

# Hope for the Future Association



## Setting up a business: Challenges and successes “Migrants tell their stories”

### Evaluation Report

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EVALUATION REFERENCE

Project Title: Small and medium enterprises capacity building with a special focus on migrants

Project ID number: 20080210G/2008.7422.2

Donor: Evangelischer Entwicklungsdienst (EED)

Implementer: HOPE for the Future' Association

Evaluation conducted by: Dr. Elvin Meka

Evaluation period: December 2008 –February 2009

Evaluation site: Tirana and Berat Regions, ALBANIA

## ACKNOWLEDGEMENTS

I would like to thank HOPE' beneficiaries who kindly accepted to share their migration and life experiences with me, and helped me understand their situation and the impact of HOPE' project in their lives.

I also want to thank HOPE' staff, Mrs. Irena DONO, Executive Director, Mrs. Monika HASANI, Project Officer, whose comments and insights were crucial for the analysis of evaluation findings.

## EXECUTIVE SUMMARY

In 2008, the local association 'HOPE FOR THE FUTURE'<sup>1</sup>, delivering reintegration services to returned migrants in Albania, was assigned to implement the EED funded project<sup>2</sup>, 'Small and medium enterprises capacity building with a special focus on migrants'. The project targeted HOPE former beneficiaries, returned Albanian migrants and internal migrants, as well as HOPE service providers. It came in response to identified needs of these target groups for knowledge on business management and for financial and technical support to start up and sustain an income-generating activity or small enterprise.

As such, the project represented a pilot action in support of reintegration of Albanian migrants, returned from various European countries, as well as of internal migrants settled in Tirana district. Support to HOPE service providers envisioned training for at least 20 entrepreneurs to enhance their management skills and strategic planning, to facilitate their access to financial institutions and information exchange with the entrepreneur community in Albania. Support to beneficiaries envisaged training for at least 20 beneficiaries to enhance their management skills and strategic planning on how start up a small business and sustain it, as well as

technical and financial support to 5 female and 5 male beneficiaries to start up small businesses/income generating activities.

Toward the project closure, HOPE commissioned this evaluation study in order to assess the project' impact on beneficiaries who received support to start up an income generating activity or small enterprise. The assessment is also useful in terms of drawing lessons learned and elaborating recommendations for similar future interventions.

An evaluation methodology was developed for this purpose consisting of a number of methodological approaches and tools for collecting and analyzing data such as:

- a) Data collection and desk review of project documentation/ literature review;
- b) In-depth interviews with HOPE' staff involved in the implementation of the project;
- c) In depth interviews with 10 project beneficiaries who were supported to start an income generating activity/or small enterprise;
- d) Site visits to migrants' activities;
- e) Informative meetings with project partners.

On this basis, an evaluation report was elaborated, containing major findings, comments on findings, recommendations and annexes with

<sup>1</sup> Herein and after referred to as "HOPE" only

<sup>2</sup> The donor being "Evangelischer Entwicklungsdienst"

more detailed information on the methodology and evaluation activities.

## MAJOR FINDINGS AND CONCLUSIONS

Internal migration, although not as pervasive as international migration, remains a dynamic and evolving phenomenon. Reasons for migrating internally vary from economic, to family reunification, and seeking of better opportunities in the future. Return migration is a vital dimension of Albania's migration even though it is often perceived with ambivalence among prospective returned migrants. Empirical evidence shows that the primary circumstances under which migrants would be willing to return on a permanent basis are: secured employment, acceptable level of security and living standards, while the main types of return assistance desired would be loans for business start-up and job-seeking assistance. Despite the variability of factors that lead to various forms of migration, there is a wide consensus in the literature about the importance of facilitating integration experiences through governmental and civil society support.

Interventions should focus on providing resources (financial, informational, educational, and vocational) that can help undecided individuals to make informed choices. Similarly, return migration can also co-occur with internal mobility, which leads to depletion of human resources in prefectures of origin. More incentives, primarily employment and loans for

starting-up small businesses, should become available to prospective returnees in their own communities, in order to facilitate smooth transition and re-integration experiences. Additionally, return migration often results in “best practices” which should become visible and accessible to individuals considering returning home.

In order to do so, a proper SME environment must be in place. At present, the Albanian economy, by large, relies on micro-businesses, therefore the promotion of the development of the private sector is considered as the driving force behind economic growth and poverty reduction in Albania. The Albanian economy is dominated by small and micro-enterprises, due to their “low entrance cost” in the market. About 64% are small enterprises. Additionally, approximately 32% of entrepreneurial activities are micro enterprises, in terms of their size, whereas the remaining activities are medium-sized enterprises. This new private sector especially SMEs need the financial support to grow. Until now, banking system has not been able to meet these needs. Most of the “start uppers” rely on their financial and human sources as the most secured ones. Family is one of the most important sources of capital, as reported by both units of the sample with retailers relying quite heavily on it.

The difficulties affecting the SME sector in Albania are certainly reflected into the micro-enterprises examined under this evaluation. These enterprises suffer from insufficient funding from the

banking system and high banking costs; from high fiscal obligations, high degree of informal economy and unfair competition; lack of constant supply of uninterrupted and time-efficient utilities services; level of professional education. HOPE' project shows to be a successful tentative in supporting a number of migrants, by considering self-employment in Albania as a tool to overcome economic hardship and prevent emigration from the country. The project has succeeded to achieve most of its specific objectives, while the prognosis for their sustainability is also positive, taking into account that migrants themselves consider their activities as successful. By the end of the project, HOPE staff reported that all loans have been returned to HOPE prior to project closure, which is an indication of success of these activities.

Nevertheless there is still a lot to be done in achieving 'sustainability'. This requires primarily support to remove "activities" from informality to formality; secondly to facilitate their access to the crediting system in the country; thirdly to help them growing further through continuous professional training and information exchange, regarding market regulation.

Finally, the projects succeed to build up a model that eases the process of reintegration of returned and internal migrants and therefore prevents emigration from the country as the only viable solution to lack of employment and poverty. It also attempted to change traditional stereotypes that prevent women from gaining power through

learning processes (such as training courses) or employment. These are good reasons to seek replication of the project activities, as well as their expansion in other areas of the country in the near future.

## 1. INTRODUCTION

### 1.1 PROJECT BACKGROUND

In January 2008, HOPE for the Future association, whose mission is delivering reintegration services to returned migrants in Albania started implementing the initiative "Small and Medium Enterprises Capacity Building with a Special Focus on Migrants". This project, funded by the Evangelischer Entwicklungsdienst (EED), targeted HOPE former beneficiaries that include returned Albanian emigrants and internal migrants, as well as HOPE service provides (entrepreneurs in the context of this project). The project came in response to the identified needs of these target groups for knowledge on business management and for financial and technical support to start up and sustain income generating activities or small business activities. The ultimate aim of this intervention was to contribute to "better migration management in Albania" through support to sustainable reintegration services for migrants.

The project idea was inspired by the migratory experience of Albanian population in the last 18 years. Since 1990 Albania has experienced massive emigration of its population, and parallel to it returned migration, as well as internal population movements

contributing to a tremendous demographic change of the country. Internal migration from rural to urban areas has often been accompanied by international migration, mainly to EU countries. In addition, those who have returned from international migration have preferred to settle in big urban areas such as Tirana, Durrës, instead of their origin areas (mainly rural areas). The nexus between internal migration and international migration is therefore a very close one.

Referring to return migration, in most, those who return on their own decision<sup>3</sup> are either temporary migrants who seek in migration the means to accumulate capital to start a micro business, or in the case of farmers a way to struggle against activity during the winter season<sup>4</sup>. The desire to start up a business activity among returned migrants has become evident also through several programmes designed to provide reintegration services to returned migrants as a mean of securing sustainability of return. A research conducted by the International Organization for Migration (IOM) in 2004, showed that the primary circumstances under which migrants would be willing to return on a permanent basis are: secured employment, acceptable level of security and living standards, while the main types of return assistance desired were loans for small and mid-size business

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<sup>3</sup> The decision to return can be voluntary or involuntary one, and determined by a number of circumstances and factors, such as the status of stay in the host country.

<sup>4</sup> IOM:2005, Competing for Remittances

start-up, followed by job-seeking assistance<sup>5</sup>.

However, the wish to start up a business has not been sufficient to satisfy all migrant's needs. The businesses set up by migrants have not always been successful since very limited technical and financial support has been provided by the government or other actors, for a number of reasons that include; high costs for starting up a business, the limited role of the banking system because of high interest rates and restrictions on the crediting system, lack of adequate policies to address the needs of returned migrants. Human resources have also constituted an important impediment to business development as well. Very little is known about entrepreneurship on the secondary education, while business courses have not always been easy to identify<sup>6</sup>.

Similarly, these constraints have appeared to both HOPE beneficiaries (internal and international migrants) and entrepreneurs who provide on-job training to HOPE beneficiaries. "HOPE" experience with the provision of micro-business start up support shows that often beneficiaries face difficulties to start up and develop an income generating activity or a small business.

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<sup>5</sup> IOM:2004, Profiling of irregular migrants and analysis of reintegration needs of potential returnees from Kosovo (Serbia and Montenegro), Albania and FYROM, in Belgium, Italy, the United Kingdom and Germany

<sup>6</sup> Information provided by the Report "Small and Medium Enterprises Development in Albania" prepared in September 2004 by the Institute for Contemporary Studies/Albanian Center for International Trade.

This happens mainly because the returnees lack experience and business culture - they have business ideas but are not able to develop them into business plans; at the worse scenario they are able to establish an business but not able to support it a long term run, because of the lack of management skills; because there is not sufficient funding to start up of the business and successfully run it for an initial period of at least 1 year.

In order to address these needs, HOPE developed and implemented during 2008 the above intervention as a pilot action in support to sustainable reintegration of returned and internal migrants through SME capacity building activities. Support to service providers envisioned training for at least 20 entrepreneurs to enhance their management skills and strategic planning, facilitation of SME access to financial institutions, and information exchange with the entrepreneur community in Albania. Support to beneficiaries envisaged education and training for at least 20 beneficiaries to start up a small business and sustain it, facilitation of SME access to financial institutions, technical and financial support to 5 female and 5 male beneficiaries to start up small businesses/income generating activities and facilitation of information exchange with the entrepreneur community in Albania.

To achieve its major goal, the project set for itself 5 specific objectives:

OBJECTIVE 1: To increase the capacities of SMEs that provide on-the-job training opportunities to HOPE beneficiaries through education and training (Provision of expertise and entrepreneurial know-how through specialized institutions and experts);

OBJECTIVE 2: To facilitate SMEs' access to financial institutions (for both entrepreneurs and HOPE beneficiaries), by reducing the risk and as a result of high value of the collateral, requested by banks;

OBJECTIVE 3: To build capacities for HOPE's beneficiaries to start up and sustain small businesses or income generating activities;

OBJECTIVE 4: To promote female entrepreneurship;

OBJECTIVE 5: To facilitate the exchange or information among the entrepreneurs on SME development and regulatory framework.

Specific project activities were then formulated along the following components:

- Capacity building support to entrepreneurs that provide on-the-job training to HOPE beneficiaries, in order to increase their skills and knowledge in business management and strategic planning;
- Capacity building support to beneficiaries through education and training for at least 20 beneficiaries to start up a business and sustain it;

- Financial support to SME start up for 10 beneficiaries and access to financial institutions (to both entrepreneurs and HOPE beneficiaries);
- Support to facilitate the exchange or information among the entrepreneurs on SME development and regulatory framework.

HOPE experience and role in the project  
HOPE is one of the leading local agencies in the provision of reintegration services to various categories of Albanian migrants that include, forced returnees, voluntary returned migrants, ex prisoners, internal migrants in disadvantaged communities, women and youngsters, etc. The approach taken by HOPE under various interventions is that of ensuring sustainable reintegration of its beneficiaries through support to both, beneficiaries and service providers. In this context, the goal of the project under evaluation has been to support the reintegration of HOPE beneficiaries through the provision of qualified services oriented toward small business/enterprise set up and access to financial institutions for both, HOPE beneficiaries and service providers. Through support to reintegration, HOPE intends to achieve the ultimate goal of preventing emigration from the country as the only viable solution to lack of employment and poverty.

The project under assessment represents one of the many initiatives implemented by HOPE since its establishment and tailored to various categories of

Albanian migrants. From 1999, HOPE has assisted with reintegration services 1, 362 Albanian migrants forcibly or voluntarily returned from various European countries as well as internal migrants. Support to returnees varies from assistance to integrate in the Albanian labour market and training, to psychological and legal assistance, business start up training and support as well as awareness rising on the risks of irregular migration. Particular emphasis is placed on two factors that have a strong influence on the dynamics of reintegration in the local community: the individual willingness to reintegrate, and the reaction of the community of origin, in particular, of relatives, family and friendship networks.

## 1. 2 PURPOSE OF THE EVALUATION

The purpose of the evaluation was to:

- Assess the project's impact on beneficiaries who received SME capacity building support and started an income-generating activity or small enterprise; Assess the sustainability of these activities;
- To draw lessons learned and make recommendations about similar future interventions by HOPE.

These two major objectives with specific areas/indicators to evaluate are as below:

a. Impact of the project on the selected target group and sustainability of intervention

Impact - the effect of the project on the target group of ten beneficiaries who received SME capacity building support and its contribution to the wider project goal;

Sustainability – the likelihood of a continuation in the stream of benefits, produced by the SME component of the project, following the period of HOPE' external support.

b. Recommendations for future actions  
Drawing lessons learned from this particular project component and outlining recommendations on how to integrate these lessons in future projects.

An evaluation methodology was developed for this purpose consisting of a number of methodological approaches and tools for collecting and analyzing data such as:

- a) Data collection and desk review of project documentation/ literature review ;
- b) In-depth interviews with HOPE staff involved in the implementation of the project;
- c) In depth interviews with 10 project beneficiaries who were supported to start an income generating activity/or small enterprise;
- d) Site visits to migrants' activities/enterprises;
- e) Informative meetings with project partners.

### 1.3 EVALUATION METHODOLOGY

The evaluation methodology consisted of the following:

a) Data collection and desk review of all relevant project documentation including relevant strategies<sup>7</sup>. A list of materials consulted is included in Annex 1 of the report. The review and analysis of the project' documentation (including the Logical Framework, the Action Plan and the Project Budget) and related literature helped to create an overall impression of the project design and to generally assess the validity of the project' design with regard to the quality of its formulation vis-à-vis actual situation of its beneficiaries (focus on SME component only). Project reports (a mid term report and the final project report) were analysed to gain a better understanding of the activities implemented and specificities of the target groups benefiting of the action.

b) In-depth interviews with HOPE staff involved in the implementation of the project to collect qualitative and quantitative information. The interviews with HOPE staff, namely Mrs. Irena Dono, Executive Director of HOPE, and Mrs. Monika Hasani, Project Officer were helpful in assessing the achievements of the project and the prospect of project sustainability, as well as in getting familiar with the difficulties and challenges faced during the project implementation. The interviews helped also understand the institutional and organizational

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<sup>7</sup> Such as the National Strategy on Migration 2005, the National Strategy on Employment and Vocational Training 2007

dimensions of the project. Frequent written communication was maintained with HOPE staff throughout the evaluation process and report writing as well, to ensure that all information received and reflected in the final report was consistent and accurate.

In order to conduct a comprehensive assessment of the impact of the project on SME activities, the Evaluator undertook initially an assessment of the relevance, appropriateness and efficiency of the project design. The reason for choosing this methodological approach was based on the logic that the whole project composition, is mostly in function of the third project objective, that of “capacity building HOPE beneficiaries to start up and sustain a small enterprises or income generating activities”, which directly helped achieve the overall objective of the project, namely “support the reintegration of HOPE beneficiaries through the provision of qualified services oriented toward small business/enterprise set up and access to financial institutions”. Through support to reintegration, HOPE succeeded to achieve the ultimate goal of contributing to “better migration management in Albania” through support to sustainable reintegration services for migrants.

c) In depth interviews with 10 project beneficiaries who were supported to start an income generating activity/or small enterprise;

As initially foreseen, through this intervention, HOPE assisted 10 beneficiaries (3 internal and 7 returned migrants) to establish income generating activities or small

enterprises. The interviewing process of the beneficiaries was also the core methodological tool used for this assessment, because the Evaluator was able to collect direct experiences, opinions, feedback and wishes of the project beneficiaries on the received support and future prospect of their activities. These experiences and opinions were crucial in drawing lessons learned out this project and in elaborating the final evaluation recommendations.

d) Site visits to migrants’ activities

The interviewing process of the beneficiaries was also accompanied by a site visit to their working places (activities/enterprises) which enabled the Evaluator to better understand and compare the information received from the project team and beneficiaries, in terms of services provided and impact on beneficiaries, as well as a tool in understanding the relationships between HOPE staff and the project beneficiaries.

e) Informative meetings/interviews with project partners;

Other informative meetings were organized with HOPE partners participating to the project implementation, such as Professional & Business Women Association, Raiffeisen Bank and Opportunity Albania (microfinance operator), which were actively involved in the capacity building component of the project (training of project beneficiaries on SME start up and management).

Note: Given the small sample of this evaluation, a ‘comparative approach’ was taken for the findings of the evaluation, which in practical terms meant comparing “migrants’ experiences” with evidence collected during the desk research phase, in order to verify and validate the findings, and come up with more representative conclusions.

Evaluation area: The Evaluator undertook his assessment work in those locations where project beneficiaries were living and working, that included the regions of Tirana and Berat (the evaluator was not able to contact the other 2 beneficiaries, one resident in Tirana and one in Shkodra because they were out of the country in the period the evaluation was carried on).

Targeted beneficiaries: This particular evaluation targeted a specific group of the project beneficiaries; migrants who received financial support to start up an income generating activity or small enterprise. Other project beneficiaries such as entrepreneurs, or returned migrants who received capacity building support through training only, or those constituents who attended project activities and benefited from them are being referred to as indirect beneficiaries, for the purpose of this report.

#### 1.4 EVALUATION ETHICS

The Evaluator ensured all the individuals interviewed or contacted for the purpose of this evaluation, that the data/ information collected from them would be used for the evaluation purposes only. The Evaluator used

participatory techniques to conduct this evaluation; all interviews were semi-structured in order to enable free discussion and inputs from the participants.

Project beneficiaries, as well as other partners who were interviewed and/or shared with the Evaluator their experience and perceptions about the project activities and services to their benefits, were already informed prior to the interview that their names would not appear in the evaluation report; instead their acronyms would be used only.

#### 1.5 LIMITATIONS OF THE EVALUATION PROCESS

The evaluation targeted a specific group composed of 10 individuals only. While the evaluation of each individual case was relatively easy because of the limited number of respondents, it was difficult to draw up generic conclusions on “migrant’ realities” that could be relevant for a wider group because the sample was not representative. In addition, the Evaluator was able to reach and collect information on 8 cases only (3 internal migrants and 5 international migrants), while 2 remaining beneficiaries could not be reached. Nevertheless, the limitations were partially overcome by taking a ‘comparative approach’ to the evaluation which in practical terms meant comparing “migrants’ experiences” with evidence collected during the desk research phase, in order to verify and validate the findings and

come up with more representative conclusions.

Another limitation of the evaluation exercise had to do with the composition of the target group, including both, Internal and International migrants. While these sub-groups share a number of common characteristics they are quite distinctive from one another, not only in terms of “migration experiences” but also in terms of “reintegration experiences”. Therefore, the Evaluator grouped the findings of the evaluation under two specific “finding groups” that are relevant for each sub-group of targeted migrants.

The disclosure of information about business turnover was a delicate subject during the interviews held with the beneficiaries. Consequently, the respondents preferred not to answer the question on business turnover by considering it confidential information, which in turn limited Evaluator ‘opportunities for assessing the sustainability of the activity.

## 2. FINDINGS

### 2.1 FINDINGS EMERGING FROM LITERATURE REVIEW

This section of the report introduces a number of definitions and concepts that are later analyzed in the context of income generating activities/enterprises established under the given project (such as SME definition, etc). Characteristics of migratory experiences of internal migrants and international migrants are outlined along

reintegration efforts in the community of return/placement.

#### 2.1.1 Literature review

Characteristics of internal migration, international migration, and return migration in Albania<sup>8</sup>

In the second half of 1990s, Albania experienced internal population movements contributing to the overall demographic changes of the country. This complex and often times unregulated and chaotic internal migration has been characterized by low levels of integration between host and newcomer communities, disequilibrium in infrastructure (water, electricity, roads), and education and health care systems. When examining internal migration in Albania, it is important to analyze several factors such as demographics and employment status for those who engaged in this process. Despite the fact that the majority of internal migrants (84%) is relatively young (15yo-64yo), only 60% of this population works (INSTAT, 2004). Furthermore, the unemployment rates are higher among females (41%) than males (23%). Women who manage to obtain jobs after migrating to a new area within the country, belong to two age subgroups: (15-19yo) and (40-49yo) where the former group find jobs that do not require formal training and skills whereas the latter is comprised of women who have formal and advanced

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<sup>8</sup> Information quoted from the IOM research “ Identification of the most affected areas by emigration and return migration in Albania: profiling of irregular migrants”, draft report, November 2008-unpublished

training. With regard to host prefectures, Tirana's is ranked the first followed by Durrës, Fier, and Vlora. According to population registration conducted in 2001, 72% of individuals who migrated internally live in Tirana and Durrës (INSTAT, 2004).

As regards international migration, it remains a dynamic and evolving phenomenon. Reasons for migrating abroad vary from economic, to family reunification, and seeking of better opportunities in the future. This phenomenon predominantly affects the working-age young population and is more prevalent among males. As in the case of internal migration, migratory experiences are influenced by factors such as unemployment, poverty, lack of individual and collective safety (push factors) as well as economic, educational, and better living aspirations (pull factors). International migration can emerge as an individual undertaking and later become a family-based phenomenon where family members join the individual migrant after an initial period of living abroad. The main destinations of Albanian migrants at present remain Greece and Italy, followed by Germany, UK, USA and Canada.

Over the years, return migration has emerged as another phenomenon within Albanian migration. Return migration can result from changes in various contexts such as reasons for migration (push factors), the individual migrant (i.e. the individual has worked and saved while living abroad and is now thinking of starting a business at home),

or the family context (i.e. family reunification is impossible and the individual migrant decides to return home). These factors are often considered to influence voluntary return (HOPE, 2006). According to IOM (2006), prospective returnees may decide to move to big cities upon their return instead of returning to their hometowns. One reason that may explain this preference for big urban places has to do with the opportunities that are available in larger urban communities compared to rural smaller settings. Additionally, a typology of return migrants can be developed based on migrants' experiences during their migratory experiences abroad. For example, returnees can be classified as potential investors, skilled migrants, or without a profession upon return (IOM, 2006). Accordingly, strategies that facilitate return experiences should be differently tailored depending on the needs of the individuals in each category.

Despite the variability of factors that lead to various forms of migration, there is wide consensus in the literature about the importance of facilitating integration experiences through governmental and civil society support.

#### SME environment in Albania

##### SME definition

The National definition of SME: Article IV of the law no.8957, date 17-10-2002 "on Small and Medium Enterprises" states the definition of the micro/small and medium enterprises applied in Albania. The micro enterprises definition embodies only the staff

headcount criteria- and states that entities employing fewer than 5 persons will be classified as micro-enterprises. Small and micro enterprises definition except the staff headcount criteria, adds to the definition financial indicators as those of the turnover and balance sheet, as well as the ownership and financial independency elements. Small enterprises are those entities that employ 6-20 persons, and have an annual turnover that does not exceed 40 million Lekë (around 320 thousand Euro). The capital of the enterprise should be owned by subjects that are classified under this law as small enterprises as well.<sup>9</sup>

The enterprises examined under this evaluation are of micro-nature given the above definition because they employ less than 5 persons.

#### SMEs history in Albania in brief

After the communist system, in early 90's Albania initiated its transition process to a market economy; a long period characterized by constant, ongoing and often incomplete structural reforms aiming at liberalization, deregulation and privatization. Accordingly, SMEs were almost completely privatized with government policy restating itself in favor of the private sector. Strong economic growth accompanied the period between 1993 and 1996 which was interrupted in 1997 by the extreme social and political tensions caused by the collapse of fraudulent pyramid schemes (Izzo 2004: 3). Since then, the economy has re-

<sup>9</sup> Selami, Xhepa, Agolli at "Small and medium sized enterprises development: Albania", 2004, pg6

flourished and policy makers have increased their efforts for economic stability and growth with a keen eye on the development of entrepreneurship and SMEs.

In 2003 the government asked the Foreign Investment Advisory Centre (FIAS) to conduct a survey on administrative barriers in the country in order to make policy recommendations for the removal of 'bureaucratic bottlenecks' and 'streamlining of administrative procedures for investors' (FIAS 2003:3) The role of this survey was very significant for the improvement of the business climate because it pushed the government to introduce important reforms, such as the abolishment of the license condition for the non-food sector or the establishment of a publication centre which would in the future offer detailed legislative information to businesses (2004:4). Having acknowledged the strongly beneficiary role of SMEs, the government and especially the Ministry of Economy has put a major emphasis in the development of SMEs and entrepreneurship in the last 5 years. A separate agency, i.e. the National SME Agency has been founded in order to facilitate and promote a friendly environment for SMEs. In 2003, Albania adopted the European Charter for Small and Medium Enterprises, while a new SME strategy was approved in 2007.

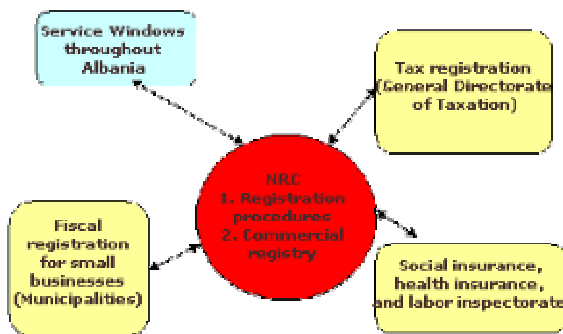
#### SME environment in Albania

SMEs in Albania are considered to have a crucial role for the country's economic growth. Albinvest agency at the Ministry of Economy, Trade and Energy

provides the following information on the size and weight of the SME sector:

- Micro and small size enterprises comprise 99 percent of firms' enterprise stock;
- Micro and small size enterprises make 71 percent of total turnover in non-agricultural sectors;
- SME-s (including micro) provide about 75 percent of employment in non-agricultural sectors;
- Small and medium size enterprises in Albania are the most dynamic enterprises”.

The EC progress report for Albania for 2008 reports that the country has made progress in the field of industry and SMEs, in particular in implementing the European Charter for Small Enterprises. The National Registration Centre for Business can register a new business in a single day.



The number of steps required for business registration has been reduced and registration costs are now approximately 1 Euro. In addition the fiscal burden on enterprises was reduced in January 2008 by lowering the

profit tax from 20% to 10%. Businesses can file their tax returns and social contributions declarations electronically in 12 cities including Tirana.

Despite the efforts made in the last decade to create a healthy business climate, Albania faces also the living challenges of corruption which has had its immediate effects on the degree of foreign investment as well as on the frustration of national SMEs. Under these conditions, government policy has still much to do about the business climate in Albania and the development of entrepreneurship.

Gender dimension: In general, women in Albania have a minor participation in entrepreneurial and retail activities as compared to men. In fact, the gender gap in entrepreneurial activities is a common concern for countries worldwide and being aware of the traditional role that Albanian women have in the society, it is not surprising to observe low participation rates in entrepreneurial activities.

Business set up, registration and running in Albania

As above outlined, a major initiative being taken by the Ministry of Economy, Trade and Energy (METE) is the reform of business registration procedures, reducing to one day the time required to register new businesses, and combining all registration steps—including tax registration—in a single procedure. As regards local tax payment, according to Law No 9632, dt. 30.12.2006, “On the system on local taxes” Article 10, point 3

defines that each business, reporting an annual turnover of equal or over ALL 8 million must pay a local tax. Regarding the tax itself, fiscal obligations are increased according to the declared turnover.<sup>10</sup>

#### Difficulties faced by SMEs in Albania

The difficulties that SMEs face in Albania can generally be categorized under the following:

- ❖ Low level of crediting of the economy and imbalances, regarding the regional distribution;
- ❖ Insufficient funding from the banking system and high banking costs; the interest rates remain high in particular in the initial phase of business set up. The collateral required is usually a physical one, and at the value of 140% of the required loan amount;
- ❖ Guarantee credit schemes for SMEs do not exist;
- ❖ Tax holidays for at least the first 2 years from business set-up is not yet applicable;
- ❖ A progressive increase of other fiscal obligations (such as: green tax, clean tax, etc) is noticed in the last 3 years;
- ❖ High degree of informal economy and unfair competition;

- ❖ Lack of constant supply of uninterrupted and time efficient utilities services;
- ❖ Unsatisfactory level of professional education of entrepreneurs as well as employees in SMEs;
- ❖ Low level of IT use as a communication tool for facilitating information exchange;
- ❖ Weak application of accounting and auditing standards;
- ❖ Privatization problems that impede SME expansion.

## 2.2. RELEVANCE AND APPROPRIATENESS OF THE PROJECT DESIGN

### 2.2.1 Project Documentation review

#### Impact of the project on SME beneficiaries and sustainability of intervention

As described under Section 1.2 “Purpose of the Evaluation” the success of SME component of the project and future prospect are evaluated through an analysis of the following classical criteria:

Impact - the effect of the project on the target group of ten beneficiaries who received SME capacity building support and its contribution to the wider sector objectives as summarized in the project’s overall objective.

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<sup>10</sup> Additional information on the fiscal obligations can be obtained at

[http://www.qkr.gov.al/nrc/DF\\_DocumentViewer.aspx?id=b9b8e387-2b6f-4a7e-b8f0-75e00a47e208](http://www.qkr.gov.al/nrc/DF_DocumentViewer.aspx?id=b9b8e387-2b6f-4a7e-b8f0-75e00a47e208)

Sustainability –the likelihood of a continuation in the stream of benefits produced by the SME component of the project after the period of external support provided by HOPE.

In order to conduct a comprehensive assessment of the impact of the project on SME activities, the Evaluator undertook initially an assessment of the relevance, appropriateness and efficiency of the project design. The reason for choosing this methodological approach was based on the logic that the whole project composition, is mostly in function of the third project objective, that of “capacity building HOPE beneficiaries to start up and sustain a small enterprises or income generating activities”, which directly helped achieve the overall objective of the project, namely “support the reintegration of HOPE beneficiaries through the provision of qualified services oriented toward small business/enterprise set up and access to financial institutions”. Through support to reintegration, HOPE succeeded to achieve the ultimate goal of contributing to “better migration management in Albania” through support to sustainable reintegration services for migrants.

As for the relevance of the project design, an analysis of how the overall goal and the programme itself contributed to relevant strategies was undertaken, while the specific analysis took into account project’s immediate objectives, as defined in the project. Main findings and recommendations were then developed for each of the main evaluation outputs.

Objective 1: To increase the capacities of SME-s providing on-job training opportunities to HOPE beneficiaries through education and training (Provision of expertise and entrepreneurial know-how through specialized institutions and experts)

As highlighted also in the project background section, HOPE undertakes an integrated approach to its interventions which aim toward full integration of the migrant in the community. Its actions vary from direct reintegration assistance to migrants, to support to service providers and support to communities where migrants settle. In this respect, the given project had envisioned capacity building support to HOPE entrepreneurs who provide on-job training to HOPE beneficiaries in order to help them sustain their activities in the future and serve as ‘continuous support desks’ for HOPE beneficiaries. As later shown in the report, some of the project beneficiaries who were assisted to start up income generating activities/SMEs were initially supported with on-job training near HOPE service providers that included project entrepreneurs as well. As such, the objective 1 of the project is closely interlinked to the third objective which is the focus of this assessment as well as to the overall project objective.

In total, the project succeeded to have 5 training sessions with at least 22 entrepreneurs that traditionally provide services to HOPE beneficiaries. The trainings took place in the period April – December 2008 and were organised in close partnership with the Professional

and Business Women Association, Raiffeisen Bank (Department of Clients and Suppliers) and Opportunities Albania. The thematic areas covered by the training sessions were: business registration, procedures and institutions that provide services in this regard, business strategy and planning, marketing of products and services, business financial management and planning.

The evaluation conducted at the end of the training showed that all entrepreneurs found the training sessions organized by HOPE as very useful for their activities. Almost all of their expectations were fulfilled and the topics covered were relevant to their needs. In addition, they suggested replication of this type of activity in the future in order to be able to frequently update their knowledge with the market regulation and changing procedures.

Objective 2: To facilitate SME access to financial institutions (for both entrepreneurs and HOPE beneficiaries), by reducing the risk and as a result of the high value of the collateral, requested by banks.

Under this project component, HOPE tried to establish a partnership with a number of operators and actors in the financial market in Albania such as the Albanian Chamber of Commerce, Opportunity Albania, TAULEDA, Progress 3 Association, Professional & Business Women Association and Raiffeisen Bank. In this way, a number of meetings were organized by HOPE in order to introduce the project and seek

partner's involvement in the project training sessions. While HOPE was successful in securing the partnership of most of these institutions, it could not go as further as to sign bilateral agreements with micro-finance institutions or banks for an easy access of its beneficiaries to long term credits with a lower-than-usual percentage of interest.

Objective 3: To build capacities for HOPE's beneficiaries to start up and sustain an income generating activity/enterprise

In order to maximize the impact of support under this project component, HOPE intervened at two levels. At the first level, HOPE raised the capacities of beneficiaries to start up and run an income generating activity/micro-enterprise through the provision of training. After a careful assessment of the beneficiaries which took into account also the wish/capacities of the migrant to start up an activity/SME, HOPE selected and enrolled in training 20 migrants (both returned and internal migrants). In total, 10 training sessions spread over a 6 months period, were undertaken. The training curriculum was determined by the results of the needs' questionnaire on business and related issues undertaken by HOPE with beneficiaries prior to the training. The thematic areas covered by the training sessions were: business registration, procedures and relevant institutions, business strategy and planning, marketing of products and services, business financial management and planning. (Please refer to Annex 2 for the training curricula). The training

sessions gave beneficiaries the chance to also discuss their ideas on activities/business start-up.

On the second level, HOPE selected 10 beneficiaries, 3 internal migrants and 7 international migrants and supported them to start up in income generating activity/micro business. HOPE direct assistance included technical support to develop a business idea and plan/ or expansion planning, financial support to purchase the necessary equipment, as well as continuous monitoring and technical back up (in particular with regard to information provision). The selected beneficiaries received a total financial contribution of EURO 1,050, out of which 70% grant and 30% loan for one year with no interest rate. By the end of the project, HOPE's staff reported that all loans have been returned to HOPE prior to project closure, which is an indication of success of these activities.

**Objective 4: To promote female entrepreneurship**

A special attention was paid to women as a specific subgroup of the overall project target with regard to employment facilitation and provision of training. Women' beneficiaries demonstrated to have a lower education level compared to man, which in turn encouraged HOPE staff to promote their training.

So far, 16 women were enrolled in the project training sessions. Five women were financially supported to start up an income generating activity/or micro enterprise. In this regard, it can be

assessed that the project was rather successful in ensuring a strong participation of women in all project activities.

**Objective 5: To facilitate the exchange or information among the entrepreneurs on SME development and regulatory framework.**

Under this project component, HOPE organized two local workshops, respectively in 27 June 2008 and 18 December 2008. The first workshop aimed to bring together public entities, financial market operators, civil society representatives, HOPE beneficiaries in order to discuss and exchange information on SME development in Albania and regulatory framework.

The second workshop "Supporting the Businesses of Returned and Internal Migrants – A Pushing Factor for the Economic Development of the Country" was organized in 18 December 2008, the international migrant's day. The workshop aimed to raise awareness on migrants rights respect as well as on their impact on the country economic growth. The workshop served also as the concluding activity of the project. The workshops concluded with two recommendations:

- Public entities, government and NPO-s should further expand their know-how and support to SMEs in Albania;
- The banking system should ease access to its crediting system to SMEs and provide incentives for them to grow up.

## CONCLUSIONS

Overall, it can be concluded that the project design and strategies of intervention were coherent and oriented toward achieving the major project goal that of contributing to “better migration management in Albania” through support to sustainable reintegration services for migrants. This can be justified by the results achieved which are quite positive; both in terms of number of beneficiaries participating to the project activities and enterprises/income generating activities generated by the project. By the end of the project HOPE staff reported that all loans have been returned to HOPE prior to project closure, which is an indication of success of these activities. The intervention strategy comprised of three levels; support to initial the business (including orientation, business planning), support to establish the business (purchase of equipment, etc) as well as support to efficiently run the business (through training on business registration and running).

In addition, the project was rather successful in ensuring a strong participation of women in all project activities.

A strong point of the project design was HOPE integrated approach to its interventions entailing direct reintegration assistance to migrants and communities where migrants settle, as well as support to service providers to retain and expand their reintegration services to migrants.

The project had also its weaknesses; it was an ambitious intervention, however it did not sufficiently take into account the difficulties that the banking sector could pose with regard to facilitating access for their beneficiaries. Despite continuous efforts, the project team could not secure access to long term credits with a lower than usual percentage of interest to its beneficiaries.

### 2.2.1 Findings emerging from field assessment

#### “Migrants tell their stories”

This section provides a thorough analysis of 10 cases who received technical and financial support by the project to start up and successfully run/or expand a small enterprise. The target group of ten beneficiaries was composed of 3 internal migrants and 7 migrants who had return to Albania after an emigration experience in Europe. The gender composition of the target group was 50% females and 50% males, with females dominating mainly on the sub group of internal migrants that was composed of females solely.

The description of each case in the following analysis is made on the basis of the information collected from a direct interview with the beneficiary as well as on the basis of observations made during the site visits as well as information received from HOPE Project Team. (Please see Annex 3 for

the questionnaires used for this assessment). The description of cases is

then followed by an overall analysis of all cases assisted and conclusions' section.

Parenthesis:

In order to best understand the information provided under the following sections, it must be stressed that, the project supported its beneficiaries to either start up an income generating activity/small enterprise, or to expand an existing one. This explains the “perceived discrepancy” between the business starting dates the actual time of project implementation (year 2008) in some of the cases.

**A) INTERNAL MIGRANTS**

F. T

Female, 42 years old, married, high school education, currently living in Bërxullë Commune of Tirana region. She has migrated internally from Vlora city in 2003.  
Type of activity: Micro-enterprise, Fast Food Shop

**Internal migration and establishment of the activity**

The beneficiary used to live in Vlora city until 2003, when she settled in Bërxullë village, together with her husband. In 2004 the beneficiary opened a Fast Food Shop in Bërxullë village because she believed that she could succeed to open and run this activity and because there was request in the village for this service. The decision to open up the fast food shop was her own decision and it was not influenced by other people, however the beneficiary believes that the cooking course that she attended

before opening the fast food shop has strongly influenced her decision to start up this activity.

The initial cost for starting up the activity was ALL 200, 000. The beneficiary did not have sufficient financial means to start up the shop; therefore she borrowed the necessary amount of money from her family members/relatives. In 2008, HOPE contributed financially to this activity at the amount of Euro 1,050 (or 134,000 Lekë) in order to purchase new equipment and tools. Beside the financial support from her relatives and HOPE, the beneficiary did not receive any other support.

As early indicated, the beneficiary received two short cooking training courses prior to setting up the fast food shop as well as a professional cooking course in May 2008 at the training centre “Professional Alternative” with HOPE support. When asked about the need of the professional training course the beneficiary responded that this course would help her future plans for expanding the existing activity.

**Daily management of the activity and its progress**

In her daily activity, the beneficiary is being supported by one family member, namely her husband; who in fact is not trained to do the job. The daily management of the activity which involves food purchasing and running of the shop is also carried out by the beneficiary herself. In order to best run her activity the beneficiary attended the project training course on business set up

and management, which in her opinion proved to be very helpful because it introduced her with the basics of business management.

Overall, the beneficiary assesses the progress of her activity as “good” (the ranking system varying from very good to very bad progress) for the following reasons:

- ❖ a good level of clientele
- ❖ the modest financial benefits collected from the activity

The beneficiary faces also a number of difficulties in running up her activity, among which, the most prominent being:

- ❖ the lack of sufficient funding to replace old cooking facilities,
- ❖ continuing lack of electricity in the village,
- ❖ high local taxes, which prevent the beneficiary from registering her activity as a small business.

However, the beneficiary is optimistic about overcoming these difficulties in the near future through hard efforts and dedication to work which can lead her toward gaining more earnings. The beneficiary appreciates also HOPE support in addressing some the difficulties through its continuous technical support.

Future prospect of the activity and recommendations for HOPE and other parties

The beneficiary is positive about the sustainability of her activity because she

records 4 years of working experience by now. She also intends to expand her activity in the future by increasing the number of services (variety of meals) to her clients and she is able to do so without external financial support. As regards recommendations, she encourages HOPE to continue applying this “model of support” to other beneficiaries in the future. In addition she recommends to government responsible entities to increase utilities and services, and to lower fiscal obligations for businesses.

B. D

Female, 37 years old, married, high professional school education (tailoring), currently living in Tirana region. She has migrated internally from Gramsh city in December 2004.

Type of activity: Sewing shop

Internal migration and establishment of the activity

Before moving to Tirana in 2004, the beneficiary has lived for less than a year in Gramsh city upon her marriage, while she was born and raised in Burrel City. The reasons for moving to Tirana were economic and better life opportunities. And in fact it seems that the motive that pushed the beneficiary to migrate to Tirana still exists. However, settling to Tirana has helped the beneficiary family improve the economic situation of her family. At present, the beneficiary is the only breadwinner of her family composed of 5 members; her husband is under medical treatment due to some health problems, while her daughters continue

the school. The beneficiary approached HOPE initially in 2005, and she was offered an apprenticeship in a small factory, few months after her family settled in Tirana, and sought its support.

The beneficiary is satisfied with her settlement in Tirana and doesn't consider return to Gramsh as a viable option because return for her would mean lack of employment and economic opportunities to live an "adequate life". Even in case of a potential failure of the sewing shop, return would still not be an option for the beneficiary.

The main reason for choosing to open a sewing shop was beneficiary's educational background as a tailor (professional high school – branch: tailoring) and the decision for doing so was taken by the beneficiary herself. The sewing shop started operating on its full capacity in 2007; however the activity is not yet registered as a business. The reason for not registering the activity are mainly related to the pressure for tax payments in case of registration and to the general insecurity of the beneficiary whether her fragile activity could survive the initial years and consolidate.

The initial cost for setting up the activity was ALL 150,000. The beneficiary did not have sufficient means to start up the activity; therefore she got a bank loan of ALL 50,000, while HOPE provided in addition EURO 1,050. The beneficiary has also received support from her family members in Greece, who have bought two sewing machines for her use in the shop.

The only training course the beneficiary has received after starting the activity has been the one on business set up and management provided by HOPE, which the beneficiary evaluates as very useful to her activity.

Daily management of the activity and its progress

At present, the beneficiary works alone and receives some support from her daughters, while she hopes to recruit an employee in the near future. Her oldest daughter is currently attending an art school (fashion designer) and she has already gained some working experience. Nevertheless, the daily management of the activity is being carried out by the beneficiary herself, who receives orders and works on them. At present, she is receiving orders from individuals, but in the future she hopes to receive orders from businesses as well.

Overall, the beneficiary assesses the progress of her activity as "good", because she is still dealing with a number of difficulties such as:

- ❖ lack of professional support in her work,
- ❖ relatively high rent of the shop.

Nevertheless, the beneficiary is optimist and considers them as not surmountable obstacles. She thinks that they could be overcome by renting a bigger working space (shop), and securing additional "working arms". In order to reach this aim the beneficiary has made efforts to secure orders from businesses in order

to be able to afford staff increase. She considers HOPE support in resolving some of the difficulties as very helpful.

Future prospect of the activity and recommendations for HOPE and other parties

The beneficiary would like to expand her activity in the future by purchasing additional equipments and recruitment of staff. However she is still not ready to undertake this step, because of lack of financial means.

She recommends HOPE to continue applying this “model of support” to other beneficiaries in the near future and to increase the amount of financial support. As to the other actors, she recommends “ease of fiscal burdens” in order to register the activity, further expand it and be competitive in the market.

R. LL

Female, 18 years old, single, elementary school education, currently living in Tirana region (Kamëz). She has migrated internally from Klos city of Mati region in 2003.

Type of activity: Hairdressing Shop

Internal migration and establishment of the activity

The beneficiary and her sister<sup>11</sup> moved from Klos city (Mat region) to Kamëz area (Tirana region) in 2003 in search of better life opportunities. At present she lives with her uncle’s family composed of 7 persons. When she approached

<sup>11</sup> After the death of the beneficiary’s father and second marriage of the mother, she joined her uncle’s family in Kamëz together with her sister.

HOPE for support, she was very much in need of job that could make her collect some earnings, even though she was still very young (17 years old).

The reasons for moving to Tirana were economic hardship in Klos and better life opportunities in Tirana. Settling in Tirana helped the beneficiary improve her economic level and address some of the most pressing needs; therefore she considers her placement to Tirana as a very positive decision which certainly “paid back”. Therefore the beneficiary doesn’t consider return to her area of origin as a viable option. The failure of the activity in Tirana would still not be a sufficient reason for her to return to Klos.

HOPE supported her to first undergo a training course on hairdressing and beauty treatment and later to open up a small hairdressing shop in Kamëz. The beneficiary decided to open this activity (hairdressing shop) because it was her passion of childhood and she had a great willingness to do so. In addition, she admits that HOPE staff has influenced her decision through orientation to professional training.

The hairdressing shop was opened in August 2008; however it is still not registered as a business, because the beneficiary finds the registration fee and periodic taxes high, and because the activity is still in its early stages and needs to “pass its test of survival”. The initial cost for setting up the activity was ALL 300,000. The beneficiary did not have sufficient means to start up the activity; therefore she was financially

helped from her uncle, while HOPE provided an additional sum of EURO 1,050.

Daily management of the activity and its progress

The training course for hairdressing and beauty treatment undertaken through HOPE support, enabled her acquire the necessary skills to independently handle various processes of hairdressing and beauty treatments. At present, the beneficiary works alone, and the daily management of her shop is carried out by herself. She has also attended the training course on business management organized by HOPE which she admits to have found very useful in her daily management of the business.

Overall she assesses the progress of her activity as “good”; this for the following reasons:

- ❖ the level of clients and work is satisfactory,
- ❖ the earnings are reasonable.

Among the difficulties in setting and running up the activity the beneficiary listed only the lack of financial means to further expand the activity and purchase new beauty products.

Future prospect of the activity and recommendations for HOPE and other parties

The beneficiary would like to expand her activity in the future through provision of other services such as beauty treatment; however this would not happen immediately because her activity needs to consolidate first. She

also recommends HOPE to continue applying this “model of support” to other beneficiaries in the future.

## SUMMARY OF FINDINGS

Despite the low number of the cases observed and assessed, a number of generic conclusions can be drawn up with regard to migration experiences and reintegration experiences for internal migrants:

1. The main reasons for internal migration from origin areas to urban areas (more specifically Tirana region) are economic difficulties and lack of life opportunities that include employment, health care, education, etc. Despite difficulties of integration in the new communities, the beneficiaries consider internal migration as a very positive step in their life improvement and therefore do not consider return to the communities of origin as a feasible option. The second strongest reason for non return is related to the beneficiary’ satisfaction from his/her activity.
2. The decision to set up an income generating activity or micro-enterprise is not influenced by the beneficiary internal movement, nor is the potential failure of the activity considered as a reason for return to the community of origin.

Beneficiaries decide to set up a “certain activity” on the basis of their knowledge

and strong interest (in two cases the beneficiaries were professionally trained on their specific fields, while in one case the client choose to follow her work related passion).

The set up cost of the activity is partially afforded by the client, and mainly supported by external support received from family members and HOPE.

Professional training on given activities as well as business management training is found by the beneficiaries to be crucial in setting up and running these activities, as well as for their future prospect.

Beside knowledge received during the obligatory school system, the trainings provided by HOPE prior and after the activity/business start up are the only

trainings provided to and attended by the beneficiaries.

The activities are run by the beneficiaries themselves with some additional support from family members when possible.

The beneficiaries have not registered their activities as businesses (at the National Registration Centre) because the activities are in their early stages and need time to consolidate before they are able to start paying fiscal obligations.

In terms of ‘vision for the future’, beneficiaries plan to expand their activities through the provision of additional services, which requires additional/or new equipment, as well as additional staff.

## CONCLUSIONS

1. Internal migration and the efforts to set up of an income generating activity or SME could be jointly considered as survival strategies of the beneficiaries to poverty and lack of employment.
2. The activities set up are mainly of micro – enterprise nature. This can be seen in a number of aspects, such as number of employees, or daily management which is being carried out by the beneficiary herself, the self assessment of the progress of the activity as “good” which is mainly determined by criteria such as modest earnings that satisfy prior needs of the beneficiaries. This micro-dimension of the activity helps it successful running because it involves little costs, and therefore minimizes the risks.
3. The three-dimensional strategy of intervention of HOPE consisting of training prior to job start up, financial and technical support to start up an income generating activity/business, business management training has proved to be successful because the beneficiaries assess the progress of their activities as “good” from a ranking system that varies from very bad to very good.
4. Nevertheless, the activities are not registered in the National

Registration Centre and do not contribute to the tax system in the country.

5. The activities, be these of income generating type or micro-enterprise, need support in their early stages in order to grow up; this assumes removal of fiscal obligations at least in the first two years of the activity.

#### BENEFICIARIES

#### RECOMMENDATIONS

Beneficiaries' recommendations can be categorized as following:

- ❖ HOPE should expand its support to other beneficiaries and sustain it in a longer term and with additional financial and technical support.
- ❖ The government responsible entities should consider the removal of fiscal obligation for the new small businesses for the initial years in order to enable them to grow up and consolidate.

#### EVALUATOR

#### RECOMMENDATIONS

- ❖ HOPE should encourage its beneficiaries to register their activities in the National Registration Centre in order to enable them benefit of the financial market services (such as crediting system) and as a way toward fighting the informality in the Albanian economy;

- ❖ HOPE should undertake additional efforts to ease the access of its clients to financial crediting institutions in order to support their clients expand their activities and to sustain them in a long term run.
- ❖ Training activities on “business set up and running” should continue in the future as well, because they help migrants gain knowledge in this area and remain updated with the market regulation and changing procedures.

#### B) RETURNED MIGRANTS

G. B

Female, 30 years old, single, high school education, currently living in Tirana region. She has migrated to Germany in 2003 and returned to Albania in 2007.

Type of activity: Hairdressing Shop in Tirana city

#### International migration and establishment of the activity

The beneficiary migrated to Germany in 2003 with a Schengen Visa and later on stayed without a regular work permit until 2007 when she returned to Albania. The reasons for migrating to Germany were difficult economic conditions in her family and lack of unemployment, while the reasons for return to Albania were the irregular status of stay in Germany and inability to find a proper job there. Overall, the beneficiary evaluates her migration experience in Germany as unsuccessful, because of her irregular status of stay

there, and continuous job insecurity which at the very end did not improve her economic conditions. The beneficiary does not intend to re-migrate. The failure of her activity would also not be a strong reason for considering re-migration.

The reasons for opening a hairdressing shop were: in order to generate secure incomes and to follow her old passion. As such, the decision to open the activity was taken by the beneficiary herself and HOPE professional orientation helped this decision. The beneficiary believes also that her stay in Germany influenced her decision to open this activity, because the insecurity of job there strengthened her decision to open her own activity in Albania. The willingness to open this activity did also influence her decision for return.

The beneficiary has 6 years of working experience in hairdressing, which certainly helps her in running the activity. The hairdressing shop was opened in May 2008 and it is still not being registered as a small business because of financial difficulties. The initial cost for setting up the activity was ALL 300,000 and since she did not have sufficient means to start up the activity, the money was partially borrowed from friends. HOPE contribution was EURO 1,050. She has not received any assistance from other persons/parties.

She has participated in all training courses organized by HOPE, respectively business management and hairdressing.

Daily management of the activity and its progress

The beneficiary runs her shop alone with frequent support from HOPE. Overall, she considers the progress of the activity as “good” because her shop is located in a relatively poor area of the city; therefore she cannot receive more earnings than she currently is. The beneficiary has had some difficulties in setting up her activity such as power cuts, or technical difficulties in opening up the shop, most of which were overcome through HOPE support.

Future prospect of the activity and recommendations for HOPE and other parties

In the near future, the beneficiary thinks that she could be able to attract more clients and therefore expand her activity if the shop could be closer to the main road. The beneficiary recommends HOPE to continue its support to other beneficiaries as well.

O. J 26 years old, single, university studies not completed He has migrated to Italy in 2001 and returned to Albania in 2005. Type of activity: Bar-coffee Shop in Tirana
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International migration and establishment of the activity

The beneficiary migrated to Italy in 2001 for study purpose at the University of Milan; however upon expiry of his student visa (the beneficiary was working but was not able to secure a job permit) he stayed irregularly in Italy in the period 2003-2004. He returned to Albania in 2005 because of his irregular

status and economic difficulties, and sought HOPE support for job brokering only in 2007. Even though he had worked as a barman in Italy, he was supported to find a job place in carpentry because this was found as an immediate solution to his difficult economic situation. The beneficiary could not conclude his studies because of the lack of permission of stay in Italy (geology engineer).

The beneficiary considers his migration experience as successful because it was a challenging experience and with a lot of lessons learnt. Nevertheless, the beneficiary does not intend to re-migrate. The failure of the existing activity (bar-coffee shop) would also not be a sufficient reason for him to return to Italy because the beneficiary is currently continuing the university studies in Albania, which are quite important for him.

The beneficiary decided to open a bar-coffee shop because he considered it as a very good self-employment opportunity. The decision to start up the shop was taken by the beneficiary himself and influenced by his migration experience, because he records 5 years of working experience in restaurants and coffee-bars. HOPE staff also partially influenced his decision through frequent orientation for job placement and provision of trainings in business management.

The activity was opened in September 2008, almost 4 years after his return to Albania. When asked about the reason of this late start, the beneficiary admitted that somehow he had

neglected the opportunity to start up a business before, this also because he was busy with his studies. The initial cost for setting up the activity was ALL 500, 000 and the beneficiary had to rely on the support of his family members and HOPE (EURO 1,050), because he didn't have sufficient financial means to start up the activity. The activity is currently registered as a business, which regularly pays relevant taxes as well.

Daily management of the activity and its progress

The activity is managed by the beneficiary himself with the support of 3 workers that are employed by him. He takes care also of the financial management of the activity on a daily basis as well as concludes with an overall financial balance at the end of each month. The beneficiary has not attended any other course on management rather than the one provided by HOPE, which were considered as very useful.

The beneficiary considers the progress of the activity as "very good" and satisfactory for him, despite some difficulties in setting up the activity consisting of high fiscal obligations and rent. Nevertheless, the beneficiary has overcome these difficulties through hard work and is optimist about the prospect of his business. HOPE has helped overcome the initial financial difficulties. The beneficiary doesn't want to expand his activity in the future because he is satisfied with the size of the activity.

The beneficiary recommends HOPE to replicate this experience for other migrants however for a longer period

and through the provisions of a higher fund.

As to other actors, the beneficiary recommends to government application of fiscal facilities in the future and a better regulation and oversight of business-to-business contracts and agreements (i.e. rent contracts, etc).

SH. K

27 years old, single, high school education

He has migrated to Italy and than to Switzerland in 2000 and returned to Albania in 2007.

Type of activity: Video Shop in Berat City

International migration and establishment of the activity

The beneficiary has passed a considerable time in migration. Below follows a brief description of his migration route and status held while being in migration:

- ❖ 2000-2002 in Italy, with an irregular status
- ❖ 2002-2003 in Switzerland with an asylum seeker status
- ❖ 2004-2007 in Italy with a regular status (student visa)

The reasons for migrating were difficult economic conditions of his family; nevertheless, migration did not improve his economic situation, because he was not able to secure a regular stay permit in destination countries and therefore seek adequate employment. Therefore he chose to return to Albania in 2007 and consider his future opportunities in the country. Overall he assesses his migration experience as unsuccessful

and as a “lost period”, because of the many integration difficulties he had in the host countries (both social and economic integration). The “failure” of his migration experience represents also the main reason why the beneficiary would not consider re-migrating.

Upon return to Albania the beneficiary decided to open his own activity, a video shop because he liked a lot the music and because he considered this as a good option for business. He admits that his stay in Italy and Switzerland had an influence on his decision to open this type of activity; nevertheless the return decision was not influenced by the willingness to open this activity. HOPE staff has also partially influenced the decision for return through frequent counselling and orientation.

The activity was opened in July 2008 and registered as a business. The initial cost for setting up the activity was ALL 250, 000 and since the beneficiary had not sufficient financial means to afford this cost (he had only 70% of the total cost), HOPE contributed with an amount of EURO 1,050. Besides, HOPE support the beneficiary has not received any other support from other parties.

Daily management of the activity and its progress

The beneficiary has no previous experience with the activities of this type; however in 2008 he attended all the sessions on business management organized by HOPE. At present his activity is managed by him and his

brother, who is not experienced in business management. Nevertheless, the beneficiary is optimist because he thinks that he has gained a lot of knowledge from the training sessions organized by HOPE and he can therefore manage his activity without facing any major obstacle. The beneficiary assesses the progress of the activity as good because he is able to collect sufficient earnings and because it justifies his stay in Albania.

Among the difficulties in running the activity he sees high fiscal obligations.

Future prospect of the activity and recommendations for HOPE and other parties

The beneficiary foresees to expand his activity in the future, both in terms of space of the shop and services provided. Since he finds this experience as a very positive one, he would recommend HOPE to expand its support to other migrants in need and for a longer period as well as higher fund. To this end, he also encourages HOPE to continue elaborating and running similar projects in the near future because there is still a great need for reintegration needs in the country for those migrants who decide to settle back. As to other actors, the beneficiary would recommend that government applies fiscal facilities in the future and reduces the bureaucracy of business registration in terms of required documentation for business registration.

J. Ç

27 years old, divorced, high school education

She has migrated to Italy in 1996 and returned to Albania in 2007

Type of activity: Internet- Cafe in Tirana

International migration and establishment of the activity

The beneficiary has lived in migration for 10 years. She left Albania in 1996 through regular migration channels to join her husband who was living in Italy in that time. The reasons for migration were mainly economic difficulties and housing problems. In June 2007 she decided to voluntary return to Albania together with her son after her divorce with her husband and difficulties “to live alone in migration”. In addition she assesses her migration experience as not successful because she was not able to satisfy her needs and hopes for a better life through migration. Therefore the beneficiary doesn't consider re-migrating again.

The beneficiary approached HOPE association for support in 2007 and she was offered a job placement at the “Pro-Bast” Company. However, through this job she couldn't secure sufficient funding to afford her rent and other daily expenses for herself and her son, so she approached again HOPE to support her start up her own activity, an internet café. The experience gained at Pro-Bast Company helped the beneficiary acquire the necessary skills and knowledge to run after her own internet café.

The internet café was opened in July 2008 and registered as a small business. The initial cost for setting up this business was ALL 300,000, which was partially covered by a bank loan and HOPE support at the amount of EURO 1,050.

**Daily management of the activity and its progress**

Beside her working experience at “Pro-Bast” company the beneficiary attended also two training courses, on business management and accountability (Alpha 5) through HOPE financial support which she finds very useful in the daily management of her activity. She runs after the daily management of her activity while she is supported by three employees who are specialized in IT equipment. Overall, she assess the progress of her activity as “very good” because of increasing clientele and earnings.

**Future prospect of the activity and recommendations for HOPE and other parties**

Because of the very good progress of her activity, the beneficiary is considering expanding her activity in the future and she is also planning to open a fast-food shop close to the internet café.

She recommends HOPE to expand its activity and support in particular in the regions of Albania where there is more need (rural areas), and to increase the number of beneficiaries as well as expand its technical and financial support.

G. B

32 years old, single, high school education

He has migrated initially to Italy in 1998 and then to a number of EU countries, to return to Albania from the UK in 2007.

Type of activity: Bar- Coffee Shop in Tirana city.

**International migration and establishment of the activity**

The beneficiary has a “rich migration experience” in terms of destination countries. He migrated to Italy in an irregular way in 1998, and after that to a number of other EU countries, such as: Belgium, Netherlands, UK, in search of employment and better life opportunities. After refusal of his asylum request by the British authorities in 2007, he decided to return voluntarily to Albania through an IOM programme (VARRP program). He considers his period in migration as unsuccessful because his status as ‘asylum seeker’ for a long period prevented him from securing a regular employment in the EU. Upon his return to Albania the beneficiary preferred to settle in Tirana instead and his region of origin, Skrapar, in search of job opportunities, which according to him were totally lacking in Skrapar. He is happy with the decision taken, because he has been able to build a “satisfactory life” in Tirana and doesn’t consider re-migrating again. The failure of his current activity would also not be a strong reason for him to re-migrate.

The decision to start up a bar-coffee was strongly influenced by his working experience in migration, mainly as barman/waiter as well as cooker

assistant. He also thinks that HOPE influenced his decision by advising him to “make use of his migration experience”.

The bar-coffee shop was opened in June 2008 and is currently registered as a business. The initial cost for setting up the activity was ALL 300,000 and was covered partially by his savings on migration and partially through HOPE financial support. In order to best run the activity the beneficiary attended also the training courses on business management organized by HOPE, which according to him were extremely useful because he has not been exposed to such training before.

Daily management of the activity and its progress

At present, the activity is run by the beneficiary himself with the support of three staff members, all trained to do the job. The beneficiary takes care himself of the daily running (purchase of drinks, etc) as well as financial management. He is happy with the current progress of his shop which he considers as “very good” because he has secured clientele in a relatively short period of time and has collected good earnings.

However the beneficiary has gone also though a number of start up difficulties such as, securing clientele, lack of initial findings, delays in registering the activity as a business. Nevertheless, the beneficiary has overcome these difficulties and is already planning ahead for the near future.

Future prospect of the activity and recommendations for HOPE and other parties

The beneficiary would like to open a fast food near to the bar-coffee, and he can afford to do so.

He would recommend HOPE to expand its activity and support to other returnees. As to other actors he recommends to banks to ease their access to crediting to SMEs and to the government to release the small business from high fiscal obligations.

## SUMMARY OF FINDINGS

A number of generic conclusions can be drawn up with regard to migration experiences and reintegration experiences for returning migrants, as following:

1. The main reasons for international migration are difficult life conditions and lack of employment in the country, beside family reunification.
2. Even though most of the migrants report to have spent a considerable time in migration that varies from 2-6 years, they do not consider this experience as a very successful one. Migration is often seen as a “loss of time” in their life; nevertheless, migrants consider it as a challenging experience with a lot of lessons learnt.
3. Lack of success in “migration” is also the main reason why beneficiaries do not consider re-

migration as an option. The second strongest reason for not re-migrating is related to the satisfaction of the activity set up by the beneficiary.

4. Upon return to Albania most of the beneficiaries choose to open a certain activity on the basis of their working experience or knowledge gained in migration; they also decide to set up an activity on the basis of their strong interest.
5. The set up cost of the activity is partially afforded by the client, and mainly supported by external support received from family members and HOPE and less through bank loans.
6. In most (5 cases versus 1), the beneficiaries have registered their activities as businesses and pay local taxes.
7. Professional training on given activities, previous working experience as well as business management training is found by the beneficiaries to be crucial in setting up and running these activities, also in terms of future running of the activity.
8. Beside knowledge received during the obligatory school system, the trainings provided by HOPE prior and after the activity/business start up are the only trainings provided to and attended by the beneficiaries.
9. The activities are run by the beneficiaries themselves with some additional support from family members when possible.

3. In terms of “vision for the future”, beneficiaries plan to expand their activities through the provision of additional services and activities.

## CONCLUSIONS

1. International migration is considered by the beneficiaries as survival strategy to poverty and difficult life conditions in the country.
2. The decision to start-up a certain activity is strongly influenced by the working experience gained in migration; therefore migration experience is being valorised upon return to the country of origin, which is in fact a strong motive for permanent stay in Albania.
3. The activities set up are mainly of micro-enterprise nature. This can be seen in a number of aspects, such as number of employees, or daily management which is being carried out by the beneficiary herself, the self assessment of the progress of the activity (varying from “good to very good” which is mainly determined by criteria such as sufficient earnings that satisfy beneficiaries needs as well as their plans for future expansion of the activities. This micro-dimension of the activity helps its successful running because it involves little costs as well as risks.
4. The three-dimensional strategy of intervention of HOPE consisting

of training prior to job start up, financial and technical support to start up an income generating activity/business, business management training has “paid off” because the beneficiaries assess the progress of their activities as varying from ‘good to very good’.

5. The activities are registered in the National Registration Centre and contribute to the tax system in the country, being therefore eligible to financial services in the market such as crediting system; this in turn increases their chances for sustainability in a long term run. Nevertheless it seems that not all beneficiaries possess the correct information on registration procedures and fiscal obligations. This is perceived from a number of confused responses received by them on registration costs or local taxes.
6. The activities, be these of income generating type or micro-enterprise, need support in their early stages in order to grow up; this assumes removal of fiscal obligations at least in the first two years of the activity.
7. By the end of the project HOPE staff reported that all loans have been returned to HOPE prior to project closure, which is an indication of success of these activities.

## BENEFICIARIES

### RECOMMENDATIONS

Beneficiaries’ recommendations can be categorized as following:

- ❖ HOPE should expand its support to other beneficiaries and sustain it in a longer term and with additional financial and technical support. To this end, HOPE should continue to elaborate and run similar projects in the near future because there is still a great need for reintegration needs in the country for those migrants who decide to return to Albania.
- ❖ HOPE should expand its support mostly in the regions of the country where there is more need for reintegration support (rural areas).
- ❖ The government responsible entities should consider the removal of fiscal obligation for the new small businesses for the initial years in order to enable them to grow up and consolidate.
- ❖ The bureaucracy of business registration in terms of required documentation for must be reduced.
- ❖ The banking system should ease beneficiaries’ access to crediting system in order to enable them to grow up.

EVALUATOR  
RECOMMENDATIONS

- ❖ HOPE should encourage its beneficiaries to register their activities in the National Registration Centre in order to enable them benefit of the financial market services (such as crediting system) and as a way toward fighting the informality in the Albanian economy;
- ❖ HOPE should continue to encourage migrants to make use of their knowledge gained in migration in order to valorise this experience.
- ❖ Undertake additional efforts to ease the access of its clients to financial crediting institutions in order to support their clients expand their activities and to sustain them in a long-term run.
- ❖ Training activities on “business set up and running” should continue in the future as well because they help migrants gain knowledge in this area and remain updated with the market regulation and changing procedures.

### 2.3 PROJECT’S SUSTAINABILITY

The prognosis of sustainability of income generating activities/ micro-enterprises set up in the framework of this project, is positive if we consider the perception of the migrants for the success of their activities which, in all cases, varies from “good to very good”. Another element that could add to this

positive prognosis is the micro-enterprise nature of the activities set up or expanded through project support. This micro-dimension of the activity helps its successful running because it involves little costs as well as risks. A third element is the professional training provided by HOPE prior and after the activity/business start up, which is believed by all beneficiaries to have set the foundations for a solid enterprise running. A fourth element was the beneficiary full participation into all project activities, which in turn guarantees the ownership of the achieved results. A final element that adds to this prognosis is the fact that by the end of the project, HOPE staff reported that all loans have been returned to HOPE prior to project closure, which is an indication of success of activities.

Nevertheless there is still a lot to be done in achieving “sustainability” of the activities/micro-enterprises set up. This requires primarily support to remove “activities” from informality to formality; secondly to facilitate their access to the crediting system in the country; thirdly to help them to grow further through continuous professional training and information exchange as regards market regulation.

### 2.4 FINAL CONCLUSIONS

Internal migration although not as pervasive as international migration, remains a dynamic and evolving phenomenon. Reasons for migrating internally vary from economic, to family reunification, and seeking of better opportunities in the future. Return

migration is a vital dimension of Albania's migration even though is often perceived with ambivalence among prospective return migrants. Empirical evidence shows that the primary circumstances under which migrants would be willing to return on a permanent basis are: secured employment, acceptable level of security and living standards, while the main types of return assistance desired would be loans for business start-up and job-seeking assistance. Despite the variability of factors that lead to various forms of migration, there is wide consensus in the literature about the importance of facilitating integration experiences through governmental and civil society support.

Interventions should focus on providing resources (financial, informational, educational, and vocational) that can help undecided individuals to make informed choices. Similarly, return migration can also co-occur with internal mobility which leads to depletion of human resources in prefectures of origin. More incentives primarily employment and loans for starting small businesses should become available to prospective returnees in their own communities in order to facilitate smooth transition and re-integration experiences. Additionally, return migration often results in "best practices" which should become visible and accessible to individuals considering returning home.

In order to do so, a proper SME environment must be in place. At present, the Albanian economy, by

large, relies on micro-businesses, therefore the promotion of the development of the private sector is considered as the driving force behind growth and poverty reduction in Albania. The Albanian economy is dominated by small and micro-enterprises due to their "low entrance cost" in the market. About 64% are small enterprises. Additionally, approximately 32% of entrepreneurial activities are micro enterprises in terms of their size whereas the remaining activities are medium enterprises. This new private sector especially SME-s needs the financial support to grow. Until now banking system has not been able to meet these needs. Most of the "start uppers" rely on their financial and human sources as the most secured ones. Family is one of the most important sources of capital reported by both units of the sample with retailers relying quite heavily on it.

The difficulties affecting the SME sector in Albania are certainly reflected into the micro-enterprises examined under this evaluation. These enterprises suffer from insufficient funding from the banking system and high banking costs; from high fiscal obligations, high degree of informal economy and unfair competition; lack of constant supply of uninterrupted and time efficient utilities services; level of professional education. HOPE' project shows to be a successful tentative in supporting a number of migrants consider self-employment in Albania as a tool to overcome economic hardship and prevent emigration from the country. The project has succeeded to achieve most of its specific objectives,

while the prognosis for their sustainability is also positive, taking into account that migrants themselves consider their activities as successful. By the end of the project, HOPE staff reported that all loans have been returned to HOPE prior to project closure, which is an indication of success of these activities.

Nevertheless there is still a lot to be done in achieving ‘sustainability’. This requires primarily support to remove “activities” from informality to formality; secondly to facilitate their access to the crediting system in the country; thirdly to help them to grow further through continuous professional

training and information exchange as regards market regulation.

Finally, the projects succeed to build up a model that eases the process of reintegration of return and internal migrants and therefore prevents emigration from the country as the only viable solution to lack of employment and poverty. It also tried to change traditional stereotypes that prevent women from gaining power through learning processes (such as training courses) or employment. These are good reasons to seek replication of the project activities as well as their expansion in other areas of the country in the near future.

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ANNEX 1

List of materials consulted for the evaluation

1. Project Document
2. Project Logical Framework
3. Project Action Plan
4. Project Mid Term Report
5. Project Final Report
6. National Strategy on Migration and National Action Plan (2005-2010)
7. National Strategy on Employment and Vocational Training (2007-2012)

## ANNEX 2

### Training curricula

#### Day 1

- ❖ What is a business?
  - Business definition
  - Main activities to be covered by having a business
  - Main responsibilities to handle by having a business
- ❖ Why to open a business – business vs. employment?
  - How to make sure that decision for opening a business is the right one
  - Professional Career Concept – Personal vision and objective
  - Career and Personality – Personality test
  - Finding out what profession suits our needs and desires for self realization
  - Employment – main activities and responsibilities by being employed
  - Discussion: Business or Employment

#### Day 2

- ❖ What is a good business for me?
  - Business I like – up to three choices
  - Current abilities I have
  - Current Skills I have
  - Previous Experiences
  - Building up evaluation matrices for the business
- ❖ Albanian business market – Overview
  - Businesses in Albania according to NACE Code
  - Main Sectors vs. GDP
  - Trends of growing businesses
  - Profit margins for different types of businesses

#### Day 3

- ❖ Start up Business Plan – Business Idea
  - Describe business idea chosen
  - Describe reasons for choosing this business idea
  - Describe reasons why this business idea could be success – strong points

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- Describe what could be break fall factors for this business idea – weak points
- What is Plan B in case something goes wrong

### Day 4

- ❖ Start up Business Plan - Legal aspects
  - Is this business legally acceptable by Albanian Legislation
  - What are the laws that regulate this type of business
  - What licenses and permeations are required for this type of business
  - Who is regulatory body for the industry
  - Legal structure of the company ( Physical Person / Juridical Person)
  - Shareholder structure and content
  - Legal representative bodies of the company/business
  - Registration procedure for the business

### Day 5

- ❖ Start up Business Plan - Industry/Market
  - Understand industry/market to enter – industry chain
  - Statistics regarding the industry/market
  - Analyse cycle of the industry and which phase is currently
  - Barriers for entering this particular industry
- ❖ Competition
  - Identify competitors in the near market
  - Count competitors in the market
  - Build competition matrices – identify competitive advantages
  - Decide position of the business in the market

### Day 6

- ❖ Start up Business Plan - Marketing - Products/Services to be offered
  - Describe products/services planed to be offered by the company
  - Analyse if new or existing products for the market
  - Identify what is needed as technology or skills to deliver products/services
  - Products/services of the competition
  - Substitute products/services
  - Promotion for products/service
  - Inventory management
- ❖ Distribution Channels
  - Describe distribution channels as concept

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- Describe what distribution channels will be used by the company
- Analyse efficiency and advantages of the chosen distribution channels
- What investment is needed for delivery of the product
- ❖ Business Location

### Day 7

- ❖ Start up Business Plan - Clientele
  - What are potential customers that would buy our product/services
  - Permanent or on Spot clientele
  - Crediting our customers – receivables policy
  - How to manage receivables – bad debts
  - Pricing policy for wholesale and retail sales
  - Payment way from customers
  
- ❖ Suppliers
  - Identify potential suppliers
  - Build suppliers matrices – criteria for quality of suppliers' service
  - Calculate timing for supply orders
  - Purchases on credit – payables policy
  - Payment way to suppliers

### Day 8

- ❖ Start up Business Plan - Financial Management
  - Importance of financial aspect for the business
  - Sources of funding for the business
  - Financial Statements of the company
    - Balance Sheet
    - Income Statement (Profit & Loss Statement)
    - Cash Flow
    - Timing for preparation
- ❖ Start Up Investment
  - What are start up costs?
  - Calculate Start Up investment needed – include run off costs
  - Identify how to fund the amount of money needed
- ❖ Financial Plan
  - What is financial plan
  - Basic Assumptions on business data
  - How to build financial plan
  - Forecast of Balance sheet and Income statement for at least 5 years
  - Identify financial gap and how to fund it

Day 8 – continue

- ❖ Keeping accounting notes
  - Business success starts with adequate cash management
  - Explanation of invoices – simple or with VAT
  - Daily record keeping – one type of format to be used
  - Obligations toward Tax Office – documents and frequency
  - Preparation of Financial Statements – frequency

Day 9

- ❖ Start up Business Plan - Staff Management
  - Organizational Chart of the business
  - Identify skills needed for success of the business
  - Labour market potential – pool of candidates
  - Hiring staff – proper process in place
  - Performance Management of staff
  - Training staff – key to prosperity of the business
  - Legal obligations vs. staff

Day 10

- ❖ Case Study – Evaluation of business plans presented by the participants

ANNEX 3

Questionnaires used for the field survey

Questionnaire 1- Internal migrants

General data

Age.....

Civil Status.....

Education.....

Group I – Questions on internal migration

1. Where have you lived before settling to Tirana and for how long have you lived there?

a.....

b.....

c.....

2. In which year did you settle in Tirana, and what was your first location (in the city, or its surroundings)?

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3. What were the reasons for moving to Tirana?

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4. Does the motive that pushed you move to Tirana, still exists?

Yes    No

Alternative question: If yes, what are the positive changes associated with migration to Tirana (if any)?

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Alternative question: what are the negative changes associated with migration to Tirana? (if any)

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5. Do you consider returning to the area of origin?

Yes    No

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What would be the reasons for you to return/not return?

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6\*<sup>12</sup>. Would an eventual failure of the activity be a sufficient reason that would make you reconsider your decision for return to the area of origin? (Please specify)

Yes                      No

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Group II – Questions on the activity/enterprise planning

1. Why did you decide to open the “present activity”?

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2. Was this decision influenced by others?

Yes                      No

If yes, please specify who had an influence (family members, friends, etc)

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3. Do you think that your education influenced your decision to start up this activity?

Yes                      No

If yes, how did it influence?

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4\*. Has the decision to start up the activity influenced your decision to migrate to Tirana?

Yes      No (please specify)

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5. Has HOPE ‘staff influenced your decision to start up the given activity? If yes, in which way?

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<sup>12</sup> Questions with an asteric are alternative ones and can be asked if deemed appropriate by the interviewer.

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6. Please specify your previous working experience/training in the area of the activity/SME.

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Group III – Activity Set Up (procedures/costs)

1. When did you open the activity? (Date)

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2. Is your activity registered as a business? (Do you pay taxes regularly)?

Yes                  No

If not, is there any reason for not registering/paying taxes?

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3. What was the initial cost for setting up the activity?

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4. Did you have sufficient financial means to cover the start up expenses of the activity?

Yes                  No

If not, how did you secure the financial means?

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5. What was the financial contribution provided by HOPE to your activity?

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6. Did you receive any other support beside the financial ones? (Such as equipment, working tools, tax reimbursement, etc)?

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7. Did you attend any training course prior to the business set up that could help run your activity (such as business management course, etc)?

Yes                  No

If yes, please specify

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Group IV – Daily running of the activity, difficulties, and recommendations

1. Do you work alone or someone else supports you in the every day running of your activity?  
- Alone  
- I am being supported

Please specify

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- 2\*. How many of these supporters are qualified/have the right experience for the work they carry out?

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3. Can you please describe how your activity is managed on a daily basis?

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4. Have you ever attended any training course on business management?  
Yes No

If yes, please specify

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5. Have you participated in the training courses organized by HOPE for this purpose?  
Yes No

If yes, how would your assess these trainings?

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6. After the start up of your activity, have you participated in a training course that helps running your activity?  
Yes No

7. How would you assess the progress of the activity from its establishment to date?  
a. very good  
b. good  
c. not good

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d. bad

Please argument your response

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8. Please list some of the difficulties faced in setting and running the activity.

- a. \_\_\_\_\_
- b. \_\_\_\_\_
- c. \_\_\_\_\_
- d. \_\_\_\_\_
- e. \_\_\_\_\_

9. Have you overcome these difficulties?

Yes                  No

10. What are in your opinion the reasons for these difficulties?

- a. \_\_\_\_\_
- b. \_\_\_\_\_
- c. \_\_\_\_\_
- d. \_\_\_\_\_
- e. \_\_\_\_\_

11. How can these difficulties in your opinion be overcome?

- a. \_\_\_\_\_
- b. \_\_\_\_\_
- c. \_\_\_\_\_
- d. \_\_\_\_\_
- e. \_\_\_\_\_

12. What have your efforts been in overcoming these difficulties?

- a. \_\_\_\_\_
- b. \_\_\_\_\_
- c. \_\_\_\_\_
- d. \_\_\_\_\_
- e. \_\_\_\_\_

13. Do you acknowledge to have made any mistake in setting up the activity which you could have avoided?

Yes                  No

If yes, please specify

14. Has HOPE staff supported you to overcome these difficulties?

Yes                  No

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if yes, in which way?

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15\*. Do you envision expanding the activity in the near future?

Yes    No

If yes, in which way? (please specify)

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16. What would you recommend HOPE with regard to SME support activities to other internal migrants?

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17. What would you recommend other actors which in your opinion influence the success of your activity (such as government institutions, banking system, etc)

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ANNEX 3-

Questionnaire 2- International migrants

General data

Age.....

Civil Status.....

Education.....

Group I – Questions on international migration

1. Where did you migrate and how long you stayed in these countries (please list countries and time of stay)

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2. What was your status in the host countries, regular or irregular? (please specify the motive for the specific status held)

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3. What were the reasons for migration?

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4. What were the reasons for return to Albania?

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5. How would you assess your migration experience?

a. successful

b. unsuccessful

Please argument the response

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6. Do you consider re-migrating?

Yes

No

**Setting up a business: Challenges and successes – Migrants tell their stories**

If yes, what would be the reasons for considering re-migrating?

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7\*<sup>13</sup>. Would an eventual failure of the activity be a sufficient reason that could push you to re-migrate? (Please specify)

Yes                      No

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Group II – Questions on the activity/enterprise planning

1. Why did you decide to open the “present activity”?

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2. Was this decision influenced by others?

Yes                      No

If yes, please specify who had an influence (family members, friends, etc)

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3. Do you think your migration experience has influenced your decision to open the “present activity”?

Yes                      No

If yes, please specify how it did influence?

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4\*. Has the willingness to open the “present activity” influenced the decision to return to Albania? Please elaborate the response.

Yes                      No

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<sup>13</sup> Questions with an asteric are alternative ones and can be asked if deemed appropriate by the interviewer.

**Setting up a business: Challenges and successes – *Migrants tell their stories***

5. Has HOPE 'staff influenced your decision to start up the given activity? If yes, in which way?

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6. Please specify your previous working experience/training in the area of the activity/SME.

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Group III – Activity Set Up (procedures/costs)

1. When did you open the activity? (Date)

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2. Is your activity registered as a business? (do you pay taxes regularly)?

Yes                      No

If not, is there any reason for not registering/paying taxes?

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3. What was the initial cost for setting up the activity?

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4. Did you have sufficient financial means to cover the start up expenses of the activity?

Yes                      No

If not, how did you secure the financial means?

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5. What was the financial contribution provided by HOPE to your activity?

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6. Did you receive any other support beside the financial ones? (Such as equipment, working tools, tax reimbursement, etc)?

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7. Did you attend any training course prior to business set up that could help run your activity (such as business management course, etc)?

**Setting up a business: Challenges and successes – Migrants tell their stories**

Yes                      No

If yes, please specify

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Group IV –Daily running of the activity, difficulties, and recommendations

1. Do you work alone or someone else supports you in the every day running of your activity?

- Alone

- I am being supported

Please specify

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2\*. How many of these supporters are qualified/have the right experience for the work they perform?

---

3. Can you please describe how is your activity managed on a daily basis?

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---

---

4. Have you ever attended any training course on business management?

Yes

No

If yes, please specify

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5. Have you participated in the training courses organized by HOPE for this purpose?

Yes

No

If yes, how would your assess these trainings?

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6. After the start up of your activity, have you participated in a training course that helps running your activity?

Yes

No

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7. How would you assess the progress of the activity from its establishment to date?
- e. very good
  - f. good
  - g. not good
  - h. bad

Please argument your response

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8. Please list some of the difficulties faced in setting and running the activity.

- a. \_\_\_\_\_
- b. \_\_\_\_\_
- c. \_\_\_\_\_
- d. \_\_\_\_\_
- e. \_\_\_\_\_

9. Have you overcome these difficulties?

Yes                      No

10. What are in your opinion the reasons for these difficulties?

- a. \_\_\_\_\_
- b. \_\_\_\_\_
- c. \_\_\_\_\_
- d. \_\_\_\_\_
- e. \_\_\_\_\_

11. How can these difficulties in your opinion be overcome?

- a. \_\_\_\_\_
- b. \_\_\_\_\_
- c. \_\_\_\_\_
- d. \_\_\_\_\_
- e. \_\_\_\_\_

12. What have your efforts been in overcoming these difficulties?

- a. \_\_\_\_\_
- b. \_\_\_\_\_
- c. \_\_\_\_\_
- d. \_\_\_\_\_
- e. \_\_\_\_\_

13. Do you acknowledge to have made any mistake in setting up the activity which you could have avoided?                      Yes                      No

If yes, please specify

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14. Has HOPE staff supported you to overcome these difficulties?

Yes                      No

if yes, in which way?

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15\*. Do you envision expanding the activity in the near future?

Yes                      No

If yes, in which way? (please specify)

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16. What would you recommend HOPE with regard to SME support activities for other returnees?

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17. What would you recommend other actors which in your opinion influence the success of your activity (such as government institutions, banking system, etc)

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