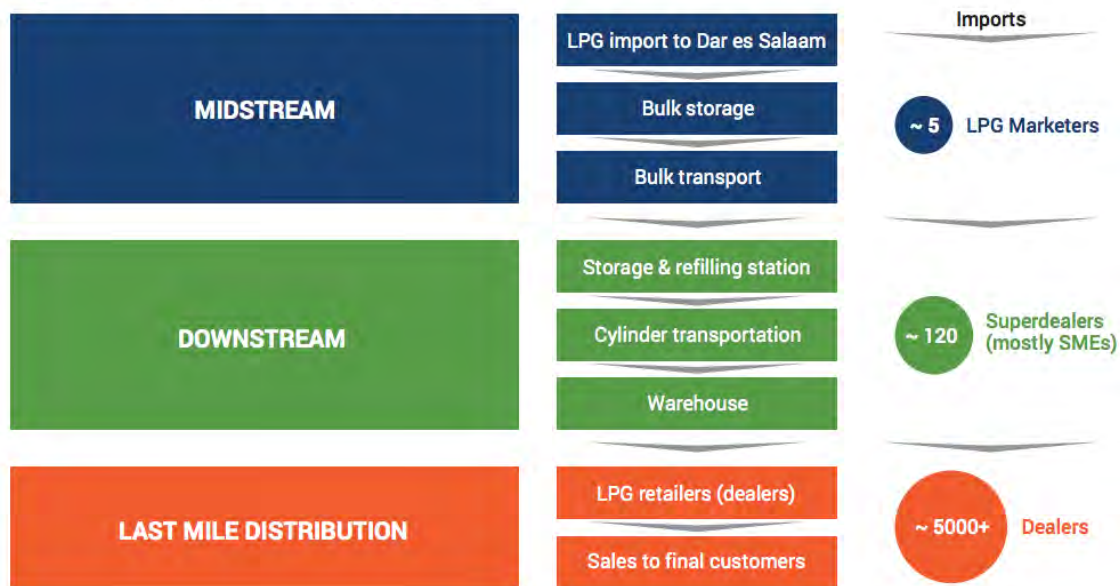
Meanwhile, it is worth highlighting several general strategies that can be employed:

- **Connections Fund:** Given that existing enterprises of all sizes have built their businesses without considering gas as an option, demand for gas will be low initially. To encourage faster conversion to gas, MCC can create a connections fund focused on female entrepreneurs and MSMEs. This fund could be an extension of the SEEK energy efficiency partial grants fund. The connections fund should be prioritized for sectors where reliable natural gas will make the largest impact in the profitability and scalability of the businesses, such as agriculture products and wineries. These businesses can also be the anchor clients that make the whole natural gas sector economically sustainable.

The connections fund partial grants can be awarded as part of a broader business growth strategy for the recipient businesses. Beyond adopting gas as an energy source for the business, this growth strategy would include a comprehensive plan for the business to grow. In parallel to the connections fund, MCC could also provide acceleration services and investment mechanisms that give the necessary capital to implement the growth strategy.

- **Business Acceleration Services:** MCC could also offer business acceleration services to entrepreneurs converting to natural gas or launching new businesses related to the gas sector. These acceleration services would build from the pilot being carried out from April to September, 2020 by MFK, Miller Center for Social Entrepreneurship, and IETL.
- **New businesses for distribution and management of gas to residential customers:** MCC's research indicates that provision of natural gas to residential customers has proved to be very feasible and economical except for two challenges: high connection fees for residential customers and relatively low demand. These challenges have been addressed in other emerging markets through careful analysis of the entire gas supply chain and inserting incentives strategically throughout. For example, in Tanzania, the downstream companies were provided with access to investment readiness technical assistance and to low-cost investment capital. The dealers were able to attract new customers through partnerships with MFIs and pay-as-you-go meter technologies that reduce the upfront capital requirements for residential consumers to make the switch to gas.

Figure I: Tanzania LPG Supply Chain



- Regulation that drives inclusivity:** Given that the government will create a new framework to manage the natural gas sector, there is an opportunity to include mechanisms that foster inclusivity. For example, regulation could require that locally-owned businesses manage the distribution at the municipal level. Regulation could also require that gas distribution businesses be in compliance with relevant legal provisions on equity. For instance, some businesses might fall under the Law on Business Organizations, in which Joint Stock Companies' board members must be comprised of at least 40% women. Another relevant legal instrument might be Kosovo Law No. 05/L-068, On Amending Law No. 04/L-042 On Public Procurement of the Republic of Kosovo, (Changed and Supplemented by Law No. 04/L-237). This states that authorities that contract services or goods may include social considerations including, the "obligation to implement, during the execution of the contract, measures that are designed to promote gender equality or diversity on other grounds."

Project 2: Reserves for Power System Balancing

KOSTT, the Kosovo Transmission System Operator, is responsible for operation, maintenance, and development of the transmission system and for balancing the electricity system in line with the Transmission Grid Code and Market Rules. In addition, KOSTT, as the market operator, manages and operates the electricity market. Given the current energy sector challenges in Kosovo, KOSTT faces difficulties to balance the system due to lack of national balancing reserve capacities to avoid load shedding and potential serious imbalances in the system.

KOSTT faces many limitations/challenges that inhibit its ability to plan for meeting its ancillary services requirements. These limitations define the background and context for the assessment

of the options to address the supply/demand gap and the system balancing requirements of KOSTT. The limitations identified in the pre-feasibility study are regulatory and operational for KOSTT and KESCO (Kosovo Electricity Supply Company).

In addition to working with KOSTT to improve its load-balancing capacity, MCC can work at the end user level (residential and business) to reduce their dependence on the grid through use of renewable energy sources (RES). Introducing RES into a home or business can serve the dual purpose of improving their productivity by a reduced dependence on the grid (with reduced losses of time and equipment from power outages) as well as the benefit of reducing demand on the grid. The use of RES in energy generation represents a long-term target for the implementation of three energy policy milestones of the country: support of overall economic development; increased security of energy supply; and environmental protection.

In view of these milestones, it is necessary to apply fiscal and financial incentives for all types of RES including the implementation of support. Furthermore, to encourage the use of RES, Kosovo has defined a support scheme through feed-in tariffs for hydropower, wind energy, photovoltaic energy, and biomass.

Strategies relative to women's entrepreneurship include:

- **Subsidies to women-owned businesses to adopt RES and smart-grid technologies that foster load balancing:** The current energy efficiency SEEK program can be expanded to include more support for purchasing RES equipment, including solar power, solar water heating, biomass fuel, wind energy, and hydropower. Note that these can be stand-alone devices or grid-connected. Grid-connected RES technologies will have a more direct impact on load balancing issues.
- **Building the business ecosystem that supports load balancing through RES and other reserve generation options:** To develop the RES sector in Kosovo, many new product and service offerings are needed, including consulting services, sales and service of RES technologies. MCC can incentivize female-owned businesses to expand their product and service offerings to serve these new opportunities. For example, businesses that currently sell appliances can be incentivized to add RES appliances and smart-grid technologies that enable power to be used at non-peak times. Example incentives are preferential access to international partnerships, acceleration services, and investment mechanisms.
- **Bringing in energy business models and technologies from outside Kosovo:** While many of the business opportunities in the energy sector such as distribution of natural gas and sales of service of RES products will be new to Kosovo, there are proven models and technologies in other countries that can be brought to Kosovo. MCC can identify these opportunities and incentivize foreign businesses to enter agreements with female Kosovar entrepreneurs. This could be done through franchising, licensing, distribution agreements, or joint ventures. For women's entrepreneurship to play a role in these ventures, MCC will need to identify proven women entrepreneurs with existing

businesses, ideally in related businesses. MCC could provide technical assistance to get them investment ready, followed by access to funding for the companies showing the most growth and traction.

- **Accelerating existing women-led energy businesses:** To date, MCC has only identified a small number of energy sector businesses led by women. These business owners should be offered business acceleration services and executive coaching to help these pioneering women grow their businesses and serve as role models for the sector.

Project 3: Distribution Network Improvement Project

This is a major infrastructure project with KEDS, the Distribution System Operator. All distribution assets, as well as electricity distribution management functions, were transferred to KEDS, a private company, through a privatization process in 2012. KEDS is managed and operated by its new owners from Turkey. However, it is a regulated entity and must abide by all the regulations and tariffs set by the Kosovo Energy Regulatory Office (ERO). At the time of the privatization of KEDS, one of the conditions was that KEDS will make an investment of Euro 300 million to upgrade and modernize the distribution network, reduce losses, and improve power quality. The precise details of this investment condition are not known. Since that time, KEDS has made an investment of Euro 110 million during the first five-year tariff setting window (2012 -2017) and has committed to investing Euro 130 million during the second five-year tariff window (2018 – 2022) as a condition of tariff approval by ERO.

This project includes the following two sub-projects as submitted by the GOK: Sub-Project 1: 10 kV – 20 kV Overhead Line Conversion and Sub-Project 2: Upgrading of KED’s MV Network to Improve System Reliability.

Given the nature of these sub-projects, no role for women’s entrepreneurship is envisioned.

Project 4: Energy Sector Strengthening and Gender-focused Skills Strengthening

Given the low levels of employment in the energy sector and the almost total absence of women-led energy businesses, there is a clear opportunity to strengthen the energy sector through inclusion of more women as employees and entrepreneurs. This project includes a skills component focused on providing skills relevant to energy sector needs, with a particular focus on increasing female participation in energy sector training programs and employment.

The activities to foster women’s entrepreneurship in projects 1 and 2 above would also support the goals of this project by enabling women to develop and capitalize on a range of business skills.

General recommendations on women’s entrepreneurship in Kosovo

In order to increase the success of women entrepreneurs, there are two complementary approaches that can be taken: access to investment and technical assistance / business acceleration. Either of these alone tends to be insufficient to catalyze impact, but in combination, they can be highly effective.

Access to investment

As described above under projects 1 and 2, there are many different ways that MCC can drive investment into women-led businesses that support the compact goals. Primarily, these can be broken down as:

- Consumer subsidies, such as for gas connections.
- Partial grants to businesses for investments in gas and/or RES appliances.
- Preferred access to business financing through mechanisms such as loan guarantees and recoverable grants.
- Investment facilitation support for raising larger investment amounts.

These economic incentives are enticing on their own, but care must be taken to give them out to the businesses and consumers that will generate the best Economic Rate of Return (ERR). To this end, technical assistance and business acceleration services can be provided both to identify the best candidates for larger investments and to reduce the risk of investment into each business.

Technical assistance / business acceleration

The recommendations above in projects 1 and 2 include mention of providing business acceleration services to existing businesses. Ideally, this will be done through a local acceleration program in partnership with a regional or global organization. In addition to leveraging the resources and network that a local organization would bring to the program, working with a local organization builds the ecosystem and provides ongoing benefit beyond the life of the program.

The acceleration partner will be required to run a variety of training and mentoring programs throughout the country. Success will require abilities to:

- Develop training content by adapting existing content from Kosovo and/or abroad to meet the specific needs of Kosovar women entrepreneurs.
- Build a mentor network including Kosovar business people in the country and diaspora.
- As appropriate, work with an international accelerator to engage global mentors to complement the local mentors.
- Excel at program management.

The acceleration program needs to strike a careful balance between providing enough structure to keep entrepreneurs and mentors engaged, while building in enough flexibility so that the entrepreneurs focus their energy on what is most important to their business.

Partnering with a global acceleration program to build local capacity

In order to build the Kosovo entrepreneurial ecosystem more quickly and to provide the participating entrepreneurs with connections beyond Kosovo, a global acceleration program, such as Miller Center for Social Entrepreneurship, Village Capital, Seed Stars, or another could engage further with Kosovar acceleration programs. As of this writing, Miller Center for Social Entrepreneurship is working with Kosovo's IETL to develop and pilot a business acceleration

program for women entrepreneurs receiving energy efficiency grants. The lessons learned report from this project will be completed in October 2020⁴ and will give more precise ideas for further actions to leverage global programs.

Areas of collaboration include:

- Providing base training content and support the local partner in adapting it to the needs of the women enterprises.
- Providing access to their mentor pools for co-mentoring of enterprises along with a Kosovar mentor.
- Offering their global programs as a follow-on to the local program for the highest performing Kosovar businesses.

Selection, training, and management of mentors

Mentors can be sourced both within Kosovo and abroad. Using international mentors brings in the possibility of engaging businesspeople with direct experience in a given sector. Local mentors are helpful in that they understand the Kosovar context and can presumably work more intensively with the entrepreneurs.

Mentors must be selected carefully, based not only on their knowledge of the specific business sector, but also on their general business acumen, as well as their empathy and values. In addition to strong business and operational experience, mentors must have the interpersonal skills to interact and empathize with a person from a different culture, who is often struggling with minimal resources and funding. This diagram summarizes the mentor role as a *trusted advisor*.

⁴ Delayed until October 2021 due to Covid delays

Trusted Advisor



Fig. 4: Effective Mentors Become Trusted Advisors

Managing a pool of volunteer mentors requires a certain level of resource, but by adhering to best practices, it can be done cost-effectively through periodic 360° feedback, including:

- Trial period “fit” check
- Feedback loops from entrepreneurs
- Mentor-only check-ins
- Program goal tracking sheet
- Mentor feedback surveys

10.4 Deliverable: Role of Mentoring in MCC Tunisia program

Role of Mentoring in the Transforming Women-led Businesses in Digital Trade-Oriented Economy MCC project, Tunisia 2021-25

The *Transforming Women-led Businesses in Digital Trade-Oriented Economy* activity will engage 1,000 Tunisian women entrepreneurs in order to help them grow their businesses through digitalization, access to markets, and access to finance. Of these, approximately 300 will receive customized coaching and mentoring support. The success of this component hinges on:

- Easy for MCA to manage.
- Mentoring that produces meaningful impact in the businesses at reasonable costs.
- Builds the local ecosystem for sustainable support after the MCA.

This note highlights best practices for achieving these results by discussing working with a local acceleration program, building a mentoring program, and partnering with a global accelerator.

Tunisian accelerator partner

While the managing firm will have certain in-house capacity for assessing, coaching, and mentoring the participating businesses, it is recommendable that the deeper acceleration work be done through a local acceleration program. In addition to leveraging the resources and network that this partner would bring to the program, working with a local organization builds the ecosystem and provides ongoing benefit beyond the life of the program.

The acceleration partner will be required to run a variety of training and mentoring programs in Greater Tunis and around the rest of the country. Success will require abilities to:

- Develop training content by adapting existing content from Tunisia and/or abroad to meet the specific needs of Tunisian women entrepreneurs.
- Build a mentor network including Tunisian business people in the country and diaspora.
- As appropriate (perhaps for the “top 50” of the 300 women), work with an international accelerator to engage global mentors to complement the local mentors.
- Excel at program management.

The acceleration program needs to strike a careful balance between providing enough structure to keep entrepreneurs and mentors engaged, while building in enough flexibility so that the entrepreneurs focus their energy on what is most important to their business.

Two leading local programs that are strong contenders for this role are Flat6Labs and Cogite. Based on introductory conversations and research, Flat6Labs is larger and more established, but given the number of programs and partnerships they are running, mechanisms would need to be put in place to ensure that a partnership with MCC would become a priority program for

them. Cogite is less-established, but a growing organization and eager to move deeper into acceleration services, which indicates their likelihood to prioritize the work with MCC.

Selection, training, and management of mentors

In contrast to the business coaches hired by the managing firm, the mentors engaged by the acceleration partner are expected to be volunteers. Developing and managing a pool of volunteers (especially one comprised of high-caliber business people) is both an art and a science.

Mentors must be selected carefully, based not only on their business acumen, but also on their empathy and values. In addition to strong business and operational experience, mentors must have the interpersonal skills to interact and empathize with a person from a different culture, who is often struggling with minimal resources and funding. This diagram summarizes the mentor role as a *trusted advisor*.



Fig. 4: Effective Mentors Become Trusted Advisors

Managing a pool of volunteer mentors requires a certain level of resource, but by adhering to best practices, it can be done cost-effectively through periodic 360° feedback, including:

- Trial period “fit” check.
- Feedback loops from entrepreneurs.
- Mentor-only check-ins.
- Program goal tracking sheet.
- Mentor feedback surveys.

Partnering with a global acceleration program

In order to build the Tunisian ecosystem more quickly and to provide the participating entrepreneurs with connections beyond Tunisia, a global acceleration program, such as Miller Center for Social Entrepreneurship, Village Capital, Seed Stars, or another could be engaged in areas such as:

- Providing base training content and support the local partner in adapting it to the needs of the women enterprises.
- Providing access to their mentor pools for co-mentoring of enterprises along with a Tunisian mentor.
- Offering their global programs as a follow-on to the local program for the “top 50” that are identified as most promising out of the 1,000 businesses.